

**THE FOLLOWING MINUTES WERE ADOPTED AT THE AUGUST 13, 2015  
MEETING OF THE MANDEVILLE CITY COUNCIL.  
MANDEVILLE CITY COUNCIL  
MINUTES FOR THE MEETING OF JULY 27, 2015  
BUDGET WORK SESSION**

The budget work session was called to order by Council Chairman Madden at 6:10 p.m.

**PRESENT:** Rick Danielson, Clay Madden, Carla Buchholz, Ernest Burguieres

**ABSENT:** David Ellis

**ALSO PRESENT:** Mayor Villere, Chief Rick Richard; Frank Oliveri, Finance Director; Louissette Scott, Director of Planning and Zoning; David DeGeneres, Director of Public Works; Edward Deano, City Attorney

**OPERATING BUDGET:**

Mr. Madden announced his goal is to finish with salaries this evening and start the Capital budget tonight. He asked Mr. Burguieres if he has received all the answers to his prior questions. Mr. Burguieres believes he has received all on executive pay, and he has not received all on civil service. He has some questions as whether we can adjust certain salaries, or if it has to be a uniform pay increase. Mr. Madden asked the Mayor if the number they are comparing from other jurisdictions are total compensation.

The Mayor stated it is very poor legislature to try and address individual salary scales in a budget session. The administration looks at the job requirements, the comparison to other areas and adjusts the salary scale, not just whether it needs to be higher or lower. He does not recommend a flat percentage increase across the board, for two reasons: first, it treats everyone equally and does not target the affected areas, which are the lower and upper end of the scales. Civil Service has a 25-step program; they look at now one step per year. There are people beyond step 25. An increase across the scale may not address those at the top. He suggests to add \$1,000 or more and a 2.5% increase. A higher paid employee will get the same amount of money, but percentage wise, the lower end of the scale will have a higher percentage of increase. If you increase across the board, some at the higher end will reach their max sooner; it is a drawback. It treats everyone fairly if you move the scale up and do percentages increase. Also, look at what happens when their anniversary dates comes. He recommends for the Council to give them a number and using this formula, he will look at how it will work.

Mr. Madden stated they need to get all those people at the lower end up to the median, but which median are they using? The salary study from 2013 is a little old, so what benchmark are we using? The Mayor stated Mrs. McKinney does a salary survey every year and believes she has provided that to the Council. Mr. Madden asked what is the source. Mayor stated survey from the Parish areas. The Mayor stated they should do a scale increase for everyone and do a percentage increase and we would be a lot closer to achieving this goal. Do not try to identify a particular job and what they should be paid, that is up to HR to put together that information and come to the Council with a salary

survey and job classification for an increase. Mr. Danielson agrees with the basic concept and wishes they could start this salary process earlier in the year. He feels that the number one asset is our employees. The City invests in a lot of infrastructure and now is the time to invest in the employees. We have spent \$1.8 million on a bridge, given back \$800,000 to the residents, and now we should invest in the employees. Mr. Danielson proposed the right number for the employees should be \$839,000, he feels this is the right time; it needs to be a significant pay raise. The City has the money and can sustain this amount in the future. We need to figure out, with the administration, how this will be allocated, but this is a good investment. Mr. Oliveri wanted to verify this is total compensation – correct. Mrs. Buchholz agrees this is the correct amount and the City can afford and sustain the dollars. It would be roughly around 10.5%. Some of this money would be a catch up and help with the substantial increase in health cost last year. We need this for retention and recruitment.

Mr. Madden has heard from the HR Department that we need to get to the bottom level employees at the median. The Mayor said we need to treat all the scales with a similar increase and then give a percentage to the scale on top. Mr. Madden agrees, but he does not want the Council to appropriate a lump sum of money and the administration divides it up and then next year we have the same problem with people not at the median.

Mr. Burguières suggested setting goals and deadlines for the targeted positions that need to be increased. He suggested that we ask the Waters' to do another salary survey and revisit those additional needs in January. He also requested that they freeze the directors' and Mayor's pay at the 2014 year and use the lump sum for the employees. It would show good faith that they are concerned about the lower level employees that need the most attention.

