

**BUDGET MINUTES
FOR THE CITY COUNCIL MEETING OF JULY 17, 2023**

The regular 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, Jill McGuire, Rick Danielson, Skelly Kreller, Rebecca Bush

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

PRESENTATION:

Ms. Becky Hammond and Mr. Kellson Jeffery discussed the financial forecast report executed on behalf of the city. The purpose of this is to assist the City with the preparation of a 5-year financial forecast for the fiscal health of the General Fund, Police Fund, Streets Fund, and the Water & Sewer Fund.

Mr. Zuckerman asked if the numbers forecasted out are including inflation or just today's dollars? Mr. Jeffery explained those area today's dollars with a 2% increase. Mr. Zuckerman also asked what would be the impact during a reassessment year? Mrs. Sides explained unless we raise the mills a reassessment does not increase revenues. He also wanted to make sure the capital outlay graph does not factor in any outside funding. He stated some projects may not happen if we do not get the funding.

The mayor explained the 5-year capital forecast lists 2025 thru 2029. In 2025-2026 we have \$4 million set aside for shoreline protection each year, City Hall master plan at \$2.25 million each year, and the sea wall repair was spread out at \$250K over those 4 years. These are things we will always discuss; however, he does not see the west side protection project happen unless the city gets grant funding.

Mr. Danielson apologized for not looking at the presentation prior to the meeting. The council just received the information after 2:30 this afternoon. He asked how the money market interest was factored in. Mr. Jeffrey explained they did not factor the whole amount, just an average before the rate freezes went into effect. Mr. Danielson stated on the expense side, did they factor in COLA and merit pay? Mr. Jeffrey stated they did factor in a 3% COLA average but did not factor in any merit pay increases. Mr. Danielson said in previous years they did not have a COLA, only merit so now they get COLA and at least a 2% merit and that is a pretty big expense that needs to be included. Mr. Danielson asked if they included the retirees in the expenses. Mr. Jeffrey stated they are included in personnel costs. Mrs. Sides explained that will not go up as much since they instituted a vesting schedule.

Dr. Kreller asked the administration when they received the financial numbers. Mrs. Sides stated they received the presentation this afternoon. The mayor stated they received draft numbers a few weeks ago and had requested some changes. Ms. Hammond stated they are happy to come back or answer any questions since the council has just received the packet.

Mr. Glen Runyon asked why there is not a breakdown of the streets fund? Mrs. Sides explained they looked at streets in the general fund. They asked CRI to look at the general and enterprise

funds only. Mr. Runyon asked why the merit was not included because the city has recently added the possibility to get a 1-3 step increase which could be anywhere from 2-6%. This affects not just salary but retirement. Did they look at a forecast for MERS and MPERS. He suggested to breakout the retirement line item.

QUARTERLY BUDGET REVIEW:

Mrs. Sides reviewed the funds report and explained this is for the fiscal year 2023 through May 31, 2023. We have not received any FEMA income yet. Interests are high in every category.

Mr. Zuckerman asked if where we stand with forecasting actuals for the rest of the fiscal year. Taking out the one-time revenues and one-time expenditures, how do we look. Mrs. Sides said we are at 76% of budgeted revenue not including any one-time revenues. We could be within the 5% margin without the FEMA revenues. In the enterprise fund the biggest item is the transfers in from the special sales tax.

Dr. Kreller stated we need to increase the revenue in the enterprise fund because it is not paying for itself. Mrs. Sides explained in order to get the grant for Golden Glen we have to participate in the rate study. This study will show us what we should do along with state guidelines we need to follow and when it needs to be implemented. Rate increase need to be done for garbage services as well, both will be set by ordinance. We are at a loss for water and sewer over the past several years.

Mr. Zuckerman asked there were a lot of general fund capital projects that will not be spent this year. Is that reflected in these numbers? The total expenditures of \$24,693,241 does not necessarily reflect what we are going to spend, it should be less, just off of capital projects not completed/started. The same will apply for the revenue side. This is why he is interested in seeing the projection data.

