

MINUTES OF A REGULAR MEETING OF THE MAYOR AND COUNCILMEN OF THE CITY OF GONZALES, STATE OF LOUISIANA, TAKEN ON APRIL 14, 2014, 5:30 P.M. AT CITY HALL.

MEMBERS PRESENT:

Mayor Barney D. Arceneaux
Councilman Kirk Boudreaux
Councilman Terance Irvin

Councilman Gary Lacombe
Councilman Kenneth Matassa
Councilman Timothy Vessel Sr.

MEMBERS ABSENT: NONE

ALSO PRESENT:

Lisa Babin, Administrative Clerk
Clay Stafford, City Clerk

Ryland Percy, City Attorney
Sherman Jackson, Police Chief

Motion by Councilman Gary Lacombe, seconded by Councilman Kirk Boudreaux to approve the minutes from the meeting held on March 17, 2014. UNANIMOUS

Motion by Councilman Kirk Boudreaux, seconded by Councilman Terance Irvin to approve the minutes from the last meeting, held on March 24, 2014. UNANIMOUS

Motion by Councilman Gray Lacombe, seconded by Councilman Timothy Vessel Sr. to suspend the rules to discuss an item not on the Agenda. UNANIMOUS

The City Clerk read the Minutes from the Zoning Commission Meeting held on April 7, 2014.

Motion by Councilman Gary Lacombe, seconded by Councilman Kenneth Matassa to approve the opening date for the Jambalaya Park Sprayground as April 18, 2014. UNANIMOUS

Motion by Councilman Timothy Vessel Sr., seconded by Councilman Kenneth Matassa to declare as surplus the following:

- (1) -Bin of non-functioning (old style Orion) Brass Water Meters. UNANIMOUS

Motion by Councilman Kenneth Matassa, seconded by Councilman Kirk Boudreaux to approve the Needs Assessment as presented by CPEX and to move forward with the Scope of Services for a comprehensive Plan and Strategic Implementation Program for the City of Gonzales. UNANIMOUS

Motion by Councilman Kenneth Matassa, seconded by Councilman Gary Lacombe to approve Change Order No. 1 for the Emerson Parkway Roadway Improvements, an increase in the amount of \$58,590.45 resulting in a new contract amount of \$860,465.45. UNANIMOUS

Motion by Councilman Kirk Boudreaux, seconded by Councilman Kenneth Matassa to Introduce Ordinance # 3032:

**CITY OF GONZALES
BUDGET ADDRESS
2014-2015**

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 provides. 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 73% 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 \$13,615,000 in sales taxes in the current fiscal year compared to \$12,812,509 in the previous year. This represents a 6.2% increase in sales tax revenue. Sales tax revenue is 19.43% above the \$11,400,000 the city budgeted for the current fiscal year.

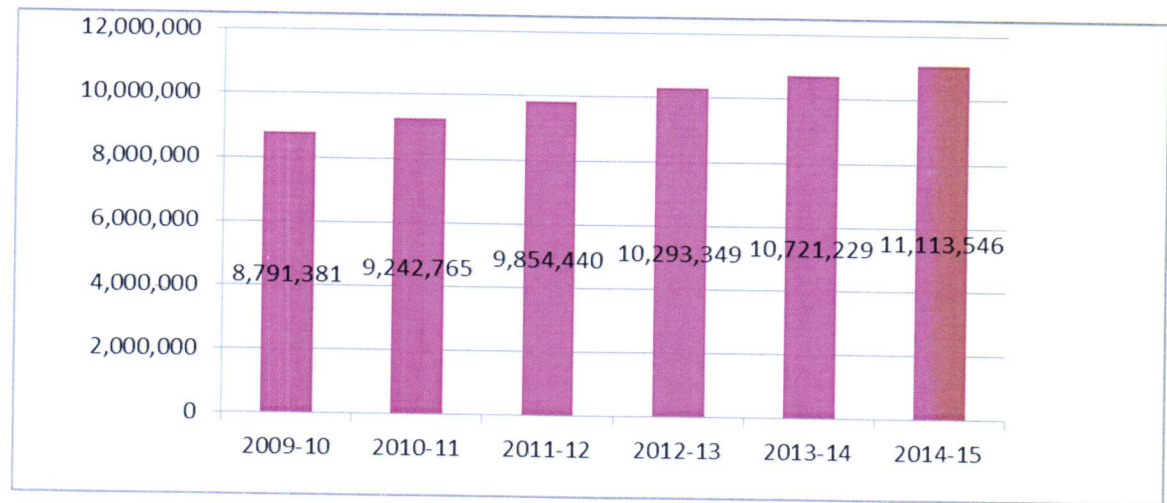
We believe sales taxes will continue the steady incline and continue in a slow growth pattern of 3%-6% per year. The administration has decided to set projected sales tax revenues for the upcoming fiscal year at \$13,615,000. This represents a standstill budget that we think is the appropriate conservative approach.

