

MINUTES OF A REGULAR MEETING OF THE MAYOR AND COUNCIL OF THE CITY OF GONZALES, STATE OF LOUISIANA TAKEN ON APRIL 23, 2018, 5:30 P.M. AT CITY HALL, 120 S. IRMA BLVD.

MEMBERS PRESENT:

Mayor Barney Arceneaux
Councilman David Guitreau
Councilman Kirk Boudreaux

Councilman Harold Stewart
Councilman Tyler Turner
Councilman Kirk Boudreaux

MEMBERS ABSENT: NONE

ALSO PRESENT:

Scot Byrd, City Clerk
Lisa Babin, Administrative Secretary
Resa Tureau, Finance Director

Erin Lanoux, City Attorney
Sherman Jackson, Chief of Police

Motion by Councilman Kirk Boudreaux, seconded by Councilman Harold Stewart to approve the Council Meeting Minutes, taken April 9, 2018.

YEAS: Councilman David Guitreau, Councilman Kirk Boudreaux, Councilman Harold Stewart,
Councilman Tyler Turner, Councilman Neal Bourque,

NAYS: NONE

ABSENT: NONE

Final vote on Ordinance No. 4052:

ORDINANCE OF THE CITY OF GONZALES, LOUISIANA, GRANTING TO ATMOS ENERGY CORPORATION (A TEXAS AND VIRGINIA CORPORATION WITH ITS PRINCIPAL OFFICE IN THE CITY OF DALLAS, DALLAS COUNTY, TEXAS) AND ITS SUCCESSORS AND ASSIGNS THE FRANCHISE AND RIGHTS TO CONDUCT IN SUCH CITY THE BUSINESS OF ACQUIRING, MAINTAINING, CONSTRUCTING, LAYING, REPAIRING, REMOVING, REPLACING, INSTALLING, OPERATING, AND DISPOSING OF A GAS SYSTEM FOR THE SALE, TRANSPORTATION, AND DISTRIBUTION OF NATURAL GAS WITHIN AND BEYOND THE MUNICIPAL BOUNDARIES OF THE CITY AND TO THE RESIDENTS AND BUSINESSES LOCATED THEREIN FOR LIGHT, HEAT, POWER, AND ANY OTHER PURPOSES AND THE RIGHT TO USE THE PRESENT AND FUTURE STREETS, ROADS, HIGHWAYS, ALLEYS, BRIDGES, PUBLIC WAYS, AND IMMOVABLE PROPERTY IN SUCH CITY AND OWNED OR CONTROLLED BY SUCH CITY FOR SUCH PURPOSES; PRESCRIBING THE TERMS AND CONDITIONS TO WHICH SUCH FRANCHISE AND RIGHTS ARE SUBJECT; AND PRESCRIBING THE TERM OF SUCH FRANCHISE AND RIGHTS.

BE IT ORDAINED by the Mayor and City Council of the CITY OF GONZALES, LOUISIANA (hereinafter referred to as the "City") that, subject to the terms and conditions hereinafter set forth, ATMOS ENERGY CORPORATION, a Texas and Virginia corporation with its principal office in the City of Dallas, Dallas County, Texas (hereinafter referred to as "Atmos"), be, and hereby is, granted the non-exclusive franchise and rights to conduct in the City the business of acquiring (by purchase, lease, or otherwise), maintaining, constructing, laying, repairing, removing, replacing, installing, operating, and disposing of (by sale, lease, or otherwise) a Gas System, hereinafter defined, for the sale, transportation, and distribution of natural gas within and beyond the municipal boundaries of the City and to the residents and business located therein for light, heat, power, and any other purpose during the term set forth below. Such franchise and rights shall include, but not be limited to, the right to use the present and future streets, roads, highways, alleys, bridges, public ways, and other immovable property owned by or under the control of the City for purposes of maintaining, constructing, laying, repairing, removing, replacing, installing, and operating any and all components of the Gas System, together with access, at all times and from time to time, to such streets, roads, highways, alleys, bridges, public ways, and other immovable property during the term hereof.

ARTICLE I

DEFINITIONS

For purposes of this Ordinance, the following terms shall have the meanings set forth below:

Section 1.1. Gas System. The term “Gas System” shall mean any and all pipelines, as hereinafter defined, regulators, meters, valves, compressors, anti-corrosion items, facilities, structures, machinery, equipment, and appurtenances of any kind that Atmos, in its sole discretion, may deem necessary or advisable for the exercise of the franchise and rights granted to ATMOS herein.

Section 1.2. Pipelines. The term “pipelines” shall mean any and all above-ground and below-ground pipes, including but not limited to, mains, distribution lines, secondary lines, laterals, and other pipes, that have been, are being, or are intended to be used at any time in, or in connection with, the sale, transportation, or distribution of natural gas within and beyond the City limits.

ARTICLE II

TERM

Section 2.1. Term. The term of the franchise and rights hereby granted to Atmos shall be for a period of twenty (20) years, commencing on the later of (i) thirty (30) days after the date of publication of this Ordinance in accordance with law or (ii) the expiration of the franchise held by Atmos immediately preceding this franchise.

ARTICLE III

GRANT OF SPECIFIC RIGHTS TO ATMOS ENERGY

In addition to the franchise and rights granted herein to Atmos, the City acknowledges that ATMOS has, and hereby grants to Atmos, the following rights and powers:

Section 3.1. Reconnection Charges. In addition to any and all other proper charges, ATMOS may charge and collect from any consumer whose service has been discontinued by Atmos a reasonable reconnection fee or similar charge for recommencing service to such consumer.