Mrs. Buchholz wanted to ask if this was a recommendation – yes. The recommendation is to do an across the board increase, freeze the directors' and Mayor's salary at the 2014 level and have another study before the end of the year to make informed recommendations next year. This can be written in the budget ordinance. Mr. Burguières would like employees and administration to investigate health insurance companies and see if there is a plan that would be lower, and he would not be opposed to take that money and give it back to the employees.

The Mayor stated he is not in favor of the director's pay being frozen and it is a political move to freeze his salary. The directors would get a 2.5% and they do a lot of work and don't get overtime and work hard. We have a health care committee and the employees look at every one of the proposals that comes to the City and they have selected their plan for the past few years.

Mr. Danielson recommended using the 11% and merit for a total cost of \$839K. The Mayor asked how do you treat those above the scale? Mr. Danielson asked for a spreadsheet from Mr. Oliveri showing the distribution as even as possible. He knows there are a lot of moving pieces such as 35 and 40 hour week employees.

Mr. Burguieres asked if this would include the 2.5% for directors. Mr. Danielson said he did not have a problem with that, but we are also budgeting monies for positions that are not even there and may not be filled. We are budgeting for 125 positions that we have never met.

Mr. Madden asked for Mrs. McKinney to provide at the next meeting, what it would take to get those below the median to the median based upon the salary surveys he stated she has obtained over the past year. He would also like to see the past year's salary survey. Mr. Burguieres also asked Mr. Oliveri to provide another spreadsheet taking the director's 2.5% out of the picture.

Mr. McGuire stated the Police Civil Service Board has recommended a 15% increase, with that for all employees; it amounts to \$1.2 million. The Police Civil Service Board has the authority to recommend a pay plan and he would like the Council to adopt the 15% pay plan recommended and send it to the administration for funding. He does not have the authority to recommend for the non-police, but he recommends the same 15%. They would like a vote, yes or no, and then if it is voted down, they can submit a new plan. The board's authority is to develop and administer a plan and will be adopted by the board after a public hearing.

Sgt. Ocman stated he and the other officers have been talking to citizens and they feel 15% is fair. He presented a signed petition signed by 95% of the people they spoke to. Mr. Oliveri stated in a civil service meeting, we can afford this short term, but he is not sure long term. How we lost the 15% he is not sure. Some numbers given were not correct or lacking and he thinks he has corrected the items. Sgt. Ocman recommends the 15% for the police; he can only speak on behalf of the Police.

Sgt. Fath spoke to several citizens as well and this is the reason they live in Mandeville – it is safe and the police keep this city safe.

Mr. Runyon spoke regarding the comparative analysis. If they are looked at objectively and changes need to be made, then approve the changes.

Mr. Haacke asked Mr. Oliveri to make sure to look at the legacy cost for retired employees regarding their health plans and pensions; they are underfunded.

Chief Richard asked if they could try and settle on a number so the employees can know what is happening. He verified that the numbers the Council have for the Police Department are accurate. Mr. Madden said the Council has decided upon a number, \$839K, and now we will just need the breakdown from Mr. Oliveri on the percentage increase, and also a sheet including the 2.5% for directors.

Mrs. Buchholz asked Mr. McGuire about the increase for the dispatcher and clerks in the Police Department. He stated the Police would receive a 15%, but dispatchers and clerks around 18% because it is based on hours worked. Mrs. Buchholz asked if the Mayor has taken a look at City Hall and Public Works working 40 hours instead of the 35 hours, not

just for the pay situation. She has heard several complaints and would like City Hall to be open until 5:00 p.m. The Mayor said he is still looking at what would justify the increase; it may be flex-time. He said if it was an option during this budget cycle, he would have presented it. He has not heard of any complaints.

Ofc. Vanison expressed the Police need an increase. It is a shame they cannot afford to live in the area that they work. They have a lot of quality employees who are young and do not have to stay. New Orleans East was once like Mandeville and look at how it has changed.

Mr. Danielson stated the \$839K is just a start to stabilize the scales and if we need to revisit the number later or after we receive the salary study, we can make appropriate adjustments. We can include all of this in the ordinance.

Mrs. Buchholz stated the consensus is that they are willing to budget \$839,000 for raises.

