

MINUTES OF A REGULAR MEETING OF THE MAYOR AND COUNCIL OF THE CITY OF GONZALES, STATE OF LOUISIANA TAKEN ON MAY 14, 2018, 5:30 P.M. AT CITY HALL, 120 S. IRMA BLVD.

MEMBERS PRESENT:

Mayor Barney Arceneaux
Councilman Kirk Boudreaux
Councilman Harold Stewart

Councilman Tyler Turner
Councilman Neal Bourque
Councilman David Guitreau

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 23, 2018.

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

NAYS: NONE

ABSENT: NONE

Motion by Councilman Kirk Boudreaux, seconded by Councilman Harold Stewart to approve the preliminary plat for Alfred Taillon showing the subdivision of Lot B & Lot C formerly a partition of the Kenny Gautreau property on the south side of Douglas Street east of Alexander on a map by Earles and Associates, LLC, dated April 18, 2018.

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

NAYS: NONE

ABSENT: NONE

Motion by Councilman David Guitreau, seconded by Councilman Neal Bourque to approve the preliminary plat for Doug Diez showing the subdivision of Filing 4 of the Point Andrew Subdivision located near Churchpoint Road and Bayou Narcisse Road on a map by Ferris Engineering & Surveying, LLC, dated 3/21/2018.

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

NAYS: NONE

ABSENT: NONE

Motion by Councilman Harold Stewart, seconded by Councilman Tyler Turner to approve the preliminary plat for Lynn Levy, LLC showing the subdivision creating 40 lots for townhomes of a tract on Roth Road south of Hwy 30 on a map by Centerline Engineering dated 5-1-2018.

YEAS: Councilman Kirk Boudreaux, Councilman Harold Stewart, Councilman Tyler Turner,

**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.

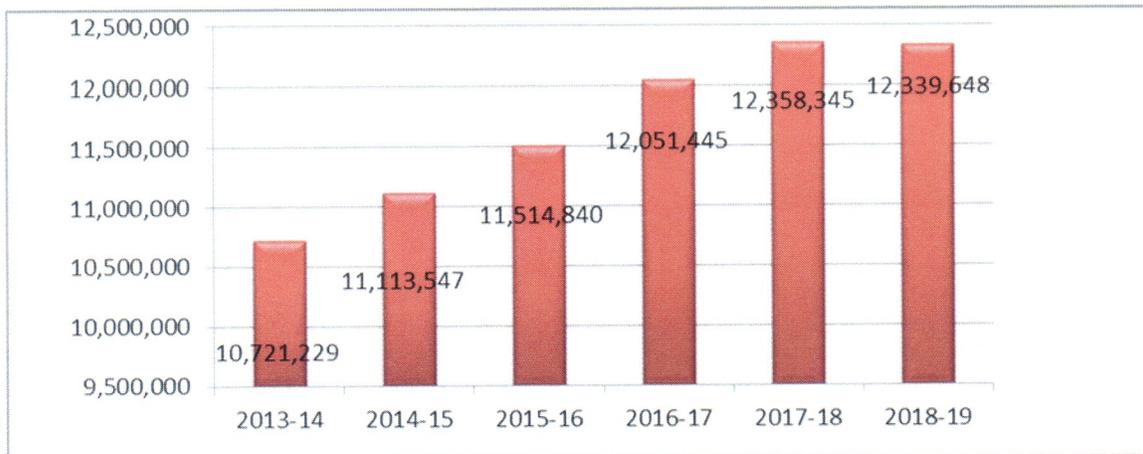


Figure 3.

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 overall functions of the city, the administration is recommending the addition of an accountant position

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

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

NAYS: NONE

ABSENT: NONE

Final vote on 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

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

NAYS: NONE

ABSENT: NONE

Final vote on 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**

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**

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

NAYS: NONE

ABSENT: NONE

Final vote on 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**

REVENUES:

Proposed
Budget

GAS SALES	1,370,000.00
SEWER SERVICE CHARGES	1,225,000.00
WATER SALES	1,000,000.00

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

NAYS: NONE

ABSENT: NONE

Final vote on Ordinance No. 4059:

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
TOTAL REVENUES	8,038,387.76
FUNDS AVAILABLE	13,305,297.75
EXPENDITURES:	
STREETS & DRAINAGE IMPROVEMENTS	
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
<i>Total Streets & Drainage Improvements</i>	<i>4,800,087.76</i>
FACILITIES & RECREATION ENHANCEMENTS	
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

TOTAL EXPENDITURES:

12,005,057.76

ENDING FUND BALANCE

1,300,239.99

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

NAYS: NONE

ABSENT: NONE

Final vote on 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

EXPENDITURES:

Transfer to Gonzales Capital Outlay Fund 250,000.00

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

NAYS: NONE

ABSENT: NONE

Final vote on 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

NAYS: NONE

ABSENT: NONE

Final vote on 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>950,000.00</u>
EXPENDITURES:	
Transfers to Bond Trustee	950,000.00
TOTAL:	<u>950,000.00</u>

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

NAYS: NONE

ABSENT: NONE

Motion by Councilman Kirk Boudreaux, seconded by Councilman David Guitreau to approve the request of Chris Ferguson representing Signal Two-Way Radio Rentals, LLC for a Special Event Permit to hold a Customer Appreciation Event at 310 W. Eastbank Drive Suite # 4 on June 7, 2018 from 2PM-7PM.

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

NAYS: NONE

ABSENT: NONE

Motion by Councilman Kirk Boudreaux, seconded by Councilman Harold Stewart to declare as surplus the following:

1-1987 Ford Fire Engine VIN# 1FDYT84A7HDA24060

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

NAYS: NONE

ABSENT: NONE

Presentation of a request of the Parish of Ascension for a Resolution in support of a Parish-wide levy and collection of a 1 mill ad valorem tax to provide funds for animal control within the Parish. No action was taken and will be further discussed at the next City Council Meeting scheduled for May 29, 2018 at 7:30 AM.

Motion by Councilman Neal Bourque, seconded by Councilman David Guitreau to honor the request of the Fire and Police Civil Service Board to begin compensating Mrs. Tammy Williams \$500.00 per month beginning April 2018 for duties as Secretary to the City of Gonzales Fire and Police Civil Service Board.

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

NAYS: NONE

ABSENT: NONE

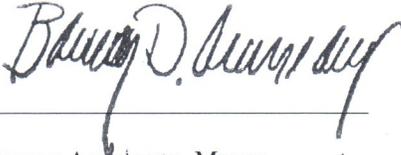
Motion by Councilman Kirk Boudreaux, seconded by Councilman Neal Bourque to adopt Resolution No. 2865: A Resolution to the office of Community Development-Disaster Recovery unit for authorization of signing authority.

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

NAYS: NONE

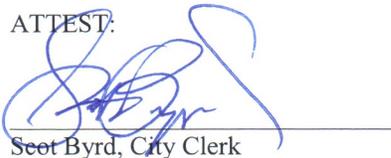
ABSENT: NONE

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