**MINUTES**

**FOR THE CITY COUNCIL BUDGET WORKSHOP OF AUGUST 24, 2021**

The budget work session of the Mandeville City Council was called to order by the Council Chairman at 5:00 p.m.

**ROLL CALL - present:** Jason Zuckerman, Rick Danielson, Rebecca Bush, Skelly Kreller, Jill McGuire

**Also present:** Mayor Madden, Keith LaGrange, Director Public Works, Cara Bartholomew, Dir. of Planning, Kathleen Sides, Finance Director, Elizabeth Sconzert, City Attorney

Mr. Zuckerman explained this is our fifth budget work session during which time no votes will be taken. Mr. Zuckerman stated he wanted to start with a review of the items we have discussed then go through each exhibit and then open for more questions. He would hope we could have some revised exhibits by Thursday and hopefully vote on them Thursday.

**Exhibit A; Capital Budget**:

**General government**

1. Change shoreline protection and flood control (eastside of the city) to $250k, add footnote that this is for consulting fees to assist in the assembly of

2. Add line item for ravine aux coquille bank stabilization in the amount of $300k

3.Land acquisition – add footnote to earmark monies for the purchase of land for the cemetery expansion. Mrs. McGuire wanted to earmark $1.1 million towards the cemetery expansion and Mrs. Sconzert felt by putting a dollar amount on the project, it could hurt negotiations. The mayor has been speaking with the owner and has another meeting with then next week. He feels if we need more money, we can do a budget adjustment.

**Streets**

1.Add $100k for design and survey of sidewalk on southside of E. Causeway from Monroe St. to the butterfly garden. This would include 2 crossovers: Community Center and New Golden Shores. Dr. Kreller requested this addition to the budget.

**Police**

1.Revised budget with additional breakdown forthcoming from the administration

A) Vehicle replacement - $229,175

B) Outfitting 7 new vehicles - $174,415

C) Bullet Proofing existing fleet - $90,000

D) Bullet Proofing new vehicles - $21,000

**Police Shields:** add $48K

Dr. Kreller stated the police department only has one police shield. He would like to have multiple available for an entire shift. The cost is around $4k/piece and he would like to add 12

The mayor stated the Chief is going to ask for a security assessment from Homeland Security so he would request to hold off on the monies for a security gate at the Police Department. Chief Schleim explained the assessment would be for all city buildings and he believes it would be free of charge. Homeland Security would make recommendations and it would be up to the administration and council to decide what to implement. He is also going to have active shooter training for all employees and commissions if they would like to participate.

Dr. Kreller would also like to investigate establishing a 5-year program to update police service revolvers. It is his understanding their shelf life is around 12 yrs., and some maintenance cannot be done. He would like to see all weapons replaced within 5 years. Captain Greenwood explained he would prefer to have all service revolvers replaced at the same time. Different officers use different weapons. He will provide Dr. Kreller with a breakdown for the next meeting.

Dr. Kreller inquired about the need for any police motorcycles. He asked Captain Greenwood if they need replacement. Captain Greenwood explained a fully equipped bike is around $25K. He will check the inventory and get back with Dr. Kreller if there is a need for replacement at this time.

**Water Department**:

Dr. Kreller asked about the Water Tower repairs. Mr. LeGrange explained this is for the Rapatel Tower. There are some improvement/repairs needed in the internal tank along with other miscellaneous items. Mr. Danielson asked if we have warrantied=s on any projects. Mr. LaGrange explained most warranties are for 12 months after construction. Mr. Danielson suggested we establish a maintenance plan for the water towers. Mr. Burguieres explained years ago he investigated a maintenance contract with Caldwell Water Towers, and it was around $10K/year. This would be a cost savings to the city along with the repairs being done by the company who constructed the tower. Mr. LeGrange will investigate this.

Dr. Kreller asked about the $50K vehicle. Mr. LeGrange currently explained the water department has one vehicle and this would allow for a second truck. This would allow for the purchase of a 4-door truck with toolbox bodies.

**Capital Streets**:

Mr. Danielson asked if the city should do some type of transportation stud to be more prepared when developments come into the city. Mr. LeGrange stated the multi modal use study is being conducted through RPC and they will give a city-wide recommendation rather than an area specific snapshot. Dr. Kreller stated the LSU project seems to be moving along and if the city did the study, we could have more control. Mr. LeBreton stated the RPC study is 6-8 months long and it will only cost the city $30K; we have a 20% match with RPC.