PERSONNEL EXPENSE

This budget projects a cost of living increase for city employees of 2%. This increase, along with health insurance increases, retirement system increases and merit increases will increase salaries expense by \$379,333. Total personnel cost for the City of Gonzales in the proposed budget is \$11,113,546. The city's total General Fund and Utility Fund Budget is \$17,710,757.

The Municipal Employees Retirement System (MERS) is increasing the required employer portion of the retirement premium. MERS is increasing its rate from 18.75% to 19.75%. The employer portion of the Municipal Police Employees Retirement System (MPERS) will increase to 31.5%.

GONZALES PERSONNEL RELATED COST



Personnel Requests

We are requesting authorization to convert the trainee position within the Wastewater Department from a trainee position to a permanent position. As a result of this move the overall budget in the Wastewater Department will only increase by 1.29%.

In addition, we have eliminated the part-time position within the water department that was staffed for purposes of regulatory compliance with the water system. We have rectified those issues and no longer need this position. This creates a net savings of \$40,000. This creates a net decrease of 9% in the salaries of the Water and Gas Departments.

INSURANCE

General Insurance

The city's general insurance accounts, which include liability, property, and worker's compensation insurance, total \$796,008 on a budget of \$906,800. The recommended budget for all general insurance accounts is \$876,900, which represents a decrease of 3.3%.

Health Insurance

Health Insurance costs to the city will total \$1,483,900 on a budget of \$1,437,400 in the current year, representing a 3% budget overrun. This was caused by a 16% increase imposed by the city's health care carrier effective January 1, 2014. The city administration, with the help of the Insurance Review Subcommittee and an employee health care committee reviewed options for the city's health care and negotiated a new benefit package with the city's carrier to severely reduce the 16% increase. City employees and retirees now generate roughly \$446,500 towards health insurance costs. The city will budget \$1,473,911 for its portion of health insurance costs this year, which represents a 2.54% increase over last year.

Vehicle Self Insurance

The Vehicle Self-Insurance Fund paid out \$36,839 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 \$152,320.

UTILITY FUND BUDGET

Natural Gas

We are projecting that the city will spend approximately \$800,000 on natural gas on a budget of \$655,000. This represents a 22% increase. The unseasonably cold winter has resulted in both a high consumption rate for the city's customers and a higher than normal price of gas charged by the city's supplier. The city's gas sales are expected to exceed \$1,645,000.

The natural gas rate charged by the city is a function of the price paid by the city for gas and the cost of operating the city's gas department broken down by MCF. As the city sells more gas, its costs do not increase proportionately. Therefore, this budget will reflect a decrease in the cost charged per MCF by the city from \$6.36 to \$5.79.

Utility Rates

Water and sewer rates will increase 3%. Fees collected within the Utility Fund this year are expected to exceed operational cost by \$621,327. This surplus will be transferred to the Debt Service Fund to make debt payments on the outstanding sewer bonds. Additionally, the Utility Fund has \$2,293,089 stored away in different sinking funds and savings accounts.

