

There was a legal special session of the City Council of the City of Monroe, Louisiana held on this date at the Council's regular meeting place, the Council Chamber, City Hall Building, Monroe, Louisiana.

The Honorable Gretchen Ezernack, Chairman, called the meeting to order. She then asked the Clerk to call the roll.

There were present: Council members Harvey, Ezernack, Woods, Marshall and Dawson

There was absent: None.

The Honorable Gretchen Ezernack, presiding officer, declared a quorum was present and the invocation and pledge was led by Jimmy Bryant, Chief Operating Officer.

The Honorable Gretchen Ezernack, presiding officer, then stated the object of the meeting; that being to consider: (1) The 2024/25 fiscal year budget submitted by the Administration for review by the Council in Budget Hearing #1.

The Chairman opened the floor to the Budget Office for the Overview:

(1) Budget overview presentation by Mr. Dan Richard, Budget Officer

Mr. Dan Richard, Budget Officer, presented a PowerPoint presentation overview of the proposed budget for the fiscal year 2024/2025. According to slide one for Fiscal Year 2025, the Mayor has proposed a \$200 million dollar budget across all the budgeted funds. The Enterprise funds we are looking at are \$83.9 million, a \$14.5 million increase, that is mainly coming from budgeting the capital projects in the airport fund. The General fund we are looking at a \$4.5 million dollar increase, which will be discussed later in the presentation. Special Revenue fund, there are 26 different special revenue funds, some are small dollars, like the police K9 fund all the way up to the Capital Infrastructure fund that's about \$20 million dollars. Also included is the Lead Hazard Grant that's \$4.5 million dollars spread over multiple years, part of which is included in these numbers. The overall \$37.9 million is about a \$3.6 million increase. We have the two Internal Service funds, the Employee benefit fund that includes health insurance premium, it pays out the health claims; and the Central Maintenance Shops fund. Overall, when you factor out the interfund transfer it's close to \$200 million dollars, about a \$23.1 million dollar increase.

Slide two, General Fund, net change in fund balance is zero, there was a little bit of a challenge trying to balance this budget and the funding requests are a little higher than our estimated revenues are. Mr. Richard said taking out and/or separating out the transfers of revenues are estimated at \$69 million, expenditures at \$66.3 million. You have the transfer in coming from the capital infrastructure fund, that funds the street department that is \$1.2 million, and you have a transfer out of \$4 million from General fund to several different Enterprise Funds and the Central Shop fund.

Slide three, this is a look at the General Fund balance over time and if you recall back in 2022, which was a scary time, they implemented some budget cuts and revenues actually came in a little better than expected. According to the graph there was a big surplus of \$4.5 million, since that time the fund balance has risen to \$19.6 million as of the last audit in 2023. As for the current year 2024, it's still too soon to predict what the fund balance will be, Mr. Richard said he doesn't anticipate a large change from the current figure. Going into 2025, since the budget is balanced, there's not going to be any change in the budgetary fund balance that is still set at \$19.6 million. That figure at 28% is the percentage of the Fund Balance to total Expenditures at 25%, that's three months' worth of expenditures. At 33%, that's four months' worth, 28% we have a little less than three and a half months' worth of expenditures as a fund balance.

Slide four is General Fund Revenue grouped by classification and you can tell from that column chart the Sales tax towers above, but all the other revenue classifications come in 64% of all revenue. Mr. Richard noted he has estimated sales tax revenue at \$44.2 million, an increase of \$2.3 million and he still considers that a conservative number. The projection of the current year could reach \$45 million, and there's still four months left in the year so anything can happen, but he still wants to be conservative on that estimate. The Ad Valorem \$8.4 million is based on the assess value of properties at 100% collection rate. The fees and charges are about \$7.4 million, that's about a \$600,000.00 dollar increase. The accounts in that classification mainly are your sanitation fees and energy service income. The small increase in License & Permits \$3.3 million increased by

\$100,000.00 dollars. Then, in the All Other categories, that's revenue sources like franchise fees, interest income, and with interest rates going up you get more interest, but it makes the cost of supplies go up as well so it's kind of a double-edge sword. You also have your fines and your state supplementals in that category. Overall, again \$70.3 million at \$4.4 million increase or 6.6% over the fiscal year 2024 adopted budget.

