

Mr. Burke:

I'd like to go ahead and call the August, the jury meeting of the Municipal Police Civil Service Board and the Mandeville Municipal Employee Civil Service Board and the council to order August 7th, 2023. Ms. Ulfers, can you call the roll please?

Pamela Ulfers:

Ms. Cressy?

Ms. Cressy:

Here.

Pamela Ulfers:

Mr. Ainsworth?

Mr. Ainsworth:

Here.

Pamela Ulfers:

Mr. Burke?

Mr. Burke:

Here.

Pamela Ulfers:

Mr. McGuire?

Mr. McGuire:

Here.

Mr. Burke:

And we'll speed it up.

Kristine Scherer:

Jason Zuckerman?

Jason Zuckerman:

Here.

Kristine Scherer:

Rick Danielson?

Rick Danielson:

Here.

Kristine Scherer:

Skelly Kreller?

Skelly Kreller:

Here.

Kristine Scherer:

Jill McGuire?

Jill McGuire:

Here.

Pamela Ulfers:

Rebecca Bush?

Jill McGuire:

That's what we thought.

Mr. Burke:

If we could stand and have a moment of silence for Ms. Buchholz who passed away unexpectedly.

Mr. McGuire:

I would ask that we all have a brief moment of silence and respect for Carla Buchholz who served District 2 on the Mandeville City Council from 2008 to 2016, and whose father, Frank, actually held that same seat from 1984 to 1992.

Mr. McGuire:

Carla died several days ago unexpectedly from a massive heart attack when she was got into the hospital from a family vacation with her husband, children, grandchildren, and great-grandchildren, in Florida. It was totally unexpected and it's a tremendous loss for all of her friends, family, all who knew her, and a woman who really served this community well, and who was a particularly strong supporter of civil service and of the merit system of employment, and of pay and benefits for the Mandeville workforce.

Mr. McGuire:

So please...

Mr. McGuire:

Thank you. I would be remiss also if I did not say how nice it is to see Skully Kreller back here. I believe you had surgery Monday for a heart issue? Can't keep a good man down, huh?

Mr. McGuire:

Yeah. And one final comment while I think about it. In our last joint meeting, we had some discussion of my very strong beliefs that Mandeville should be on a calendar year, fiscal year and not on what we are,

particularly if you're going to refer to the social security codes, which we come months after they're actually announced.

Mr. McGuire:

There was some consideration that perhaps the City Charter Amendment would be necessary to do that. Actually, that's not so. Section 5.01 of the Mandeville City Charter says the fiscal year of the Mandeville sitting government shall be September 1 to August 31st, subject to change by ordinance of the council.

Mr. McGuire:

So the council can change it with proper notice, public hearing, at any time that it wishes. I just wanted to clarify that.

Mr. Burke:

Thank you. Turn to the flag and to the Pledge.

Group:

I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

Mr. Burke:

The only item on our agenda tonight is discussion again of the COLA increase for all city employees, both police and non-police. At the last meeting, the board made a recommendation for non-police, for police that it'd be 5.8%. At the council meeting, it was discussed some more and the council asked if we could have another joint meeting to have some additional discussion, and also allow the administration to show us what the numbers looked like and what had to be cut in order to make those pay increases work.

Mr. Burke:

Before we get started, I want to bring back everybody to a couple of years ago, when we initially had the salary survey. At that time, our consultants came back and said that the comparative salary range analysis indicates 83% of the city salary ranges, minimum and maximum, fall below the market-based range. And there were 41 incumbents, 41 people working at the city that were paid below the market-based minimum for that position.

Mr. Burke:

So you had people who've been working here several years, still being paid below the minimum amount for a similar position. So that's when we hear talk of the city employees got this huge pay increase. It wasn't just manna from heaven. It was to bring them in line with what was their positions were in the general workforce, because they had been so underpaid for several years.

Mr. Burke:

And that kind of forms the basis of why we're here today. So-

Mr. Ainsworth:

And, [inaudible 00:05:12], we didn't just recommend, we approved the 5.8 for the police.

Mr. Burke:

Correct.

Mr. Ainsworth:

But it's subject to the city's having the funds in the city council being able to fund it.

Mr. Burke:

Right. There's several opinions on how that actually works, but I think the majority would hold that both salaries have to be approved by the Civil Service Board and also approved by the governing authority from the council.

Mr. Burke:

And so if we would approve the police pay raise and go to the council and they reject it, or they come back with a low number, in my opinion, we'd to come back to the Civil Service Board for approval.

Mr. McGuire:

Richard [inaudible 00:05:58], at the meeting when we discussed this, I tried to make it clear that the Police Civil Service Board under Act 184, 1964 has authority to adopt a compensation plan for the police department, period. We adopt the compensation plan. We decide what the civil service board for the police department feels that amount should be. That is then transmitted to the city council, but it's subject to approval by the council through funding.

Mr. McGuire:

We can make a recommendation on the non-police, but that's all it is. And that's because the police system came in four years before the charter put the municipal employees under civil service. And in fact, that didn't then take effect until 1984.

Mr. McGuire:

But at the last meeting, which was a meeting of the Police Civil Service Board, this board did vote to adopt a 5.8% increase in salary as the compensation plan for the Mandeville Police Department Civil Service employees. And we also recommended the same amount in all fairness, to the non-police civil service employees, although we have no authority over that.

Mr. McGuire:

Now, my own opinion is once we have adopted it and have told the council or sent it to the council, this is what we have adopted. Then the approval by the council is inherent in the funding of it. We have no funds in our own, we don't have a treasury. We can't require that it be funded, okay?

Mr. McGuire:

It's subject to approval, and then the Act on that clearly says that the personnel director shall administer and develop a classified police civil service plan. The adoption of such plan shall be by rule of the board after public hearing. And the duties of the board are to administer a classified personnel system for this, and to approve the classification and compensation plan.

Mr. McGuire:

So this board has approved the adoption. It has adopted the 5.8% classification plan for the police department.

Mr. McGuire:

Now, I may be at a different opinion, practicing law without a license again, I'm seldom overruled, but let me tell you, it is firmly my opinion that once that is sent by this board to the council and the council has to approve it or fund it, the council chooses not to fund it in the amount that the board has adopted and, in fact, chooses to fund through the budget a lesser amount it's my opinion that that does not come back to the Civil Service Board for us to then approve a lesser amount.

Mr. McGuire:

We had already adopted a plan, we sent it, the council did not approve it. They fund a lower amount if that's what happens, there's no need for this board to then go approve now, the council's lower amount.

Mr. McGuire:

The only thing that's involved here is the board for the police has adopted a plan. It is 5.8%. It has been sent or will be sent by our secretary to the council as the action of the board. If the council does not agree with it, that's their prerogative.

Mr. McGuire:

If they don't want to fund it in the full amount, but will do a lesser amount, that's their prerogative whether we agree with it or not. But it is not necessary for it to come back to this board for its approval of a reduction from what this board had adopted. Okay?

Mr. Burke:

And again, as I said earlier, I'm in the opinion that a reduction has to come back for the board's approval. And at that point in time we can get into some sort of discussion and agreement between the board and the council as to what a number that everybody can live with that both sides, both boards can agree on.

Mr. Burke:

And then there's been some talk and there's a third argument out there, not necessarily that I agree with it, but there's a third argument that the board has the power to approve the classification and compensation plans and that the board would approve the compensation plan and the council would fail to fund. Again, I don't necessarily agree with it, but there's an argument to be made that that would be then an unfunded liability on the part of the city, while the police weren't getting paid.

Mr. Burke:

It's out there. It could become a lawsuit down the line brought by an employee or a group. Just saying that it's out there. It's something to take into consideration as we move forward.

Mr. McGuire:

Well, I don't know who is advancing that argument, but I believe it's totally incorrect, and will just be a next line, I'm looking right now, fiscal year '24, \$422,650 budgeted for legal fees. I remember when we had a full-time city employee at \$92,000 a year, and that was full time in the office.

Mr. McGuire:

But what's being said here about unfunded liabilities, I mean, you will spend a great deal litigating that and you will be in court for a very substantial amount of time. But I strongly feel that if the council does not accept the compensation plan adopted by this board, but adopts a lower figure, that is their prerogative because they must approve it. In effect, if they go to a lower figure, they're disapproving the paid plan we adopted.

Mr. McGuire:

I see no relevance. And then say, "Well, let's send it back to the Police Civil Service Board and see if now they'll adopt the lower amount." There can be a vote on it, but I'll tell you what, I will not vote for a lower amount, period.

Mr. Ainsworth:

Can I just make a comment? It is our prerogative to set, and we did, a raise of 5.8. However, we live in a real world where the city has a certain amount of money they can spend, and I think that if the city comes back to us after we've set it and for whatever reason, and I think that they'll have to look at their budget and see if they can cut here or there, or if there are any programs or what they can and can't afford. But I think that it's realistic because we live in the real world that we'll have to revisit it.

Mr. Ainsworth:

Because what are we going to do? Set something up at 5.8 for one segment and then the other employees get a lower rate. And then I'm not sure what happens to employee morale if there are different raises for different people in this city. And we have to live within a budget.