Mrs. Sides will update the end of year estimates and update current actuals to date for the council. There are funds that we will not spend the designated amount this fiscal year. There are many projects we have to budget for, in order to bid, but will not necessarily spend in this fiscal year.

Mrs. Sides stated in the detail sheet she included in the YTD numbers, an encumbered amount and many of these will not be spent this year and will be a roll over into next year's capital. Encumbered means we have a contract or purchase order. In about 2 weeks she will take a hard look and see what needs to be carried over.

Mr. Glen Runyon asked general government fund pays? The garbage and water bills go to the enterprise fund and the enterprise fund pays the payroll for water and sewer employees. The general fund pays the garbage bill, so the enterprise fund pays the general fund back. Mr. Runyon stated in the operating fund we are already showing a deficit. Mr. Zuckerman stated that's why he asked for an update with forecasted numbers. Capital is always going to be under. The council approved almost \$450K for planning and that has not hit this sheet so its more operating expense. We are already at a deficit and adding an additional amount that you have not spent- the forecast would only get worse. That \$450K should have been put in next year. Capital is one time stuff and can be manages, you cannot manage operating. You need to know where you stand with the operating before you pass a budget adjustment to see where you are right now. One time money makes this all look good except we are not doing ok if you look at the operating budget.

BUDGET

Ordinance No. 23-27; AN ORDINANCE TO APPROPRIATE FUNDS RELATIVE TO AND FOR ADOPTION OF THE OPERATING BUDGET FOR THE CITY OF MANDEVILLE FOR FISCAL

YEAR 2023-2024; AND TO ESTABLISH THE ADMINISTRATION OF EXPENDITURES THEREOF AND TO PROVIDE FOR RELATED MATTERS.

Ordinance No. 23-28; AN ORDINANCE FOR THE CITY OF MANDEVILLE SPECIFYING "NO PARKING" ON THE SOUTH SIDE OF CLAIBORNE BETWEEN CARROLL AND LAFITTE IN ACCORDANCE WITH SECTION 10.64 "REGULATIONS AT SPECIFIC LOCATIONS" OF THE CODE OF ORDINANCE OF THE CITY OF MANDEVILLE AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH

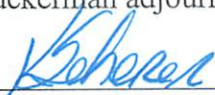
The mayor read some highlights from his budget message. Sales tax revenue is higher than last year. We have had a lot of new businesses added this past year. We will be adding Habanero's where Conjemi's use to be. He announced we have received \$2 million in state funding for the construction of the MPD and he will apply for more money next legislative session. Almost all of the officers have completed active shooter training and this year they will participate in de-escalation training. There will be phase 3 of the park's projects along Hwy 190 along with the four corners construction. They will continue to budget funds for asphalt and striping, land acquisition and improved city website.

Mr. Danielson asked taking out capital, are we starting the fiscal year with a balanced budget? Mrs. Sides explained she will take out the one-time revenues and expenditures and will send a revision to the council. There will also be a joint civil service meeting tomorrow night to discuss COLA.

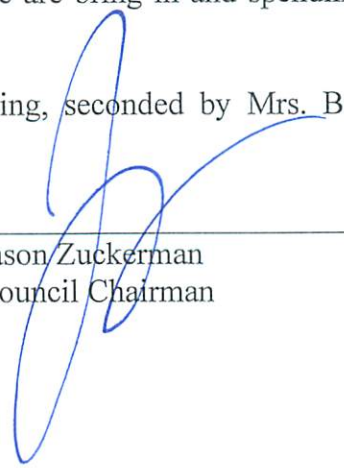
Mr. Zuckerman stated our next budget meeting will be July 26th and we will start with operating.

Mr. Danielson asked we are showing \$7-8 million in district 3, which would primarily be grants. Is this accurate, has this been received this fiscal year? He wants to back out all this one-time stuff to see what we actually know what we are bring in and spending before capital.

Mr. Danielson made a motion to adjourn the meeting, seconded by Mrs. Bush. Mr. Zuckerman adjourned the meeting at 7:45 p.m.



Kristine Scherer
Council Clerk



Jason Zuckerman
Council Chairman