

The Mayor and Council of the City of Abbeville met for a committee meeting on December 5, 2022 at 5:00 P.M., at the regular meeting place, the Council Meeting Room located at 101 North State Street, Abbeville, Louisiana, with the Honorable Roslyn R. White, Mayor, presiding.

Members Present: Council Members Carlton Campbell, Terry Broussard, Brady Broussard, Jr., Francis Touchet, Jr., Mayor Pro-Tem and Tony Hardy

Members Absent: None

Also Present: Mike Hardy, Police Chief
Jude Mire, Fire Chief
Chris Gautreaux, Public Works Director
Steve Moosa, CPA
Lonnie Broussard, Accounting Consultant

Mayor White stated that we are here for a Finance Committee meeting chaired by Councilman Francis Touchet, Jr. and an Ordinance Committee chaired by Councilman Tony Hardy. She asked if there were any comments from the public on any agenda item. There were none. She turned the floor over to Councilman Touchet

Councilman Touchet stated the item for the Finance Committee was a presentation of the proposed budget for 2023. He asked Mr. Steve Moosa to make the presentation.

Mr. Moosa discussed the proposed budget. The budget message is on page one. Mayor White stated the budget message was changed this year at the City Council's wishes to add the word classified to full-time municipal employees. Mr. Moosa discussed the overview of the general fund and special revenue funds. We are estimating \$1,650,000 in revenue in the general fund for 2023 and \$5,990,000 in special revenue funds. The special revenue funds are the sales tax funds. The last two years we had received ARPA funds but we will not have those in 2023. The expected expenditures in the general fund are \$11,812,000 and in the special revenue funds the expected expenditures are \$5,030,000. Out of the \$11,812,000, \$7,500,000 are for public safety. The balance is for general government, highways and streets and culture and recreation. We have transfers into the general fund from the utility system fund in order to pay the expenses. The utility system fund provides that revenue that is needed. The rest of the budget goes into great detail line by line for each fund that we must create a budget for by law. Mayor White stated that the salaries for the tax department have increase because she is proposing to hire a part-time code enforcement officer for about \$21,000 per year. To offset that, she is proposing not to fill one vacancy at City Court. She is proposing \$120,000 to upgrade the accounting software at City Hall. Right now, we are operating on a cash basis and no expenses are encumbered. It is hard on a day-to-day basis to see if we can afford an expenditure because it does not hit the budget until it is paid. With accrual basis, the expense would hit the budget report as soon as it is encumbered so better decisions could be made. Mayor White stated that we don't want to create recurring expenses utilizing ARPA funds because it is a one-time revenue that we received. It is important that we have a master plan for our City so we can leverage the money we do have and go after grants. Every grant that she has looked at, they want to know if it is part of your master plan. We don't have a master plan, codes or zoning. In order to get us in line for some of the grants, this is a step we have to take. By investing in the right technology for City Hall and a master plan, we are putting the City in a much better place to leverage our revenue in the future. That is why she is prioritizing this. Mr. Moosa discussed page 7 of the proposed budget. The police department expenses total \$3.5 million. Councilman Touchet asked if this figure included the proposed pay raises. Mr. Moosa stated that it does not. Mayor White stated that the Police Chief proposed giving a \$10,000 raise to his starting officers and raises across the board. At his current personnel rate he could stay within his budget that is in there. What we challenged Steve to show was a 10-year projection of what that would cost and what would it deplete out of the 2019 Sales Tax Fund for raises. Councilman Touchet stated that the \$10,000 we could give that pay raise this year within the Chief's current proposed budget. \$10,000 won't yield us the results. We pay a starting officer \$26,600 per year before they are