Mr. Ainsworth:

So maybe we can adjust the budget to be able to accommodate it. But I think if we can't, the city council can't meet what we've set, realistically we have to... because we don't fund. And I think that we have to revisit it.

Mr. Burke:

Mr. Zuckerman?

Jason Zuckerman:

Thank you, Mr. Chairman and members of the commission. First, I want to very much thank you for taking the time tonight to be with us again. We met a few weeks ago during a commission meeting and everybody's schedule was busy. And also thank the council members, we've been having about three meetings a week for the last three weeks, it seems like. So thank everyone for their time.

Jason Zuckerman:

I wanted to maybe take a step back in the discussion a little bit just to explain why the council just requested this meeting actually. And also explain that the council has in no way rejected the recommendation that was made at the last meeting. At that point, we didn't discuss... I don't recall discussing, rejecting it. But at the last joint meeting we had, there was a lot of discussion about what this commission felt would be the right number would be for COLA for this year.

Jason Zuckerman:

Council members were asked what they felt should be the right number for this year. And I know I was one that said, "Well, I believe that coming on the heels of the pay raises and the COLAs we've done in the last 18 months, I felt that the 2.7% that was proposed in the budget was reasonable. I did express some concerns about overshooting what we had done over an 18-month period and letting the dust settle a little bit and the ink dry on the salary survey and maybe revisiting that 12 to 24 months.

Jason Zuckerman:

But one thing that we all had in common on the council side is we hadn't had a budget hearing yet. We hadn't had any discussions about the impact on the budget. And so we've now had that, we've had an opportunity to review the operating budget. We had a budget hearing, was it last week? Last week.

Jason Zuckerman:

And there was some discussion about the sustainability of long-term high COLAs and where that might get us. And there was a lot of discussions about not just this first year, but where that might take us if we continue on a sustained course of high COLAs on top of what we'd already done. What we've already done in terms of what that might mean for what the city can afford in terms of benefits and other things that come with compensation.

Jason Zuckerman:

So at that point, when the discussion started taking that route, I asked the other council members whether they felt it'd be a good thing to get back together with the Civil Service Commission and just have that discussion, now that they've all had the opportunity to look at the operating budget. And take a look at some of the impacts of what the different COLAs might be on the operating budget.

Jason Zuckerman:

And so I've shared my concerns with it. At this point, I'd just like to open it from the council standpoint, I'd like to open it to other council members for discussion at whatever point in time that's appropriate. But I just did want to make it clear that the council hasn't taken any action. We haven't recommended or not recommended. We haven't said that the recommendation that was sent over by this commission is not going to be a pass. It was merely a request to revisit it, now that everybody's had a chance to have a discussion on the council side about the budget and I'll turn it back.

Mr. Burke:

Ms. Sides, do you want to go over your graph that shows the projected five years?

Kathleen Sides:

I can.

Mr. Ainsworth:

Can I make one quick comment? I don't want my comment to be misconstrued. I would like to leave this meeting with a recommend a [inaudible 00:17:40] of 5.8% I'd rather have a [inaudible 00:17:50] like that. I'd rather the city council revisit the budget and just see if we can afford that. I'm not in any way suggesting that we cut that. I'm waiting for the council to see what they can do. But I would like, because we've approved that, that's what I hope we can meet like during the budget process,

Kathleen Sides:

After talking to Brian last week, and then like Jason said, there were things that we hadn't gone over when we had that last meeting. We were just pulling together some expense examples and some of our uncontrollable operating expenses is that first graph, things that are out of our control. Our property insurance went up 175% last year. Workers' comp went up 103%. Utilities and general liability around 40%. So those are just some examples of things that are just out of our control to just show there's some things that we can't cut back on, and we can't control the costs of.

Kathleen Sides:

The next one shows our consistent revenue is sales taxes and just comparing that to where we are with personnel costs. And our forecast has our sales tax going up at 2.5% per year and our personnel costs going up at 4.7 and that's because we picked the projected 2.7 COLA for the upcoming year, plus 2% merit.

Kathleen Sides:

So you can see there's already a big gap in sales tax and personnel costs and the gap just gets bigger and bigger. In year 2023, it's a four and a half million gap. In year 2028, it's more than a \$7 million gap.

Kathleen Sides:

So just I think to illustrate that we're continually increasing expenditures without increasing revenue. And we have to look at where that intersection is going to be that we can't-

Mr. Burke:

And just for everybody's information, confirm or tell me if I'm wrong, but sales tax are a predominant source of revenue for the city, correct?

Kathleen Sides:

For the most part, yes.

Mr. Burke:

Versus property tax.

Kathleen Sides:

Yes.

Mr. Burke:

Because you get a lot of property, we can talk about-

Kathleen Sides:

Sales tax, right?

Mr. Burke:

Okay.



Mr. McGuire:

Sales tax is almost a negligible concern, I mean-

Kathleen Sides:

Property, correct.

Mr. McGuire:

... property tax compared to sales. And we're very fortunate that most of the budget is being funded by non-residents of Mandeville who shop here.

Kathleen Sides:

Correct? Correct.

Mr. McGuire:

But my recollection on the property tax and in fact the councilors has reduced the millages a couple of times over the years, that the property tax... what's the total property tax revenue?

Kathleen Sides:

It's about 2 million.

Mr. McGuire:

2 million. What's the sales tax?

Kathleen Sides:

To the general fund? About 10 million.

Mr. McGuire:

Yeah, but the other benefits?

Kathleen Sides:

Total, about 20.

Mr. McGuire:

Yeah. Okay. So the sales tax is 10 times the property tax.

Ms. Cressy:

Excuse me. That's only based on the current people, the commercial people that are here, do we have a committee that's coming to attract more businesses to come here so we can collect more sales tax?

Kathleen Sides:

We've been steadily growing over the past seven years.

Ms. Cressy:

I mean, is there a committee-

Kathleen Sides:

There's not.

Ms. Cressy:

... that will attract economic development to bring more business here? I mean, we lost a couple of big major stores in the past to Covington. Is there any way that we can probably to attract them to come back or big box companies?

Kathleen Sides:

All I can say is we don't have a committee to do that. And the flip side of that is we also do have, and I haven't compared Winn-Dixie and Stein Mart and Kmart to Altitude, Backpacker and Target. So we do have some in and out. And I can say for in the past year, our major things that we've gotten are sell services and items that the city of Mandeville hasn't sold in the past.

Kathleen Sides:

So whereas one grocery leaves, another grocery opens, we're just mixing up where the money's coming from. But you get a sporting goods store and like a Target and things like that. Those are hopefully will be generating new revenue dollars for us.

Jason Zuckerman:

If I could just add-

Mr. Burke:

Go on.

Jason Zuckerman:

... one other thing, I just wanted to note, the last 18 months we fixed what would've been, I believe a very long-term problem as Brian had mentioned that with salaries and pay. And I was a very big proponent and still am of the pay increases. I think that can had been kicked down the road for many, many years. And it was absolutely the right thing to do, as well as instituting the cost of living increase. I absolutely believe in that.

Jason Zuckerman:

If you watch the council meetings, there's discussion, there's public comment coming up, people talking about how it shouldn't have been done and how you can't undo it now, and those sorts of things. And I dismissed those comments completely because it was a problem that had to be fixed.

Kathleen Sides:

And I think everybody here agrees with that. The administration, the civil service board, the city council. And I don't think in presenting this information that after we talked last week, this is just more informative so that everybody has the whole picture of other things that are going on.

Kathleen Sides:

So the next one is just personnel costs. And then the last one is just proposed cuts to get to that number. And another thing that just another side of that coin that Joanna and I talked about is we have approximately 14 employees that'll be retiring over the next five years. And at least seven of those are currently off scale. And when you add up the compensation package of all 14 of those employees, that's over \$2 million. So people are going to replace them, but not at off scale levels.

Kathleen Sides:

So I think just, and obviously we don't know the dates and times and you can't share people's names and things like that, but there is some consideration to be given there in the rising personnel costs. I don't know that they're going to rise at that extent with the attrition that we're going to have and the new people coming in.

Kal Miazza:

You said that you're budgeting a 2% merit increase every year in your projections, but isn't that 2% merit increase overstated in that all the employees that have been here 25 years or more, they're not going to get 2%. They're only going to get \$500 a year.

Kathleen Sides:

It's our average. Everybody's-

Kal Miazza:

Well, and with the new merit system, we're told that many people won't get a 2%. Many people will get none, so-

Kathleen Sides:

And some will get four. So we just picked two to level it out.

Kal Miazza:

Nobody in the police department will get four. We were told 2% or nothing. And a lot of people will get nothing. I'm just saying, I think that 2% merit is overstated.

Mr. Burke:

Under the new system. If you come in and you do job and do it satisfactorily, they'll be 0%.

Kal Miazza:

It'll be a zero.

Mr. Burke:

It's only going above and beyond where you get a one step increase. And then, correct me if I'm wrong, but then to get the two-step increase-

PART 1 OF 4 ENDS [00:26:04]

Shane Maricelli:

... increase. And then correct me if I'm wrong, but then to get the two-step increase, it's going to be pretty tough.

Kal Miazza:

Oh, that would be impossible.

