**MINUTES**

**FOR THE CITY COUNCIL BUDGET WORKSHOP OF AUGUST 4, 2021**

The budget work session of the Mandeville City Council was called to order by the Council Chairman at 5:00 p.m.

**ROLL CALL - present:** Jason Zuckerman, Rick Danielson, Rebecca Bush, Skelly Kreller

**Absent**: Jill McGuire

**Also present:** Mayor Madden, Keith LaGrange, Director Public Works, Cara Bartholomew, Dir. of Planning, Kathleen Sides, Finance Director, Elizabeth Sconzert, City Attorney

Mr. Zuckerman explained this is our second budget work session during which time no votes will be taken. Mr. Zuckerman stated the new budget platform is not on the city web site and he will ask for an overview of this by Mrs. Sides. During this meeting he will also review council questions asked via email.

Dr, Kreller read a statement: “I wish to express my frustration and concerns regarding this year’s budget. In prior years the City Council received the first draft of the budget on or around July 1st. This was in keeping with the Annual Budget Schedule.

I understand we have a new mayor, directors, council, etc.… but this year we never received such a schedule. The new mayor, who was on the council for 8 years prior, asked for some time because the city was working on some new budget software, but I am concerned with the distribution of information we have received to date.

On July 12th the Council received Budget Exhibits: A, B, C, and D along with additional information such as: Summary of all Funds, Planning & Development Details, Employee Salary Detail, Legal History, and Budget Notes. In total this was 26 pages.

At our first budget work session on July 22, 2021, a brief overview was given by the Finance Director. The Council had a few questions, but mainly requested some lines to be numbered, headers added, page numbers, etc.… to assist with the flow of discussions. At this meeting the mayor and Finance Director discussed the new software and its upcoming roll out. The software was going to be user friendly and a living document for not only the council but residents.

On August 2nd – this Monday- the council received a link for the budget book which is 237 pages along with a revised Exhibit D. The prior Exhibit “D” was 10 pages, the new Exhibit “D” is 31 pages. While the information is supposed to be the same, the Council and public are looking at a document that has been reformatted with additional information.

On August 3rd – the council was notified the link for the budget was on the city web site and the fund summary has been changed. Once again, the prior fund summary page was 1 page. This new summary page is 40 pages. My concern is the council is now looking at a new document, much larger and we are supposed to adopt this budget by the end of August. If the administration had thought this through a little better, we could have used the proven financially software that had been used in the past years and introduced the new, expensive, user friendly software and format after September 1, 2021, when we entered a new budget cycle. This would have been much easier. A former democratic representative once said, “If we write bills with many pages, we will have enough room to hide many things.”

The mayor stated the new format is an open checkbook format like the State. He believes it will be more interactive for the residents. He thanked the council for sending questions via email so the administration can get the questions answered. He knows Mr. Zuckerman has questions about the Enterprise fund and the administration will need more time to answer those questions. The American Rescue Fund ties together with the enterprise fund. Mrs. Sides will send an email to the council about the ARPA funding. Mr. Zuckerman asked with the revised documents issued was the overall summary of the budget changed? The mayor stated it basically remained the same. Mrs. Sides did make some changes and she will review.

Mrs. Sides gave the council a tutorial of the online system. The software is based upon GFOA guidelines, and the city has won this award for the past 6 years.

**Changes to the Fund Summary Page: Intergovernmental Revenue** – there were figures in here that were actual capital outlay transfers so those have been moved to net increases for capital outlay ($2.06mill). Overall, the revenues and capital outlays are the same but there were transfers or capital outlay that needed to be moved. Total revenues priors were $18,269,690 and are now $16,806,095 because there was a shift in $2,060,000 for capital outlay.

Mr. Zuckerman asked why the overall change in the general fund balance from $19,036,499 to $16,070,990. Mrs. Sides said she added the prior year appropriations for what has already been spent. So, the new line item is unspent funds from last year and have already been dipped not but not fully spent.