Section 3.2. Adoption of Rules. From time to time during the term hereof, Atmos may, subject to any and all valid and applicable statutes, ordinances, rules, and regulations of any federal or state governmental authority or agency, make and enforce reasonable rules pertaining to Atmos’ business and operations, including, but not limited to, requiring payment on or before a specified day each month for all services furnished during the preceding month with the right to disconnect and discontinue service to delinquents.

Section 3.3. Removal of Gas System. Atmos may remove all or any portion of the Gas System upon the expiration or termination of the franchise and rights granted hereby.

Section 3.4. Right of Use. Atmos is hereby specifically granted a right of use on all present and future streets, roads, highways, alleys, bridges, public ways, and other immovable property owned by or under the control of the City for purposes of maintaining, constructing, laying, repairing, replacing, installing, and operating any and all components of the Gas System, together with access, at all times and from time to time, to such streets, roads, highways, alleys, bridges, public ways, and other immovable property during the term hereof.

ARTICLE IV

OBLIGATIONS OF ATMOS

Section 4.1 Franchise Fee.

- (a) As consideration for the grant of the franchise and rights herein and for the use by Atmos of the streets, roads, highways, alleys, bridges, public ways, and other immovable property owned or controlled by the City, Atmos shall pay to the City, within thirty (30) days after the end of each

calendar quarter, a franchise fee equal to three percent (3%) of Atmos' gross receipts derived from the sale, transportation, and distribution by Atmos of natural gas at retail to residential and commercial consumers located within the City limits during the preceding calendar quarter.

- (b) The franchise fee, together with any and all charges of the City for water, sewage, and garbage services provided by the City to Atmos, any and all sales taxes collected by Atmos, and any and all ad valorem taxes assessed by the City against Atmos' property, shall constitute the only amounts for which Atmos shall be obligated to pay to the City and shall be in lieu of any and all other costs, levies, assessments, fees, or other amounts, of any kind whatsoever, that the City, currently or in the future, may charge Atmos or assess against Atmos' property.

Section 4.2. No Obstruction of Public Property. Atmos shall not unnecessarily or for any unreasonable period of time obstruct or interfere with the public use of any of the streets, roads, highways, alleys, bridges, public ways, or other immovable property owned or controlled by the City.

Section 4.3. Repair of Damages. Atmos shall repair any and all damages caused solely by Atmos to any streets, roads, highways, alleys, bridges, public ways, or other immovable property owned or controlled by the City and shall restore, as nearly as practicable, such property to substantially its condition immediately prior to the incident causing such damage. Atmos shall commence such repairs immediately upon completion of the work or activity in which Atmos was involved at the time the damage occurred and shall complete such repairs as promptly as possible.

Section 4.4. Conduct of Work and Activities. Atmos shall use reasonable care in conducting its work and activities in order to prevent injury to any person and unnecessary damage to any immovable or personal property.

Section 4.5. Extension of Gas System. Atmos shall, at its sole expense, extend its Gas System in order to serve additional consumers in accordance with the Standard Terms and Conditions for Natural Gas Service as now approved or as may hereafter be approved by the Louisiana Public Service Commission.

Section 4.6. Service to New Areas. If during the term of this franchise the boundaries of the City are expanded, the City will promptly notify Atmos in writing of any geographic areas annexed by the City during the term hereof ("Annexation Notice"). Any such Annexation Notice shall be sent to Atmos by certified mail, return receipt requested, and shall contain the effective date of the annexation, maps showing the annexed area and such other information as Atmos may reasonably require in ascertaining whether there exist any customers of Atmos receiving natural gas service in said annexed area. To the extent there are such Atmos customers therein, then the gross revenues of Atmos derived from the sale and distribution of natural gas to such customers shall become subject to the franchise fee provisions hereof effective on the first day of Atmos' billing cycle immediately following Atmos' receipt of the Annexation Notice. The failure by the City to advise Atmos in writing through proper Annexation Notice of any geographic areas which are annexed by the City shall relieve Atmos from any obligation to remit any franchise fees to City based upon gross revenues derived by Atmos from the sale and distribution of natural gas to customers within the annexed area until City delivers an Annexation Notice to Atmos in accordance with the terms hereof.

Section 4.7. Indemnification of City.

Atmos shall indemnify, hold harmless, and defend the City from any and all claims for damages arising from or growing out of the exercise of any of the rights and privileges granted to Atmos by this franchise.

GENERAL PROVISIONS

Section 5.1. Force Majeure. Notwithstanding anything expressly or impliedly to the contrary contained herein, in the event Atmos is prevented, wholly or partially, from complying with any obligation or undertaking contained herein by reason of any event of force majeure, then, while so prevented, compliance with such obligations or undertakings shall be suspended. The term “force majeure,” as used herein, shall mean any cause not reasonably within Atmos’ control and includes, but is not limited to, acts of God, strikes, lock-outs, wars, terrorism, riots, orders or decrees of any lawfully constituted federal, state, or local body, contagions or contaminations hazardous to human life or health, fires, storms, floods, wash-outs, explosions, breakages or accidents to machinery or lines of pipe, inability to obtain or the delay in obtaining rights-of-way, materials, supplies, or labor permits, temporary failures of gas supply, or necessary repair, maintenance, or replacement of facilities used in the performance of the obligations contained in this Ordinance.