Shane Maricelli:

And the whole point was to make it true. When we redid everything, we put the COLA in there, it was to make it a true merit system to where the step increases was not relied upon by the employees as their cost of living raise.

Kal Miazza:

And I am just asking that the 2% is way overstated. It'd be much lower than that. And then are we taking into account, we have seven police officers that 10/12ths of their salary and benefits and everything is paid by the school board? So we may not want to include that in all of our calculations.

Kathleen Sides:

But that's offset in our income that we get from the school board. So it's a net of it.

Kal Miazza:

But I'm just saying in that merit increase or whatever, a big part of that is entirely paid by the school board. And-

Kathleen Sides:

Well, I totally see what you're saying, Kal, but saying if we moved merit to one and a half and we took out those seven officers and took out... Because when we're doing the budget, we're calculating that income against those expenditures.

Kal Miazza:

Well, I'm just saying, it just sounds to me like it'd be closer to a percent and a half or 1% than two. That's all I'm saying.

Kathleen Sides:

And just as far as the budget goes, just to clarify that, in the \$15 million scope of personnel costs, go into that minutia, I don't think makes that amount of difference. I totally see what Kal's saying, but out of 124 taken. And that income is balanced against those expenditures. It's not excluded from the personnel cost, definitely. It's not. But when we're doing 124 people across the whole board and the whole year, we're not going to that level of take out 10/12ths, so it'd be seven and that. We don't go to that detail.

Jason Zuckerman:

One other thing also just I mentioned this a couple of times, but the salary survey that we did, I don't think ought to be a once in a 10 or 15 or 20 year amount. Because I don't see any reason why we can't revisit that or update that every couple of years. And if adjustments need to get made so that you don't end up in the situation that we were in. Just food for thought. But again, I've spoken a lot tonight as a member of the council. Really the reason for requesting this meeting was for the other council members

to share some of their thoughts as well for consideration by the commission. So I'm going to be quiet for a few minutes.

Rebecca Bush:

So the proposed cuts are about \$749,000 and what we have to make up is \$1 million in order to get to the 5.8?

Kathleen Sides:

That 749 would balance this.

Rebecca Bush:

That would balance this?

Kathleen Sides:

Revenues, expenditures at 5.8.

Rebecca Bush:

Okay. And this would be a general comment. I think it's well known that I'm very supportive of attracting top talent and paying for that. I think the part that concerns me is the graph and whether or not that's sustainable. And that's what I want to talk about.

Jill McGuire:

On that note, what I'm concerned about is if we are... So my question is, you just mentioned the \$750,000 cut, but when we talked at the last budget meeting, health insurance was brought up. And what I don't want to do is make it seem like you're getting a raise, but then because health insurance has gone up, then people have to increase their health insurance deductibles or copays. So if we're going to give a raise, I want it to really be a raise and not, "Oh, here you go. But now we're taking it somewhere else." I don't want to do that at all. I would love to give the policemen everything under the sun.

Jill McGuire:

And there's also that argument. I got an email from a certain someone who happens to be in the audience and I know that we talked earlier, there was a scenario of do we give the police officers the 5.9 and then the other employees 2.7? I don't think that that would... I agree with Kal, I think that would be a really bad morale and I am not in agreement with it. However, you can also justify the additional 3% to the police officers who go out and put their life on the line. So that was a point that was made and I do think that's a valid point. However, I don't want to be in a situation where I'm creating bad morale and making it seem like a raise when really it's not if they're having to come out of pocket somewhere else.

Kathleen Sides:

I can tell you for health insurance, we've worked really hard over the last five years to keep it-

Joanna Anderson:

As low as we possibly can.

Kathleen Sides:

... as low as we possibly can and not really affect employees for the most part. This year we had a plan change where some people, we had some lower, some higher and everybody got more to median. But we do have budgeted in there, which our broker has said all along, and not the same broker, "8% is reasonable." So we have an 8% budget increase for health insurance to where the city would absorb 8%.

Rick Danielson:

Year over year?

Kathleen Sides:

That's what we have typically had.

Rick Danielson:

That's what I'm saying. So going out as part of the forecast?

Kathleen Sides:

I think the forecast, they had six. I have eight in this year. Their number was six. We've always gone with eight, and I left eight in our budget for this year.

Jill McGuire:

I also just want to point out last year when we did make all the major salary increases from the salary survey and last year we did a COLA increase of 6% at that point, Kathleen had said multiple times in those budget meetings last year that if COLA came out and suggested a 6%, that it might be difficult to achieve that this year. So if we made those cuts, if we've made the \$750,000 cuts, can we sustain keeping that?

Mr. Burke:

Well the projected COLA for next year is-

Kathleen Sides:

2.7.

Mr. Burke:

2.7. And beyond that, it's just pure speculation. So hopefully this is just one off type numbers because last year she was already aware of the nine point something when we had budget hearings. And that's when she said the nine point something. If that would happen again, then there's no way you could do two years with nine point something. And if I could just piggyback on something you said, you said about the police versus non-police. I think it should always be everyone the same because the guys and girls in public works, they kill themselves out there in this heat every day when you go back and forth. And then last week I was at City Hall and I was watching a city employee being berated by somebody in the public and that person just stood there and took it and smiled and said, "Thank you sir." So all of our city employees take a beating sometimes.

Jill McGuire:

Right. And I agree. I agree. I just did want to make that point. It was brought to me so I thought it was valid, but I don't believe it's something that we want to get in the habit of having our different civil service employees make.

Kal Miazza:

Can I ask how much sales tax went up last year and went up the year before, as a percentage?

Unknown/Audience:

Great question.

Mayor Clay Madden:

I'll chime in while she's looking that up to something that Ms. Cressy said. What I found in being very interested in trying to attract as new business to Mandeville is we don't need a committee. Mandeville sells itself. There are businesses that want to be in Mandeville for, A, the residents that live here and their spending habits, but B, also the safety. And so Kathleen's right. When you switch out one grocery store for another, you're kind of just switching something out for something else. But we've gone years without having a family fun center in Mandeville. We have altitude that went into Winn-Dixie, which was vacant for about three or four years. We've got The Backpacker, we've got Loft 18.

Mayor Clay Madden:

That's another option that's attracting people from Abita Springs and Pontchatoula and Madisonville and they're all coming in to Mandeville to spend their money. And so I think the White Oak Oven Pizza on 190 is released right now. Something's going to go in the back soon. And so there's a couple of vacancies there, but they're going to be filled with things that attract people from the surrounding communities. And that's what's making our sales tax go up.

Ms. Cressy:

Somebody argues-

Mayor Clay Madden:

But Mandeville sells itself for just that.

Ms. Cressy:

I know I did a lot of work with economic development when I was in Salesforce and I know that Covington and the outer areas were attracting, they were offering opportunities and making it easier for people to come into the communities to develop businesses. And I just wondered sometimes it's a little bit harder to do business in Mandeville, and we are known for that terrible reputation of that. I just wondered if we can attract more. It is an attractive place. More people do want to live here, more people from the south shore are coming here. But I just wondered if there was a committee looking in and courting for lack of a better word, courting communities merchandising so that our sales tax are not just dependent on the current vendors that we have. What are we offering, opportunity and do we have any incentives for coming here and helping them, make it easier for them to open up, is what I'm saying? I know it's been a little bit difficult.

Ms. Cressy:

I always heard that it was more difficult to bring a business here to Mandeville because we were much more descriptive on what we wanted here, but we're growing and we have to keep up with everything. So I think we have to be a little bit less hard on the people who want to come here and I'd like to see us attract some quality businesses that want to come here. I'm kind of new in here back into the city stuff, so I really haven't kept up with whatever's going on, but I just wanted to know if there was anyone doing that.

Kathleen Sides:

So in 2020, sales tax was 15.7. In '21. It was 18.2. In '22, it was 20.5. And as of today, it's at 19.7 for '23 with two months left to collect.

Kal Miazza:

You know about what the average is at more than 2.5?

Kathleen Sides:

It is. It's been 12 to 15.

Kal Miazza:

And do you think then-

Kathleen Sides:

And we've told that that's not countable or reliable.

Kal Miazza:

Okay, maybe not, but do you think that 2.5 projection is low?

Kathleen Sides:

I think we have to be conservative.

Kal Miazza:

Based on the last five years has been over 10?

Kathleen Sides:

I went with six last year and got a lot of feedback that I was just being too liberal and can't count on this continued growth like that.

Kal Miazza:

If it's been at 12% a year, it just seems like's a little bit low projecting the next five years be in two and a half. Just bring that up.

Mr. McGuire:

Very good point. [inaudible 00:38:59].

Shane Maricelli:



If sales tax is \$20 million, why don't we have it at \$11 million on year?

Kathleen Sides:

That I said was total sales tax. 11 is the portion that goes to the general fund.

Shane Maricelli:

Where does this go?

Kathleen Sides:

You take our total sales tax. What comes in from District Three goes just to the District Three sales tax fund and then out of our two and a half percent, three-fifths comes to the general fund, one-fifth goes to street construction fund and one-fifth goes to special sales tax and the street construction fund funds street construction, things like that.

Shane Maricelli:

Who came out with the budget for this year, \$3 million? Where does that number start from?