DEBT SERVICE FUND BUDGET

In this budget we have re-established the Debt Service Fund. The city has been pre-approved by La. DEQ for \$15 million in State Revolving Loan Funds to make improvements to the city’s wastewater system. This has been undertaken to implement the city’s five year wastewater improvement plan passed in last year’s budget address. Surpluses from the Utility Fund will be transferred into this fund and used to repay the debt as it is incurred over the next five years.

There is currently a remaining balance of \$1,214,064 on the existing SRF Revolving Loan, which has a scheduled principal payment next year of \$460,000.

CAPITAL OUTLAY BUDGET

The city is proposing a Capital Outlay Budget of \$5,874,361. The proposed Capital Outlay Budget is highlighted by \$2,000,000 in proposed road projects and \$600,000 in proposed wastewater projects.

FUND BALANCE

The General Fund began the year with a fund balance of \$11,367,733. During the year, the General Fund ran an operational surplus of \$2,458,407. Of this surplus, \$2,000,000 was transferred out of the General Fund to the Capital Outlay Fund, and \$458,000 was added back into the fund balance, resulting in an ending fund balance of \$11,826,140.

The Capital Outlay Fund began the year with a fund balance of \$1,296,209. It generated its own revenue of \$2,115,236 during the year and an additional \$2,000,000 was transferred in from the General Fund. We project that the city will spend \$4,702,373 in the Capital Outlay Fund this year, resulting in an ending fund balance of \$709,072.

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 feel that we have herein fairly represented revenues and expenditures 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.

Final vote on the foregoing amendment to be taken at the next City Council Meeting scheduled for April 28, 2014.

Motion by Councilman Gary Lacombe, seconded by Councilman Terance Irvin to Introduce Ordinance # 3033:

AN ORDINANCE ADOPTING THE SALES TAX BUDGET FOR THE FISCAL YEAR BEGINNING JUNE 1, 2014, AND ENDING MAY 31, 2015.

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

That the Sales Tax Budget for Fiscal Year beginning June 1, 2014, and ending May 31, 2015

be hereby adopted as follows:

CITY OF GONZALES
SALES TAX REVENUE BUDGET
FY 2014-2015

2014-2015
Proposed
Budget

REVENUES:

Sales Tax Collections	10,211,250.00
Series 2001 Sales Tax	<u>3,403,750.00</u>

TOTAL:	<u><u>13,615,000.00</u></u>
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EXPENDITURES:

Appr. To General Fund	8,200,000.00
Appr. To Capital Imp.	2,115,000.00
Ser-2001 Appr. Fire, Police & Sanitation	<u>3,300,000.00</u>

TOTAL:	<u><u>13,615,000.00</u></u>
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Final vote on the foregoing amendment to be taken at the next City Council Meeting scheduled for April 28, 2014.

Motion by Councilman Gary Lacombe, seconded by Councilman Timothy Vessel Sr. to Introduce Ordinance # 3034:

AN ORDINANCE ADOPTING THE GENERAL FUND BUDGET FOR THE FISCAL YEAR BEGINNING JUNE 1, 2014, AND ENDING MAY 31, 2015.

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

That the General Fund Budget for Fiscal Year beginning June 1, 2014 and ending May 31, 2015 be hereby adopted as follows:

**CITY OF GONZALES
GENERAL FUND BUDGET SUMMARY
FISCAL YEAR 2014-15**

	<u>PROPOSED BUDGET</u>
REVENUES:	
TAXES	12,145,000.00
FRANCHISE FEES	1,001,000.00
LICENSES AND PERMITS	1,203,000.00
FEES, FINES & FORFIETURES	239,000.00
MISCELLANEOUS	121,100.00
FIRE DEPT. REVENUE	705,000.00
BUILDING RENTALS	83,400.00
INTERGOVERNMENTAL	14,900.00
GRANT REVENUE	106,000.00
INTEREST	50,000.00
TOTAL REVENUES:	<u>15,668,400.00</u>
EXPENDITURES:	
FIRE DEPARTMENT	3,002,204.00
ADMINISTRATION	872,912.00
POLICE DEPARTMENT	5,333,042.00
CODE ENFORCEMENT	555,485.00
SANITATION	908,850.00
STREETS & DRAINAGE	1,279,050.00
GENERAL GOVERNMENT	932,050.00
CIVIC CENTER	58,600.00
CITY ROOM	20,000.00
RECREATION	1,131,300.00
TOURISM & CULTURAL DEV.	41,500.00
TOTAL EXPENDITURES:	<u>14,134,993.00</u>
TRANSFER TO OTHER FUNDS	<u>1,533,407.00</u>

Final vote on the foregoing amendment to be taken at the next City Council Meeting scheduled for April 28, 2014.

Motion by Councilman Kenneth Matassa, seconded by Councilman Kirk Boudreaux to Introduce Ordinance # 3035:

AN ORDINANCE ADOPTING THE UTILITY FUND BUDGET FOR THE
FISCAL YEAR BEGINNING JUNE 1, 2014, AND ENDING MAY 31, 2015.

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

That the Utility Fund Budget for Fiscal Year beginning June 1, 2014 and ending May 31, 2015 be hereby adopted as follows:

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

REVENUES:	Proposed Budget
GAS SALES	1,580,000.00
SEWER SERVICE CHARGES	1,060,000.00
WATER SALES	1,195,000.00
MISCELLANEOUS	145,000.00
TOTAL REVENUES:	3,980,000.00
EXPENDITURES:	
GAS DEPARTMENT	1,228,050.00
WATER DEPARTMENT	821,650.00
WASTEWATER TREATMENT	740,814.06
UTILITY GENERAL GOVERNMENT	355,450.00
UTILITY ADMINISTRATION	193,200.00
METER READERS	194,600.00
DEQ LOAN EXPENDITURES	42,000.00
TOTAL EXPENDITURES:	3,575,764.06
TRANSFER TO DEBT SERVICE	404,235.94

Final vote on the foregoing amendment to be taken at the next City Council Meeting scheduled for April 28, 2014.

Motion by Councilman Kirk Boudreaux, seconded by Councilman Kenneth Matassa to Introduce Ordinance # 3036

AN ORDINANCE ADOPTING THE CAPITAL OUTLAY BUDGET FOR THE
FISCAL YEAR BEGINNING JUNE 1, 2014, AND ENDING MAY 31, 2015.

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

That the Capital Outlay Budget for Fiscal Year beginning June 1, 2014 and ending May 31, 2015 be hereby adopted as follows:

**CITY OF GONZALES
CAPITAL OUTLAY BUDGET
FY 2014-2015**

	2014-2015 Proposed Budget
FUND BALANCE	709,072.00
TRANSFER FROM GEN FUND - FUND BALANCE	4,000,000.00

REVENUES:

Sales Tax Appropriations	2,115,000.00
Interest Earned	0.00
TOTAL REVENUES	2,115,000.00
FUNDS AVAILABLE	6,824,072.00

EXPENDITURES:**STREETS & DRAINAGE IMPROVEMENTS**

INTERSTATE LIGHTING	20,000.00
STREET DEPT / DRAINAGE EQUIPMENT	189,000.00
SIDEWALK CONSTRUCTION	50,000.00
EROSION PREVENTION PROJECT	0.00
BRIDGE REPLACEMENT	125,000.00
BULKHEAD IMPROVEMENT	0.00
CAP ROAD IMPROVEMENT PROJECT	2,000,000.00
<i>Total Streets & Drainage Improvements</i>	<i>2,384,000.00</i>