Section 5.2. Amendments. This Ordinance and the franchise and rights granted herein may be amended only by written agreement of the City and Atmos to such amendment.

Section 5.3. Repeal of Conflicting Ordinances. All other ordinances of the City or portions thereof that are in conflict or inconsistent with any of the terms or provisions of this Ordinance are hereby repealed to the extent of such conflict or inconsistency.

Section 5.4. Severability. In the event any part of this Ordinance is determined to be invalid or illegal for any reason whatsoever, such invalidity or illegality shall not affect the validity or legality of this Ordinance as a whole or of any parts hereof.

Section 5.5. Binding Effect. This Ordinance shall extend to, be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

Section 5.6. Section and Other Headings. The section and other headings contained in this Ordinance are for reference purposes only and shall not affect in any way the meaning or interpretation of this Ordinance.

YEAS: Councilman David Guitreau, Councilman Kirk Boudreaux, Councilman Harold Stewart,
Councilman Tyler Turner, Councilman Neal Bourque,

NAYS: NONE

ABSENT: NONE

Final vote on Ordinance No. 4053:

AN ORDINANCE AMENDING THE CODE OF ORDINANCE
CHAPTER 25. SIGNS AND BILLBOARDS, SEC. 25-7. SIGNS
PERMITTED IN COMMERCIAL AND BUSINESS ZONES.
(d) *POLITICAL SIGNS*.(DELETE) (4) IN ITS ENTIRETY AND
(CHANGE) (d) (5) TO READ:

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

That the Code of Ordinance be amended as follows:

CHAPTER 25. SIGNS AND BILLBOARDS

SEC. 25-7 **Signs permitted in commercial and business zones.**

(d) *Political signs.*

(Delete) (d) (4) in its entirety.

(Change)

(d)(5) to read:

(d) (4) No political sign shall be erected or displayed in any public right-of-way.

YEAS: Councilman David Guitreau, Councilman Kirk Boudreaux, Councilman Harold Stewart,
Councilman Tyler Turner, Councilman Neal Bourque,

NAYS: NONE

ABSENT: NONE

Final vote on Ordinance No. 4054:

AN ORDINANCE AMENDING THE CODE OF ORDINANCE
CHAPTER 13. PARKS AND RECREATION ARTICLE III.
GONZALES CIVIC CENTER (CHANGE) SEC. 13-37. RATES,
CHARGES AND FEES. (CHANGE) SEC 13-39-COLLECTION
OF FEE OR CHARGE. TO READ: (CHANGE) SEC. 13-41. USE
FOR CHARGES NOT SPECIFIED. TO READ: (CHANGE)
SEC. 13-42. USE OF FUNDS. TO READ: (CHANGE) SEC. 13-43.
RULES AND REGULATIONS. TO READ:

BE IT ORDAINED, by the Mayor and Councilmen of the City of Gonzales, Louisiana,

That the Code of Ordinance of the City of Gonzales be hereby amended to Read:

CHAPTER 13. PARKS AND RECREATION*

Article III. Gonzales Civic Center

(Change) Sec. 13-37. -Rates, charges and fees. To read:

Sec. 13-37. Rates, charges and fees.

(a) The following rates, charges and fees shall apply to the Gonzales Civic Center:

- (1) Lessee ... twelve hundred dollars (\$1200.00).
- (2) Any church or school ... eight hundred dollars (\$800.00).
- (3) There shall be no charge for use of the building for any recreational or similar purpose sponsored by the city or any agent thereof.
- (4) Any publicly announced candidate for any political office may lease the building upon a charge of eight hundred dollars (\$800.00).
- (5) Any nonprofit organization with national, state, or regional affiliation and the Ascension Community Theatre may lease the building upon a charge of eight hundred dollars (\$800.00).
- (6) Any governmental agency or the chamber of commerce shall lease the building for a fee of eight hundred dollars (\$800.00).
- (7) A pre/post event rental fee of 50% of the standard rental fee shall be charged for use of the building on any evening prior to or the morning after a scheduled event. Regular rent rates apply for Friday, and Saturday events.
- (8) A security deposit of three hundred (\$300.00) is required at the time of booking and is refundable fourteen (14) days after the event provided the building is returned in the same condition as when received. If the lessee does not notify the lessor of a cancellation with a period of ninety (90) days of the scheduled event, said deposit will be forfeited unless cancellation is caused by an act of God or other natural disaster.

(b) The above charges include tables and chairs, microphones, utilities and standard clean-up after the event. Excessive cleaning necessitated by the building being returned with excessive trash, debris, and/or otherwise in an unsanitary condition will result in additional charges, with a minimum excess cleaning fee of two hundred dollars (\$200.00).

(c) Access keys can be picked up seven (7) days prior to the event and will be activated at the time the rental period begins. Access keys must be returned to City Hall by 5:00 PM on the first working day after the event. Failure to return the Access keys on time may result in a fee of \$25.00 per key, or the amount will be deducted from the deposit refund.

(d) Lessee is responsible for setting up the tables and chairs prior to the event and returning them to their proper storage location in the same condition as received. If microphones are used, they must be returned to their proper storage location as well. Failure to return tables and chairs to the storage area will result in additional charges, with a minimum fee of two hundred dollars (\$200.00).