**Exhibit “B**”:

Under 10100 - general government:

* 1. EE retirement to be removed from ‘student worker” for both general government and sewer department
  2. “Clerk 1” and “clerk” will be merged, and total count will be “3”
  3. HR director reduce salary to reflect a 2.5% increase

Mr. Zuckerman stated there was a suggestion to restrict transfer of funds between line items in Exhibit “B”. Mrs. Sconzert stated the strongest way would be to add language to the ordinance like the way the council added language in Exhibit “C and D”. The council can decide what that range would be: no change by a percent, position, total, etc. Mr. Danielson stated it could be along the lines of 5% or $3K. Mrs. Sconzert agreed it is different for each position. She recommended to make sure to use the words “and” or “and/or” in the language. Mrs. Sconzert explained some of this is taken care of by civil service. McGuire’s concern is dealing with all line items and all funds, she would like to do this on the budget. Mrs. Sides commented the restrictions can hinder the hiring process. They budget for incoming hires at step 3 and for example they could not have hired the current Planner at step 3- she was hired at more than 5% more than listed. If the administration must come back to the council for more money that adds 1 month to the hiring process. Dr. Kreller does not understand the hiring at a larger amount without the salary survey. Mrs. Sides stated that she came with experience, and they had to compete with her current salary. The only positions that can change from the exhibit are council clerk, executive secretary, and new hires. The directors are subject to council approval and civil service employees once hired are restricted by civil service regulations. Mr. Danielson stated we have a lot of positions open for new hires. Mrs. Sides agreed and stated we could always come back and change exhibit “B” after the salary survey.

Mr. Danielson stated he is along the lines of anything more than 5% or $3K must come back to the council for approval. Mrs. McGuire is still concerned. If the council voted against something it should not happen. She understands new hires but for existing, any raise should go before the council. Dr. Kreller feels the 2.5% should have more restrictions. 2.5% for directors is a lot more than 2.5% for some lower end employees. He suggested to give directors a 1% increase a 2.5% increase for directors is a large amount of money over time. Mr. Zuckerman disagrees with Dr. Kreller. There are performance reviews in place, it is not automatic.

Mr. Brian Burke explained there are 2 types of employees: classified and un-classified. There are policies for the civil service and those employees’ increases are regulated by civil service and can only be changed by action of the board and then the council. Mr. Danielson suggested another joint meeting with civil service after receiving the salary survey, to determine how to move forward. There may be certain positions that need to be adjusted, some may be in line. He would like to establish a COL increase and then a merit system.

Mr. Danielson stated 2.5% step increase is based upon performance evaluation. Then there is a $300 and $800 available. How does that work, is it based upon a score? It has only been offered once in the past two years for someone who pulled someone out of a burning fire. Mr. Burke has a question if this section is even constitutional. For a city employee to get a bonus it needs to be applied to a matrix. The sections Mr. Danielson is talking about is very subjective. Mr. Burke stated the understanding is over 36-40 is exceptional and is eligible for an additional 2.5% but that has not been budgeted for years. Mr. Danielson stated that should be discussed with the salary survey. Mr. LeGrange asked how does it work if someone works outside of their class? Mr. Burke stated you need to promote to that class.

Dr. Kreller asked if it would be possible to add in the budget a $300 bonus for all employees of the city which would be about $331,000. The city thought they were out of the woods with covid, and he wants to be sensitive to the situation we are in again. He wants a one-time lump sum. Mr. Burke stated this would not be a bonus, it would be a one-time thing and it is possible. Mrs. Sides also stated you could add

This under the ARPA money. Mr. Zuckerman is not in favor of this. He stated there has been so much stimulus money out there, he does not agree with a lump payment. He would rather fund the merit-based raises. Dr. Kreller wants to give this as an appreciation of the employee’s service. Some employees are not adequately compensated and that $300 means a lot. Mr. Zuckerman would feel better about funding raises. Mrs. Bush would rather see it go towards a raise. Mr. Burke stated the council is not doing away with the raise, this is in addition. Mr. Danielson does not have a problem with this, but this means a lot to those on the lower end of the scale. This would be now, and we are still going to address the salary survey. Any changes we make with the salary survey would be retro to the start of the fiscal year. Mrs. Sconzert will review. Mr. Zuckerman asked where the $300 arrived at. Dr. Kreller explained in the civil service manual he read we can give $300, anything over is tied to evaluations. Mr. Zuckerman just stated the $300 is the same amount the Federal government gave to every child as a tax credit. Mrs. Sides stated if we want to do a lump sum payment it has to be under emergency pay, we cannot just give everyone a bonus. Mr. Burke stated the council can give any amount they felt appropriate. The mayor feels the salary survey will help the lower paid salaries. Employees want the opportunity to be able to get a 5% raise again. During covid the city paid all employees except directors an additional $7 per hour and made that retro pay.