Mrs. Sides explained the city has ARPA funds coming our way in the amount of $4.6 million over a two-year period. This is not currently in the budget. We can spend the money on respond to the economic impact of the pandemic, support essential work during the pandemic by paying premium pay. We paid employees $7 per hour and ARPA is allowing $13 per hour, capped at $25K per employee. Mrs. McGuire asked if this could be retro. Mrs. Sides explained this can be retroactive pay. Another item is provision of governmental services to the extend of the reduction in revenue. She sees this as concert series and community center so you can reimburse yourself for that. The big one is to make necessary adjustments in water and sewer and broadband infrastructure. She questions remote learning and not all citizens have access to broadband. She needs clarification; the one no, is you cannot fund pension programs. Mrs. Sides stated this is not going to be monitored by GOSEP, the city must manage this themselves. Mrs. Bush asked about a time frame to spend the funds. Mrs. Sides stated you must spend by 2024. Mrs. Bush wanted to know what the director needs would be and what this money could be used for. The mayor asked Mrs. Sides to put out an email explaining the process and requirements. Mr. Burguieres recommends the city should be careful that it does not agree to accept “free money” in exchange for something that its constituents may not want. Mr. Zuckerman would like this to be reviewed by the city attorney, so we understand all our parameters. Mr. Danielson recommended once we receive this money to create a separate line item for tracking purposes for revenues and expenditures

The mayor stated the total expenditures for 2021 budget was $40 million and this year is $44 million. The main difference is $3 million in land acquisitions and $500K in miscellaneous items.

Mr. Zuckerman wanted to start with questions sent to the administration about the capital projects. We will keep track of changes; we will then take a vote upon the changes at a later meeting and then update exhibits at the end of the work sessions.

**Capital Projects**:

**Under Police – how many vehicles are we planning to replace?  What makes up the $400,000? –** The mayor stated this is for 7 fully equipped vehicles, including light bars, cages, computers, modems, etc. Vehicles are a huge problem at the PD right now. Many police cars are old and outdated. There are even 3-4 current patrol officers who cannot place a laptop in their unit due to the car being outdated. Maintenance costs are high too for the older units. The previous administration allowed for 4 new police cars per year. After speaking to the officers, then having a budget meeting with former Chief Sticker and Assistant Chief Greenwood. Sticker and Greenwood recommended 7 new cars for the next 2 budget years to “catch up”, and the re-asses in year 3 and possibly go back to 4 or 5 new police cars a year. Mr. Danielson explained we have laptops and radios that have not been installed and there are several cars that are needing repairs. What is the status of this? We should fix what we have, in addition to getting new cars. He also would like to add in the budget bullet proof protective films for the cars and he does not see this in the budget. This is going to cost about $6-8K per car. The mayor stated the new police chief will conduct an inventory and get back with him on the department’s needs. Mr. Danielson also asked if we could budget someone to do basic maintenance in house, as we had done in the past. There was an employee who worked in the barn. The mayor stated this was a fleet manager which is not funded. He will research this suggestion and see if this could go in the next budget. Currently there are some traffic officers who perform maintenance on vehicles. Mr. Danielson asked how many cars we have in total if we need 7 more. The mayor will get back with him on that information.

**What makes up the $150,000 for Buildings & Grounds Repairs?** – The mayor explained there are rotten walls and mold throughout the police department building.  This was an internal estimate of repairs.  We have not done any formal bidding or requests for proposals. Keith has done an initial assessment of the structural problems at MPD HQ. There is a wall that is having mold and water leakage issues. The $150 is an estimate. Keith will have final numbers soon. Mr. Danielson would like to add to the budget gates at the cut through streets for the police department. This road is used by more than police officers and is a safety issue. He would like Mr. LaGrange to investigate a cost estimate for gates and fence around the entire facility.

Mr. Danielson stated in addition to the discussions that we will hold regarding the **Shoreline Protection** for both the East Side & West Side, he would recommend that we plan for and add some money to make some improvements to Ravine Aux Coquille – primarily from the northside of the bridge going through the city owned property.  There has been a lot of erosion on both sides of the ravine after the wall ends.  In addition, the wall on the northside of the bridge is probably 2 feet shorter than the bridge on the southside.  I briefly talked to Keith about this at the last Council meeting – he was thinking that we could look at a few things that might help.  I would like to see this move forward even before the bigger broader plans for Shoreline Protection start to get discussed then budgeted for.  The mayor stated we can talk further about this, but I would not be in favor of doing any major work before we have a completed design plan for the entire ravine/Lakeshore area. Mr. Bernard Smith expressed his concern over the eroding city owned property adjacent to his property. The city has two protected ravines, and he recommends the city install sheet metal along both sides of the ravine to prevent further erosion. Mr. Zuckerman would like to do something to stabilize the property and asked Mr. LaGrange to research the cost. Mr. LaGrange stated sheet pile is $1,000 per linear foot so for 150 feet on each side that would amount to $300K. Mr. Zuckerman would like to discuss this topic further.