post-certified. After they are post-certified, they are paid \$32,600 per year. Youngsville, Broussard and Scott are paying their post-certified starting officers \$40,000 per year. Mayor White stated that you could put it at \$15,000 and you may not get the applicants that you want to get. It can't be just about pay. We have to make it more appealing and we absolutely need to look at a raise. She does not think the base pay will bring them here. What types of health coverage are those other departments giving? Councilman Touchet stated they are not where we are. Ours is better. Why don't we match where Youngsville and Broussard are and the health insurance can be the carrot? Mr. Moosa stated that he received three proposal requests. One was for a \$10,000 annual increase, one was for a \$13,340 annual increase and the last one was for a \$5,000 annual increase. All of these were projecting 35 employees. Right now, the budget, without the proposed pay raise projects a full staff of 39 employees. We are ending this year with \$1.2 million in the 2019 sales tax fund. We have collected that over the last three years. When we did the projection three years ago, we had anticipated having about \$800,000 to \$900,000 in this fund. We did that because we did not know where some of those expenses would be in three years. Police retirement is 32.5%. For every dollar you pay an officer, you have to pay 32.5% to their retirement. A \$10,000 raise would actually cost the City \$13,250 per year plus the additional expenditures to get those officers hired and put on the street. This would also be the cost for the current officers because everybody will get the raise. We began with the \$1.2 then added projected revenue we expect to receive. We adjusted the revenue each year by 3% to account for inflation. The cost of a \$10,000 raise will cost you \$623,921 the first year. We will be in a deficient because we will spend more than we are taking in. This number will be higher if we have a full staff of 39 people since the projection is for 35 employees. With a \$10,000 annual raise, the 1.2 will be gone by 2025 and you will have to fund the raise from another source. You could ask the citizens to support another tax for Public Safety or you will have to take away from other services like street, recreation or fire. In year 2039, you will have \$2.8 million projected revenue but the projected cost to run that department is \$4.2 million. The police department has something called rank and longevity pay. When the 2019 sales tax was passed, the proposal stated that any raises would be equal. That does not apply to general fund or utility fund money. It is only if it is funded out of the 2019 sales tax fund. Mayor White stated that she thinks people don't want to be in law enforcement right now. She sees what they go through with people putting cameras on them and having a target on your back. Salary is a portion of this but it is also everything that comes along with the job right now. Nothing matters if our City is not safe. We have to make it safe but we can't also deplete something that was supposed to last us 11 years in 2 years. We have to do something reasonable. Councilman Touchet stated that Youngsville and Scott have no openings. Lafayette parish has applicants. The City of Abbeville is not getting any applicants because our starting pay is \$26,600.00. If we only move it to \$36,600.00 then we are still going to be at the bottom. Mayor White stated not just the money base will bring them here but she wants to hear from the officers because that is why they are here. Officer Jeremy Deville stated that it goes back to what she said that no one wants to be in law enforcement but the way they are working now, they will not have any officers at all. The way that the pay is going around us, everyone is leaving for those other departments that are at \$40,000.00. At some point Abbeville will no longer has police officers. Mayor White agrees that this is an urgent situation but we also have to think that if we do this, at some point, we will have to look at health insurance to see what it is costing us. Councilman Touchet stated that he agrees but we will have to look at adjusting everything in order to afford this. Public safety is most important. If we don't have anyone to protect our citizens then they will not live here. Councilman Campbell stated that Youngsville and Broussard may also increase their current salaries too so the competition will remain what it is now. There is nothing stopping them from increasing their base pay. Councilman Touchet stated that we have a caveat that they don't have. We have an excellent health insurance policy for our employees. He was paying \$900 a month for health insurance when he was with the school board. Officer Eugene Rougeau stated that you won't attract a young officer with a family at the current pay. If they do come, we pay for all their training and then they realize they can't make ends meet so they end up leaving us for a better paying job. Raising the pay will draw them here to stay. Councilman Touchet asked Steve Moosa how long the excess sales tax in the 2019 sales tax fund would last if we raised the officers to \$40,000 per year. Mr. Moosa stated the fund will only fund the raise for the first two years. Councilman Touchet stated so in 2025 we will have to look at ways to cut other areas in order to sustain this pay raise. We may also have salary gaps between those retiring and those replacing them. We will a young staff. Mr. Moosa continues discussing the rest of the budget. He stated that the Fire Department is almost \$4 million and that will remain about the same. The Street Department and Youth Recreation and Park Departments will remain about the same with the exception of adding a line item for ADA compliance at Comeaux Park. Mr. Moosa discussed the sales tax fund budgets and the employee health insurance fund budget. Mayor White stated that she increased the road overlay budget in sales tax for some planned