Kathleen Sides:

I'm sorry, what \$3 million?

Shane Maricelli:

You have operating budget \$3.290.

Kathleen Sides:

Oh, that's just the line items we cut from.

Shane Maricelli:

Where does that start from? Is that projected from last year and now you're saying this year we want to set the budget above the expected income?

Kathleen Sides:

No. For this year, the general fund revenue is projected at \$30 million and total operating and capital expenditures at \$26 million, but that includes \$6.5 Million of Hurricane Ida reimbursement. So we don't count that when we're looking at all the income minus all the expenditures. That's just one time revenue replenishing what we've already spent. So on that last spreadsheet, that's just the lineup. We have 500 line items that are budgeted and yes, we take last year we take trends, we take 8% on healthcare. We take COLA and merit on payroll expenses.

Shane Maricelli:

But there's other parts of the budget where money could potentially come out that could fill?

Kathleen Sides:

That was our best suggestions for cuts.

Shane Maricelli:

And who's us?

Kathleen Sides:

Administration.

Shane Maricelli:

So y'all picked out of the whole budget these would be the best cuts or what?

Kathleen Sides:

Yes.

Shane Maricelli:

And y'all took into account in the overall projection of increase and everything, are y'all just doing city costs or are y'all also including the SRO costs, which is reimbursed including your salary, benefits and everything about else?

Kathleen Sides:

Well, we look at total revenues compared to total expenditures. If it's a recurring revenue and a recurring expenditure, they wash each other out. So yes, SRO income is in the income and it's also in the expenditures. So it's a wash there.

Shane Maricelli:

All right. So it is projected in there?

Kathleen Sides:

Yes, yes. The SRO income is projected in the income and the SRO expenditures are in expenditures.

Shane Maricelli:

All right. And what about the reimbursements for highway safety [inaudible 00:42:57]-

Kathleen Sides:

Same as LHSC. LHSC is in there.

Shane Maricelli:

... all projected in there?

Kathleen Sides:

Yep. Yes.

Shane Maricelli:

All right. What about the \$20,000 that we get back from the federal government for having an officer over there? Is that included in there?

Kathleen Sides:

\$20,000 from who?

Shane Maricelli:

We have an agent or officer-

Mayor Clay Madden:

I think you saw on the task force.

Shane Maricelli:

... working on the task force-

Mayor Clay Madden:

Is that what you saw on the task force?

Shane Maricelli:

... get reimbursed. Is that money included in there?

Kathleen Sides:

I don't know what that is. Who pays that?

Shane Maricelli:

I believe he's taxed to the FBI currently, it's through the Federal Bureau. That's something y'all figured out.

Kathleen Sides:

Yeah, that would be in miscellaneous income. Yeah.

Shane Maricelli:

So that's in our budget?

Kathleen Sides:

Yeah, the revenue from that is on the revenue side and the expenditures are on the expenditure side.

Shane Maricelli:

And the last thing I have for everyone, in case y'all didn't know, Slidell PD just approved their budget and their officers' starting pay for Slidell PD is a level one, just green, straight out the academy, \$29.29 an hour, which you compare that to Mandeville, you would have to be at step 15 to get there, which is 10 plus years of experience and being able to get a bump all those years to get there.

Joanna Anderson:

Our officers start at \$22.20.

Shane Maricelli:

Yeah, we start at \$22.20. St. Tammany Parish Sheriff's Office starts at \$24, \$25.50. With the COLA raise, it'd probably be just below them, but be very similar. I know we pride ourselves here on trying to attract the best qualified and best officers to help keep Mandeville safe. But if y'all are aware, not aware, our recruiting numbers have plummeted. And I know when I applied to come over here just five years ago, there was probably 60 people trying to take the test and trying to get approved to come over here, and now we give a test and it's probably 15 show up. The salary survey we paid, I don't know. How much did that cost?

Joanna Anderson:

\$50,000.

Shane Maricelli:

A couple million, a couple thousand?

Kathleen Sides:

I think about \$50,000.

Shane Maricelli:

We're one year removed from that. And these are experts we paid to look at budgets, look at finances to figure out fiscal year where we need to be. And we adjusted to get there. And we're not even a year removed and now we're already trying to renege and trying to change and trying to go back down and say we don't have the funding for this, we don't have the funding for that. So our question is why are we paying to have a salary survey if we're not going to listen to some of their recommendations?

Shane Maricelli:

And I don't know what their projected forecast was for increase, but as the mayor was saying, we do have additional businesses coming in. I don't know if those are included in this projected income and sales tax. It doesn't look like much is projected in there. But with the cost of living, which I'm sure has affected all of y'all, also, it's affecting all of us too. Property taxes, everything else has gone up and I think the city employees have bent over backwards to make it known that we're not pushing for the eight because we understand and we can be on the same page, but at the same time, I think the 5.8 or 5% I think is well within our range. And I hope y'all take that into consideration.

Jill McGuire:

So you're okay with it being 5% as opposed to 5.95? 5.8? Hmm? You're okay with that?

Shane Maricelli:

I would be.

Shane Maricelli:

Okay. I can't speak for everyone.

Jason Zuckerman:

Actually, you brought up a point that I don't think we can pass over very easily, which is the whole purpose of that salary survey was to attract officers here and attract employees on the non-civil service side here. And that was my point earlier about we can't wait 10, 12, 15 years if we are in fact a year or two out and other municipalities have one upped us or whether they were just way behind as well. But we need to look at that because that's great, we brought everybody up, but if it's also, that's half the problem. Now they're getting paid what they ought to get paid, but we're not attracting people here as well because other municipalities have made adjustments as well. It needs to be looked at. I think that's a great point.

Shane Maricelli:

Yeah. Someone else just told me, I don't know if y'all are aware, but apparently Covington PD has got approved 6%. [inaudible 00:48:49].

Rebecca Bush:

Two comments. Number one, I would agree with Councilman McGuire. It would be very difficult for me to support a different increase for police versus regular employees. I think that that's just something I don't think that I would be able to support. And the second, I think, and I may be arguing against myself as to the concern with sustainability, but I think it's important to the COLA, it's been around since the '70s, is based off the consumer price index. And when you consider the years that it's been the highest, it makes sense. In the '80s you had a really high one. You're not going to see this number. The number I pulled up the chart. Those numbers are a lot lower in the past 10 years. So I think that's worth discussing when we decide. And I think that's essentially what we're needing to determine, whether or not that's going to be a guideline for us going forward. Just my thoughts.

Rick Danielson:

A couple thoughts. Oh, go ahead.

Joanna Anderson:

Well, I think this is a pretty good segue. I did reach out to SSAR, our consultant, Cody Sassier, the person who was here, who helped us and did the presentation. And I think there was some questions about overpayment. And so I reached out specifically to ask him to address that. And I have an email from him I'd like to read, if that's okay. So he says that, "We recommend tying a COLA to an index, specifically the Social Security Administration because generally it is consistent with economic indicators including inflation, which has been historically high for going on two years now. Additionally, having a COLA tied to an index tends to reduce salary meddling for political purposes or games. As a public organization, you must always be as fiscally responsible and minded as possible, which is why that recommendation was made. The 8.7% rate recommended by the Social Security Administration was certainly aggressive and other indexes tended to mirror it.

Joanna Anderson:

I do not believe that a 5.8% increase in pay for employees will result in any employees being overpaid. When we completed the study in 2021, we did not find a risk for pay ranges, which were far and above market valuations. Market valuations for most positions have increased by some similar percentage over the past few years as well. So if we were to do a redo of the study today, we would probably find something similar to the rates being proposed by the COLA. Some individual positions move more than others, but generally speaking, the market will move with inflation and other economic factors."

Mr. Ainsworth:

So he's recommending the seven?

Joanna Anderson:

Well, he's saying 8.7 is aggressive, but 5.8 is reasonable based on market valuations. And there are other resources to calculate inflation and consumer price index and things like that. But the Social Security Administration is the most consistent of them all, which is why we rely on it.

Mr. Ainsworth:

We are budgeting-

PART 2 OF 4 ENDS [00:52:04]

Joanna Anderson:

The most consistent of them all, which is why we rely on it.

Mr. Ainsworth:

We were budgeting for 124 employees. And how many do we actually have?

Joanna Anderson:

Were we 113, 114?

Kathleen Sides:

I think so.

Mr. Ainsworth:

Do we need 124?

Kathleen Sides:

Yes.

Joanna Anderson:

I'm working on it, I promise.

Kathleen Sides:

No, he said do we need that many?

Joanna Anderson:

Oh, do we need that many? Probably in most departments.

Jason Zuckerman:

So would the 5.8 bring those startings? I can't do the math in my head. Would that 5.8 bring those starting base salaries up to that competitive range, which would...

Kathleen Sides:

12 vacant.

Mr. Ainsworth:

I think that some of the outlying areas saw the results of what we did and raised their eyebrows and they said, "Hey, we better match that." So I think a lot of the increases came after we did increases, because all of a sudden they've reneged on theirs.

Mayor Clay Madden:

After we did ours, the mayor of Slidell and the mayor of Covington came up to me at a luncheon and said, "We don't need to do one, we're just going to copy off of yours". So that's absolutely the case, yes. And I think we discussed that. We knew that when we were in the committee discussing it, we knew that other municipalities were going to be playing catch up on a yearly basis.