(Change) Sec. 13-39. - Collection of fee or charge. To read:

All charges shall be paid no later than fourteen (14) days in advance. Failure to pay fees on time may result in event cancellation and forfeiture of deposit.

(Change) Sec. 13-41. - Use for charges not specified. To read:

For any use of the Gonzales Civic Center, or any portion thereof, not herein specified, the charge or charges therefor shall be fixed by agreement with the manager of the building, subject to the approval of the mayor. Use for charges less than the amounts specified herein can be made only upon prior approval by the mayor.

(Change) Sec. 13-42. -Use of funds. To read:

The funds derived from charges, fees, and all other funds collected for the building shall be used exclusively for paying the operating expenses of the building. Any excess funds may be disbursed only with prior approval of the mayor.

(Change) Sec. 13-43. - Rules and regulations. To read:

The lessee by payment of the fee or charge as per section 13-37 and/or by listing an event or function as per section 13-38 and/or by any actual use of the Gonzales Civic Center does hereby:

- (1) Admit and agree that the premises are in a tenantable condition and agrees that at the end of use of the Gonzales Civic Center he will deliver up and surrender the premises, including the building and all parking lots, in as good condition as when received;
- (2) Designate the end of use to be deemed to be no later than 1:00 a.m., which is strictly enforced.
- (3) Acknowledge that the provisions of section 13-40 prohibit the decoration of the Gonzales Civic Center by any attachments to the walls, light fixtures, ceilings, windows, or any other portion of the building whatsoever; that all decorations must be self-supporting movable objects; and that all such self-supporting movable objects must be prepared at a location other than the Gonzales Civic Center; and that all violations of this policy may result in forfeiture of deposit and/or additional fees assessed;
- (4) Agree to indemnify the city and hold the city harmless from all damages caused by the lessee's acts or neglect, or those of lessee's invitees or licensees, or other persons for whom lessee is responsible; lessee shall forthwith repair such damage at his own expense, and should he/she fail or refuse to make the necessary and adequate repairs therefore within a reasonable time after the occurrence of the damage, the lessor may, at his option, make the necessary and adequate repairs and charge the cost thereof to the lessee, and the lessee shall thereupon reimburse the lessor for the total cost of such repairs;
- (5) Agree that if an attorney is employed to enforce or protect any claim of lessor arising from this lease, lessee shall pay, as the fee of that attorney, an additional sum amounting to twenty-five (25) percent of the amount of the claim, or, if the claim is not for money, then such sums as will constitute a reasonable fee, together with all costs, charges and expenses;
- (6) Acknowledge that these provisions bind lessee and his respective heirs, successors and assigns. All of the terms apply to any persons claiming by or through either party, including, but not limited to, receivers, trustees in bankruptcy and all other persons whomsoever;
- (7) Acknowledge that use of the Gonzales Civic Center for any function open to the public where admission is charged at the door is prohibited;
- (8) Agree that smoking is prohibited in the Gonzales Civic Center;
- (9) Agree that use of the Gonzales Civic Center is limited to individuals residing in Ascension Parish east of the Mississippi River and that proof of residency of lessee must be provided prior to booking with the following documents allowed as proof: valid driver's license, passport, other state issued ID, or utility bill;
- (10) Agree to hire the appropriate security personnel as required by the Gonzales Chief of Police and the building manager;
- (11) Agree that if alcohol is served or consumed on the premises, an alcohol permit will be provided to the City of Gonzales no later than fourteen (14) days prior to the event and law enforcement must be hired by the lessee and approved by the Gonzales Chief of Police;
- (12) Agree that individuals renting the building will provide proper identification and non-profits and other legal entities will provide proof of good standing with the Louisiana Secretary of State's Office and a copy of a Corporate Resolution authorizing the signatory of the lease to sign the lease agreement;
- (13) Agree to provide the City of Gonzales with a copy of a liability insurance certificate providing liability coverage for the planned event in the minimum amount of one million dollars (\$1,000,000) naming the City of Gonzales as an additional insured;

- (14) Acknowledge that fog machines are prohibited, because the sensitivity of the smoke alarm system could cause dispatching Police and Fire resources, with violations resulting in forfeiture of deposit and/or additional fees being assessed;
- (15) Acknowledge that concerts are generally prohibited and exceptions are allowed through the application and approval of a Special Use Permit approved by the City Council;
- (16) Acknowledge that high school graduation, ring night, and other teenage parties are generally discouraged; and
- (17) Agree that if minors are present, the individual or entity renting the building is responsible for providing appropriate adult supervision. Further, under no circumstances shall alcohol be consumed by anyone on the premises who is not of legal age.

YEAS: Councilman David Guitreau, Councilman Kirk Boudreaux, Councilman Harold Stewart, Councilman Tyler Turner, Councilman Neal Bourque,

NAYS: NONE

ABSENT: NONE

Motion by Councilman Harold Stewart, seconded by Councilman Kirk Boudreaux to reschedule the City Council Meeting date from Monday June 11, 2018 at 5:30 PM to Monday June 4, 2018 at 8:00 AM.

YEAS: Councilman David Guitreau, Councilman Kirk Boudreaux, Councilman Harold Stewart, Councilman Tyler Turner, Councilman Neal Bourque,

NAYS: NONE

ABSENT: NONE

The City Clerk stated the City Council Members have been provided with a copy of the revenue and expense compared to budget report in the City Council Member's packets. The city is within budget. No discussion was required or requested by the City Council Members.