overlays to Graceland and Landry Streets. We have received a capital outlay grant from the State for the Graceland Street overlay but we have a match of about \$109,000. We also applied for additional grants for street overlays. Those grants have not yet been awarded. We also were awarded a grant for a fishing pier at Lafitte Park. Our match for that grant is \$88,000. Mayor White stated in the employee health insurance fund, the prescription drug coverage is killing us right now. We have been paying about \$80,000 per month on prescription drug claims because of some designer drugs that people are on. She is working with UMR to see what can we do legally to bring awareness to that to the employees so that they can be more mindful and ask more questions when they are prescribed medicines by the doctor. Mr. Moosa also discussed the other funds in the budget including the Maintenance & Operation Fire Department Fund, the debt service funds and the Public Improvement Sewer Fund. There were no significant differences in the previous years. The final page shows the expected number of personnel in each department. Councilman Touchet asked what the cash balance is in the Utility System Reserve Account. Mayor White stated that it is about \$1.7 million. Councilman Touchet asked Chief Hardy what number of personnel he would feel comfortable instead of 39. Chief Hardy stated about 32-33 employees. Councilman Touchet suggested that the pay raise is based upon 35 people. We should take the number from 39 to 32 so that would reduce the amount of money needed for the pay raise. We will have to give across the board, \$13,340. Mr. Moosa stated that reducing the number of employees to 32 would reduce the cost of the raise by about 10%. Councilman Touchet also suggested that we pay for the new software and planning from the Utility System Fund reserve account so that it does not affect our General Fund. Councilwoman Broussard stated that she supports the officers but she is worried about the future if we will have to tell the other employees that we will have to cut their insurance in order to pay for this raise down the road. Councilman Touchet stated that we will be in a \$1.6 deficit after the first year with this pay raise but we have Utility reserves. Mayor White stated those reserves are for emergencies like hurricanes and transformer failures. Councilman Broussard asked if we don't want to discuss other options of what would lure people to the department? He sees all the other area departments discussing their staff shortages. What can we do that is unique and will lure people to tell the Chief they want to start working at his department? Councilman Touchet stated that the Chief needs to go and start marketing. Our health insurance is premium. Councilman Broussard asked if we don't want to put more effort in bringing new people to the department? Chief Hardy stated that he wants to keep the officers he has and bring in new people. The officers are getting tired. Councilman Broussard stated that by going down to 32, it will give us more life in the money but we will have to make hard decisions in the future because this is money that will not be here in three to five years. Councilman Touchet stated that we need to fill some of these empty buildings in order to pay for the debt service of the \$3,000,000 borrowed last year to turf the ball fields. We need to have public safety for that. It is a no brainer. We need to make good decisions moving forward to afford this. Officer Eugene Rougeau stated that he thought it would be a step increase. Councilman Touchet stated that would not be the case if we pay for the raise from the 2019 Sales Tax proposal. The proposal is written that it would be an across-the-board increase. Officer Rougeau stated then you will still have people leaving. Councilman Touchet stated that everyone would get the \$13,340 annually including the people who are currently working for the department. If you are making \$50,000 then you will be making \$13,340 more so \$63,340 per year. Councilman Campbell stated that they may stay with the department with the increase because it will increase their retirement too.

-01 introduced by Mr. Tony Hardy and seconded by Mr. Carlton Campbell to adjust the proposed budget to reduce the Police Department expected staff for 2023 from 39 to 32, to give an across the board pay raise to the Police Department in the amount of \$13,340 annually and to pay for the software and planning expenses in 2023 from Utility System Reserves. The motion carried unanimously.

-02 introduced by Ms. Terry Broussard and seconded by Mr. Francis Touchet, Jr. to recommend to the City Council to adopt an ordinance to approve the 2023 budget and amend the 2022 budget at their December 20, 2022 meeting. The motion carried unanimously.

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

ATTEST:

APPROVE

Kathleen S. Faulk
Secretary-Treasurer

Roslyn R. White
Mayor