Rick Danielson:

I just have a couple of questions, thoughts. We have a salary survey, which I'm not mistaken, basically was a snapshot at that time.

Citizen/Audience:

Microphone. Thank you.

Rick Danielson:

So we did a salary survey which took a snapshot of where we were at that time, right?

Joanna Anderson:

Correct, but it was previous, so the information...

Rick Danielson:

Right, correct.

Joanna Anderson:

Yeah.

Rick Danielson:

Right, okay. Which was great. And I was very supportive of it, still am just like Jason. Then we did a financial forecast, which is taking this out for at least the next five years. Which is mainly dealing with sustainability.

Joanna Anderson:

Mm-hmm.

Rick Danielson:

So not only do you have to sustain personnel costs, and I'm not saying that your property insurance is going to go up 173% every year.

Kathleen Sides:

I hope not.

Rick Danielson:

But that's got to be factored in there somewhere too, from a sustainability standpoint. And that gap has got to be closed somewhere. So I guess a couple of my questions are, back kind of to the forecast, looking at where we are going from a sustainability standpoint with personnel costs, insurance costs and all those other uncontrollable things that we have. But then kind of going back to what Richard was thinking I believe, was if we have budgeting for 124 employees, but we are somewhere, can we get to 124?

Rick Danielson:

I don't know. Yeah.

Rick Danielson:

Have we ever been 100% manned?

Rick Danielson:

Not that I know of.

Rick Danielson:

So there's a gap in there. And although we're higher now than we've been in the past, still think 124 might be tough. People are coming and going. So what's a realistic number? In my opinion, 115 ish or so. So you're budgeting for 124, but you're having expenditures for 115. So that is money coming back in the budget. That's a help. I think it's that forecasted into this forecasting model that's there. And if not, I think it should be. It helps with sustainability. And then for the mayor, my question is in your original budget you presented 2.7%, but why? Where did that come from?

Rick Danielson:

I don't think that that's the right number. And I said that at our last meeting. I don't think that's the right number and we're trying to get to the right number, but we have to be able to afford it not just for this year. And I don't think affording it for this year is the question, but making sure that we can afford it for future years with all of our other expenditures is the issue. Our number one asset, and I've said it a million times and I keep saying it, and whatever we do for one side of the civil service system, we need to do for both sides of the civil service system. Absolutely believe that. So we've got to be able to afford and sustain it and I want to make sure it's fair and reasonable and that we can do that. But we've got to make a very well-educated decision on this.

Rick Danielson:

Not only just on this part of the budgeting process, but all of the budgeting, to make sure we aren't biting off more than we could chew. And then all of a sudden we would have to renege in a few years and just say, "just kidding, can't do any of it". And I don't want us to ever get to that point. That's what we've got to try to figure out.

Jason Zuckerman:



Yeah, and I very much agree and we also can't lose sight of the intended purpose of it, it was a twofold. The purpose of this pay raises were twofold. One to bring people up and correct, get them at the higher end of the competitive salary and competitive compensation rate. But the other was to attract and retain. So I know in our private firm, we're constantly looking at that. What does it take to attract people? And those numbers that you brought up are concerning that if other municipalities are jumping ahead and we're not able to attract them. Okay, great, now we have 18 months later we solved half the problem, but we lost the other half. So that was a good point. Column.

Joanna Anderson:

Yep.

Mr. Burke:

Mr. Vanison

Eddie Vanison:

Eddie Vanison, Mandeville Police Department. I'm going to look a different direction. And this is not to undermine the job that anybody does, but this is in respect to what we do as police officers. We are the insurance. Each and everybody in this room pay thousands of dollars a year for insurance because insurance is going to weigh what may happen. We get paid for what we might have to do. Each and every day, it's not to take nothing from anybody because I think everybody deserve a raise. But again, with respect to what we do, like you said, when you compare the two together, I can guarantee everybody in here who had to wear, has to wear a gun strap on a vest every day, guarantee that their families will say different.

Eddie Vanison:

I encourage each and every one of you to go onto your phones and there's a page that's called Officer Down Memorial. Follow that page and I can guarantee it's going to give you a different respect for what it is that we do. Because most of those officers name that scroll down, that list, they're killed in towns just like Mandeville where the residency is less than 15,000 residents. I encourage you to do that. Thank you.

Rick Danielson:

I'd like to go back to the mayor.

Mayor Clay Madden:

Yeah, just...

Rick Danielson:

I want to know why 2.7?

Mayor Clay Madden:

Yeah, so I stated, I think you kind of answered your own question. For us it was the sustainability factor. I had stated that when we were putting together the budget, the social security index was 8.7. And we ran it with 8.7, 6.7, 4.7 and 2.7. We ultimately chose 2.7 because of the sustainability, knowing that the forecast was coming out. And when the last joint meeting that we had with the civil service board and it

was suggested by two council members that we raise it and it was ultimately settled on 5.8. Kathleen and I then went back and we had to make cuts in order to do that, and that's what we did. So I've always stated that we will operate in the budget that you all approved for us. And so at that point it looked like 5.8 was the number. So when we went back, she and I spent three hours one afternoon and then two hours the next morning going through, and those were cuts. Those were things we had to cut out of the budget to make that 5.8 work.

Rick Danielson:

But based off of the forecasting you did to get to 2.7. I understand we could cut anything. Anything we add to we can pull from, I get it. But I guess I'm just, it came from somewhere, so your level of concern for sustainability, how great is that? Y'all are looking at this in much more detail than we are on a regular basis. And so I guess I'm looking for some guidance from the administration, from a budgeting standpoint on where are we and where are we going?

Kathleen Sides:

That was my biggest concern, is the sustainability that we're moving the whole pay scale up. So then everybody's continuing to go from there and every year it's getting more and more. And if we're adding, we just did over 2 million dollars, with no offset to revenue to that. So in past years where we might've been adding to our fund balance, that's not anymore. And so we were trying to look at that sustainability and what would be reasonable there to keep. Is half a million reasonable? Is a million reasonable? I want to make sure that everybody knows that the mayor and myself, finance, hr, everybody is not against given anybody a raise. Obviously it would be nice for all of us as well. It was just looking at if we continue to raise operating expenditures and not increase revenue, are we cutting back on capital? We're not disagreeing that these great resources and that we want to retain and attract.

Kathleen Sides:

We were just looking at long-term at how this is. We can't just keep raising personnel costs and not raise any other revenue without just starting to cut others. And it gets to a point where, and that was part of my graph with the uncontrollable. There are only so many things that are controllable in the budget as far as, yes, we could take out training, we could take out... There are things like that. But then again that goes to the quality of the people you have. And that's basically just weighing all that out was where we got to that number. And we felt like kind of in the middle. I know everybody, I think both groups here have talked about if it's 2.7 and then in years when maybe it goes back to 0.3 or something like that, then we could maybe... We were looking at not doing this all at once.

Rick Danielson:

Sure.

Kathleen Sides:

And that's kind of how, and I mean obviously this whole process is educated guessing of what's going to be the best. And like Kal said, with the sales tax, I'm not comfortable counting on another 10% increase when that's been an abnormality for us.

Jason Zuckerman:

The problems that we're facing right now are just ones that we have to deal with. And even though we're sitting here as a civil service commission and a city council, public entities. We're dealing with the

same things that most companies are dealing with right now over the past three years. Overhead has drastically increased. The cost of doing business has drastically increased. The cost of attracting and retaining people has drastically increased. So we're dealing with it.

Jason Zuckerman:

So in our budget discussions, I know there's a lot of hand wringing over, gosh, what happened over the last three years? It had to be done.

Kathleen Sides:

Oh, we agree.

Jason Zuckerman:

There's nothing, we're not facing anything different than private companies have to deal with right now. And we as a council, as part of our task is to figure out how we're going to deal with it long term. We have to.

Kathleen Sides:

Right?

Jason Zuckerman:

The reason we're here tonight is we want to do it responsibly. We want to make sure that the decisions we're making coming out of this, that we're just not overshooting the market. But maybe we end up staying where we're at. I'm not suggesting, I just thought, I think it's worth the discussion. I think it's a healthy discussion to have and we need to be sure that we're taking care of our people for sure. Because without these guys out here and everybody that works at city hall, there's no city services so.

Kathleen Sides:

Right.

Jason Zuckerman:

So that's absolutely the case, but we're not operating in a vacuum. We're dealing with the same thing that every private company's dealing with right now as well.

Mr. Burke:

To go back over to the numbers you mentioned earlier about sales tax increases over the past several years, how many years was that? You went back?

Kathleen Sides:

I've started at 2020 and 2019 was a dip.

Mr. Burke:

Okay. Right.

Kathleen Sides:

And then prior to that, it was... and another thing about the sales tax, let me see. Prior to that it was running, if I go back to, let me look at going back to 2016. And I'm going to just go each year, 15.4, 15.6, 15.9, 15.9, gets us to 19. 20, dip 15.7 and over the last three it's just gone exponential. But that's why we can't,

Mr. Burke:

So we're not just looking at two or three years, we'll go back now. You just went all the way back to 2016, so.