Motion by Councilman Kirk Boudreaux, seconded by Councilman Harold Stewart to introduce Ordinance No. 4055:

AN ORDINANCE ADOPTING THE FISCAL YEAR 2018-2019 BUDGET ADDRESS

BE IT ORDAINED BY Mayor and Councilmen of the City of Gonzales, Louisiana:
That the Fiscal Year 2018-2019 Budget Address is hereby adopted as follows:

**CITY OF GONZALES
BUDGET ADDRESS
2018-2019**

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 70% of the revenues in the General Fund and a substantial portion 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. The administration projects that the city will collect \$14,200,000 in sales taxes in the 2018-2019 fiscal year compared to \$14,000,000 in the previous year. This represents a modest 1.4% increase in sales tax revenue, returning us to the levels of collections prior to the flood year of FY2017.

Fiscal Year	Sales Tax Collections	% Increase from Prior Year
FY 2018	\$ 14,000,000	(6.08%)
FY 2017	\$ 14,906,000	5.12%
FY 2016	\$ 14,180,000	0.80%
FY 2015	\$ 14,065,000	2.23%
FY 2014	\$ 13,757,069	6.47%

Figure 1.

This modest increase in sales tax is expected due to robust activity in new business formation and a healthy retail sector in the city. However, the increase is modest due to the detrimental impact of online shopping and increased options for shopping and dining in other portions of the parish. FY 2017 was an outlier year due to the jump in retail sales related to flood recovery efforts.

As you can see from the above table, sales tax collections in the city began to slow each year since FY 2014 despite the opening of many new business and fast food restaurants. There has been an expansion of businesses in the parish located in the vicinity of the city additionally; the current uptick in online sales is cutting into the sales of our more traditional brick and mortar retailers. The administration continues to watch this trend closely.

Based on current trends, the administration has decided to take a conservative approach and set the projected sales tax revenues for the upcoming fiscal year at \$14,200,000.

OTHER REVENUES

Other significant sources of revenues in the General Fund include:

Revenue	FY 2018 Budget
Property Taxes	\$ 1,100,000.00
License & Permit Fees	\$ 1,406,000.00
Franchise Fees	\$ 982,000.00

Figure 2.

PERSONNEL AND HUMAN RESOURCES

Retirement

The Municipal Employees Retirement System (MERS) employer portion of the retirement premium will increase by 1.26% percentage points to 26.00%, representing a \$73,000 increase. The employer portion of the Municipal Police Employees Retirement System (MPERS) will increase by 1.5 percentage point to 32.25%, or \$27,298.

GONZALES PERSONNEL RELATED COST

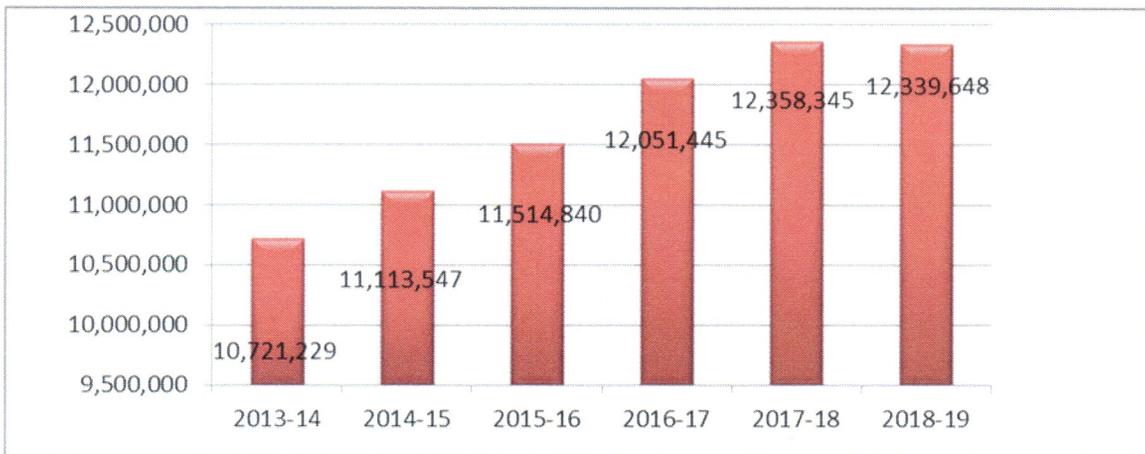


Figure 3.

As shown in figure three, the administration has held the cost of personnel cost static for this fiscal year by not filling two budgeted positions in the police department and by reducing the budgeted amounts for part time and overtime in several departments.

Reorganization of Recreation Department and the Creation of Buildings and Grounds

In FY 2018, the city reorganized the recreation department and created a buildings and grounds department. The city has seen steady growth in the number of buildings that it must manage and maintain to run city operations, including several facilities that the city rents for events. This has created a new revenue stream that we will circulate back into building maintenance.

We have traditionally handled many of these tasks using public works employees within the Recreation Department. In light of the increased maintenance requirements, the city reorganized the Recreation Department into Buildings and Grounds Department and a Recreation Department, with the majority of the employees moving to Buildings and Grounds. A few of the employees will be considered swing employees who may do work in both departments, depending on the amount of labor needed at the ballfields during the busy sports seasons. We have included organizational charts within this budget illustrating the positions allocated to each department.

Because FY 2018 was the first year of this reorganization, we had to make a forecast of what the budgetary requirements of each department might be. After one year under this new organization, we have based the FY 2019 budget on trends established after the reorganization.