Mr. Danielson has been very clear he believes the grants position should be outsourced. You could take that amount and pay each employee $500 with that $50K. Mrs. Bush does not have a problem but would like for the concentration to be on raises. Mr. Danielson sees the merit part as policy and the additional is a good gesture. More to follow will be with the salary survey. Mr. Zuckerman would like to see the city offering 3-4% merit-based increases where it is tied to performance rather than a handout. Mrs. McGuire agrees but just wants to make sure we do not set a precedent. She does not just want to hand out money to everyone, only those who have gone above and beyond and those doing other people’s jobs. Mr. Burke feels once we have the salary survey, we can explore a different scale rather than just a 2.5% increase or nothing. Mrs. Bush is in favor of the $500 but we need to set parameters. Dr. Kreller stated it would only apply to those on the payroll currently and he would like it issued now. It does not apply to future employees. Mr. Zuckerman stated so the council would give $500 to someone who worked 8 months ago during covid and someone who has been with the city for 2 weeks. Mrs. Sconzert stated you cannot treat the employees differently using this as emergency pay. It needs to be a different line item but should be linked to the ARPA funding. Mrs. Sides stated the first payroll of this budget would be September 3rd, so employees would get this in two Friday’s.

Add “emergency pay” line item of $50,000 for a distribution of $500 per employee

**Grants/Contract Administration**:

Mr. Danielson would like to see this position outsourced. He does not want to eliminate the position, just the location of its funding. He feels you could get a more experienced person if it is outsourced than protected under civil service. Mrs. Bush concern is defining the efficiency of someone whether inside or outside the city. Mr. Danielson feels you can develop a scope of work. A civil service position, if it does not work out, you are stuck with it. Mrs. Sides stated all civil service positions have a 6-month probation. Mr. Danielson asked how many people we have let go in 6 months. Her reply is “none that I am aware of”

; they are desperate for this position and to have some keep track of contracts. Mrs. McGuire thinks there are 2 separate things: grants and inhouse managing contracts. Grants should be outsourced and contracts, civil service. Mr. Zuckerman stated the primary role is contract administration and that is in house. The grants position is to make sure we are grant compliant. The mayor stated we could always hire a consultant. This position went through civil service, but this person will look for grants and manage grants daily. The thought was, it is similar skill set, so if we can get both jobs for one position. Mrs. McGuire feels you will not get someone to look for grants for $50K and now this is a dual role. Mr. Zuckerman sees the need for a contract’s manager, but the grants issue is making this confusing. He suggested making two-line items, one for contracts manager and then another for outsourcing grants. The contracts manager position would have to go through civil service; the grants contract position would have to be completely removed. Mrs. McGuire suggested removing the position and wait for the salary survey. The grants position would go through contract and then contracts go with civil service. The mayor objects to dividing the position. Mr. Burguieres asked how many grants the city received. Mrs. Sides stated we get elevation grants and DOTD grants. Mr. LeGrange stated the grants have a compliance component and we need someone internally to manage those grants. Mr. Zuckerman stated this is more of a compliance position rather than one to pursue grants; he is fine leaving it the way it is. If anyone wants to make a change when we vote on Thursday, we will further discuss. Mr. Danielson and Dr. Kreller feel it still could be better. Mrs. Bush stated this still does not prevent the city from contracting someone to pursue grants.

