

**MINUTES FOR THE MEETING OF AUGUST 20 2020  
BUDGET WORK SESSION**

The budget work session was called to order by Chairman Danielson at 5:00 p.m.

**PRESENT:** Jason Zuckerman, Skelly Kreller, Jill McGuire, Rebecca Bush

**ALSO PRESENT:** Mayor-elect Madden, Frank Oliveri, Finance Director; David deGeneres, Director of Public Works, Louisette Scott, Planning Director

Mr. Danielson welcomed mayor-elect Madden and congratulated him on the recent election. He and the council look forward to working with him these next four years. Mr. Danielson also recognized Mr. Oliveri upon his retirement from the City. He has been with the city for almost 9 years and thanked him for his contribution.

Mr. Danielson read the two ordinances which will be discussed this evening.

1. Discussion of Ordinance No. 20-12; AN ORDINANCE TO APPROPRIATE FUNDS RELATIVE TO AND FOR ADOPTION OF THE CAPITAL IMPROVEMENT BUDGET FOR THE CITY OF MANDEVILLE FOR FISCAL YEAR 2020-2021; AND TO ESTABLISH THE ADMINISTRATION OF EXPENDITURES THEREOF AND TO PROVIDE FOR RELATED MATTERS.

2. Discussion of Ordinance 20-13; AN ORDINANCE TO APPROPRIATE FUNDS RELATIVE TO AND FOR ADOPTION OF THE OPERATING BUDGET FOR THE CITY OF MANDEVILLE FOR FISCAL YEAR 2020-2021; AND TO ESTABLISH THE ADMINISTRATION OF EXPENDITURES THEREOF AND TO PROVIDE FOR RELATED MATTERS

Mr. Danielson asked if the council if there were any questions from last mtg. He reviewed the summary of proposed changes to date:

- |   |          |
|---|----------|
| 1- Reduce City Hall from \$400K to \$200K               | (-200K)  |
| 2- Reduce Back Hoe from \$140K to \$120K                | (-20K)   |
| 3- Increase Cemetery from \$45K to \$100K               | (+55K)   |
| 4- Add Comp plan revision \$125K                        | (+50K)   |
| 5- Add Radio Room \$50K                                 | (+50K)   |
| 6- Reduce mayor salary to \$94,500                      | (-2,300) |
| 7- Reduce Jackson St/Harbor Field from \$300K to \$100K | (-200K)  |

This would be a net credit to budget of \$192,300K. Mr. Danielson explained this budget recap is after a \$7.1 million cut in capital and operating expensed since COVID. Mr. Danielson has been working with Mrs. Richardson on cleaning up the language in the budget ordinances to reflect the changes from the administration and the council. Some changes such as land purchases, play grounds, etc. were removed from the budget therefore need to be removed from the ordinance. Also the Jackson St/Lakefront bathroom is renamed to Harbor Field. Mr. Danielson stated on the operating side, we adjusted the exhibits to match the requirements of GFOA.

Mr. Madden requested a 30 day extension of the budget so he can have further discussions with the department heads. This would place the adoption on the 9/24 council meeting. He does not have any big changes but wanted to talk a little more about the revenue forecast for the month of March – July compared to last year.

Mr. Oliveri explained the last 4 months, other than July, sales tax are under actuals. This is why they made some changes to the budget. They also have to notify the council if there is a 5% change and not going to meet the revenue targets. Expenditures we are fine, we are short in revenues. The biggest changes are: sales tax \$125K under, sewer impact fees \$248K under, elevation income \$223K under but that pairs with no disbursements. Police fees are also off. SRO fees are positive because we did not have



SRO's last year. Currently, we are down in sales tax revenue by 3.86% compared to the same period last year. Last year at this time we collected \$6.4 million and this year we are looking at \$6.2K. July has been a good month and we collected \$200K more than last year. Mr. Madden asked what August looks like so far. Mr. Oliveri explained August 20<sup>th</sup> is the deadline to file sales taxes and next week we should start to see some revenues being turned in. Currently, we are off \$900K, but that will significantly change in the next week or so. Mr. Oliveri thinks August will be a decent month but expects some drops in the fall with the businesses that are closing (Steinmart, Honey Baked Ham, and Mande's). Restaurants on the whole do not make a big difference, but in groups they make an impact. Mr. Danielson asked if there was a way to see the breakdown which would include grocery stores.

Mr. Madden was interested in the revenue estimate before COVID for 2020. Mr. Oliveri stated this was based upon a 2.5% increase overall, just in this last quarter we are 3.6 behind. 2020 revenue we used the legislative auditors estimate of \$1-2 million and we used \$1 million to be in the middle of the road. If revenues continue to stay steady you will be close to the \$1 million. If we have a bad fall and Christmas, we will be closer to a shortfall of \$2 million. Mr. Danielson asked if we are holding up better than most municipalities our size. Mr. Oliveri said we are doing better than most. Many are significantly down and looking for the CARES Act to supplement their revenue stream.

Mr. Madden asked about the red-line on the Hwy 22 drainage project of \$400K. Mr. Oliveri explained this was an addition. This project was developed after the budget and this is based upon some modeling costs and design.

Mr. Madden asked about the Bypass Road at \$500K. Mr. Danielson stated the original outstanding amount is \$1.6 so we figured this year we would distribute \$500K this year. The project is in the design phase so there are reimbursable costs as per the CEA. We refund 20% of the total cost up to the \$2 million mark for design and construction.

Mr. Madden had questions about Hwy 190 median Carondelet to Clausel \$450K to \$400K. Mr., Danielson explained this is a reduction in cost but in order to receive money from the project we needed to do a feasibility study. The design is also cut down several blocks and the remainder will be bypass road affects what happens after Clausel so DOTD felt this project should only go to Clausel.

Mr. Madden felt we could continue the budget conversations and discuss any changes at the August 27<sup>th</sup> meeting. Assuming no issues, we could vote on the budget September 10<sup>th</sup>.

Mr. Zuckerman asked Mr. Oliveri if the city had any repercussions if we pushed back the adoption of the budget into September. Mr. Oliveri explained there is a possibility the auditor will note the adoption. He does not think this would be an issue. You can go into the next fiscal year with 50% of the prior year's budget, but he recommends passing as soon as possible. Mrs. Richardson explained the Governor's executive order does not give anyone an exception or suspension of adoptions.

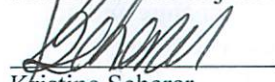
Mrs. Rohrbough suggested calling the auditors and giving them a heads up because of COVID and the move of the election. She also reminded this council any capital projects have to go to P&Z for approval such as the discussions of bathrooms at the Harbor. Mr. Zuckerman explained the money is for a study and if it does turn into a project it will then go through the proper channels. Dr. Kreller reminded Mr. Madden after the budget is passed, you can still do budget adjustments.

Mr. Danielson wanted to remind everyone on the operating side, the council is looking at a 2.5% increase for employees and no addition increases in retirement or health care. They will be meeting with civil service to discuss further adjustments.

Mr. deGeneres reminded the council of the two storms entering the Gulf this weekend. They are predicting landfall mid-week and will expect a lot of rain.

**ADJOURNMENT:**

Mr. Danielson adjourned the meeting at 6:00 p.m.

  
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Kristine Scherer  
Council Clerk

  
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Rick Danielson  
Council Chairman