Alma, Michigan
April 9, 2019

Present: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
Absent: None.

Work Session began at 5:30 p.m.

City Manager Schooley presented the April 5, 2019 Newsletter for discussion:

**Agenda Items**

**Hearings:** Set date and time for purpose of reviewing the proposed FY2020 Budget

Listed below is the proposed schedule for the review of the FY2020 Annual City Budgets. Once again, we will break down these sessions by functions or departments to keep things more manageable. I will have a more specific agenda for these meetings for Tuesday’s meeting.

<table>
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<tr>
<th>Date</th>
<th>Review Session (meeting type)</th>
<th>Time</th>
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<tbody>
<tr>
<td>April 23, 2019</td>
<td>Review Session (regular meeting)</td>
<td>5:30 p.m.</td>
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<tr>
<td>April 30, 2019</td>
<td>Review Session (special meeting)</td>
<td>5:30 p.m.</td>
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<tr>
<td>May 7, 2019</td>
<td>Review Session (special meeting)</td>
<td>5:30 p.m.</td>
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<tr>
<td>May 14, 2019</td>
<td>Review Session (regular meeting)</td>
<td>5:30 p.m.</td>
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<td>Adopt resolution of proposed FY 2020 millage rates</td>
<td>6:00 p.m.</td>
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<tr>
<td>May 21, 2019</td>
<td>Review Session (special meeting)</td>
<td>5:30 p.m.</td>
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<tr>
<td>May 28, 2019</td>
<td>Review Session (regular meeting)</td>
<td>5:30 p.m.</td>
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**Adoption of FY 2019 Budget**

**Request for Purchase**

Consideration of the request to purchase in the amount of $75,850.50 to Alta Equipment Company for and Asphalt Recycler per the State of Michigan Contract MI DEAL. This will replace the current 20+ year old Ashton Asphalt Recycler, which will be sold. This purchase request is a budgeted item.

**Informational**

**Treasury**

On March 27th we received the following email from the Michigan Department of Transportation:

We were informed by Treasury (see message below) of additional adjustments related to fiscal year 2018 which will result in the April payments (February revenues) being reduced by $13.4M. The share of this adjustment for Counties is $4.6M and for Cities/Villages is $2.5M.

During fiscal year 2018, the state’s legacy financial software and gas tax processing software were replaced by two new systems, SIGMA and MiMATS. In addition to the previously communicated adjustments, this month, Treasury discovered that reports provided to MDOT for month-end and year-end reporting in the new financial system were overstated by $13.4 million. This resulted from a misunderstanding by the Treasury staff using the reports in the new systems. These errors were corrected in the February collections report that was provided to MDOT last week.

Treasury is committed to accurate financial reporting and is taking corrective steps to remediate the errors. Treasury is working to improve communications between key participants at Treasury and MDOT. Reports to MDOT on gas tax collections will now be centralized and generated by a group of accountants within Treasury to ensure accuracy. Additionally, further training, internal controls, and quality assurance procedures are being established to prevent errors in the future.

On April 1st another email arrived from MDOT:

The Act 51 website has been updated to provide a breakdown by agency and the effects of this adjustment at the links below.
Please note that the Act 51 website - Michigan Transportation Fund (MTF) section has been updated to include additional information on the Department of State/Treasury overpayments to assist you with your planning and projections. These reflect the previously communicated adjustments for the Treasury overpayment - $44M, DOS overpayment - $55M, and the Treasury overpayment - $13.4M (September 2018 earnings month corrected in February 2019 earnings month - April 2019 payment).

The summary shows Alma’s overpayments total $39,208.63.

**Solid Waste Authority Annual Meeting**

On April 5th Republic Services met with the Gratiot Area Solid Waste Authority for an annual report as well as a request for an amendment to the current agreement. We are nearing the end of year two of a five-year agreement. The City received a copy of a letter to Matt Biolette of Republic Services from the Isabella County Material Recovery Facility (MRF) advising of a newly instituted processing fee for materials brought to their facility. The fees are in response to the growing recycling crisis we have talked about over the past year. Recycling from Alma is transported to the Isabella County MRF for processing. The Gratiot Area Solid Waste Authority is considered a single commodity entity that has a cost of $85/ton of recycled material. Republic is asking that the authority reimburse them for this cost as stated in the agreement, section SP7: In the event of new, or a change of existing, local, state or federal laws or mandates related to the collection, disposal, or processing of refuse or recyclable, the contractor shall be reimbursed proportionately for any increased cost. Republic has committed to paying $40 of that up front. That reduces our increased cost to .34 per household per month. The authority agreed with the request.