#### **GENERAL OPERATING BUDGET:**

Mr. Madden asked if there were any questions regarding other areas of the operating budget. Mr. Oliveri asked about the Council meeting fees if they were to be adjusted. The Council stated that they never asked for the increase, so keep it the same as last year. Mr. Oliveri stated election expenses are up because whenever there is an election off cycle it costs three times as much. Mr. Madden stated he has heard from several homeowner boards that they would like to see a code enforcement officer established to help them with minor problems and perform regular sweeps. He thinks it could be on a contractual basis and would like to start developing this position. Mr. Madden suggested moving \$25K from the general fund to a contract item for a code enforcement officer, not an employee, contract position. Mrs. Buchholz asked what would be the duties and responsibilities. Mr. Madden asked they would like to see someone proactive – for what? Mr. Madden suggested they get with Mrs. Scott to establish a scope of work for a code enforcement officer. Mr. Oliveri said be careful, the IRS has strict rules. Mr. Madden said they have established laws that were not monitored, for example, the electronic signs. The rules were not followed so the Council had to basically abolish the signs because the P & Z Board said code enforcement was their biggest issue so they voted for the complete ban. Issues like this would be perfect for this position for enforcing that code. Mrs. Scott can get together and establish some type of outline. Things are not very clear to some homeowners because some covenants do not follow the City guidelines and that can cause some confusion. Mr. Madden would like this person to help educate the community and over time violations should decline. Mrs. Buchholz recently met with Chris Brown and asked him to help her find the most glaring ordinances that need to be reviewed and they are still in that process. She thinks \$25K is a good start; someone who is retired or a retired police officer maybe could fill it. This is just a start and would have to be developed.

Mr. Runyon had a question regarding health benefits. Baseline of \$2.176 million is held from last year, but this is for 125 employees. Actual expenses would have to be prorated down to budgeted positions.

Mr. Burguières said we are budgeting the same amount and we don't know what the amount will be. He wished we could have someone from HUB here to give advice. We have 8 retirees that are included in the same number per Mr. Oliveri. Mr. Runyon said the retiree benefits should not be included in that number, they should be in a separate line item for tracking; it is giving false figures in the budget.

Mr. Madden asked if Mr. Oliveri can provide a separate line item to track retiree health insurance as a subset of total insurance – yes.

Mr. Madden said budgeting for 125 employees and the average this year was 104, budgeting for 125 is too high. Mr. Danielson said we will never know what is the right number and know what positions to eliminate, so we have to work knowing that those costs at the end of the year will be lower because they are not filled.

The Mayor stated Public Works is currently restructuring and so while they have budgeted 46, they may actually have 36, but use the same amount of money.

### **CAPITAL BUDGET:**

Mr. Danielson asked since we received the BP money (\$1.6 million after fees), he would like some of this money to go towards flood protection, especially the Galvez Project. The Mayor stated they are using some of the rededicated money for flood protection and he wants the BP money to go into the general fund and use the Galvez Street Project from a more restrictive fund. They can look at other projects and see if they can be moved up. Mr. Oliveri said you could also use this money for funding of future health care benefits. Mr. Danielson stated they can specify things in the budget ordinance.

Mr. DeGeneres stated the only item not in the capital budget is to replace the Gazebo swings. The Council agreed to start replacing them now.

Mr. Burguières asked about the progress with the Girod Street parking. Mr. DeGeneres said they are not sure if people will agree to the servitude appraisals.

Mr. Madden asked the Mayor if they can get the monthly Trailhead market reports, they have not been receiving them. He will get them, he thought they were for the year.

Mr. Burguières stated here is what they are looking for: questions and copies of the salary surveys, code enforcement duties, possible 35-40 hours opportunities, report from the Trailhead, the two spreadsheets from Mr. Oliveri, and the tracking of health insurance costs.

Mr. Runyon said this budget workshop has been the most productive in the last few years. There are a lot of things in place that were not here before. Make sure to not move money around and make notes on your amendments to the budget.

The Mayor stated the Council just needs to make sure any amendments they make go through legal before a final vote, and any questions send to the administration so they can have the answer before the next session.

Mr. Madden stated in the next budget session they will address any remaining questions on operating budget and be prepared to start with capital Tuesday, August 4<sup>th</sup>. Any questions should be sent to the administration before the next session if possible.

Mr. Burguieres requested a motion to adjourn, seconded by Mr. Danielson.

**ADJOURNMENT:**

The meeting was adjourned at 7:55 p.m.

  
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Kristine Scherer  
Council Clerk

  
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Clay Madden  
Council Chairman