Athletic Fields Maintenance Services

In the current year, the city has successfully experimented with contracting within the Recreation Department for athletic field maintenance services. The city intends to extend this contract under its current terms.

Recreation Management

The city has realized steady growth in its athletic programs. The city manages boys and girls leagues for both baseball and basketball, provides several facilities to the Gonzales Soccer Club, provides facilities for a swimming league and public swim, and will soon be providing facilities for a youth football league. The city currently has a \$48,000 contract with Allsport Recreation to manage its baseball leagues. In this current year, we also added basketball leagues as an additional responsibility and additional administrative responsibilities for personnel and budget controls. We are recommending increasing this contract to \$66,500 to handle all facets of our sports leagues, including the basketball leagues, which will include league management, handling on-line registrations, insurance, and league sponsorships. Allsport will be responsible for recruiting, training, and supervising all seasonal employees for the sports leagues. Most importantly, Allsport will be responsible for consistently administering all applicable laws, rules, and regulations set forth by the Mayor, City Council, and Recreation Commission.

Personnel Requests

Due to the creation of the new position of Finance Director and increased responsibilities related to maintaining the financial and payroll functions of the city, the administration is recommending the addition of an accountant position, Range 10, Step 1.

INSURANCE

Worker’s Compensation, Liability and Property Insurance Accounts

The city’s general insurance accounts, which include liability, property, and worker’s compensation insurance, total \$1,091,392. In the upcoming budget we have broken out separate line items for each of these insurance types within each department. This will give department heads a better idea of how insurance expense is allocated across the city departments.

Health Insurance

The city’s health insurance budget will increase from \$1,625,100 to \$1,649,200 in the upcoming year, or \$23,100, which represents a 1.42% increase over last year.

Monthly budgeted health insurance premiums are listed below:

Health Insurance Table	
Coverage	Monthly Rate
Family	1,797.58
Employee - Spouse	1,262.85
Employee - Child	1,168.53
Single	633.75

UTILITY FUND BUDGET

Natural Gas

We are projecting that the city will spend approximately \$645,000 purchasing natural gas on a budget of \$560,000. The city’s gas sales are expected to exceed \$1,550,000.

The city’s cost of operating the Gas Department last year was \$606,600, bringing the total cost of the gas system to \$1,251,600. 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. The city sold 134,839 MCF of natural gas in 2017. The amount charged to customers for direct city gas costs will remain at \$7.09 per MCF in the coming Fiscal Year.

Utility Rates

Water and sewer rates will increase 3% to keep up with inflation and the increased costs of operating the system.

DEQ STATE REVOLVING LOAN

The city currently has one outstanding \$15,000,000 line of credit with the DEQ State Revolving Loan Fund for Wastewater Improvements. The current loan balance is \$6,867,419. In the coming Fiscal year, the city expects to borrow \$3,000,000 against this line of credit for wastewater facilities enhancements.

In accordance with bond covenants, the city has established a “Series 2014 Bond Reserve Fund” and a “Utility Fund Investment Account”, both serving the purpose of securing future loan payments in case of impending default. Current balances in these accounts total \$838,723.

CAPITAL OUTLAY BUDGET

The city is proposing a Capital Outlay Budget of \$12,005,058.

The proposed Capital Outlay Budget is highlighted by \$4,517,500 in proposed wastewater projects, including the construction on a major expansion of the city’s wastewater plant for economic growth on the southern limits of the city. Up to \$3,000,000 of this work will be financed through the DEQ State Revolving Loan Program.

The city is planning to create a road to create east west connectivity between Burnside and Darla Street to help provide additional access to the hospital and provide some relief to traffic congestion along Highway 30. To accomplish this, we have appropriated funds for the roadway’s design.

Altogether, the city has budgeted \$4,418,387 in proposed road improvement projects, which includes continuing with the construction match for several DOTD projects, and improvements on S. Burnside for a roundabout and an additional lane to the south of the city along the Conway Development and a signal modification project to improve traffic flow for N. Burnside in the northern part of the city. \$2,118,387 of the road improvement projects will be from federal grant funds.

The city is planning \$450,000 in water system projects and \$250,000 in gas system projects. We plan to continue the program currently underway to replace all manual read water and gas meters with remote radio read meters. When completed, this will eliminate the need for contracted meter reading services.

SUMMARY

The city administration has 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 regular City Council Meeting scheduled for May 14, 2018.

Motion by Councilman Kirk Boudreaux, seconded by Councilman Tyler Turner to introduce Ordinance No. 4056:

AN ORDINANCE ADOPTING THE FISCAL YEAR 2018-2019 SALES TAX BUDGET

BE IT ORDAINED BY Mayor and Councilmen of the City of Gonzales, Louisiana:
That the Fiscal Year 2018-2019 Sales Tax Budget is hereby adopted as follows:

**CITY OF GONZALES
SALES TAX REVENUE BUDGET
FY 2018-2019**

REVENUES:

Sales Tax Collections 14,200,000.00

TOTAL: 14,200,000.00

EXPENDITURES:

Appr. To General Fund 7,100,000.00

Ser-2001 Appr. Fire, Police & Sanitation 3,550,000.00

Appr. To Capital Imp. 2,840,000.00

Appr. To Utility Fund for Debt Service 710,000.00

TOTAL: 14,200,000.00

Final vote on the foregoing amendment to be taken at the next regular City Council Meeting scheduled for May 14, 2018.