The recycling industry is in a state of rapid change. The authority was also given a PowerPoint presentation that states 79% of residential respondents to a national survey are still willing to pay for the service. Education as to what should be in the recycling stream is of the utmost importance as it can assist in keeping costs down.

**2019 Employee Manual**

One of the goals for the City this year is to bring accountability and understanding to the organization. To that point I have attached the 2019 Employee Manual. Input for the manual came from the Administrative Team and the Employee Development Team. All supervisors have been advised they are to go over the manual with their staff and acknowledgement forms will be signed by May 1, 2019. There may still be minor tweaks prior to May 1st, but the intent is to make sure that we as an organization have a better understanding of what is expected of us as employees and what we need to be accountable for going forward.

**Alma Action Spring Fling Golf Tournament**

The Alma Action Association (AAA), the Alma Promotional Committee of the Gratiot Area Chamber of Commerce, is hosting our 12th Annual Spring Fling Golf Outing on Friday, May 3rd at the Pine River Country Club. The event is an 18-Hole; 4-person team golf scramble. There will be a 50/50 raffle and betting hole along with cash prizes for the closest to the pin and low net. The cost is $65 per person for the scramble and includes a box lunch. Sign in will begin at 9:30 a.m. with a shotgun start at 10:00 a.m.

The money raised at this event helps sponsor Party on State Street, Farmer’s Market, Flower Planting, Fred Meijer Heartland Trail, Christmas decorations, Alma Fall Festival, the Come Home to Alma for the Holidays Christmas Celebration, Community Art Expo Banner Project, U.S. 27 Motor Tour, Jingle Bell Run/Walk and the Alma Promotional Billboards. The program helped promote the Alma Highland Festival, Big Brothers Big Sisters, Rural Urban Day, Gratiot County Fair for Youth, Lucky MacDuck, Keep Alma Beautiful Cleanup and Planting Days, Gratiot County Players, thank you sponsor boards, and the general business community.

**Parking Lot Ground Lease – Alma College**

Aeric and I met with Alan Gatlin, COO for Alma College to begin discussions on a lease agreement for the parking areas around the Opera House Block. There are just a few items that need to be cleaned up on the attached document. We are anticipating bringing this agreement to you for the second commission meeting in April. Any questions please get with me or Aeric.
City Manager Schooley wanted the Commission to be aware that the City of Ithaca will be sending out a RFP for Police Services. There have been broad based discussions in the past on a Public Safety Authority. This request from Ithaca may bring on more discussions on this subject.

The April 9, 2019, City Commission work session concluded at 5:58 p.m.

Alma, Michigan
April 9, 2019

Mayor Mapes called a regular meeting of the Alma City Commission to order at 6:00 p.m. at the Alma Municipal Building.

Present: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
Absent: None.

Mayor Mapes asked the City Commission and members of the audience to stand and recite the Pledge of Allegiance to the Flag.

Motion by Commissioner Piccolo as supported by Commissioner Allman to approve the Amendment to the Agenda to include a consideration of an agreement with ProNexus.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Vice-Mayor Harrington as supported by Commissioner Pitts to approve the minutes of the March 26, 2019 regular meeting.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Commissioner Piccolo as supported by Vice-Mayor Harrington to receive of a communication from the Arbor Day Foundation announcing that the City of Alma has earned the recognition as a 2018 Tree City USA.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Commissioner Mott as supported by Commissioner Piccolo to set the dates and times for the purpose of reviewing the proposed FY 2020 Annual City Budget.