Kathleen Sides:

And we're kind of flat until the past three years, have taken off. Those were all at under 16 million for...

Mr. Burke:

I thought you just said though that it was 16%, 15%.

Kathleen Sides:

I did for the last three years.

Mr. Burke:

Okay, but...

Kathleen Sides:

From 2016 moving forward it was all like 15 and a half, 15.9, 15.8. This is new...

Mr. Burke:

Okay.

Kathleen Sides:

The past three years have been exponentially large. And then another thing, and I don't know where this is going to level out. And I've talked to the sales tax collector at the sheriff's office, but we also have new money coming in, in third party sellers that we haven't had before. And is that something that's going to stay where it is? And I don't know that.

Mr. Burke:

Any other questions? Comments?

Kathleen Sides:

And that's on third party sellers, online, Amazon, stuff like that. Where they used to not collect sales tax, now they do.

Mr. Ainsworth:

Oh, really?

Kathleen Sides:

And we're getting that revenue. So is that going to continue to keep us growing? I don't know.

Rick Danielson:

Kathleen, I know you said we're at 19.7 through June right now, is that right?

Kathleen Sides:

Correct.

Rick Danielson:

What are you estimating for...?

Kathleen Sides:

If I take that and I do, if I do 19.7 divided by 10 times 12, I'm at 23.6.

Rick Danielson:

2023?

Kathleen Sides:

For 2024. And I was hoping, I'm sorry, yeah, working on that 24 budget.

Mayor Clay Madden:

What year was it?

Kathleen Sides:

I was hoping, we usually get our report by the seventh or eighth, so I hope to have an updated sales tax number at our meeting on Wednesday. But we had not gotten it today. I was hoping to have it for today, but we didn't get it.

Jason Zuckerman:

Right. But you almost have to take an offset that increase in sales tax, not just by whatever we're doing here, but by all these other expenses, the cost of doing business as a city.

Kathleen Sides:

Right.

Jason Zuckerman:

Insurance, utilities, all of that.

Skelly Kreller:

All right. Kathleen, don't you feel that with the sales tax at, would you say 2020, was it, 21?

Jason Zuckerman:

23.6.

Skelly Kreller:

Don't you think though the next five years or... It's going to level out the sales tax? Because look, if you take the census, Mandeville did not grow. And I know the sales tax is usually an indication of, I mean all of that is coming into this city from out, okay. However, there is that 12,500, 13,000 that are residents. So I think realistically this sales tax is going to level out some. Especially the internet sales tax that's going to limit. And so we don't want to overshoot.

Kathleen Sides:

Exactly.

Skelly Kreller:

That's the key.

Kathleen Sides:

And that's what the forecaster said, and like Kal saying, "look, we've been at 15 plan on 15". Well I can't do that. I can't overshoot our revenue and plan on expenditures that we can't meet. And just like, are we ever going to be at 124 people? Well, it's not the same 12 positions that are empty. And we can't fill empty ones that aren't budgeted for. So we can't just exclude our current vacancies. As a matter of fact, out of those 12 vacancies, we've probably filled four of them since I put these numbers together, but I think we've lost two other ones. It's just, it's a revolving door. So you can say we've never always been full, but we've never always had the same positions vacant.

Rick Danielson:

But can you take an average of what we're putting back into, what we're budgeting for but it's not actual expenditures. And you don't have to do it tonight. I'm just thinking...

Kathleen Sides:

It's really hard to...

Rick Danielson:

There's a couple hundred thousand dollars or whatever it is, I don't know.

Kathleen Sides:

If I look at those 12 vacancies... And also remember vacancies since they're unknown, I'm budgeting at full family coverage, the highest of that. That's about 1.2 million in total compensation for the vacancies.

Rick Danielson:

That might not be spent.

Kathleen Sides:

Might not, but is it... There's equipment operators, there's officers, there's plant operators, so you can't compare that to a clerk one position.

Rick Danielson:

Right.

Kathleen Sides:

A clerk two position, things like that.

Rick Danielson:

I'm just trying to get an idea.

Kathleen Sides:

Yeah, I know.

Rick Danielson:

Because I know if there's money coming back in, it might help offset some other increases, which is a help. But just trying to understand it.

Kathleen Sides:

And they're there, it's just, again, when you're talking about the whole picture of the numbers. It's getting into detail that, and I mean we've always gone off the fact that we can't not budget a position because then we can't even advertise for it.

Rick Danielson:

When you took the 750,000 that had to be cut in order to get to 5.8. Is that strictly pay, or is that all pay, benefits everything.

Kathleen Sides:

Everything.

Rick Danielson:

Okay.

Kathleen Sides:

That's everything to make our recurring revenues be greater than our recurring expenditures.

Jason Zuckerman:

Just one last thought that I had. I just want to reiterate a concern that I had of Ms. McGuire, is that I want to make sure that when we adjust salaries, when we give increases, we do adjustments that we're not on the back end taking away benefits that offset those adjustments. They need to be real. And if we're given, just throw out a number of a four or 5% raise. I don't want to hand it with one hand and say, "oh by the way, you got to start paying this much into your retirement". Or Hey, by the way, we're going to, you got to start paying \$112 a week for insurance. To me that's a little dishonest, so. We need to make sure that we're keeping our employees whole and that we're not doing that sort of shell game with them.

Kathleen Sides:

And it has been that way historically, at least the past five years. And again, like I said, not our intent. But we don't stop... It's all timing. Again, our healthcare year begins March one, so we're not even shopping that until Thanksgiving. So we put the eight in the budget and I'm telling you, we spend a lot of time and effort in negotiating to get the best benefit for the lowest price. For both the city and the employees.

Jason Zuckerman:

In the private world we're constantly battling what people perceive they're receiving versus what it's costing the company. And they may not always understand that, they're actually, they're total compensating when you consider what's being paid in terms of health insurance and this and that. That health insurance goes up and you still paying a hundred percent of it. It's like getting a raise. But we want to keep our employees whole and we don't want, "Hey, here's a little raise, oh by the way, you got to start paying this". I just want to make sure that...

Kathleen Sides:

That is the intent in this budget. I can say right now I have no idea what healthcare is going to look like come end of November. But we do have 8% built in and we've always been able to work within that and we haven't even gotten too close to that lately.

Jill McGuire:

So the \$750,000 cut that you all made in order to, for the 5.9% to work.

Kathleen Sides:

Eight, 5.8.

Jill McGuire:

Raise to work, 5.8% raise to work. Out of that 759 I think you've gone through, how detrimental is that though to lose? What is it, we're losing training, is that what I heard?

Kathleen Sides:

No, I mean I would say 14.

Jill McGuire:

How sustainable is that? Is that something that once that 750,000 goes away, do we need to bring that back? Is it stuff that could just be done forever?

Jason Zuckerman:

Where you're looking, I am actually wondering, you know, are the cemetery maintenance, can we really, knock more than 50% out of cemetery maintenance system. And is that long term or is that a one year?

Kathleen Sides:

We had really upped that to do some maintenance that was done. So we felt like we could bring that back down.

Mayor Clay Madden:



We went line by line and had those con-, we went line by line when we were doing this and had these exact conversations. So you picked cemetery maintenance, we went line by line and discussed each line item. And so what she just said, that's just one example of kind of conversations we had to do this.

Jason Zuckerman:

And we can dive into more detail on that at our budget meeting, otherwise that will take up a whole bunch of time tonight.

Skelly Kreller:

Yeah, and I think I was just going to mention that I think a lot of that is going to be discussed in the budget. We don't really need to discuss it because I have several questions concerning these numbers that you cut. I think some of them, I don't think are, they're unrealistic, but that's okay. We can talk about that in the budget meeting.

Mayor Clay Madden:

But I'll give you one more example. I know we'll talk more about in the budget.

Skelly Kreller:

No, the cemetery.

Mayor Clay Madden:

The comp plan for example, was budgeted at 125 and we brought it to a hundred. Well, we spoke Cara Bartholomew and that's going to be a \$200,000 project. But it's probably going to be a hundred this year, a hundred next year. So you see what I mean? So we took 25 from it this year, but that's going to be another a hundred next year. So we have those kinds of conversations, talked about every line item in great detail in order to get there. And like you said, we'll discuss them more in the budget hearing.

Jill McGuire:

Well, and I don't want to, if you're shopping around for insurance in March. When will that, and hopefully we can keep it at the 8%, but if there was some increase, going back to what I said and other council members have mentioned, we don't want to say, oh well now you've got to pay something ridiculous out of pocket for healthcare. In March when you all are shopping around, if there is a discrepancy.

PART 3 OF 4 ENDS [01:18:04]

Jill McGuire:

You all are shopping around, if there is a discrepancy, when will that show? Will that be the following budget year? Because kind of like in the middle of the year.

Kathleen Sides:

It depends. So we start getting quotes around end of November. We'd make a decision December, early January because it goes into effect March 1-

Jill McGuire:

So if there was an increase, if the employees were to, God forbid, because what we don't want to have happen.

Kathleen Sides:

If there was going to be something that was extremely outside of this budget, then I think we would probably just bring that to council and see if we would want to do an adjustment or how best to handle that.

