

**CITY OF HARAHAH
6437 JEFFERSON HIGHWAY, HARAHAH, LOUISIANA
MAYOR AND HARAHAH CITY COUNCIL
November 3, 2016 (with requested adjustments)**

The Mayor opened the Special Budget Hearing for November 3, 2016 at 5:34 pm.

ROLL CALL

Present: Mayor Miceli, Councilman Benton, Councilman Johnston, Councilman Wheeler, Municipal Clerk Nicole Lee, Police Chief Tim Walker, Fire Chief Todd St. Cyr, Financial Administrator Linda Lulue;
LATE - Councilman Baudier came in at 5:51 pm; Councilman Huete came in at 6:09

ABSENT: City Attorney Gilbert Buras

SPECIAL PRESENTATIONS

Financial Administrator Linda Lulue gave a presentation on the budget to the Council.

A budget is a tool. It represents our best estimates as to the future outcome for the City. This is done by fund, by department, by line-item for both revenues and expenditures. At the last special meeting held on October 20th, Ms. Huete asked why do we even have to do a budget amendment. Ms. Lulue answered that the Local Government Budget Act requires a budget amendment to take place when the following 4 circumstances arise:

1. The beginning fund balance for a fund fails to meet the original budget's beginning fund balance. This inevitably happens for every fund every year. The projected beginning fund balance is done, just like we are doing now, near the year end. This is before closing audit entries let alone taking into account the actual revenues and expenses that had occurred during the year. So technically, every fund needs to have at least 1 budget amendment each year just to reflect the change in projected beginning fund balance to actual beginning fund balance. This change is included in the 2016 proposed amendments before you.
2. The estimated revenues plus other sources of income is deemed to come under budget by 5% or more within a FUND.
3. The estimated expenses plus other uses is deemed to come over budget by 5% or more within a FUND.

The funds affected by this 5% rule are:

- The Sales Tax Fund (42%) due to more monies being received from the Parish than anticipated. (trans out, not revenue)
- The Sewer Fund (40% E) due to \$185k of unforeseen emergency repairs.

- 1) A change in operations. Our funds affected as having a change in operations are:

The Sewer Fund (21% R, due to increased sewer service charges as required by the DEQ loan.

Bond Sinking and Bond Reserve Funds as we refinanced the 2006 bond and paid off the 2007 bond, which allowed these funds to be closed out.

The DEQ Sinking, Reserve & Contingency Funds as these funds were incorrectly never budgeted for in the past, doing so now would be seen as a change in operations.

You will note that the General Fund, our largest and most important fund, as this is the City's operating fund, does not fall into any but the 1st category requiring a budget amendment: that the actual beginning fund balance differs than the budgeted beginning fund balance. The NET projected income plus other sources reflects a net increase in income of 1%; and the NET projected expenses plus other uses reflects a net decrease of expenses of 2.5%.

But besides the LGBA, good fiscal management dictates that a budget be monitored and revised to reflect actualities. The actuality for 2016 is looking great! Our original budget for the general fund projected a net revenue for the year of approximately \$71k, but through increased sales

tax collections, and decreased expenditures across most departments, current projections of net revenue is \$275k. This results in the City having a deficit balance of only \$23k at year end! This is virtually nil when compared to the \$1.2 million deficit inherited 2 years ago.

Since our last meeting, 2 weeks ago, there have been a couple of changes to each year's budget which I had emailed out, but will go over here for the benefit of the public.

Regarding the 2016 proposed amendments,

- First is the removal of allocated overhead salaries from ALL departments. As stated previously, we had included allocating overhead salaries out to the departments based upon the advice of our previous auditors. Since we will be going with a new audit firm for the year ending 2016, we will wait and see if they will require the City to allocate such indirect costs as overhead expenses to the various departments. If they do require this, an emergency budget amendment will be brought forth so that NO department will be over-budget by an audit adjustment. This budget amendment must be approved prior to the auditors completing and submitting the audit on the June 30th reporting deadline. This change does not affect the general fund overall, but does decrease the expenditures for each department (except for the administrative department).

