

The Mayor and Council of the City of Abbeville met for a committee meeting on April 19, 2016 at 5:00 P.M., at the regular meeting place, the Council Meeting Room located at 101 North State Street, with the Honorable Mark Piazza, Mayor presiding.

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

Members Absent: Councilman Wayne Landry

Also Present: Ike Funderburk, City Attorney
Jude Mire, Fire Chief
Richard Primeaux, Engineer
Jason Akers, Bond Attorney
Steve Moosa, Auditor

Mayor Piazza stated we are here for a committee meeting. We have two committees meeting tonight. One is the Ordinance Committee. Councilman Wayne Landry is running late and can't be here. Mayor Piazza asked if there were any public comments on any agenda item. There were no public comments.

Mayor Piazza stated the first item is the Ordinance Committee. It is to introduce an ordinance to issue Revenue Bonds, Series 2015. He turned the floor over to Jason Akers.

Mr. Akers stated he is here today because he will be out of town on May 3rd, when the ordinance will be adopted at the regular City Council meeting. Ike will be able to handle the adoption on that day. As of about 4:30 PM, this afternoon, we can take care of everything today. In December he spoke to the Council about the financing for the fire trucks; 1/3 of one and a whole one. We started the process. We applied to the Bond Commission. We got Bond Commission approval and then we just sat until the time when it got closer to when the trucks would be ready. By doing that we avoided a situation where the City borrowed well in advance of when you actually needed the fund and paying interest unnecessarily. We are much closer to those trucks being delivered so an adoption on May 3rd and a closing in mid-June will allow you to have the money in hand when the trucks will be ready. In consultation with the Mayor, we agreed to speak to Gulf Coast Bank and ask them, because they own the 2012 Bonds, if they would be willing to purchase these bonds as well. They responded with an emphatic yes. This afternoon at 4:30 PM, he received an email from Gulf Coast Bank with their proposed interest rates. It looks like about a net rate of about 2.10% over a ten year period. Assuming your adoption on May 3rd then we will put the pieces in place where we would actually close on the bonds in June and get the City the money. These bonds are secured out of excess revenues of the City. If for some reason the Fire Department Maintenance and Operation revenue doesn't materialize, then the debt service has to be paid from some other source that is available to the City. Mayor Piazza stated this will be covered by the funds we receive from the Police Jury in our M & O account.

-01 introduced by Mr. Brady Broussard, Jr. and seconded by Mr. Francis Touchet, Jr. to recommend to the City Council at their next regular meeting scheduled for May 3, 2016 to adopt an ordinance to issue Revenue Bonds, Series 2015. The motion carried unanimously.

Mayor Piazza stated the next item is the Finance Committee chaired by Councilman Touchet. Councilman Touchet stated we will get an update of our expenses and revenues and the status of the budget for the first quarter of 2016. He turned the floor over to Steve Moosa.

Mr. Moosa handed out a few reports. The first report is of revenues and expenses for the first three months of the calendar year. We compared the 2015 and 2016 actual revenues and expenses and the 2016 budget. We show a variance column showing what was expected in the budget versus what was actually received. The sales tax collected so far this year was \$865,210 as compared to what was collected the first three months in 2015 which was \$936,760. That is a 7.5% decrease. However we anticipated a decrease so we reduced our

budget by about 4% and only budget \$900,000. So the actual difference between budgeted and received is only a 3.9% decrease. Councilman Touchet asked what has been the trend in the months that follow the first quarter. Mr. Moosa stated it usually gets a little better because in the summer months people typically spend more. Car sales usually go up in the spring however the State passed their new sales tax so there is an additional 1% for April, May and June. Councilman Broussard stated also hurricanes and tropical storms cause an increase in sales tax. Mr. Moosa agreed that with storm preparedness, people spend a lot of money. As far as cars sales, people may downsize on what they are purchasing. Everybody has a budget in mind when they buy a car. It is early in the year and we will know more at the mid-point. We are in decent shape. We can meet back at mid-year and then start making some decisions if need be. Both the water and sewer revenue are down by about 8%. The electric sales have also decreased by 16.5%. Mayor Piazza stated our electric revenues are not driven by the economy; it is driven by the weather. We have had mild temperatures. Sales Tax doesn't affect our General Fund revenue that much since a lot of it is dedicated for capital outlay, health insurance and the ¼ cent on Fire and Police salaries. The general fund revenues are dependent upon our utilities to fund the Police and Fire Department and other General Fund Departments. We will have to monitor this closely throughout the summer. Mr. Moosa stated all the revenues average out to a 10% decrease. On the next report we compare payroll. Overall payroll is in line with what we expected. The General Fund is off 3% but the Utility Fund has a positive variance of 5%. The other report is other expenses. The general fund is a positive variance of 2.7%. The Utility Fund's variance is 3.3%. This is mostly because of large repairs in the sewer department. We do the budget on a yearly basis. These repairs occurred in the first three months and are one-time expenditures. The last report are the cash accounts of the City. It shows a four year trend. Everything is pretty much in line. The airport fund cash has jumped up significantly due to the oil/gas royalty we receive. This is restricted and can only be spent at the airport. The Employee Health Insurance is staying in line. The Utility System cash has a better balance and we now have a reserve fund. This is due to the savings from the new electrical power contract. Councilman Touchet stated it is not as bad as he anticipated. Mayor Piazza agreed that he is satisfied with the numbers and commended the Department Heads for keeping their budgets in line. If we would have had a severe winter, these numbers would look better. Mr. Moosa stated his firm will begin the audit April 25th. He also discussed a new requirement called GASB 68 on pension obligations. It doesn't affect cash balances but will affect disclosures. The City has three retirement systems on the State level. We will have to disclose and accrue that obligation on the financial statements.

-02 introduced by Mr. Francis Touchet, Jr. and seconded by Mr. Francis Plaisance to accept the budget report as presented. The motion carried unanimously.

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

ATTEST:

Kathleen S. Faulk
Secretary-Treasurer

APPROVE:

Mark Piazza
Mayor