Mr. Ainsworth:

I have a question. I know that a budget is a projection of what we're going to spend. Sometimes it's a little above, a little bit less. And I may be barking up the wrong tree, so in my ignorance, does the city have a surplus that we could lean on a little for a temporary thing? If we have a little bit of a buffer that if we went a little bit above budget we would have a little-

Kathleen Sides:

We do have a surplus.

Mr. Ainsworth:

I'm expecting that we're not going to always have this high rate of inflation.

Kathleen Sides:

Well there are a couple of schools of thought on that. One is local government Budget Act says you can't spend more than you have. So I could have in this year's budget more expenditures than revenue and take from my fund balance, which is legal because I'm not spending more than I have. Another school of thought that that fund balance should remain untouched and that every budget year recurring expenditures should not exceed recurring revenues. And when Hurricane Ida came, that was over \$10 million that we didn't have budgeted. We needed to lean on that surplus. So our goal was to not budget more expenditures for the upcoming year than we were getting in revenue, to not plan on decreasing the fund balance. But yes, it is there if it were necessary and it will approve.

Mr. Ainsworth:

Another thing is there any other source of revenue, be it federal or state, that we could get representatives that could work with us, are grants we could apply for to be eligible for any other income that we don't...

Mayor Clay Madden:

We are always looking for grants and external funding. [inaudible 01:20:41] announced that we got the \$2 million for the police station, from the capital Outlay program with the state. I don't know of any time in the past few years where we've gotten more external funding from the state, from the parish and we have been upping our grants and our grant income as well. So my administration is committed to doing that and trying to get all of the external funding that we-

Kathleen Sides:

\$3 million from water sector.

Mayor Clay Madden:

Yeah, we got \$3 million from the water sector program from the state. That's a grant.

Kathleen Sides:

We're going after a lot.

Mr. McGuire:

I think Mr. Mayor, you all have been very aggressive in seeking that type of funding and it certainly is very important. The idea of getting \$2 million from the capital outlay. I've always had a problem with what I call the "legislature's slush fund," which always comes at the end of a session and the final voting. And there were 800 local projects in there and they ranged from water parks, \$6 million for the city of Ruston, no explanation of it. I wanted to track that down. I actually found out that the state is paying \$6 million for the access roads to be built to service the Buc-ee's in Ruston.

Mr. McGuire:

The Tulane police department got \$800,000 for equipment and other things. Now Tulane has 80 members on its police department, it does a lot of patrolling the whole area around the university and it's a big help to the NLPD. In fact, they're getting ready to do a big, new Tulane police headquarters. But again, my alma mater happens to have a fund balance in the billions now and it's endowments, and first year freshman tuition is \$65,000 a year starting a few [inaudible 01:22:56].

Mr. McGuire:

So there are a lot of things that are being done there and I'm willing to take back some of my opposition to all of these things that I think local governments should pay for if an aggressive mayor sitting here can go get \$2 million for our police headquarters. So I congratulate you on that. As well as the fact of the federal funds for the fishing pier. And again, I see people asking on Mandeville lake front, "When is it going to be rebuilt?" Well, it's going to be rebuilt and it's taking longer, but that's because the mayor is using a federal grant rather than having people in Mandeville pay for that. So there are things that can be done. Having said that, I've also seen a couple of municipalities that to balance their budgets have gone on their surpluses. And so what is the surplus, encumbered and unencumbered of the city of Mandeville right now? And I know you have to have a substantial rainy day fund, disaster.

Mayor Clay Madden:

While she's looking that up, I want to just comment. I answered this question this morning on a radio show and we've touched on it, I think Councilman Kreller and you had said it, and Councilman Zuckerman, we have so many people from the outside coming into our city and using our roads and services every day to get to the causeway. And so those capital programs and those capital monies that are going to other municipalities, the people of Mandeville do pay a lot of taxes. And so I made the comment that some other municipality is going to get this money, you know what, Mandeville needs to get some. And I believe in that. So that's why we're aggressive and we've worked well with our state representatives and senators to get that. And also some of these grant programs like the Watershed Initiative, that offsets \$3 million that would otherwise come out of our budget.

Mayor Clay Madden:

Did you find...

Kathleen Sides:

The projections?

Mayor Clay Madden:

That was just a filler.

Kathleen Sides:

Thanks. The projection's about \$20 million and that's counting on getting, FEMA still owes us \$6.5 million.

Mr. McGuire:

Within supposedly the first year. Is that \$20 million unencumbered? It's unencumbered. Okay.

Mr. Burke:

And one last question, Kathleen, you had said-

Mr. McGuire:

And there's no reason even if you were a few dollars short one year not to draw on an unencumbered surplus to balance the budget. I think that's an important thing to understand.

Mr. Burke:

One last question, you mentioned-

Mayor Clay Madden:

I just want to comment on what he's saying. She mentioned the different schools of thought. Well there's one school that thought, that you should never touch that fund balance. There's another school of thought that, why are we collecting this much money and throwing it into the fund balance? So it depends on who you talk to. But again, we always try to do our budgets to where the expenses are under the revenues because you never know when a Hurricane Ida is going to hit, but it's there if you need it.

Kathleen Sides:

And you can say, "Okay, I've got \$20 million in the bank, what's a million?" Well in 10 or 15 years, what's a million a year, we're out of fund balance. And so there's-

Mr. McGuire:

No, I think it's very conservative budget that you're doing.

Mr. Burke:

You mentioned earlier, tell me again, the projected COLA increase next year?

Kathleen Sides:

2.7%.

Mr. Burke:

So they're not projecting any more anomalies like-

Kathleen Sides:

That's projected.

Mr. Burke:

Okay, well, pretty accurate the last two years.

Mr. Burke:

So based on that, I'll go ahead, unless there's any more discussion?

Mr. McGuire:

Only one thing. I wasn't sure after our last meeting if that was the meeting that I had actually attended. With some of the comments I heard that came out of it subsequently, frankly maybe I'm naive, but I was under the impression that there was something of a general consensus. The 5.8% looked like a pretty good figure. It came from averaging out three years of COLAS and understanding that, because of the way we don't use a calendar year, fiscal year, you lost the basis of that 8.7% windfall in one year. And let's be clear on that, the salary survey, when the council adopted its recommendations, it said the COLA as announced by Social Security Administration each year would be the percentage increase for salaries.

Mr. McGuire:

Subsequently, the council had to pull that back and say, "Well no, the intent is that it will be a guide, may be above it, may be below it, but now it's a guide." That's fine. That was taken off the board and there was a pretty good discussion on everything there. And this board at the end of that meeting voted to adopt the 5.8% for the police department. Now I said a few minutes ago that if the 5.8% for the police civil service board is sent to the council and it does not approve that but does a lesser amount, I would still be for the 5.8% and I still don't think it has to come back to the council through this board. Once the council has made a decision because they have the funding authority, we can adopt something but if we can't fund it, that's when they told Adolf Hitler, "The Pope is going to be against you."

Mr. McGuire:

He said, "How many troops does he have?" Okay, so the fact of this matter is, I do believe in compromise when it seems to be useful, and I've heard the president of the FOP Mandeville Lodge, Fraternal Order of Police, say, "We could live with the 5%." Now, if that's correct by the membership and the FOP of larger Mandeville can live with the 5%, then I would accept 5% as my vote on this Police Civil Service Board's adopted figure. But you're 24 days away from having to adopt a budget. Of course while Louisiana public meetings law says you can't have straw votes in a meeting, only an actual meeting. If I could leave this meeting feeling that there's general agreement on 5% between this board and the city council, then I would be very happy with the whole situation and feel that good people of goodwill have come together to resolve it in good faith. I'm just throwing that out.

Mr. Burke:

Do you want to make a motion then, that we recommend 5% for non-police?

Mr. Ainsworth:

I think we've already expressed the 5.8%, but the next step is for the city council to make some hard choices about the budget and see what they can afford.

Mr. McGuire:

I'm saying that if the council adopted 5%, I would be happy with that if that's acceptable for the FOP Lodge. But I don't think it has to come back to this board to say, "Yes, 5% is okay with us." I don't think that comes back, but-

Mr. Burke:

Since everybody's here today-

Mr. McGuire:

But no, I'm not going to say 5% by this board tonight if I can't have good faith that the council's going to do 5%.

Mr. Burke:

Well, since they're all here, that would be perfect-

Mr. McGuire:

They can't decide.

Mr. Ainsworth:

This is-

Ms. Cressy:

Jack, listen, they said they have-

Group:

[inaudible 01:31:20]

Mr. McGuire:

...meeting for them too.

Jason Zuckerman:

Well we can't necessarily vote on it tonight, but-

Ms. Cressy:

They said they're going to-

Jason Zuckerman:

...I think everybody can respond to Ms. McGuire.

Mr. McGuire:

That's not on the agenda for a vote by the council on pay rates.

Mr. Burke:

Well each member could express their willingness to-

Mr. McGuire:

I would be very careful with that.

Jill McGuire:

So I just want to say thank you all for having this meeting. I know you all already met, I know myself and I believe some other council members had some prior commitments so we couldn't attend. So I appreciate us all being in the same room and looking at the same information. And I am at a point where I don't know how much 5.8% going down to 5%, how much does that really save? Kathleen? And I don't know if we really need to figure that out tonight, but if we've made the cuts to make this work and it keeps us [inaudible 01:32:27].