**Exhibit “C”**

Mr. Danielson recommended keeping the mayor’s salary frozen like a term of a councilman. He recommends keeping the salary at $94,500 for the entire term. Mrs. McGuire agrees. She has spoken to prior council members who voted upon the mayor ‘s ordinance and this was their intent. She feels if we give 2.5% every year, we undo what that council worked for. She is in support of the city paying for the mayor’s MERS. He is a full-time employee. The city of Covington mayor and employees must pay for their retirement. Mr. Danielson feels this past year was at zero. He suggested each year to add 1/3 so at the end of his 4 yr. term he would be at full contribution rate. This is based upon the ordinance that was approved by the last council. Mr. Zuckerman and Mrs. McGuire have no problem either way. Mr. Danielson recommended to freeze the mayor’s salary and phase in MERS. Mrs. Bush was not sure if the retirement portion was contemplated. Mr. Danielson was not on the council at that time, but that is what was approved by the prior council. Mr. Zuckerman asked if everyone was ok with freezing the mayor’s salary. Mrs. McGuire, Mr. Danielson, and Dr. Kreller agreed. Mrs. Bush feels the mayor should get an increase like everyone else. The mayor would like an explanation of why no increase. Mr. Danielson stated in prior councils, the mayor did not always get an increase. The prior council sent an ordinance to the voters to allow them to decrease the mayor’s salary. This was approved and then the council adopted the mayor’s package. Mrs. Sides stated the voters did not approve to decrease the mayor’s salary, but they could. Mrs. McGuire explained the perception was you were voting to allow a decrease and the voters agreed. They were basically saying they were ok with a reduction in the mayor’s salary. Mr. Zuckerman proposed to leave it the way it is and vote on Thursday. Dr. Kreller disagreed with this, he feels three members are suggesting freezing the salary. Mr. Zuckerman stated it was fine with him, Mrs. Bush was opposed. This can be further discussed at the Thursday meeting.

**Exhibit “D”**

1. General - all emergency expenses will be consolidated to a single line item and description changed to “emergency preparedness”
2. Change description of 10100-44200 from “banquets” to “community events”
3. Change description of 10100-46000 from “council meeting fees” to “city council pay”
4. Add cell phone allowance for council clerk and 2 police captains

**Exhibit “C”:**

**Cellphones**-

Mr. Danielson suggested keeping the cell phone allowance for the mayor and council at $50. Chief Schliem asked if he could add two captains on the cell phone list which will also include the Council clerk.

**Exhibit “D”:**

**Office Supplies – 10-100-4300 reduce amount to $25K**

I know 2021 was for new office furniture, etc. What is the reason for the proposed 10% increase from $57,205 to $62,926 for FY 2022? – Mrs. Sides explained that this is for Final furniture for 5 spaces in City Hall and general cost increases. Dr. Kreller still has issues with this dollar amount. Last year we spent over $50K to refurbish over 10 offices and this year we are refurbishing 5? In prior years, the office supply budget was around $15K. Dr. Kreller asked how much it costs to refurbish one office. Mr. Andrew Paretti responded with anywhere between $1,000 to $1,500. Dr. Kreller suggested reducing the line item to $25K. Mrs. Sides agreed and thought she made an error in the estimation.

**Emergency preparedness plan amount changed to $55,000**

Mr. Danielson explained this was 3 separate lines combined into one. Mrs. Sides stated this consists of the RCL and Emergency Plan with a NTE of $99K. Mr. Danielson asked how much money we have spent to date, and her response was around $45K, but this is on a calendar year basis. Mr. Danielson recommended the change to $55K for this line item.

**MPD horse mounted division** – Mr. Danielson recommended adding $6000 to the operating budget. He and the mayor want to bring back the mounted division of the MPD for special events and activities.  Mrs. Sconzert explained there are certain certifications required for both the office and the horse for insurance purposes. The city’s premium will increase, and she would like to get a better picture of the costs before adding this to the budget. The mayor agreed and suggested if they decide to move forward, they will come back with a budget adjustment.

Civil Service increase:

Dr. Kreller asked what makes up the increase in civil service costs. Mrs. Sides explained this for a variety of items for employment and she will send Dr. Kreller the list. It varies from vaccinations, employment checks, civil service fees, etc. Dr. Kreller is still concerned we are still having questions and he does not feel we are ready to adopt this budget.

Mr. Zuckerman stated the last scheduled work session is Thursday, August 26th from 5-5:50pm. He requests a summary of the meeting sent to the administration so we can revise some exhibits. Any proposed additional adjustments can be voted upon Thursday and possibly pass the budget.

**ADJOURNMENT:**

Mrs. Bush made a motion to adjourn the meeting, seconded by Mr. Danielson. Mr. Zuckerman adjourned the meeting at 8:05p.m.

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Kristine Scherer Jason Zuckerman

Council Clerk Council Chairman