

**QUARTERLY BUDGET MINUTES
FOR THE CITY COUNCIL MEETING OF APRIL 24, 2024**

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, Rebecca Bush

Absent: Skelly Kreller

Also present: Keith LaGrange, Public Works Director, Mayor Madden, Kathleen Sides, Finance Director

MINUTES:

1. Adoption of the January 31, 2024, budget meeting minutes. A motion was made by Mrs. Bush and seconded by Mr. Danielson. With no further comments or questions a vote was taken and the minutes were adopted 4-0 (Kreller absent).

NEW BUSINESS:

1 Finance Report

Mrs. Sides stated this is the March 31, 2024 – 7-month period financial report. Mrs. Sides reviewed the summary page of the finance report. Two notes on revenue in the enterprise fund: reimbursement check for water emergency repair of \$451,000 and almost \$200K dividend check from workman's comp. Neither of those are reflected in the report. Mr. Danielson said we are 122K over last year but still well under budget. He projects through 7 months to the end of the year; we would be coming in just short of \$22 million in sales tax revenue which is a shortfall of \$941K for the year. Mrs. Sides is hopeful, we are at 56% of the 58% estimate for the year. Mr. Zuckerman stated his calculations came up with short of \$400K. Mr. Danielson took the actual number, divided it by 7 and then multiplied it by 12 and came up with \$21,866,000 short which is a yearly increase of 1% and we initially budgeted an increase of 5.17%. Mr. Danielson asked on the summary page under revenue he wants the last line comparing year to date figures for each section. Mrs. Sides explained that is not apples to apples. Mr. Danielson thought it would be helpful to show year-over-year comparisons.

2. Council Discussion on Budget.

Mr. Danielson asked based off of the main fund at \$35 million, we are earning 2.6%, that gives us an interest income of \$910,000. Do we have any updates on the RFP's because he feels we should be at least earning 5% and therefore missing out on almost \$1 million. Mrs. Sides has received the first statement from Argent and did get a lot of information: fees are at .2% on the first \$10 million, .175% on the next \$10 million and .15% on the rest. That includes custody of the assets and excludes LAMP investments. The annual percentage of fees is .15% and the city outperformed the stated benchmarks for each time period, cash equivalents have underperformed the 90-day T bill. For 3 and 5 yr. terms Lamp is at 5.36% which is extremely competitive. We are at 20% in LAMP, 80% in securities – compliant with state statutes. Argent is earning 2.6% and we have 80% of the money in Argent so the 3–6-month T bills, why does Argent not have us at 6%? Mrs. Sides explained we are trying to long term goal is to have safety then liquidity then yield. Mr. Danielson stated there are local banks where cash is tied to the T bill rate, fully liquid and safe so we are missing out on \$1 million so when does this get shopped? Lamp is 5.36% and we only have 20% of money in that account, so why do we not have more money in that account? Mr. Danielson stated this was supposed to be shopped for better rates and an RFP was to be put out after the audit because we are down \$900K in sales tax revenue and we are missing out on that same amount in investments. Mrs. Sides stated they are working on the RFP and if he wants

to sit down with Argent. He does not see the need to sit with Argent. If LAMP is currently at 5% why isn't someone moving our money – they are supposed to be maximizing our money and we are not. Mr. Zuckerman wants to make sure we maintain the liquidity we need. Mr. Danielson agreed that is a question that needs to be asked= how fast can you get the money if we need it? Mr. Danielson stated other government agencies have moved 100% of their assets to local banks, fully liquid, LAMP is the same way. Mr. Zuckerman asked if we need to put out an RFP to move money? Mrs. Sides does not feel so, but she is not comfortable moving money. Mr. Zuckerman wants to make sure we are maximizing our money, and it can be liquid. Mr. Danielson does not feel we are maximizing our money, and he keeps asking the same questions and we have not progressed in the process. Mr. Zuckerman stated with our current investment team, we could transfer money, so we can look into this. Mrs. Sides will look into this.

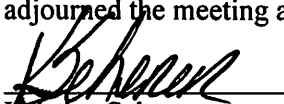
Mr. Danielson asked will the financial forecast be updated going into the budget cycle before the budget comes out. Mrs. Sides will have that before July 1st and she will project end of year numbers going out for 5 years. Mr. Danielson suggested to be conservative on sales tax projections. He also asked about any updates on FEMA reimbursements. Mr. LaGrange stated there are no updates. Mr. Danielson stated we are below in revenue, and we could finish the year with a deficit of \$3 million, so what are the plans for budget adjustments for the revenues we are not going to receive and the expenditures to offset? Mrs. Sides stated the administration has decided not to recommend any adjustments as of the 2nd quarter, they are hoping to get obligated money in the second quarter. Expenditures in general fund are 48% of our budget at 50% so they are well within the 5% range. On enterprise fund we are at 39% expenditures, and revenue 35, well 47 in operating revenues and we still have to do interfund transfers. Mr. Zuckerman wants to move towards looking at this towards a forecasted end of year cost instead of the monthly, because neither expensed nor revenues are linear. At the same time, we need a forecast for end of year costs, he feels that would be more helpful – what is projected cost at year end. Mrs. Sides explained she can do this.

PUBLIC COMMENT:

Mrs. Cynthia Thompson stated she would help with the writing of the RFP. She also stated the city has a lot of Muni bonds and the last 2 years were not performing well. She wants to make sure we are getting our monies' worth from the two companies. For computer supplies and expenditures, the budgeted amounts total \$1.173 million, but expenses are about \$150K so why did we budget so much? Mrs. Sides will provide that breakdown.

ADJOURNMENT:

Mr. Danielson made a motion to adjourn the meeting, seconded by Mrs. Bush. Mr. Zuckerman adjourned the meeting at 6:40 p.m.


Kristine Scherer
Council Clerk


Rick Danielson
Council Chairman