- The remaining changes solely affected the Police Department:

- Addition of 010-4-112-62910 Gohsep Grant Expense of \$1,424. The revenue account (for the same amount) was included, but the matching expense account was inadvertently excluded.

- Increased proposed budget for 010-4-112-42500 Vehicle Repairs & Maintenance from \$25,500 to \$28,800 to reflect actual costs as identified the night of the last council meeting.

- Increased proposed budget for 010-4-112-49300 Annual Leave Pay from \$0 to \$22,000 to reflect actual costs + a \$4,000 cushion for the remainder of the year.

The net effect of these changes is a projection of (\$22,907) negative fund balance as opposed to the \$517 positive fund balance as originally provided.

Regarding the 2017 proposed budget:

- As I just stated for the 2016 revised proposed amendments, the overhead salaries allocation has been removed from all departments for 2017, pending any auditor recommendation to the contrary.

- The beginning fund balance has changed since the changes to the Police Department in 2016's revisions had occurred.

- All remaining changes relate to the Police Department:

- Wages & Benefits section has increased overall from \$1,677,536 to \$1,746,458. This is due to:

- A promotion of an officer to Sergeant yesterday. This promotion increased his annual salary, estimated overtime, taxes, and retirement amounts.

- A new officer (Todd Usey) was hired after the creation of the pay calculations for 2017. This person is now included in the 2017 projection, which increases the annual salary, estimated overtime, taxes, and retirement amounts. This now gives the police department 27 paid personnel + 2 contracted DEA officers.

These changes result in an estimated ending fund balance of positive \$31,628 rather than the positive \$124k as originally provided.

Other than these few changes just enumerated, nothing else has come to my attention concerning these projections. And as the Council has not provided me with any questions about anything on either budget, I will close out my presentation with this: If these proposed 2016 amendments are passed, then the 2017 budget is able to include the 1 additional employee for both the police and the fire departments. If the 2016 amendments are not passed, the beginning fund balance for 2017 would revert to negative \$227,042, which would result in an ending deficit balance of \$173k, necessitating decreasing expenditures.

Of note, an additional police officer costs the City \$59,557 and an additional fire fighter is \$44,373 (\$104k total, leaving \$69k estimated deficit left after removing these 2 new employees).

Chief Walker stated he had made no change in personnel. He replaced 2 officers – his payroll has not changed – 1 officer did get promoted, but he has no additional officers. He had 2 vacancies & hired 2 to replace them. He would prefer that no money be taken out of the police budget before the end of the year.

Ms. Lulue said that the 2017 projections are based on the 2016 actual expenditures and to get actual figures a budget amendment needs to be done.

Chief Walker again asked are there any other monies taken out of the budget for police.

Ms. Lulue explained the transaction again.

Chief Walker said again that he can't get accurate figures – he was under budget before the 2015 audit and over budget after audit.

Insurance was charged but no monies were added.

Ms. Lulue said that she presented a budget amendment to take care of that – but the council would not second it and it was not passed.

Chief Walker said that he is opposed to any changes in the police department budget.

Councilman Wheeler – these amendments are from September 30th – You are taking away monies for the last 3 months and you don't know what it will take to finish the year.

Mayor Miceli reminded the council that if you don't pass a budget by Dec. 31st the books don't close until June 30th of the following year.

Councilman Wheeler suggested that the police budget stay at the status quo and finish out the year.

Mayor Miceli gave out a handout to the council. She said this chart shows side by side the situation. We were short staffed, deep in debt and we knew there would be no extras. She supports the first responders whole heartedly and this chart will be on website. The chart shows the percentage of the budget that each department gets. Police in 2013 – 31.13%; 2014 – 31.43%; 2015 – 33.31% - nationally a third of the budget should be for police. In 2016 – 35.28% but with the amendments that weren't passed they would have had 35.46%. In 2017 it is projected to be 35.35%, but Chief Walker is asking for 36.62% for 2017. The Fire Dept. had 18.09% in 2016 and is projected to have 16.76% in 2017.