Motion by Councilman Kirk Boudreaux, seconded by Councilman Tyler Turner to introduce Ordinance No. 4057:

AN ORDINANCE ADOPTING THE GENERAL FUND BUDGET FOR THE FISCAL YEAR BEGINNING JUNE 1, 2018 AND ENDING MAY 31, 2019.

BE IT ORDAINED BY Mayor and Councilmen of the City of Gonzales, Louisiana:
That the General Fund Budget for Fiscal Year beginning June 1, 2018 and ending May 31, 2019 is hereby adopted as follows:

**CITY OF GONZALES
GENERAL FUND BUDGET SUMMARY
FY 2018-2019**

	PROPOSED BUDGET
REVENUES:	
TAXES	11,370,000.00
FRANCHISE FEES	982,000.00
LICENSES AND PERMITS	1,011,000.00
FEES, FINES & FORFIETURES	147,500.00
FIRE DEPT. REVENUE	868,000.00
FACILITY RENTALS	199,800.00
INTERGOVERNMENTAL	14,940.00
GRANT REVENUE	310,000.00
RECREATION REVENUE	111,000.00
MISCELLANEOUS	408,350.00
INTEREST	40,000.00
TOTAL REVENUES:	15,462,590.00
 EXPENDITURES:	
FIRE DEPARTMENT	3,426,082.00
ADMINISTRATION	944,000.00
POLICE DEPARTMENT	5,652,000.00
CODE ENFORCEMENT	372,700.00
SANITATION	979,370.00
STREETS & DRAINAGE	1,432,550.00
GENERAL GOVERNMENT	1,045,938.00
CIVIC CENTER	74,900.00
CITY ROOM	23,850.00
RECREATION	807,600.00
BUILDINGS & GROUNDS	646,800.00
TOURISM & CULTURAL DEV.	56,800.00
TOTAL EXPENDITURES:	15,462,590.00

Final vote on the foregoing amendment to be taken at the next regular City Council Meeting scheduled for May 14, 2018.

Motion by Councilman David Guitreau, seconded by Councilman Harold Stewart to introduce Ordinance No. 4058:

AN ORDINANCE ADOPTING THE UTILITY FUND BUDGET
FOR THE FISCAL YEAR BEGINNING JUNE 1, 2018 AND
ENDING MAY 31, 2019.

BE IT ORDAINED BY Mayor and Councilmen of the City of Gonzales, Louisiana:
That the Utility Fund Budget for Fiscal Year beginning June 1, 2018 and ending May 31, 2019 is hereby adopted as follows:

**CITY OF GONZALES
UTILITY FUND BUDGET
FY 2018-2019**

Proposed

REVENUES:	<u>Budget</u>
GAS SALES	1,370,000.00
SEWER SERVICE CHARGES	1,225,000.00
WATER SALES	1,390,000.00
MISCELLANEOUS	161,500.00
SALES TAX REVENUE	710,000.00
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TOTAL REVENUES:	4,856,500.00
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EXPENDITURES:	
GAS DEPARTMENT	1,246,600.00
WATER DEPARTMENT	1,038,100.00
WASTEWATER TREATMENT	827,110.00
UTILITY GENERAL GOVERNMENT	616,400.00
UTILITY ADMINISTRATION	356,200.00
METER READERS	144,150.00
DEQ LOAN EXPENDITURES	60,000.00
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TOTAL EXPENDITURES:	4,288,560.00
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TRANSFER TO DEBT SERVICE	567,940.00
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Final vote on the foregoing amendment to be taken at the next regular City Council Meeting scheduled for May 14, 2018.

Motion by Councilman Harold Stewart, seconded by Councilman David Guitreau to introduce Ordinance No. 4059: An Ordinance Adopting the 2018-2019 Capital Outlay Budget, along with the corrections to the amounts allocated for the Police and Fire Department as follows:

AN ORDINANCE ADOPTING THE CAPITAL OUTLAY BUDGET FOR THE FISCAL YEAR BEGINNING
JUNE 1, 2018 AND ENDING MAY 31, 2019.

BE IT ORDAINED BY Mayor and Councilmen of the City of Gonzales, Louisiana:
That the Capital Outlay Budget for the Fiscal Year beginning June 1, 2018 and ending May 31, 2019 is hereby adopted as follows:

**CITY OF GONZALES
CAPITAL OUTLAY BUDGET
FY 2018-2019**

FUND BALANCE	2,266,909.99
TRANSFER FROM GEN FUND - FUND BALANCE	3,000,000.00
REVENUES:	
SALES TAX APPROPRIATIONS	2,840,000.00
GRANTS – CAPITAL OUTLAY	2,198,387.76
LOAN PROCEEDS	3,000,000.00
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TOTAL REVENUES	8,038,387.76
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FUNDS AVAILABLE	13,305,297.75
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EXPENDITURES:	
STREETS & DRAINAGE IMPROVEMENTS	
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INTERSTATE LIGHTING	20,000.00
STREET DEPT / DRAINAGE EQUIPMENT	231,700.00
SIDEWALK CONSTRUCTION	70,000.00
BULKHEAD IMPROVEMENT	60,000.00
CAP ROAD IMPROVEMENT PROJECT	4,418,387.76
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<i>Total Streets & Drainage Improvements</i>	<i>4,800,087.76</i>
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FACILITIES & RECREATION ENHANCEMENTS	
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RECREATION CAPITAL OUTLAY	217,500.00
MUNICIPAL PARK INTER-DEPARTMENTAL PROJECT	600,000.00

