

The Mayor and Council of the City of Abbeville met for a committee meeting on August 4, 2020 at 5:15 P.M., at the A. A. Comeaux Recreation Center located at 300 A. A. Comeaux Drive, Suite 200, Abbeville, Louisiana, with the Honorable Mark Piazza, Mayor, presiding.

Members Present: Council Members Francis Plaisance, Terry Broussard, Brady Broussard, Jr. and Roslyn White

Members Absent: Councilman Francis Touchet, Jr.

Also Present: Ike Funderburk, City Attorney
Jude Mire, Fire Chief
Clay Menard, Public Works Director
Richard Primeaux, Engineer
Gene Sellers, Engineer
Steve Moosa, Accounting Consultant

Mayor Piazza stated we are here for a Finance Committee meeting chaired by Councilman Francis Touchet, Jr. He was not able to be here tonight. We only have one item on the agenda and that is to discuss the status of the budget for the first half of 2020. He asked if there were any public comments on any agenda item. There were none so he turned the floor over to Mr. Steve Moosa.

Mr. Moosa presented a revenue analysis. He compared revenue from 2016 through 2020 for the same period. The City has collected \$1.76 million so far this year in sales tax. This is comparable to last year. We are over budget by just about 2%. This does not include the new sales tax that was passed late last year. Water revenue is up \$27,000 and we are ahead of last year. Sewer revenues are up by \$25,000 from last year. Electric revenues continue to decline because we are not selling as many kilowatts as past years. Demand has dropped. We have sold nearly 5,000,000 less kilowatts than last year. This has been a downward trend for the last four years. We have made adjustments to the budget for this. We hope to catch up in the hot summer months. We will have to watch the electrical revenues. Payroll has decreased because overtime hours have decreased significantly. This could be due to COVID-19. We are \$165,000 underbudget in the general fund and \$100,000 below budget in the utility system fund. This means we are 8% below budget for payroll in all funds. For other expenditures we are 5% underbudget in the general fund and 9% underbudget in the utility system fund. So far, we have collected nearly \$800,000 in the new sales tax fund. The sales tax was passed in 2019. We have paid out \$555,189 towards the raises so this leaves a surplus of \$243,880. That was anticipated because we know the raises will go up due to inflation and this should allow the raises to pay for themselves, at least for the first 15 years. Our projections for the first year are working out pretty close to actual. Cash balances are less than previous years. Basically, expenses are being held in check and sales tax revenue is flat.

Mayor Piazza stated that the cash balance of the City Sales Tax Fund is actually higher than on the cash balance report because we recently received a reimbursement of about \$321,000 from DOTD for the Streetscape project. The good news is that our sales tax revenue is steady and is holding its own. The bad news is that electrical revenues are down \$270,000. This has to do with the weather and businesses being closed due to COVID-19. This is also attributable to Riviana being closed. If no buyer is found for Riviana we will lose \$300,000 to \$350,000 annually, net. Also, Ike has been negotiating with Walmart since they are installing solar panels. When that happens, we will lose 2/3rd of their revenue. The savings are a wash because those revenues are not coming in. It will not get any better any time soon. Ike stated Walmart is doing this with other stores in the State. They are doing it everywhere.

There being no further business to discuss, Mayor Piazza declared this meeting adjourned.

ATTEST:

APPROVE:

Kathleen S. Faulk
Secretary-Treasurer

Mark Piazza
Mayor