Slide five switching to Expenditures by Department, the second largest increase is in city expenses, which is a non-department category. There is a \$1.3 million increase, and those increases are driven by property insurance premiums, retiree health care cost, and street lighting. The big increase there is with the Police Department, a \$1.6 million coming from two items pension obligations and leased vehicles. The Police vehicles amount to about \$500,000.00 of that total. The pension part with the new budget software during the installation part between the manual calculations and what the budget software is computing we discovered some discrepancies in prior years that the pension number was under budgeted, so this is playing catch up. The Engineering & Planning and Urban Development Department, since it has already occurred you have the Planning and Zoning Divisions and Inspections Divisions already moved under Engineering, the table is comparing 24's adopted budget to 25's proposed budget. There is a decrease of half a million or so in Planning and Urban Development and an increase by \$800,000.00 in Engineering, the additional increase in Engineering is related to engineering service costs that's not tied to any particular project. On Expenditures a \$70.3 million increase of \$4.5 million or 6.9% over last year's budget.

Slide six continuing with expenditures by classification, you see that big jump in salary & wages, there's not really an increase. Against, with the budget software and the computations between the manual calculations and what the budget software had computed. Fiscal year 23's actual number was \$29.1 million and in the budget for year 25 it is \$29.2 million increase, just a little over \$100,00.00 dollars. A big category Contracted services \$2.3 million dollar increase. That increase is mainly driven by the leased vehicle cost. Mr. Richard mentioned that in prior years, you see that number increase as they budget more of those leased vehicles within this operating group budget versus outright spending to buy the item. Out of that \$2.3 million, \$1.6 million is related to leased vehicles, we also have in addition to the pick-up trucks, they are leasing garbage trucks, and trash trucks that are in that number as well. If you combine salary, wages, and fringe benefits that's our personnel cost so 69% of all our expenditures are for personnel.

Slide seven, the General Fund Full-time Equivalent (FTE) Personnel by function, includes our Public Safety Function, the Fire and Police Department, that is half of all the personnel under the General fund, it's within Public Safety, there's a slight increase of 2.3 FTE's. Within Public Works that includes the Public Works Department and the Engineering Department under that function, an increase of 5.6 since we've moved some of those positions from Planning & Urban Development, you can see the decrease under that function and the increase in Public Works. Overall, the General Fund is just shy of 732 FTE, an increase of only 1.2 FTE or 0.2% over the Fiscal Year 2024 budget.

Slide eight final, Citywide Personnel, again by functions; under Public Safety they added six more fire fighters from the airport, under Public Works in addition to the Public Works Department, and the Engineering Department under General Fund. We add in the rest of the airport personnel, the Transit, Water, Sewer, Central shop, and the Engineering Project Management personnel get rolled into that function. Under Culture and Recreation, including the Zoo and the Civic Center. In the Planning & Urban Development, which is the largest increase of 7.5 FTE, they are including that new Lead Hazard Grant, and they are bringing on additional personnel to handle that grant. Overall, just over 1,054 full-time equivalent positions increase of 7.3 FTE or 0.7% over Fiscal Year 2024 Budget. Mr. Richard noted that he has concluded his presentation overview.

There being no questions concerning the overview the Chairman move on to the items on the agenda.

The Budgets discussed were as follows:

HEARING SCHEDULE:

The Council went through each item on the agenda and the department heads were available and answered the questions they had. The City Court again pleaded for extra funding for their employees as well as the judges and presented information on judges' pay for cities in the district. The Administration will revisit the issues.

All other departments reported minimal to no changes in their budgets as presented in this Budget Hearing.

HEARING SCHEDULE:

- 1) Budget overview presentation
- 2) Revenues
- 3) City Council
- 4) City Court
- 5) City Marshal
- 6) Mayor
- 7) Legal
 - a. All other funds under the direction of the Legal Dept.
- 8) Planning & Urban Development (PUD)
 - a. General Fund
 - b. Community Development Block Grant (CDBG)
 - c. All other funds under the direction of the PUD Dept.
- 9) Engineering
 - a. General Fund
 - b. 2021 Capital Infrastructure
- 10) Fire
 - a. All other funds under the direction of the Fire Dept.
- 11) Police
 - a. All other funds under the direction of the Police Dept.
- 12) Community Affairs
 - a. General Fund
 - b. 6002 Civic Center
 - c. 6003 Purchase Garden & Zoo
- 13) Public Works
 - a. General Fund
 - b. 6000 Airport
 - c. 6001 Transit
 - d. 6006 Water
 - e. 6008 Sewer
 - f. 7002 Central Shop
- 14) Administration
 - a. All other funds under the direction of the Admin Dept.
- 15) City Expense

The Chairman noted:

A Public Hearing & final adoption of the budget must occur no later than the April 9, 2024 Council Meeting. (City Charter, Article V, Sec. 5-01)

There being no further business to come before the Council, the meeting was adjourned at 7:22 p.m. upon motion of Mrs. Dawson and seconded by Mr. Marshall

Gretchen Ezernack
Chairman

Carolus S. Riley
Council Clerk

For extended details on the council meeting please call the Council Clerk Monday-Friday at 318-329-2252 to schedule an appointment to listen to the minutes.