FACILITIES & RECREATION ENHANCEMENTS

RECREATION ACQUISITIONS	1,032,600.00
ADMINISTRATION CAPITAL OUTLAY	30,000.00
PROPERTY ACQUISITION	50,000.00
CODE ENFORCEMENT CAPITAL OUTLAY	13,000.00
JAMBALAYA PARK	0.00
MASTER GROWTH PLAN	170,000.00
CITY ROOM	25,000.00
CIVIC CENTER	40,000.00
T. JOE MUSEUM	5,000.00
FIRE DEPT CAPITAL OUTLAY	447,500.00
POLICE DEPT CAPITAL OUTLAY	437,261.00
<i>Total Facilities & Recreation Enhancements</i>	<i>2,250,361.00</i>

UTILITY IMPROVEMENTS

WASTEWATER CAPITAL IMPROVEMENTS	600,000.00
WATER SYSTEM CAPITAL IMPROVEMENTS	540,000.00
GAS SYSTEM CAPITAL IMPROVEMENTS	100,000.00
<i>Total Utility Improvements</i>	<i>1,240,000.00</i>

TOTAL EXPENDITURES:	5,874,361.00
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ENDING FUND BALANCE	949,711.00
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Final vote on the foregoing amendment to be taken at the next City Council Meeting scheduled for April 28, 2014.

Motion by Councilman Gary Lacombe, seconded by Councilman Kirk Boudreaux to Introduce Ordinance # 3037:

AN ORDINANCE ADOPTING THE DEBT SERVICE BUDGET FOR THE
FISCAL YEAR BEGINNING JUNE 1, 2014, AND ENDING MAY 31, 2015.

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

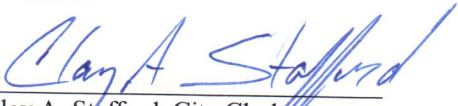
That the Debt Service Budget for Fiscal Year beginning June 1, 2014 and ending May 31, 2015 be hereby adopted as follows:

**CITY OF GONZALES
DEBT SERVICE FUND BUDGET
FY 2014-2015**

**2014-2015
Proposed
Budget**

Barney D. Arceneaux, Mayor-Administrator

ATTEST:


Clay A. Stafford, City Clerk

REVENUES:

Transfer In From General Fund	60,000.00
Transfer in From Utility fund	<u>400,000.00</u>

TOTAL:	<u><u>460,000.00</u></u>
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EXPENDITURES:

DEQ Loan Principal Payment	<u>460,000.00</u>
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TOTAL:	<u><u>460,000.00</u></u>
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Final vote on the foregoing amendment to be taken at the next City Council Meeting scheduled for April 28, 2014.

Motion by Councilman Gary Lacombe, seconded by Councilman Timothy Vessel Sr. to Introduce Ordinance # 3038:

AN ORDINANCE ADOPTING THE TANGER MALL
ECONOMIC DEVELOPMENT DISTRICT BUDGET FUND
FOR THE FISCAL YEAR BEGINNING JUNE 1, 2014, AND
ENDING MAY 31, 2015.

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

That the Tanger Mall Economic Development District Budget Fund for Fiscal Year beginning June 1, 2014 and ending May 31, 2015 be hereby adopted as follows:

**CITY OF GONZALES
TANGER MALL ECONOMIC DEVELOPMENT
FUND
FY 2014-2015**

REVENUES:

	<u>2014-2015 Proposed Budget</u>
Tanger Mall EDD One Cent Sales Tax Revenue	<u>1,060,000.00</u>

TOTAL:	<u><u>1,060,000.00</u></u>
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EXPENDITURES:

Transfer to Tanger Mall	742,000.00
Transfer to Gonzales Capital Outlay Fund	<u>318,000.00</u>

TOTAL:	<u><u>1,060,000.00</u></u>
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Final vote on the foregoing amendment to be taken at the next City Council Meeting scheduled for April 28, 2014.

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.