Chief St. Cyr said he has met with the Mayor and Ms. Lulue about the budget. He hasn't presented a budget this year, because they are working on a comprehensive fix for the fire department. We are trying to cooperate – but we have to find a real fix – which can't be found in these numbers. They are working on a much larger plan – to fully fund the fire department. There is a committee of 6 people working on this. Equipment has to be kept up to date and I shouldn't have to beg, borrow or steal to do this. Their fund has deteriorated because of the city's deficit. They will show a comprehensive plan and they will come forward in a few weeks at Councilman Wheeler's house. The dept. feels alone – because when only 3 firemen show up at a fire they are all alone. They will present real facts and figures to the council and then to the citizens. They are trying to self-fund their department. We have to make it safer for the firemen and for the citizens of Harahan. I've asked to be allowed to put a comprehensive plan – but have gotten no support in the past. Jefferson Parish is asking for 25 mills for the River Ridge fire department. We have 5 mills.

Councilman Wheeler said she is looking at proposed figures and there is a reduction in the salary line. She asked why.

Chief St. Cyr said they were dealing with a consent decree from DOJ and we didn't want to hire someone under that. Before we hire – I will have another conversation with Mr. Buras. I haven't looked at the budget this year – I haven't looked at the salary figure. Hiring one person will reduce the overtime – 3rd shift is still 1 man down still. \$50,000 includes all payroll expenses & other expenses.

He continued, he is meeting with Linda and we will determine what the department needs.

Mayor Miceli said after looking at the numbers – the insurance line has come down for the department.

Chief St. Cyr said the retirement match is reduced to meet the actual costs. He said in 2014 – we were not allowed to rehire a person; In 2015 –Mr. Heinz did not comprehend what the department needed. Now the figure matches what it actually needs.

He continued that the dept. was more concerned with the consent decree from the DOJ in 2011 & 2010 and our budgets were much closer to actual expenses.

Councilman Wheeler said I don't understand how it works. The \$335,000 allowed in 2017 for salaries for the fire department is going down.

Ms. Lulue said all the cushions Mr. Heinz put in are gone – the numbers are real.

Chief St. Cyr said I will put the numbers together for you. He is meeting with Ms. Lulue on the 15th.

Mayor Miceli said that once the deficit is gone – we will be freer to grow what we spend. We didn't get in a hole overnight – great strides have been made by the blood, sweat and tears of the employees. We are moving toward fixing it a lot quicker than the problem occurred. The budget is an estimate and amendments are supposed to be done periodically. Ms. Lulue came in and estimated 2016 and was within 2% of the actual numbers. She asked is it better for one extra firefighter or raises for the department? I believe you both need 2 people – but getting there is taking a little while. Other issues have to be tackled – we have no raises yet and all other city employees have no retirement – they have nothing.

The Mayor called a 5 minute recess.

The Mayor called the meeting back to order at 6:35 pm

Chief Walker said that the 36% includes grants – so that it looks like I have more money that does not come from the city. They get grant money for overtime occasionally – police are paid from the city coffers and then the grant money comes back in 2016 but should be put in on the 2015 budget.

Councilman Benton said there are many ways to look at these figures.

Chief Walker said the citizens only look at the bottom line.

Mayor Miceli said she can re-run the chart without grants. She said when money gets donated to the city – each department gets their donations allocated to them. The same formula is used for all. She said the 2017 budget does not have any grants included.

Councilman Benton noted that the total salaries you provided are different from Ms. Lulue's – your figures only go up \$13,302 – how will you pay for 2 new officers.

Chief Walker said he replaced the two officers that left.

Mayor Miceli asked how can we make this easier so you can understand the budget. You need to give us a road map of exactly how many people you have and what positions they hold. The difficulty is moving from the way it was done in the past and using new criteria to do the budget properly.

Chief Walker said that vacation time hit the dept. in 2015.

