

MINUTES OF A REGULAR MEETING OF THE MAYOR AND COUNCILMEN OF THE CITY OF GONZALES, STATE OF LOUISIANA, TAKEN ON MAY 13, 2013, 5:30 P.M. AT CITY HALL.

MEMBERS PRESENT:

- | | |
|-------------------------------|----------------------------|
| Mayor Barney D. Arceneaux | Councilman Terance Irvin |
| Councilman Timothy Vessel Sr. | Councilman Gary Lacombe |
| Councilman Kirk Boudreaux | Councilman Kenneth Matassa |

MEMBERS ABSENT: NONE

ALSO PRESENT:

- | | |
|----------------------------------|----------------------------------|
| Lisa Babin, Administrative Clerk | Ryland Percy, City Attorney |
| Clay Stafford, City Clerk | Sherman Jackson, Chief of Police |

Motion by Councilman Kenneth Matassa, seconded by Councilman Gary Lacombe to suspend the rules to discuss an item not on the Agenda. UNANIMOUS

Motion by Councilman Kenneth Matassa, seconded by Councilman Gary Lacombe to adopt a Resolution to the State of Louisiana Department of Economic Development to apply for a Grant for Transportation Improvements on LA 30 from S. Veterans Blvd. to S. San Francisco. UNANIMOUS

Motion by Councilman Timothy Vessel, seconded by Councilman Terance Irvin to adopt the meeting agenda. UNANIMOUS

Motion by Councilman Timothy Vessel, seconded by Councilman Kenneth Matassa to accept the minutes from the April 22, 2013 Council Meeting. UNANIMOUS

Motion by Councilman Gary Lacombe, seconded by Councilman Terance Irvin to approve the request of Speratech Holdings LLC to re-subdivide Tracts 1-B-4 and 1-A-4 situated on the west side of S. Burnside back into Tracts 1-B-3 and 1-A-3 as shown on a map by Civil Design & Construction, Inc., professional land surveyors, dated April 8, 2013. UNANIMOUS

Motion by Councilman Kenneth Matassa, seconded by Councilman Kirk Boudreaux to approve the request of Edenborne Development Co. LLC to create Tract EB-4A situated on W. Edenborne Parkway within the Edenborne Development, as shown on a map by Baton Rouge Land Surveying, professional land surveyors, dated May 16, 2012. UNANIMOUS

Motion by Councilman Timothy Vessel, seconded by Councilman Kenneth Matassa to approve the request of Josh and Melissa Daigle to re-subdivide Lot 18-A. situated on the north end of Twin Circle Drive, into Lots 18-1 and 19-1 as shown on a map by Quality Engineering & Surveying, LLC, professional land surveyors, dated April 30, 2013. UNANIMOUS

Final vote on Ordinance # 3011:

AN ORDINANCE ADOPTING THE FISCAL YEAR 2013-2014 BUDGET ADDRESS

BE IT ORDAINED BY Mayor and Councilman of the City of Gonzales, Louisiana:

That the 2013-2014 Budget Address be hereby adopted as follows:

**CITY OF GONZALES
BUDGET ADDRESS
2013-2014**

These budgets reflect a projection of the requirements necessary to ensure that the City of Gonzales continues to provide the level of services it currently supplies. There are some assumptions that must be set forth that are relative to the overall operation of the city. Those assumptions are detailed below.

SALES TAX BUDGET

Sales taxes account for 72% of the revenues in the General Fund and virtually all of the revenues in the Capital Outlay Fund. The administration watches sales tax revenue as an important indicator of the city's ability to provide services in the future. We project that the city will collect \$12,713,019 in sales taxes in the current fiscal year compared to \$12,198,208 in the previous year. This represents a 4.2% increase in sales tax revenue.

Sales tax revenue is 17.71% above the \$10,800,000 the city budgeted for the current fiscal year. In recent months the sales tax revenue has averaged a growth rate of 4% and we have been watching it very closely.

The administration has decided to set projected sales tax revenues for the upcoming fiscal year at \$11,400,000. This amount is 5.56% higher than last fiscal year's budgeted revenues, but is still 10% below actual collections.

