

## MINUTES

### FOR THE CITY COUNCIL BUDGET MEETING OF AUGUST 17, 2022

The budget meeting of the Mandeville City Council was called to order by the Council Chairman at 6:00 p.m. followed by roll call.

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

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

Mr. Danielson explained this is our 4th budget meeting. No votes will be taken tonight. Last week he discussed the operating budget deficit with the mayor and asked for the administration to work on presenting a balanced budget.

#### OPERATING DEFICIT:

Mrs. Sides discussed the deficit and reviewed the proposed adjustments to the budget.

GENERAL FUND TOTAL BUDGETED REVENUE	28,756,475
LESS ONE-TIME REVENUE	
ARPA	-2,416,427
FEMA	<u>-8,000,000</u>
GENERAL FUND RECURRING REVENUE	18,340,048
GENERAL FUND DEPARTMENT EXPENDITURES	
GENERAL GOVERNMENT	-6,940,134
POLICE	-10,007,523
STREETS	<u>-2,730,980</u>
GENERAL FUND RECURRING EXPENDITURES	-19,678,637
PLUS ONE-TIME EXPENDITURE	
LEGAL FEES	325,000
<b>DEFICIT</b>	<b>-1,013,589</b>

#### PROPOSED INCOME ADDITIONS

GENERAL GOVERNMENT	
10000-30800 FRANCHISE TAXES	239,326
10000-31300 POLICE FEES	231,374
10000-31600 CONTRACTOR LICENSES	5,000
10000-32300 BUILDING PERMITS	50,000

#### PROPOSED EXPENDITURE ADDITIONS

GENERAL GOVERNMENT	
10100-41400 COMP LAND USE PLAN REVISION	-125,000
POLICE	
10110-40000 SALARIES	-51,378
10110-40100 OVERTIME	-7,500
10110-40200 FICA	-3,930
10110-40300 RETIREMENT	-21,193
10110-40400 MEDICAL INSURANCE	-26,310

**PROPOSED EXPENDITURE REDUCTIONS****GENERAL GOVERNMENT**

10100-42100	MEMBERSHIP DUES & SUBSCRIPTIONS	1,000
10100-41600	COMPUTER SUPPLIES & PROGRAMS	22,980
10100-43000	OFFICE SUPPLIES	8,000
10100-43400	COMMUNITY CENTER	5,000
10100-3500	PLANNING & DEVELOPMENT	273,214
10100-3700	TRAILHEAD	26,500
10100-4200	TRAVEL CONVS. & CONFS.	30,000
10100-5100	SOCIAL SERVICES	11,000
10100-6700	UNIFORMS	2,000
10100-7100	EQUIPMENT MAINTENANCE	2,000
10100-7600	CONTRACTED SERVICES	20,000

**POLICE**

10110-2100	MEMBERSHIP DUES & SUBSCRIPTIONS	1,000
10110-1600	COMPUTER SUPPLIES & PROGRAMS	150,005
10110-3000	OFFICE SUPPLIES	5,000
10110-4200	TRAVEL CONVS. & CONFS.	5,000
10110-6600	RADIO MAINTENANCE	78,276
10110-6700	UNIFORMS	5,000
10110-7100	EQUIPMENT MAINTENANCE	3,000
10110-7500	EQUIPMENT RENTAL	5,000

**STREET**

10120-1600	COMPUTER SUPPLIES & PROGRAMS	23,097
10120-3200	BUILDING MAINTENANCE	5,000
10120-6600	RADIO MAINTENANCE	2,000
10120-7000	VEHICLE MAINTENANCE	5,000
10120-7600	CONTRACTED SERVICES	9,101
10120-7900	SIGNS & LIGHTS	30,000
10120-8000	SAND ASPHALT & GRAVEL	15,000

<b>TOTAL ADDITIONS AND REDUCTIONS</b>	<b>1,033,562</b>
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<b>SURPLUS</b>	<b>19,973</b>
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**OPERATING:**

Ms. Bartholomew explained the reduction in the planning project list. She explained she has pulled those projects with no planed design yet. Some of her projects she will use out of contract services. Her budget was \$1,075,214 and is now \$802,000.

Mr. Danielson explained many of the projects are not going away, they are just on hold. He suggested holding quarterly budget sessions and determine if we need to make increases or decreases in the budget instead of once a year. He stated our projected deficit was \$1.013 million and with the above changes (\$1.033 million) that gives us a \$19,973 surplus. Mr. Danielson stated none of the proposed cuts affect city services.

The mayor stated he did not agree with the methodology, but it was a good exercise. He made cuts before the original budget was presented and now, they have done a second round. Mrs. Sides stated some are unexpected things not that she just overlooked them.

Dr. Kreller asked what goes into contracted services? Mrs. Sides explained that is basically 1099 services such as temp labor, parade clean up and the CEA with the sheriff's office.

Mrs. Sides wanted to reiterate that according to the COLA ordinance, the mayor must put this in the budget and it's up to the council to approve. The COLA increase estimate for this coming year is expected to be upwards of 10% and we are not in a place to do this next year; it is not fiscally responsible for the city to add.

Mr. Danielson would like to go through all of the recommendations for the budget, they will be written to as an amendment and then voted upon at the budget approval meeting.