Mayor Miceli agreed and said the city had the same problem to the tune of \$40,000.

Chief Walker said that details are limited and our overtime is limited.

The officers leave for better jobs where they can earn more overtime.

Councilman Benton – the difference between Tim and Linda's salary line for 2017 is \$74,000.

Tracy Whittle said the problem is not the salary line – it's all the other lines that have been cut in the budget – day to day operations will suffer. The blue light service will be cut in 2017.

Mayor Miceli said that line item for fuel - 411242600 – originally was \$45,000 – actual number through Oct. is \$27,223 – there's no way to spend an additional \$23,000 in the last 2 months. A cushion is still built in for all dept.s' fuel costs.

Chief Walker said that as an elected official he is responsible for his budget – he needs to know where the money is going. He wants the council to leave his money alone. All the other departments come under the Mayor's purview.

Mayor Miceli said that any unspent money goes back to the general fund. She noted that court fines have dropped by \$400,000.

Chief Walker said he doesn't have a full complement – there's a rumor that I told them not to write tickets but that's not true.

Councilman Johnston asked how many officers do you need to have 1 doing traffic.

Mayor Miceli said that safety is No. 1 priority, but monies have not grown to allow us to hire more people.

Councilman Huete said you are down 7 officers.

Chief Walker said that was not true.

Councilman Wheeler said she doesn't understand that since there are 3 months left in the year – how can you take away money. Leave the money there and wait till the end of the year.

Mayor Miceli said there's been a lot of work to decrease the deficit – now we may have some breathing room and can start adding personnel – clearing out the past problems has required professional help. We got to that point by changing the insurance plan, by getting LaGAP money, using depreciation; refinancing bonds and going back to 2005 – a lot of work was left on the table.

Councilman Wheeler noted that there are items overspent by 100%.

Councilman Benton stated that in 2010 – revenues from tickets were \$639,294; 2011 - \$344,182 – 20 officers; 2012 - \$294, - 21 officers; 2013 - \$210,293; 2014 - \$242,797 – 18 officers; 2015 - \$184,672 – 17 officers.

Chief Walker said that he didn't report that – he listed the officers he had. He said there are 7 – 12 hr. shifts in 2 weeks. The officers get paid straight time for 84 hours. There are 13 paid holidays. In the past they were not paid overtime for holidays – they got time off instead.

Mayor Miceli said they are planning to add 1 officer to the department's 28 personnel; and they have 2 DEA agents and the mechanic.

Ms. Whittle started speaking from the audience and Mayor Miceli asked her to come to the microphone. She then asked her what was her background in accounting.

Multiple people began yelling and talking at the same time – could not decipher what was said or by who.

Chief Walker said that Ms. Whittle was an important member of his team and he resented the Mayor questioning her background and insulting her. He said again that his officers safety is his no. 1 priority – he said to look at our facebook page – he puts the statistics there.

Mayor Miceli said it was not meant as an insult because she has always tried to use professionals who give expert advice.

Councilman Benton asked if he could place a DEA officer with an officer to patrol for their safety.

Chief Walker said the DEA agents bring in asset forfeiture money – but earlier this year the president curtailed asset forfeiture money – and everyone shares the proceeds. The money is being processed – the DEA officers are not Harahan policemen.

Councilman Johnston had more questions about other portions of the budget.

Having no further discussion a motion was made by Councilman Johnston and seconded by Councilman Baudier to adjourn at 7:24 pm.

YEAS: Baudier, Benton, Huete, Johnston, Wheeler

NAYS: NONE

ABSENT: NONE

HEARING ADJOURNED

**CITY OF HARAHAAN
6437 JEFFERSON HIGHWAY, HARAHAAN, LOUISIANA
MAYOR AND HARAHAAN CITY COUNCIL
November 3, 2016 Minutes**

The Mayor opened the Special Council Meeting for November 3, 2016. At 7:32 pm.

PLEDGE OF ALLEGIANCE

The Clerk led the Pledge of Allegiance.