TANGER MALL ECONOMIC DEVELOPMENT DISTRICT

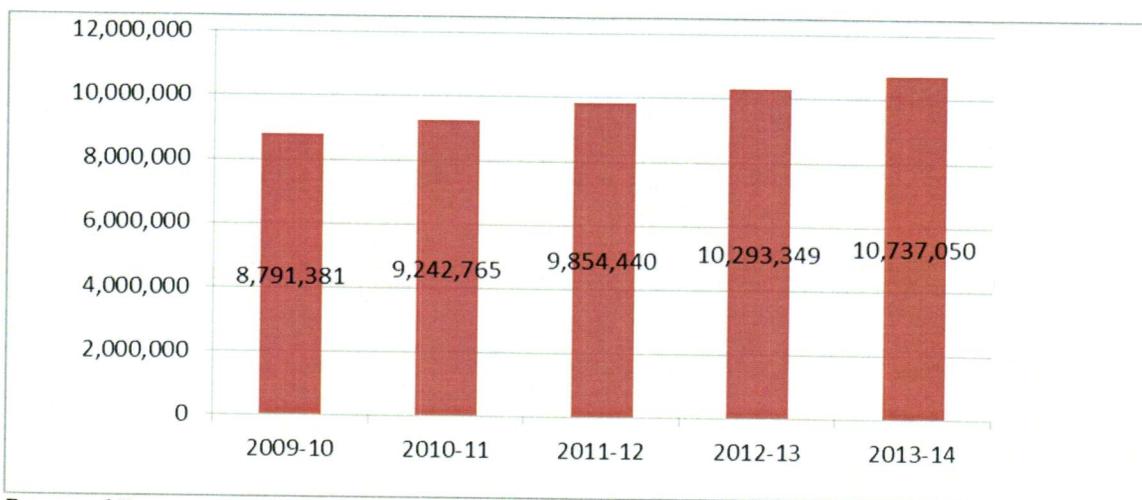
In July of 2012, the city began collecting the additional one-cent sales tax within the Tanger Mall Economic Development District. Seventy percent of these funds are earmarked for use by Tanger Properties Limited Partnership in expanding Tanger Mall. The remaining 30% of funds collected through this tax are earmarked for use by the City of Gonzales for infrastructure improvements. Through January 2013, this tax had generated a total \$581,272, which breaks down to \$406,891 for Tanger and \$174,381 for the City of Gonzales.

PERSONNEL EXPENSE

This budget projects a cost of living increase for city employees of 2%. This increase, along with retirement system increases and merit increases will increase salaries expense by \$296,000 and retirement expense by \$136,000. Total personnel cost for the City of Gonzales in the proposed budget is \$10,737,049. The city's total General Fund and Utility Fund Budget is \$17,147,500.

The Municipal Employees Retirement System (MERS) is increasing the required employer portion of the retirement premium. MERS is increasing its rate from 17% to 18.75%. MERS will increase the employee rate this year from 9.25% to 9.50%. The employer portion of the Municipal Police Employees Retirement System (MPERS) will remain at 31%.

GONZALES PERSONNEL RELATED COST



Personnel Requests

We are requesting an upward adjustment in the position of Assistant Inspector in the Code Enforcement Department which is at Range 8. We would like to change the position to Electrician/Assistant Inspector and make it Range 10. The incumbent in that position is currently a licensed electrician and does an abundance of electrical work throughout the city, saving the need to hire a licensed electrician in many instances. This change would bring the position more in line with our other skilled craftsman position, the carpenter, who is also at Range 10.

We are requesting an upward adjustment in one of the Equipment Operator positions in the Streets and Drainage Department from a Range 5 to a Range 7. The incumbent in that position currently acts as a foreman on many of the day to day projects. He also supervises the crews in the absence of the Streets and Drainage Supervisor. He is the only employee within the city who is a Certified Storm water Inspector and he is also certified in chemicals disbursement. We feel a Range 7 would be more commensurate with the duties performed by the incumbent in this position.

We are requesting to leave the trainee within the Wastewater Department in that budget at a Range 6. This employee was borrowed from the Recreation Department to train and get his licenses within the Wastewater Department. We are requesting he remain within the Wastewater Department to continue his training in anticipation of the Wastewater Supervisor retiring. Once the supervisor retires, the Recreation Department will be able to replace the vacancy left by this transfer.

We are recommending the creation of a Fixed Asset Accountant position within the administration. The position would be responsible for developing a system of controls for all aspects of fixed asset accounting to include: inventory tracking and maintenance, project accounting, performing lease versus purchase studies, accounting for all depreciation, monitoring for obsolescence and recommending assets to declare as surplus. The position will assist with monitoring assets at the maintenance barn, assist with the implementation of the new meter change outs, and perform other enforcement actions as needed. We are requesting this position as a Range 13. We believe the growth of the city in terms of size and the amount of equipment purchased and projects completed annually warrants the creation of this position.

Water and Wastewater Operators and Certifications

We are recommending the implementation of a new policy whereby all employees hired as operators in the Water and Wastewater Departments be hired at Range 6. The operators will only be moved up to Range 8 once they achieve Level 3 on all required licenses. The required licenses in Water will be Production, Treatment, and Distribution. The required licenses in Wastewater will be Collection and Treatment. All employees in

Water and Wastewater currently at Range 8 will remain at that level whether or not they currently possess the licenses.

INSURANCE

General Insurance

The city's general insurance accounts, which include liability, property, and worker's compensation insurance, total \$908,957 on a budget of \$819,700. The increase can be attributed to an increase in the property and casualty coverage on the fire trucks, and a significant increase to cover the new police station, which wasn't factored into the current year's budget. The recommended budget for all general insurance accounts is \$906,800.

Health Insurance

Health Insurance costs to the city will total \$1,333,381 on a budget of \$1,462,400 in the current year. However, the city has incurred substantial increases in health insurance cost beginning in January 2013. In response to those increases, we have increased the premiums charged to employees and retirees by roughly \$100 per month. The employees now generate roughly \$406,500 and the retirees generate approximately \$122,232 annually towards health insurance costs. The city will budget \$1,459,400 for its portion of health insurance costs this year.

Vehicle Self Insurance

The Vehicle Self-Insurance Fund paid out \$17,695 in vehicle repair expenses out of a \$40,000 annual allocation. After the allocation for the current year's \$40,000 premium is made, the balance in the self-insurance fund will be \$149,159.

GAS AND OIL ACCOUNTS

Gas and Oil expense accounts taken in total came in right at budget. We do not anticipate that fuel prices will decrease any time soon so we have left those budget items the same for a total of \$302,000.

**CITY OF GONZALES
GAS & OIL
FISCAL YEAR 2013-14**

	2012-2013 BUDGET	2012-2013 PROJECTED	2013-2014 PROPOSED	% Increase 2014 Projected vs. FY 2013 Budget
Fire Dept.	45,000.00	38,000.00	45,000.00	-15.56%
Police	140,000.00	149,000.00	140,000.00	6.43%
Gen. Government	105,000.00	99,750.00	105,000.00	-5.00%
U/F Gen. Govt	12,000.00	15,600.00	12,000.00	30.00%
Total	302,000.00	302,350.00	302,000.00	0.12%

UTILITY FUND BUDGET

Natural Gas

We are projecting that the city will spend approximately \$652,000 on natural gas on a budget of \$655,000. The cost of natural gas has remained constant this year. The residents of Gonzales have benefited from low natural gas prices for a couple of years now. We will maintain our natural gas budget for the upcoming fiscal year at \$655,000. Additionally, the city actually sold less natural gas this year (136,000 MCF as compared to 150,000 MCF last year).

In accordance with City Ordinance, the cost of operation of the Gas Department is set at \$6.36 per MCF.