April 23, 2019 Budget Review Session (regular meeting) 5:30 p.m.
April 30, 2019 Budget Review Session (special meeting) 5:30 p.m.
May 7, 2019 Budget Review Session (special meeting) 5:30 p.m.
May 14, 2019 Budget Review Session (regular meeting) 5:30 p.m.
Adopt resolution of proposed FY 2020 millage rates 6:00 p.m.
Motion by Commissioner Pitts as supported by Vice-Mayor Harrington to set a public hearing for May 14, 2019 at 6:00 p.m. to review the FY2020 Budget and its related Property Tax Millage rates.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Commissioner Piccolo as supported by Commissioner Allman to approve the request to purchase in the amount of $75,850.50 to Alta Equipment Company for an Asphalt Recycler per the State of Michigan Contract MI DEAL.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Vice-Mayor Harrington as supported by Commissioner Piccolo to approve a resolution proclaiming April 26, 2019, as “Arbor Day” in the City of Alma.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Commissioner Pitts as supported by Commissioner Allman to approve the change to the Outdoor Café Permit Authorization process with only requiring Staff endorsement.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Commissioner Allman as supported by Commissioner Pitts to adopt Ordinance #809 to amend the Zoning Map of the City of Alma as it appears in Section 32-32 of the Ordinances of the City of Alma. This Ordinance is to rezone the property at 313 N. State Street, from B-1, Central Business District to BMR, Business Multi-Family Zoning District subject to the conditions set forth in the Conditional Rezoning Agreement.

Yes: Allman, Harrington, Mott, Piccolo, Pitts & Stahl.
No: Mapes.

Motion by Commissioner Mott as supported by Commissioner Pitts to adopt Ordinance #810 to amend the Zoning Map of the City of Alma as it appears in Section 32-32 of the Ordinances of the City of Alma. This Ordinance is to rezone the property at 534 N. State Street, from R-1, Single Family Residential to R-3, Multi-Family Zoning District, subject to the conditions set forth in the Conditional Rezoning Agreement.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Commissioner Pitts as supported by Commissioner Allman to authorize the execution of a Conditional Rezoning Agreement between the City of Alma and Gemini Capital Management V, LLC, property owner, which conditionally rezones the property at 313 N State from B-1, Central Business District to BMR, Business Multi-
Family Zoning District subject to the conditions set forth in the Conditional Rezoning Agreement.

Yes: Allman, Harrington, Mott, Piccolo, Pitts & Stahl.
No: Mapes.

Motion by Commissioner Mott as supported by Commissioner Allman to authorize the execution of a Conditional Rezoning Agreement between the City of Alma and, Alma First Baptist Church, property owner, which conditionally rezones the property at 534 N State Street from R-1, Single Family Residential District to R-3, Multi-Family Zoning District.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Commissioner Mott as supported by Commissioner Piccolo to ratify the execution of a Unilateral Metro Act Permit to Crystal Automation System, Inc. dba Casair, Inc.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Vice-Mayor Harrington as supported by Commissioner Pitts to approve the Professional Accounting Services agreement between the City of Alma and ProNexus for Phase I to preform various accounting and finance duties as interim CFO/Accounting Consultant. At the City Manager’s discretion, the City can move on to Phase II as long as the required hours for Phase I has not exceed 160 hours.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Vice-Mayor Harrington as supported by Commissioner Piccolo to receive the following reports and place them on file: Alma Police Department March 2019 Report; Code Enforcement March 2019 Report and Building Permit March 2019 Report.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Commissioner Piccolo as supported by Vice-Mayor Harrington to approve the appointment of Andy Shafley to the Alma Downtown Development Authority.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Commissioner Pitts as supported by Vice-Mayor Harrington to approve the appointment of David Ringle as City of Alma Public Services Director.

City Manager Schooley expressed his excitement to have David Ringle as the Public Services Director. No one is more committed the City. The is a very positive move, congratulations to David.

Yes: Allman, Harrington, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

City Manager Matthew Schooley presented the Fiscal Year 2020 Annual City Budget to the City Commission. The budget is intended to present in financial terms, the overall plan for providing municipal services for the Citizens
of Alma for the upcoming year beginning July 1, 2019. The desire of the City Staff is to provide a high level of services that embraces progress and development of this community.

Our work is guided by our Core Values: Teamwork, Respect, Integrity, Pride, Learning and Excellence (TRIPLE).

The Goals for FY2020:
We will identify, develop, and implement work processes that define expectations for staff and hold them accountable for their performance-Workflow process, checks and balances, policy and procedure manuals. We will work on developing the leaders of this organization for the present and the future. We will better plan for training our employees—many have not received substantial training in their specified areas of work. We will begin to educate the community on the importance and necessity of change in today's climate. We will explore creative ways to better utilize our finances and our resources. We are committed to providing a real analysis of our internal service methods, priorities, and costs.

Overview of the City Budget:
Governmental Accounting is very different from general business accounting.