Jill McGuire:

What we've done with the salary survey, with the pay increases and with the COLA from last year, it keeps us current. What I don't want to have happen is all these, "Yeah, if we're already still trying to play catch up, then let's go ahead and do it now." I feel that it would be cheaper now than to try... I don't want to go back and do salary surveys and us be in the same position that we were at a year or two ago.

Jill McGuire:

Thank you for being willing to go down to 5%.

Otto DeJean:

Nobody said that.

Jill McGuire:

Well, okay, all right. But at least there's a spirit of compromise in the air, so thank you for that. We want to give the employees a raise, of course we do. So thank you for there being wiggle room, but I don't really know how much that really saves us. And so I appreciate, I don't want to waste anyone's time and if we're staying at 5.8%, but I do think this was... I'm leaning more towards the 5.8% now. Having heard everything I feel like it, but I do have that concern of what happens if the insurance is astronomical, you guys are paying out of pocket so I don't want to see that happen. But I guess we just cross that bridge when we get there.

Group:

[inaudible 01:33:54].

Jason Zuckerman:

I just real quick, just while it's fresh in my mind, I actually share Ms. McGuire's thoughts on it and I very much appreciate the commission meeting with us tonight. And I think it's been a very, very healthy

discussion that everybody in this room wants to do the best thing for the city of Mandeville. I know all these guys in the audience do believe that, they put their lives on the line every day and every other employee works hard. We just want to do the best thing. We want to have the discussion about the long-term, "How do we deal with it long term?" So I very much agree with Ms. McGuire on that and I very much also appreciate the willingness to compromise a little bit on it as well. I think it's the whole purpose of having these joint meetings and it was very well, whether we stay at 5.8%, whether it comes down, regardless, I think it was a very productive discussion.

Mr. Burke:

I think at least knowing that next year the projected rate is 2.7% increase, hopefully this past few years where anomalies is where we won't keep getting that big separation between income and personnel [inaudible 01:35:02].

Otto DeJean:

My turn?

Mr. Burke:

Go ahead.

Otto DeJean:

So look, I just want to start off by saying I do understand numbers. I love making money. Everybody who know me know I chase money, [inaudible 01:35:13] any way I can get it. That's what I do. But I want to talk about the numbers that wasn't mentioned tonight. Just hear me out on this; prior to the administration that we have now, we had Mayor Villere, prior to him, we had... I don't remember, was it [inaudible 01:35:32]?

Group:

[inaudible 01:35:32].

Otto DeJean:

So there was a time when I was here, when you come to work, you do the job, get a 5% raise every year. Just for trying to do your job, not above and beyond, come work at your job, you get 5%. That got changed. It got changed from the previous administration to where you come to work, you do your job, we are no longer doing 5%, we're doing 2.5%. If you do above and beyond you get 5%. Well with the new COLA [inaudible 01:35:58], the new pay scale, that got changed too and went from now you come to work and do your job, you get 2%.

Otto DeJean:

You see where I'm going with this? And now the new evaluation system that we have now says if you come to work and do your job, you get nothing. So this is where the frustration comes in for people like me who come to work... Y'all know me, I do my job, I'm a little bit aggressive, especially the way I speak. But I can't help that. That's that's my culture, that's how I talk. But the point is I can respect the fact that the city can't afford to do something, but just think about how we feel when we frustrated because there's numbers that we see and we think about all the time.



Otto DeJean:

And that's what I think about, from the time that I came here in 2008 to where we at right now in '23 coming to work, doing the job, has gotten to the point to where it doesn't matter anymore based on our evaluation system. And that's the numbers I think we need to make sure we pay attention to. You shouldn't tell somebody, "When you come to work every day and do your job, it doesn't matter." And that's what I get from the numbers going from 5% to 2.5% to 2% to now nothing. Because when you come to work and do your job, it should stand for something, especially if you appreciate it.

Jill McGuire:

I want to make sure you're done, when you're done.

Otto DeJean:

I'm done, go ahead.

Jill McGuire:

Okay. Well so I'm a little confused because the COLA would give you the 5.9% for showing up. And then in addition to that, there's an opportunity if you do go above and beyond, you have an opportunity to do an additional 2% and a possible 4% as well, correct?

Unknown/Audience:

4% is not possible.

Otto DeJean:

Hold on, don't speak behind me. You got something to say, do it with the microphone. Go ahead. I'm sorry. What you saying?

Jill McGuire:

Well I just want to make... So you will get the 5.8% or 5%, and last year you all got the 6% plus the 2% merit.

Otto DeJean:

Well COLA and merit is two different things.

Jill McGuire:

Correct. But back, once upon a time, there really wasn't much merit. It was more-

Otto DeJean:

No, it was COLA and merit.

Jill McGuire:

We didn't really officially do COLA, so we took the merit and kind of made it across the board kind of a thing.

Otto DeJean:

Excuse me for one second. Go ahead. It was a [inaudible 01:38:19]. I'm sorry.

Jill McGuire:

No, it's okay. So I think the whole thing that we were trying to accomplish with the salary survey was to keep up with the cost of living, the COLA increases, which are for showing up. You don't even have to be a good employee, you're going to get it regardless. Then you have the merit, which is budgeted to where if you are showing up and showing out, you have an opportunity to get 2%, you also have an opportunity to get 4%. Sounds like, "Okay, 4%, you might have to lose a kidney to get it."

Mr. Burke:

No, that's for the 6%.

Joanna Anderson:

That's 6%.

Jill McGuire:

Oh, that's 6%, you lose a kidney. Okay. Well I mean that's possible.

Otto DeJean:

That would make sense to me if we was following, but we're not. COLA is a discussion, meaning we got the recommended numbers that came and we take those numbers that we discuss if it's affordable by the city. So we not truly following COLA, we're trying to stay as close to it as we can based upon what the city can afford. Everybody can understand that we're not truly following it. Does that make sense?

Jill McGuire:

Because COLA said 8%. Is that why?

Joanna Anderson:

8.7%.

Otto DeJean:

According to Ms. Kathleen, the projections are too high to the point to where it's unreasonable for the city. I'm good with that. My only thing is that when we think about things, let's say the merit. Coming to work and not doing your job has gotten to the point to where it's not good enough. That's the only point that I'm making. And I can explain to you again if you want me to, but coming to work and just doing your job has got to the point where it's not good enough. No shade on nobody. I'm just speaking. That's how I feel. Everybody is not going to be a policeman that's going to come to work and write 40 tickets a day and put 13 people in jail. And quite frankly, I was a very aggressive policeman, very aggressive. Especially when I was on a motorcycle. When you come to work and do your job like that, you get in trouble, you get wrote up, you get complaints, you got to come before the board to defend yourself, your integrity.

Otto DeJean:

So people don't want to do that. You got people out there waiting to put a cell phone in your face because you pulled them over for a traffic stop. And we telling these people, the only way I can bless

you is if you come to work and you do an exceptional job, knowing that everybody that work here, especially administration, know the policemen that do his job is going to get in trouble. One of our youngest guys, and Steven Baehr, he left and came back because of two lawsuits, because he was actively doing his job and I had to tell that young man, "Stop working so hard because if you don't, you are going to get fired." And that's the real. I'm done. Thank you.

Mr. Burke:

All right.

Kathleen Sides:

I'd just like to add, we're trying to do as much COLA as we think is fiscally responsible and we tried to make that your come to work, do your job, you're going to get a raise, it's going to be COLA. And if SSA says 20%, we can't do that. We're just trying to do... I can assure you that this administration is not trying to short anybody that in any possible way.

Mr. Burke:

And that's why when Joanna and I worked on the original, when it became an ordinance, it was that COLA would be included in the mayor's budget so that it would be discussed. We paid careful attention to make sure that it was not going to be automatic, but that it would be discussed. And that's the way it was written. And then we changed it around now to joint meetings. But it was never going to be an automatic COLA adjustment.

Mr. Ainsworth:

Just one other thing. When the federal government, social security increases it by 8.7%, they issue bonds and print money. We don't have a money printing machine here. That's the problem, they print money-

Kathleen Sides:

Can you get us one?

Mr. Ainsworth:

...we can't.

Group:

[inaudible 01:42:08].

Mr. Burke:

Think we've talked it up. I'll go ahead and entertain a motion that we affirm our previous decision, that we recommend 5.8% for non-police and that we approve a budget for the police at 5.8% and send it to the council.

Mr. McGuire:

You want to reaffirm what we already adopted?

Mr. Burke:

Yep.

Mr. Ainsworth:

I'll move that.

Mr. Burke:

Motions?

Ms. Cressy:

I second.

Mr. Burke:

Second. All in favor [inaudible 01:42:34] by saying aye.

Group:

Aye.

Mr. Burke:

All right. Feeling good? Thank you all.

Group:

Thank you.

Kathleen Sides:

Add one more thing, counsel. If anybody has any questions for Wednesday, if you want to send them ahead of time.

Mr. Burke:

Adjourned.

Group:

[inaudible 01:42:49].

PART 4 OF 4 ENDS [01:42:55]