Mr. Runyon wanted to track down the missing items:

- 1- FY21 audit results – they are not in, and Mrs. Sides provided a letter from the auditors stating it is not required to pass the budget.
- 2- New budget with the proposed actuals – Mrs. Sides has to send the file to clear gov to upload. Mr. Runyon wants to see this before we vote on budget.
- 3- 5yr forecast operating was posted yesterday. The ordinance says you have to provide forecast based upon best practices. This was passed by the MFOC. He is looking at the impact of the operating revenues and expenses of the general fund balance. He would like to have Mrs. Sides send him this forecast sheet in an excel format and he would be happy to help Mrs. Sides. Mrs. Sides has not heard of this process, and she does not think we need a 5yr forecast to pass the budget. It would be helpful but is not needed. We have not done a forecast since 2014. Mr. Runyon stated it was done in the 2018 budget and it was very helpful.

#### **CAPITAL:**

Mr. Danielson stated we have a carryover of \$26 million and a budget of \$21.3 million so what is the actual capital budget? He thinks it would be \$47 million when you look at the two combined. That is very difficult to complete in one year. The mayor explained we had a major hurricane Ida so some of the projects this year he did not get to. The citizens asked for Ida recovery, and this is an odd year. The city spent far below what was anticipated. This year we will get some started and other we may not. Mr. Danielson asked then what money is slated for capital projects? Mrs. Sides explained on the fund summary sheet the total capital is \$46,978,933 however all projects are not funded by the general fund. Some come out of special sales tax, D3, etc. The funding source is not the same for the department.

Some proposed changes:

**City Hall Design/CMAR: \$243,413 + carryover of \$356,587 = \$600,000**

**Police Department Building – add “design”**

**Add \$400K for Old Golden Shores drainage**

**Add \$75K for Montgomery drainage**

Mr. Zuckerman has questions about the berm project. He is requesting to pull the additional funding and work on the design, we could always do a budget adjustment later on. He is not comfortable with what he has seen to date and wants to make sure everyone knows what we are building and the impact it would have. The lighting and land side proposal is a no for him. Mrs. McGuire has

the same concerns and is very cautious about what we approve. Mr. LaGrange stated we cannot pull the entire amount budgeted; we have to keep \$1 million because it is coming from the parish with GOMESA money. The mayor is waiting on more information, and he will update the council before a vote on the budget.

**Mr. Zuckerman requested to change the Berm Project 2023 budgeted request to \$1,000,000**

Mr. Runyon explained if you have not spent any money on a capital project it goes away. How do we know if any money has been encumbered in the prior year since it is not shown on the capital projects page? The language is confusing. Mrs. Sides stated there are a couple of projects that have not had any monies spent. Mrs. Sconzert stated if there is a project out to bid, that is considered monies appropriated; you don't have to spend actual dollars.

Mr. Danielson asked for a list and the following changes were made:

**Street Sweeper budget request is now \$300K- nothing in prior year**

**Roof at UV chamber is now deleted from capital**

**Fence at WWTP budget request is now \$175K – nothing in prior year**

**City Hall budget request is now \$243,013K**

Mr. Runyon and Mrs. Sides disagree on encumbered and prior year appropriation. Mr. Runyon asked if you only put the dollars left to spend on the appropriations column, how do you really know the total cost of the project? Mrs. Sides will add a third column and list encumbered as well as the prior year appropriations and budget requested.

Mrs. McGuire would like to create a separate line item to allocate funds for the property at Florida, Colbert, Soult and Montgomery. It is about 13 acres and listed for around \$1 million. She feels this is an important piece of property for the city to purchase due to its ramification on city drainage. The mayor is not in favor of this allocation. He would like to wait until the resiliency plan is completed and they will determine key areas to focus on. Mr. Zuckerman is also afraid if the city waits too long, we could lose an opportunity to purchase a key piece of property. Mrs. McGuire would like to know if Ms. Bartholomew could explain what could be built on that property. Mr. Danielson suggested making an appraisal a requirement in the budget and then fund it through land acquisitions if all goes well. Mr. Jeff Lyons urges the city to purchase the property and not wait for the resiliency plan. Mrs. McGuire will work on working for the next meeting.

#### **Operating:**

**Mr. Danielson explained he wanted to add \$10,825 to the base of the council clerk's salary.** This was discussed in February and was deferred until the upcoming budget. Mrs. McGuire asked if this total included the cola and merit. Mr. Danielson stated yes, with the change in base and then adding cola and merit, **the new amount would be \$77,662.**

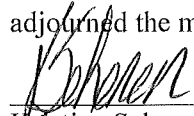
Mr. Danielson discussed if the council needed another work session. It was decided to have a final work session starting at 5:00pm before the August 25<sup>th</sup> Council meeting. We can advertise this tomorrow and meet the advertising requirements.

Dr. Kreller asked Mrs. Sides when we could expect to receive the revisions to the budget. Mrs. Sides stated she has already made the changes we discussed prior so she just has to add tonight's. She will have updates tomorrow.

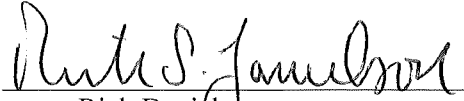
#### **ADJOURNMENT:**

Mrs. Bush made a motion to adjourn the meeting, seconded by Mr. Zuckerman. Mr. Danielson

adjourned the meeting at 7:45 p.m.



Kristine Scherer  
Council Clerk



Rick Danielson  
Council Chairman