

The Mayor and Council of the City of Abbeville met for a committee meeting on May 3, 2022 at 5:15 P.M., at the regular meeting place, the Council Meeting Room located at 101 North State Street, Abbeville, Louisiana, with the Honorable Mark Piazza, Mayor, presiding.

Members Present: Council Members Francis Plaisance, Brady Broussard, Jr., Francis Touchet, Jr., Mayor Pro-Tem and Roslyn White

Members Absent: Councilwoman Terry Broussard

Also Present: Ike Funderburk, City Attorney
Jonathan Touchet, Police Department Lieutenant
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. Mayor Piazza asked if there were any comments from the public on any of the agenda items. There were none. He turned the floor over to Councilman Touchet. Councilman Touchet read the first agenda item aloud and called on Mr. Steve Moosa to make the presentation of the revenues and expenditures of the first quarter of 2022

Mr. Moosa provided the update of budget revenues and expenditures for the first quarter of 2022. The first thing he discussed were revenues. He compared the revenues for the first quarter of 2022 to that of 2021. The sales tax revenue continues to perform better than expected. It is 16% ahead of budget. The water and sewer revenues are within 1% of budget so they are in line. The electric revenues continue to decline for the second year in a row so we will have to change the budget next year. KWH sold so far in 2022 was 3% less than 2021. The next sheet he discussed were the expenditures. The General Fund expenditures are within 1% of the budget and the Utility System Fund is overbudget \$77,000.00. This is due to the substation vandalism and water supplies purchased. That is 7% within budget however the insurance proceeds will bring that under 5%. The next sheet discussed was a payroll analysis. The General Fund payroll is ahead of budget by 6% and the Utility System Fund is overbudget by 12%. This is due to the electrical department overtime for the vandalized transformer. The final sheet discussed was the cash position. The Employee Health Insurance Fund is below where we want it to be. The health claims are higher than expected. That concludes the financial analysis for the third quarter. Sales Tax revenues remain strong and he thinks the expenses will even out over the next quarter. Mayor Piazza stated that the increase in Sales Tax is something to be excited about. Of course, costs are a lot higher due to inflation so that is a big part of it. Everything is 20 to 30% more than what you paid for it a year ago. The other thing that is concerning is the Utility System Fund Now which is down about one million dollars from 2017. The electrical proceeds to continue to drop every year and we lost some big customers like Riviana a couple of year ago. We are certainly starting to feel that crunch now. That is a concern because the Utility System Fund is what funds the General Fund and what pays payroll.

Councilman Touchet read the second agenda item aloud. He called on Mr. Moosa to give the report on the American Rescue Plan annual reporting and expenditures of funds. Mr. Moosa stated that the City consulted with Fayette Dupre'. She is assisting municipalities with their reporting requirements. We had a meeting with her last week. When we first received the ARPA funds, we were instructed to submit a report annually on April 30th. However, the rules kept changing. The final ruling stated that if you use the money for governmental operations, which is your General Fund, you can report it as a standard allowance if you received less than \$10,000,000.00. You can use the money for general operations. If you use the money for enterprise fund activities like water and sewer, then you have to start reporting the contract, the Davis-Bacon wage documentation and all the vendors used. By using the standard allowance, the reporting will be simplified. The Mayor and the consultant made the recommendation that we use the money for general operations such as salaries. You can use your enterprise revenue for capital outlay project upgrades since you will not need to transfer those to general fund for government operations. The first quarter calculation is \$982,614.50

that we will transfer to the General Fund as part of governmental operations. We did use some of the money for the concrete coulee cleaning project too so you have already used almost \$1,000,000.00 of ARPA money so far. If this trend continues, the money will be used within 15 months and you have 3 years to spend it. Use it for salaries and leave it for that. That expense is easily identified and trackable. This will eliminate tedious reporting. It is cleaner.

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

ATTEST:

APPROVE:

Kathleen S. Faulk
Secretary-Treasurer

Mark Piazza
Mayor