Utility Rates

Water and sewer rates will increase 10%. Fees collected within the Utility Fund this year exceeded operational cost, but did not cover debt payment requirements or the cost of on-going capital improvements to the water, gas, and sewer systems. We are continuing with our plan to bring fees to a level that will cover both operational and capital improvement costs within the Utility Fund. The goal is to get the Utility Fund fully self-sufficient. We are still a long way from that point but we are inching in that direction.

Fee for Phone Credit Card Payments

We are requesting authority to charge a \$2.50 fee for all utility payments made over the phone with a credit or debit card. We currently have a multitude of payment methods in place (Direct Draft, On-line, Check or Cash) by which someone can pay their utility bill. When customers call in credit card payments, it is time consuming and requires additional labor time to key in all credit card information in comparison to accepting regular payments. It is common in the industry to charge a fee for this specialized over-the-phone payment service.

Water and Wastewater Rehabilitation Program

The Engineering Committee is currently working on a five year water and wastewater capital improvement plan to accommodate expected growth within the city limits over the next 20 years. The city is currently considering issuing Sewer Improvement Bonds to assist in implementing this plan.

Wastewater Impact Fees

The administration is strongly considering the implementation of impact fees to defer the increasing costs of installing water and wastewater infrastructure. A schedule of the proposed fees are attached and incorporated into this budget.

CAPITAL OUTLAY BUDGET

The city is proposing a Capital Outlay Budget of \$8,632,424. The proposed Capital Outlay Budget is highlighted by \$2,200,000 in proposed wastewater projects, \$800,000 in proposed water projects, and \$3,200,000 in proposed road projects.

FUND BALANCE

The General Fund began the year with a fund balance of \$11,367,733. During the year \$3,000,000 was transferred out of the General Fund to the Capital Outlay Fund, and \$500,000 was transferred out of the General Fund to the Utility Fund. Taking into account that we project the General Fund will run an operational surplus of over \$2,000,000; this \$3,500,000 transfer had the net effect of reducing fund balance by roughly \$1,500,000 to just under \$10,000,000.

In this budget we propose to transfer another \$6,000,000 from the General Fund to the Capital Outlay Fund to cover the large number of capital projects that are proposed. Assuming the General Fund can manage to run another \$2,000,000 surplus, this \$6,000,000 transfer will have the net effect of reducing fund balance by another \$4,000,000 to roughly \$6,000,000. If we do not run a surplus in the General Fund in the upcoming year, the fund balance at the conclusion of the year would be approximately \$4,000,000, assuming all proposed capital outlay projects are completed.

Fund balance has become a number that the administration is watching closely. We would like to maintain a cushion equal to at least half our annual budget in fund balance.

SUMMARY

Mayor Barney Arceneaux and City Clerk Clay Stafford have prepared this presentation to the best of our ability with the knowledge of the financial circumstances of the city at this time. We have also performed extensive research into the operation of each department of the city and we feel we have herein fairly represented revenues and the overall positive impact they will have on present and future endeavors of this administration.

It is the intent of this presentation to hereby grant the Mayor the power to administer these budgets within a margin of plus or minus 5%, this being presented in the interest of expediency, legality, and/or unforeseen and unplanned emergencies.

YEAS: Councilman Timothy Vessel Sr., Councilman Kirk Boudreaux, Councilman Terance Irvin, Councilman Gary Lacombe, Councilman Kenneth Matassa

NAYS: NONE

ABSENT: NONE

Final Vote on Ordinance # 3012:

AN ORDINANCE ADOPTING THE SALES TAX BUDGET FOR THE FISCAL YEAR BEGINNING JUNE 1, 2013, AND ENDING MAY 31, 2014.