PROPERTY ACQUISITION	250,000.00
CODE ENFORCEMENT CAPITAL OUTLAY	30,000.00
BUILDINGS 7 GROUNDS CAPITAL OUTLAY	45,000.00
GENERAL CAPITAL	20,000.00
CITY ROOM	10,000.00
CIVIC CENTER	600,000.00
T. JOE MUSEUM	10,000.00
FIRE DEPT CAPITAL OUTLAY	150,000.00
POLICE DEPT CAPITAL OUTLAY	154,970.00
<i>Total Facilities & Recreation Enhancements</i>	<u>2,087,470.00</u>
UTILITY IMPROVEMENTS	
WASTEWATER CAPITAL IMPROVEMENTS	4,417,500.00
WATER SYSTEM CAPITAL IMPROVEMENTS	450,000.00
GAS SYSTEM CAPITAL IMPROVEMENTS	250,000.00
<i>Total Utility Improvements</i>	<u>5,117,500.00</u>
TOTAL EXPENDITURES:	<u>12,005,057.76</u>
ENDING FUND BALANCE	<u>1,300,239.99</u>

Final vote on the foregoing amendment to be taken at the next regular City Council Meeting scheduled for May 14, 2018.

Motion by Councilman Kirk Boudreaux, seconded by Councilman Tyler Turner to introduce Ordinance No. 4060:

AN ORDINANCE ADOPTING THE WASTEWATER IMPACT FEE BUDGET FOR THE FISCAL YEAR BEGINNING JUNE 1, 2018 AND ENDING MAY 31, 2019.

BE IT ORDAINED BY Mayor and Councilmen of the City of Gonzales, Louisiana:
That the Wastewater Impact Fee Budget for the Fiscal Year beginning June 1, 2018 and ending May 31, 2019 is hereby adopted as follows:

**CITY OF GONZALES
WASTEWATER IMPACT FEE FUND
FY 2018-2019**

REVENUES:

Wastewater Impact Fees	250,000.00
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EXPENDITURES:

Transfer to Gonzales Capital Outlay Fund	250,000.00
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Final vote on the foregoing amendment to be taken at the next regular City Council Meeting scheduled for May 14, 2018.

Motion by Councilman Tyler Turner, seconded by Councilman Kirk Boudreaux to introduce Ordinance No. 4061:

AN ORDINANCE ADOPTING THE TANGER MALL ECONOMIC DEVELOPMENT FUND BUDGET FOR THE FISCAL YEAR BEGINNING JUNE 1, 2018 AND ENDING MAY 31, 2019.

BE IT ORDAINED BY Mayor and Councilmen of the City of Gonzales, Louisiana:
That the Tanger Mall Economic Development Fund Budget for the Fiscal Year beginning June 1, 2018 and ending May 31, 2019 is hereby adopted as follows:

**CITY OF GONZALES
TANGER MALL ECONOMIC DEVELOPMENT FUND
FY 2018-2019**

REVENUES:

Tanger Mall EDD One Cent Sales Tax Revenue	1,050,000.00
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EXPENDITURES:

Transfer to Tanger Mall	735,000.00
Transfer to Gonzales Capital Outlay Fund	315,000.00
TOTAL:	<u><u>1,050,000.00</u></u>

Final vote on the foregoing amendment to be taken at the next regular City Council Meeting scheduled for May 14, 2018.

Motion by Councilman Kirk Boudreaux, seconded by Councilman Harold Stewart to introduce Ordinance No. 4062:

AN ORDINANCE ADOPTING THE INDUSTRIAL DEVELOPMENT BOARD BUDGET FOR THE FISCAL YEAR BEGINNING JUNE 1, 2018 AND ENDING MAY 31, 2019.

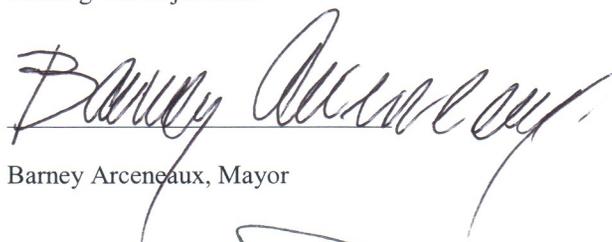
BE IT ORDAINED BY Mayor and Councilmen of the City of Gonzales, Louisiana:
That the Industrial Development Board Budget for the Fiscal Year beginning June 1, 2018 and ending May 31, 2019 is hereby adopted as follows:

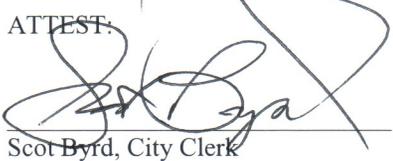
**CITY OF GONZALES
INDUSTRIAL DEVELOPMENT BOARD
FY 2018-2019**

	<u>Proposed Budget</u>
REVENUES:	
Sales Tax Collections	950,000.00
TOTAL:	<u><u>950,000.00</u></u>
EXPENDITURES:	
Transfers to Bond Trustee	950,000.00
TOTAL:	<u><u>950,000.00</u></u>

Final vote on the foregoing amendment to be taken at the next regular City Council Meeting scheduled for May 14, 2018.

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


Barney Arceneaux, Mayor

ATTEST:

Scot Byrd, City Clerk