

The Mayor and Council of the City of Abbeville met for a committee meeting on July 3, 2018 at 5:15 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, Terry Broussard, Brady Broussard, Jr., Francis Touchet, Jr. and Roslyn White

Members Absent: None

Also Present: Ike Funderburk, City Attorney
Jude Mire, Fire Chief
Bill Spearman, Police Chief
Clay Menard, Public Works Director
Tom Carroll, Engineer
Steve Moosa, CPA
Joseph Vallee', Municipal Civil Service Board

Mayor Piazza stated we are here for a Finance Committee meeting chaired by Councilman Touchet. He turned the floor over to Councilman Touchet.

Councilman Touchet stated we are here for the presentation and approval of the audit for the fiscal year ended 12/31/17. He asked Mr. Steve Moosa to discuss the audit.

Mr. Moosa stated he is here tonight to present the audit report for the 2017 year. He discussed a graph presentation to illustrate the audit. He discussed the governmental revenues. Governmental revenues do not include the Utility System Fund (Enterprise Fund) Revenues were about \$6 million and expenses were \$11.6 million. That is about a \$5.6 million deficit but this is where the Utility System Fund comes in. The decrease in revenue from 2016 to 2017 is because of an airport grant we had in 2016. The next page of the graph presentation is a five-year trend of electric revenue versus power cost. The electrical revenue did decrease last year but power cost did also. Operating income from the Enterprise Fund includes electricity, water and sewer. We had about \$4.2 million in revenue in 2017. Salaries and wages were \$5.69 million in 2017. This is right in line with the last five years. Retirement contributions were \$940,000 for 2017. The City participates in the State retirement systems. The health insurance costs for 2017 were \$2.43 million. The City is partially self-insured and purchases a stop loss policy for claims above \$60,000. We really cannot plan for this expenditure as it is based on claims. The final graph was the bonded indebtedness. The bonds are being paid according to the schedule. The bonded indebtedness for 2017 was \$4.45 million. The audit report contains a lot of information. Page nine shows the financial position of the City. Fund balances are the money available to carry forward. A lot of it is restricted for a particular use. We have OPEB and pension obligations that will occur in the future. Page 11 shows the revenues and expenditures. Page 13 shows the Enterprise Fund net position. We utilize the funds from the enterprise fund to support governmental operations. Pages 19 through 55 are the notes of the financial statements. Starting on page 57 is the budget to actual comparison. It runs until page 69. You are required to stay within 5% of your budget. Page 71 is the non-major governmental funds. These are special revenue funds and debt service funds. This runs until page 85. Page 86 breaks down the revenue for the enterprise fund. Everything is in order. There were no findings for the audit. The revenues and expenses were in line this year. What we went through so far is what we usually go through each year. This year the Legislative auditor mandated that we audit agreed upon procedures. Every governmental agency in the State that received over \$500,000 of revenue must perform these additional procedures. These are best practices procedures. The good news is that they just released that if there were no findings in the first and second year, you can ease up on those areas. The additional costs of this audit put a lot of pressure on small municipalities. The main areas in the report is policy and procedures. They want something in writing. We will work on that in the next couple of months. Everything is pretty much in order except for a couple of items. Kathy has already addressed those. Mayor Piazza stated the forms and other items have already been

implemented. We do have until the end of the year to complete those. He wanted to point out that our power cost has continued to go down since 2013. This is a direct reflection of the electrical committee that has been able to negotiate low cost power through our electrical agreements.

-01 introduced by Mr. Francis Touchet, Jr. and seconded by Mr. Brady Broussard, Jr. to recommend to the City Council to accept the audit report as presented at their regular meeting following this meeting. The motion carried unanimously.

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

ATTEST:

APPROVE:

Kathleen S. Faulk
Secretary-Treasurer

Mark Piazza
Mayor