BE IT ORDAINED BY Mayor and Councilman of the City of Gonzales, Louisiana:

That the Sales Tax Budget for Fiscal Year beginning June 1, 2013, and ending May 31, 2014

Be hereby adopted as follows:

**CITY OF GONZALES
SALES TAX REVENUE BUDGET
FY 2013-2014**

	<u>2013-2014 Proposed Budget</u>
REVENUES:	
Sales Tax Collections	8,550,000.00
Series 2001 Sales Tax	<u>2,850,000.00</u>

TOTAL: 11,400,000.00

EXPENDITURES:

Appr. To General Fund	6,900,000.00
Appr. To Capital Imp.	1,600,000.00
Ser-2001 Appr. Fire, Police & Sanitation	<u>2,900,000.00</u>

TOTAL: 11,400,000.00

YEAS: Councilman Timothy Vessel Sr., Councilman Kirk Boudreaux, Councilman Terance Irvin,
Councilman Gary Lacombe, Councilman Kenneth Matassa

NAYS: NONE

ABSENT: NONE

Final vote on Ordinance # 3013:

AN ORDINANCE ADOPTING THE GENERAL FUND BUDGET FOR THE
FISCAL YEAR BEGINNING JUNE 1, 2013, AND ENDING MAY 31, 2014.

BE IT ORDAINED BY Mayor and Councilman of the City of Gonzales, Louisiana:

That the General Fund Budget for Fiscal Year beginning June 1, 2013 and ending May 31, 2014 be hereby adopted as follows:

**CITY OF GONZALES
GENERAL FUND BUDGET SUMMARY
FISCAL YEAR 2013-14**

	<u>PROPOSED BUDGET</u>
REVENUES:	
TAXES	10,445,000.00
FRANCHISE FEES	890,000.00
LICENSES AND PERMITS	1,147,000.00
FEES, FINES & FORFIETURES	236,000.00
MISCELLANEOUS	114,100.00
FIRE DEPT. REVENUE	540,000.00
BUILDING RENTALS	69,000.00
INTERGOVERNMENTAL	14,900.00
GRANT REVENUE	93,000.00
INTEREST	<u>20,000.00</u>
TOTAL REVENUES:	<u>13,569,000.00</u>
EXPENDITURES:	
FIRE DEPARTMENT	2,888,000.00
ADMINISTRATION	854,800.00
POLICE DEPARTMENT	5,113,500.00
CODE ENFORCEMENT	546,600.00
SANITATION	864,100.00
STREETS & DRAINAGE	1,242,300.00
GENERAL GOVERNMENT	945,000.00
CIVIC CENTER	49,000.00
CITY ROOM	20,000.00
RECREATION	1,004,200.00
TOURISM & CULTURAL DEV.	<u>41,500.00</u>
TOTAL EXPENDITURES:	<u>13,569,000.00</u>

YEAS: Councilman Timothy Vessel Sr., Councilman Kirk Boudreaux, Councilman Terance Irvin,

NAYS: NONE

ABSENT: NONE

Final Vote on # 3014:

AN ORDINANCE ADOPTING THE UTILITY FUND BUDGET FOR THE FISCAL YEAR BEGINNING JUNE 1, 2013, AND ENDING MAY 31, 2014.

BE IT ORDAINED BY Mayor and Councilman of the City of Gonzales, Louisiana:

That the Utility Fund Budget for Fiscal Year beginning June 1, 2013 and ending May 31, 2014 be hereby adopted as follows:

**CITY OF GONZALES
UTILITY FUND BUDGET
FISCAL YEAR 2013-14**

REVENUES:	<u>Proposed Budget</u>
GAS SALES	1,455,000.00
SEWER SERVICE CHARGES	1,000,000.00
WATER SALES	1,000,000.00
MISCELLANEOUS	123,500.00
TRANSFER IN FM OTHER FUNDS	0.00
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TOTAL REVENUES:	3,578,500.00
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EXPENDITURES:	
GAS DEPARTMENT	1,185,419.00
WATER DEPARTMENT	839,119.00
WASTEWATER TREATMENT	731,400.00
UTILITY GENERAL GOVERNMENT	356,762.00
UTILITY ADMINISTRATION	206,700.00
METER READERS	198,600.00
DEQ LOAN EXPENDITURES	60,500.00
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TOTAL EXPENDITURES:	3,578,500.00

YEAS: Councilman Timothy Vessel Sr., Councilman Kirk Boudreaux, Councilman Terance Irvin, Councilman Gary Lacombe, Councilman Kenneth Matassa

NAYS: NONE

ABSENT: NONE

Final Vote on Ordinance # 3015:

AN ORDINANCE ADOPTING THE CAPITAL OUTLAY BUDGET FOR THE FISCAL YEAR BEGINNING JUNE 1, 2013, AND ENDING MAY 31, 2014.

BE IT ORDAINED BY Mayor and Councilman of the City of Gonzales, Louisiana:

That the Capital Outlay Budget for Fiscal Year beginning June 1, 2013 and ending May 31, 2014 be hereby adopted as follows:

**CITY OF GONZALES
CAPITAL OUTLAY BUDGET
FY 2013-2014**

		2013-2014 Proposed Budget
FUND BALANCE		1,842,325.00
TRANSFER FROM GEN FUND - FUND BALANCE		6,000,000.00
REVENUES:		
Sales Tax Appropriations		1,600,000.00
Interest Earned		0.00
TOTAL REVENUES		1,600,000.00
FUNDS AVAILABLE		9,442,325.00
EXPENDITURES:		
<u>STREETS & DRAINAGE IMPROVEMENTS AND ENHANCEMENTS</u>		
INTERSTATE LIGHTING		20,000.00
STREET DEPT / DRAINAGE EQUIPMENT		256,000.00
CITY ENTRANCE SIGNS		0.00
SIDEWALK CONSTRUCTION		50,000.00
EROSION PREVENTION PROJECT		350,000.00
BULKHEAD IMPROVEMENT		112,500.00
CAP ROAD IMPROVEMENT PROJECT		2,711,195.00
CORNERVIEW TURN LANE		0.00
BRIDGE REHABILITATION		0.00
W. EDENBORNE PARKWAY		0.00
<i>Total Streets & Drainage Improvements</i>		<u>3,499,695.00</u>
<u>FACILITIES & RECREATION ENHANCEMENTS</u>		
RECREATION ACQUISITIONS		352,000.00
ADMINISTRATION CAPITAL OUTLAY		138,100.00
PROPERTY ACQUISITION		50,000.00
CODE ENFORCEMENT CAPITAL OUTLAY		13,000.00
JAMBALAYA PARK		84,100.00
CITY DOG PARK		250,000.00
CIVIC CENTER		20,000.00
CITY ROOM		5,000.00
T. JOE MUSEUM		2,000.00
FIRE DEPT CAPITAL OUTLAY		800,500.00
POLICE DEPT CAPITAL OUTLAY		325,729.00
POLICE STATION		0.00
<i>Total Facilities & Recreation Enhancements</i>		<u>2,040,429.00</u>
<u>UTILITY IMPROVEMENTS</u>		
WASTEWATER CAPITAL IMPROVEMENTS		2,208,400.00
WATER SYSTEM CAPITAL IMPROVEMENTS		790,000.00
GAS SYSTEM CAPITAL IMPROVEMENTS		94,000.00
<i>Total Utility Improvements</i>		<u>3,092,400.00</u>
TOTAL EXPENDITURES:		8,632,524.00
ENDING FUND BALANCE		809,801.00

Substitute Motion by Councilman Gary Lacombe, seconded by Councilman Timothy Vessel to amend the Fiscal Year 2013-2014 Capital Outlay Budget to reduce the budgeted amount on (10) ten of the line items as proposed by Councilman Gary Lacombe.

Department	Description	2013-2014 Introduced Budget	Amendment Amount	2013-2014 AMENDED BUDGET
Streets & Drainage	Capital Road Project	2,711,195	130,000	2,841,195

Streets & Drainage	Streets & Drainage Equipment	256,000	(20,000)	236,000
Recreation	Park Infrastructure - Kidz Kove	200,000	(80,000)	120,000
Administration	General Capital Outlay	138,100	(15,600)	122,500
Recreation	Jambalaya Park Capital Outlay	84,100	(9,000)	75,100
Fire	Fire Dept. Capital Outlay	800,500	(380,000)	420,500
Police	Police Dept. Capital Outlay	325,729	(28,825)	296,904
Wastewater	Wastewater Rehabilitation	2,208,400	(732,000)	1,476,400
Water	Water Rehabilitation	790,000	(75,000)	715,000
Gas	Gas Rehabilitation	94,000	(15,000)	79,000

YEAS: Councilman Timothy Vessel Sr., Councilman Terance Irvin, Councilman Gary Lacombe

NAYS: Councilman Kirk Boudreaux, Councilman Kenneth Matassa

ABSENT: NONE

Substitute Motion by Kenneth Matassa, seconded by Councilman Kirk Boudreaux to vote separately on each of the (10) ten budget item amendments.

YEAS: Councilman Kirk Boudreaux, Councilman Kenneth Matassa

NAYS: Councilman Timothy Vessel, Councilman Terance Irvin, Councilman Gary Lacombe

ABSENT: NONE

Motion by Councilman Gary Lacombe, seconded by Councilman Timothy Vessel to Introduce the Capital Outlay Budget as amended:

**CITY OF GONZALES
CAPITAL OUTLAY BUDGET
FY 2013-2014**

	2013-2014 Proposed Budget
REVENUES:	
Sales Tax Appropriations	1,600,000.00
Interest Earned	0.00
TOTAL REVENUES	<u>1,600,000.00</u>
EXPENDITURES:	
INTERSTATE LIGHTING	20,000.00
STREET DEPT / DRAINAGE EQUIPMENT	236,000.00
SIDEWALK CONSTRUCTION	50,000.00
EROSION PREVENTION PROJECT	350,000.00
BULKHEAD IMPROVEMENT	112,500.00
CAP ROAD IMPROVEMENT PROJECT	2,841,195.00
RECREATION ACQUISITIONS	272,000.00
ADMINISTRATION CAPITAL OUTLAY	122,500.00
PROPERTY ACQUISITION	50,000.00
CODE ENFORCEMENT CAPITAL OUTLAY	13,000.00
JAMBALAYA PARK	75,100.00
CITY DOG PARK	250,000.00

CIVIC CENTER	20,000.00
CITY ROOM	5,000.00
T. JOE MUSEUM	2,000.00
FIRE DEPT CAPITAL OUTLAY	420,500.00
POLICE DEPT CAPITAL OUTLAY	296,904.00
WASTEWATER CAPITAL IMPROVEMENTS	1,476,400.00
WATER SYSTEM CAPITAL IMPROVEMENTS	715,000.00
GAS SYSTEM CAPITAL IMPROVEMENTS	79,000.00
TOTAL EXPENDITURES:	<u>7,407,099.00</u>

Final Vote to be taken at the next regular Council Meeting scheduled for May 27, 2013.

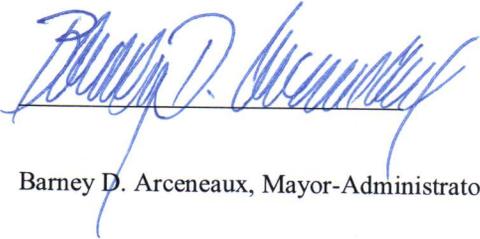
Motion by Councilman Kenneth Matassa, seconded by Councilman Kirk Boudreaux to enter into Executive Session to discuss litigation.

*NOTE: The Council entered into executive session 6:20 P.M.

Motion by Councilman Gary Lacombe, seconded by Councilman Kirk Boudreaux to re-enter regular session.

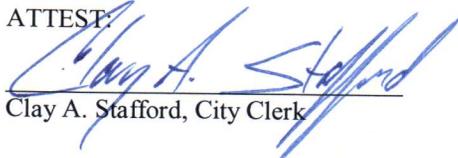
*NOTE: the Mayor and Council re-convened regular session at 6:20 P.M.

There being no further business to come before the Mayor and Councilmen of the City of Gonzales and upon a motion duly made and seconded, the meeting was adjourned.



Barney D. Arceneaux, Mayor-Administrator

ATTEST:



Clay A. Stafford, City Clerk