Dr. Kreller agrees this is a piece of city property that is eroding, and the city needs to take action. Mrs. McGuire suggested raising the wall a few feet to match the level of the wall on the Lakefront. There is about a 2-foot difference. Mrs. Rohrbough suggested if we proceed with this project to address the landscape in this area. Some vegetation should be removed and replaced along the channel.

Mr. Zuckerman inquired about **Drainage maintenance**.  Are you proposing any funds now for:

Galvez Canal clean out? Ravine Aux Coquille clean out? The mayor stated this one and the Galvez Canal are currently being submitted to the Corps/DNR/LDWF. Ravine Aux Coquille bulkhead? The mayor is not in favor of doing any work on this bulkhead until a plan for the entire ravine is completed.

**Land Acquisition**:  How was $3M arrived at?  The mayor stated this is for a potential land purchase for a park on the west side of town, the trailhead property, and miscellaneous property acquisitions, most if not all of which I predict will be in Old Mandeville, for water management. I detail this in my budget message (green space, parks, and water management). However, Elizabeth advised me not to break it down by project as that will have a negative effect in the real estate negotiations for the purchase of this land. Elizabeth advised me to budget this in one lump sum so as to better serve us for negotiating. I see this as being roughly a third for each (give or take). I also see the west side park happening soon after the budget is passed, the trailhead happening at any time (the family is actively looking for a 1031 exchange) and the misc. property happening soon after we receive the completed resiliency plan. Mrs. McGuire would like the city to try and buy land around the cemetery for expansion. The mayor stated this could be used with the $ 3 million land acquisition line item. She would like a separate line item or at least a foot note under the land acquisition line.

**Lakefront Wetlands Restoration (berm project**):  Mr. Zuckerman asked to please confirm $3M is enough to cover the remaining engineering fees plus cost of construction.  I know we received funding from the Parish that will help offset the cost increases due to previous delays in starting this project, but have we confirmed a statement of probable cost with the engineer and also have engineering fees covered? The mayor replied, yes-the engineer’s statement of probable cost is $3.9 million. 3.6 for construction and about $300,000 for fees. We have a confirmed letter from the parish that we will receive $1 million in GOMESA funds for this project. Kathleen is working on a way to show that in the budget from an accounting perspective. We currently have $2.9 million budgeted. Kathleen will have that answer soon (if she can show the parish money vs. increasing the line item).

**Harbor Field Upgrades:**  Mr. Zuckerman is guessing this proposed budget item is just for architectural services and the plan is to develop a scope as well as a statement of probable cost and come back to the council for funds for construction?  Yes. I'm questioning this because I'm sure $120K isn't enough for new permanent bathrooms and concessions along with utility tie-ins, field and fencing upgrades, etc. along with architectural fees.  Just looking for some more info on what you are thinking here. The mayor stated construction funds went into the 5-year plan. $120K is just for design.

Shoreline Protection East Side:  $1.2M - for what? The mayor explained we can adjust this now that we are taking a pause. Keith and David recommend we reduce this to $250K. Add that to the $250K we have left in this line item from this year’s budget, and we will have an even $500K for design work for a possible team of experts to be determined soon. (\*\*\*\*Keep in mind if Kathleen’s research shows that we need to increase the berm project by $1 million, you all could simply move it from this line item\*\*\*). Mr. Zuckerman wants to see the big picture before the design. After that, we can do a budget adjustment.

**Shoreline Protection West Side:** $120K - for what? The mayor stated this $120K to the existing $380K and again we have an even $500K for design. This amount is needed for Survey, Geotech, Modeling and Preliminary Design. A letter of intent has gone out to Volkert Engineering. Mr. LeBreton explained the plan is for breakwaters and the height will be determined by the wave analysis.

**City Parks and Playground Improvements**:  What are we spending the $250K we have remaining from last year's budget on and what do we plan on using the additional $95K this year on? The mayor is currently working on a PO out for Tyler Thomas right now. The remaining from this year and the $95K addition is for Tyler Thomas and the proposed West Side Park. Mrs. McGuire asked what the scope for Tyler Thomas is. Mr. LeGrange explained they will sandblast and repaint the columns, take down the gazebo, install an awning from the court to the restrooms, add fencing, and a sunshade over the playground. They will also use some of this money to add a sunshade at the splash pad on the Lakefront.

**Where are funds budgeted for landscaping and repairs at the cemetery**? The mayor explained we have a line item in the operating budget titled Cemetery. These funds come out of that line item. If Keith’s guys in PW do any work in the interim, then it just comes out of salaries, but Keith is confident we will have a new contractor in place really soon. Funds to pay the contractor come out of the Cemetery Line Item. Mrs. McGuire asked if this is also for restoration of the graves and a status of these repairs. Mr. LaGrange explained the city is currently looking at 6 grave repairs. The city has tried to reach out to the owners and if there is no reply, the city will start to do the work and then bill the owners. Mr. Danielson explained it is like a condemnation process. Some of these owners we may never hear from. Others may contract the city when they need to bury a loved one. At that time the city will work out a payment plan for the reimbursement of the grave repairs. Mrs. McGuire would also like to see a custodian of the cemetery in the budget. The mayor stated after all the position in Public Works are filled, he would like to assign one position to oversee the cemetery.

What is the last column, "**Estimated Maintenance Cost**"?   Every line item has a dollar figure associated with it totaling $74,266.  What's this for? This is just estimated annual maintenance. Mr. Zuckerman and Dr. Kreller would like more information on this line item – it just does not make sense.

**Enterprise Fund**

1. Why did Sewer & Water projected revenues go down approximately $450K from last year while total projected operating expenditures went up $323K resulting in an increase of the shortfall between revenue and expenses from $1.02M to $1.8M, and increased shortfall of $780K.​ What are the reasons for the projected reduced revenues and for the increased expenses?
2. Is the loss of revenue somehow due to COVID (not sure how it could be seems like it would be the other way around) or some other outside influence such as the previous year had large developments with significant impact fees that we are not projecting this year, etc.
3. What is driving the projected increase in expenses?  Are these some one-time expenses or are costs just going up and if so, what specific ones that are having this big of an impact?
4. What has been the trend on this ratio of revenue/expense over the past 5-7 years?
5. Does the administration have any recommendations with regard to this shortfall (increasing revenue, reducing cost, etc.)?

Mrs. Sides will need to et back with the council on these answers. She explained impact fees are projected less due to the decrease in building permits. There was also a revenue reduction due to covid because the city waives late fees and cut offs. She also would like to examine several rates that have not been adjusted in many years.

Mr. Zuckerman explained we will continue with capital questions and start with operating budget at the next meeting.

The mayor stated he has asked the council for a $10K raise for two directors. The HR director falls under civil service, and he would like to revert that raise from $10K to a 2.5%. This will be readdressed during the salary survey. Once the salary survey results are presented to the city, he would like to compile a committee consisting of mayor, finance, and HR director, 2 council members and 2 civil service board members to analyze and make recommendation to the council.

Mr. Zuckerman wanted to recap our action items for further discussion:

1. Police Equipment: ADD -bullet proof film for vehicles
2. Police: ADD – gates and fence
3. Ravine Coquille – ADD money for sheet piling
4. Cemetery: Add line item or increase land acquisition amount
5. East Shoreline Protection: Decrease project from $1.2 million to $250K
6. Exhibit B: HR Director – reduce salary to reflect a 2.5% increase

**ADJOURNMENT:**

Mrs. Bush made a motion to adjourn the meeting, seconded by Mr. Danielson. Mr. Zuckerman adjourned the meeting at 8:05p.m.

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Kristine Scherer Jason Zuckerman

Council Clerk Council Chairman