Two Fund types: Governmental Funds and Enterprise (Restricted) Funds. Governmental funds are the dollars that we can work with for services for Alma. Restricted funds are revenue that comes from other sources managed by the City. There are many Functions existing in City Government. Each Fund has expenditure categories and revenue sources. Expenditures involve personnel, materials and supplies, services and charges, Capital Outlay and Debt. Revenues Sources come from taxes, special assessments, licenses and permits, grants, charges for services, fines and forfeits, Investment income and rents and other.

City-Wide expenses by Category were presented with Personnel being the major share at $4,616,254. We need to treat our employees like the resources they are, they are our investment. The budget work discussions will delve deeper into these categories.

Street Funds entail: Major Street Funds: There is no Major street projects for year 2020; Local Streets: Budgeted at $417,000 for Francisco, Washington Sanitary, Sharrar Alley and Seal coat and Crack sealing; Voted Street Millage ($470,000) for Iowa Street reconstruction. Roadways reconstruction may have to be analyzed differently. Age of Infrastructure has been a decision maker in deciding road projects, but we are now finding that some roads need repaired, even if their infrastructure does not.

The Capital Improvement Plans FY2020 were presented. A total of $2,984,000 is being budgeted. The large expenditures will be in Streets, Water and Wastewater to work on bringing improvements to infrastructure in these areas.

Revenues and Expenditures FY2020 are balanced at $4.1 million. Internal fees for Public Works to be charged as direct wages and benefits. Information Services will now be in full contract with IT Right for a savings of approximately $152,000.

Vice-Mayor Harrington left the meeting at 6:45 p.m.

Last year we developed a Fund Balance Policy that sufficient General Fund Balance be retained to provide a stable financial base. The minimum level of unrestricted fund balance at the end of each fiscal year should be sufficient to cover six months of future budgeted operating expenditures. The City's basic goal is to limit expenditures to anticipated revenue thereby maintaining a balanced budget. Currently the City has $3,407,173 in the General Fund Balance with a $4,100,00 anticipated budget FY2020, the Fund Balance must not exceed $4,100,00 or drop below $2,050,000.
Discussions on the budget will start on April 23, 2019 at the first budget review meeting.
Motion by Commissioner Piccolo as supported by Commissioner Allman to receive the City Manager’s presentation of the FY2020 Annual City Budget.
Yes: Allman, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Motion by Commissioner Mott as supported by Commissioner Piccolo to approve Warrant No. 19-19 and to authorize the City Treasurer to issue checks in payment of all claims.
Yes: Allman, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

Mayor Mapes asked for Commissioner comments.

Commissioner Stahl remarked on how great the new Transit Vehicles look.

Commissioner Allman reminded citizens that with the warmer weather to put your phones down while crossing City streets.

City Manager Schooley wanted to thank Staff over the last two weeks in handling the questions on the reappraisal services being provided by Legacy Assessing.

Mayor Mapes stated that the State has mandated that property records be reappraised. He thanked Assessor Roslund and Staff for putting us ahead of the game.

Mayor Mapes opened the floor for Public Comments.

Laurie Wilson, 517 Michigan St. Louis, wanted to thank the fire department for being diligent in finding and taking care of the car fire at Walmart.
Dean Clark, 141 S State, wanted to thank the City for the road work done on Ely, State, Court and Woodworth but can something be done about the railroad tracks crossing City Streets. He hopes that the City can contact the Railroads to get repair work done.
David Freed, 515 N Court, wanted to ask if it is possible to have a sidewalk put in place at the corner of Superior and State to accommodate walkers trying to get around the Opera House project. We could use the 4 parking spaces on Superior. Staff has looked into the issue and decided that taking away the spaces for a walkway does not make the area safer.
Les Rosan, 889 Mill, was surprised on his return to Alma, people were everywhere. He presented pictures on debris he noticed by the water plant and asked that it be cleaned up. He also wanted to point out that the Old Smith Hospital on State and Downie is a safety concern.

There being no additional Public comment, Mayor Mapes asked for a motion to adjourn.

Motion by Commissioner Allman as supported by Commissioner Piccolo to adjourn the regular meeting at 7:16 p.m.
Yes: Allman, Mapes, Mott, Piccolo, Pitts & Stahl.
No: None.

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Gregory S. Mapes, Mayor

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Sheila Letourneau, City Clerk