ROLL CALL

Present: Mayor Miceli, Councilman Baudier, Councilman Benton, Councilman Huete, Councilman Johnston, Councilman Wheeler, Municipal Clerk Nicole Lee, Police Chief Tim Walker, Fire Chief Todd St. Cyr, Financial Administrator Linda Lulue

Absent: City Attorney Buras

Mayor Miceli asked for a moment of silence for the policemen killed in Iowa. She thanked the first responders for our safe & Happy Halloween. She asked if the council wanted to keep the special meeting on the 10th and make it the regular meeting – or hold the regular meeting on the 17th and eliminate the special meeting. All budget votes could be deferred to December.

Motion was made by Councilman Huete seconded by Councilman Baudier to combine the special meeting with the regular council meeting for November and hold it on Nov. 10th – at 7:30 pm.

The Mayor called for the vote, it was as follows:

YEAS: Baudier, Benton, Huete, Johnston, Wheeler

NAYS: NONE

ABSENT: NONE

MOTION PASSES

Councilman Huete said we will send amendments to Ms. Lulue by email.

ORDINANCES FOR INTRODUCTION (First Reading)

This Ordinance was proposed by Councilman Benton

The City Clerk read it by title only.

PROPOSED ORDINANCE NO. 2016-21

An Ordinance amending the annual Budget of Revenue and Expenditures for the Fiscal Year ending December 31, 2016 for the City of Harahan, Louisiana.

This Ordinance was proposed by Councilman Benton

The City Clerk read it by title only.

PROPOSED ORDINANCE NO. 2016-22

An Ordinance adopting the annual Budget of Revenue and Expenditures for the Fiscal Year ending December 31, 2017 for the City of Harahan, Louisiana.

ADDRESS THE COUNCIL- The public may now address the council.
Evelyn Riehms, Rencpass said that the Planning & Zoning Board passed the ordinance about the batture – she is confused – one of them said the Mayor said the project was ending soon. She said the first reading of the ordinance is coming and she asked the council to please adopt the hours of operation. We need this adopted.

Councilman Huete said the ordinance has already been read for first reading.

The City Clerk said it has been advertised.

Councilman Johnston said the only reason he didn't want to vote on it tonight was because the board suggested an amendment and he wanted to talk to Mr. Buras about it.

The Mayor called for a 5 minute recess to call Mr. Buras.

The Mayor called the meeting back to order at 7:50 pm. **Councilman Johnston** said he was not able to reach Mr. Buras.

John Riehms, Rencpass also urged the council to pass the batture ordinance and to continue to curtail the problems with the sand and noise from Wood Materials.

Dwayne Mara, Planning & Zoning Bd. said he met with the Mayor and airport project would be ending soon. He told the council that the board recommended the ordinance.

Address the Council is closed.

ADJOURN

Motion by Councilman Johnston and seconded by Councilman Baudier to adjourn the meeting at 8:20 P.M.

YEAS: Baudier, Benton, Huete, Johnston, Wheeler

NAYS: NONE

ABSENT: NONE

MEETING ADJOURNED

A. The following matter involving pending litigation may be considered (Court, Case, Number, Parties):

- 1. Phillip Canella vs. Arch Ins. Co., City of Harahan, Todd A. St. Cyr, and Allstate Ins. Co.; 24th JDC, Case 744-961, Div. "I"**
- 2. Suzanne K. Scalise vs. City of Harahan LA, Anne Gordon, Louise Slayden, Ronald Gordon, Gail Gordon; 24th JDC, Case 744-986, Div. "O"**
- 3. City of Harahan, et al, v. BP Exploration & Production, Inc., et al. U.S.D.C., Eastern District of Louisiana, No. 2:13-cv-01397**
- 4. Wood Materials LLC, Wood Resources LLC v. City of Harahan, 24th JDC, Case 761-783, Div. "K"**

B. The following matter involving prospective litigation for which formal written demand has been made may be considered.

C. The following matters involving discussion of the character, professional competence, or physical or mental health of:

Name: