

Income Strategies Committee Meeting

March 9, 2026 at 6 p.m.

Approximately 60 minutes

Mayor Clay Madden:

I just wanna remind everybody that this, it was kind of set up as a study committee, so I know we're gonna be talking about some things tonight. We're not gonna be voting on anything. Um, the agenda's not that different than it was last month, uh, when we met. And, um, what I'd like to do first is turn it over to Joanna Anderson.

Um, we are going to. Yes, discussed the salary survey. Uh, you may notice that it's was handed out and it has draft. That's because, uh, Mr. Cody from SSA could not make it tonight. Uh, and he was gonna do some presentation on the findings, but, um, when Joanna told me he couldn't make it tonight, I personally, and of course, I'm just the mayor.

Um, I personally think he, it'd be better to get him to come to a regular city council meeting, so, uh, I know

Councilman Zuckerman's on his way. I know that the first April meeting the water bill guys come in. So it would be my recommendation that it not be that meeting, but either the next council meeting in March, um, the second one, or maybe the second one in April.

Um. Cody can come and do the presentation, but um, in the meantime I've asked Joanna to just go over the highlights, uh, the high points of it and, uh, that should be Councilman Zuckerman probably. Um, so if you'll go ahead and do that, Ms. Joanna, those right there.

Councilman-at-Large Jason Zuckerman:

Sure.

Human Resources Director Joanna Anderson:

So agenda, it has analysis of the SS index, that's the Social Security Administration index.

We touched on this last time, but we. Social Security Index, um, which is the cola that the federal government gives out to people with aid, um, is 2.8%. So we discussed that. That's on the record and it's final, um, it was 2.5 year before that. So there's that, and then the compensation

study. So the compensation study we also touched on at the last meeting, and I've got just a few more details.

Um, essentially the current pay plan used by the city is competitively positioned with the market. So generally we're doing great. Um, and that's mostly, uh, been attributed to the Colas that have been given for the last few years.

There are a few recommendations from SSA.

The first one is adjust some positions. Um, and their pay ranges, they are lower than market value and more than 3% lower than market value. So that would be our planner. Ones planner two, maintenance worker ones maintenance worker twos, and. Officers, um, they recommend that we continue to invest in updated a plan because we have been doing so swell with it.

And then lastly, it, um, talks about exploring tiered water and wastewater treatment operator, um, positions. And so that's something that the works director and I will we'll follow up on, see what kind of solutions we can come up with there.

Mayor Clay Madden:

I know that we, we just got this draft Friday, so uh, some people may not have been able to read through the entire entirety of it yet, but, um, I'd just like to open it up to the, to the committee. Uh, if you had any questions for Ms. Anderson about, about the salary survey.

District I Councilwoman Cynthia Strong-Thompson:

Uh, yeah, if you don't mind, can I start?

Mayor Clay Madden:

Yes.

District I Councilwoman Cynthia Strong-Thompson:

Okay. So, um, Ms. Anderson, I took the information that was in the draft and I dumped it in a spreadsheet real quick. And I kind of wonder why he didn't do this, because it took two minutes to create a minimum percent variation of market max percent variation. For the most part, we are on average against market minimum 6% higher than average.

For the max, we are 7% higher average with consistently being for like, um, let's see, some of the other public works, electrical technician, equipment operator, uh, 12% and 3% more than market minimum. I'd kind of like to see more

analysis like this because when you say we're underpaying, it is two positions and one actually the um.

Planner one CFM we're 12% below market minimum and 5.8100000000000005% against market maximum, whereas police officer, um, when we talk about, let me find that one

where it, it did say that we are at the market minimum. We are 8% below for, I guess this is just a starting police officer. At market maximum where only 89 basis points were less than 1%. So looking at these numbers just in an aggregate like this, I don't think provides us with the justice we to do to really understand what is going on.

Um, I'll be, I just, just got this off so I'm not able to really share it, but I'll share it with you afterwards. But I think this is a nice draft, but adding these two columns. It gives us the rest of the information and I'd like to see that before the next city council meeting because just saying that we're paying the eight, the police officers 8% below, that's only on entry level.

After that, it looks really good. Thank you.

Human Resources Director Joanna Anderson:

Yeah, so I mean, I can certainly ask for more detailed information. I think that's presented this way so that it's easier to read for, you know, most people. Um, but sure. We can do percentages, that's fine.

District I Councilwoman Cynthia Strong-Thompson:

But what I'll do is I'll share the spreadsheet afterwards so that we can have a better look at it.

'cause when we get ready to do budgeting and talk about raises, and I do wanna confirm this, that this is only looking at their hourly pay. Correct? Correct. Not looking at anything else, because I've got some more information to share in a second. That also kind of makes a difference. Thank you.

Mayor Clay Madden:

Any other questions or comments from this side of the table as we were going down?

Um, how about over here? Yes ma'am. Ms. Becky? Am I, can you just Yep. If your green light. Yep.

Committee Member Becky Rohrbaugh:

Alright. When I, when I looked over at Joanna, I only found four positions that the Manville minimum or maximum was

not. Higher than what they, uh, they have listed as the market minimum and the market maximum. Um, a GIS Administrator in planning and development was a little below on both categories.

Police IT manager was a little below on the minimum, but higher on the maximum. And then the, uh. The two positions in Public works maintenance, which the study goes into what we're in line makes good recommendation there. Um, and that was out of 51 positions analyzed. So, um, are all of the positions in the city fall under those 51 categories?

Have we, have we included them all?

Human Resources Director Joanna Anderson:

Yes. Okay.

Committee Member Becky Rohrbaugh:

So really we, we, I only find four positions that are at issue at all.

Human Resources Director Joanna Anderson:

Yeah. We've been doing great.

Committee Member Becky Rohrbaugh:

So I would, yes. What the, the steps the city has taken has gotten the city employees well within mainstream, and as

I read this above. So that sort of confirms what I have suspected.

Anyway, it was terribly successful in, in bringing everyone up, but I'm, I'm glad to see that. Okay. Thank you.

Mayor Clay Madden:

Thank you Ms.

Okay. Um, so what I would suggest, uh, is that we keep this on the agenda 'cause I think we, um, we need to kind of. Study the report a little bit more, uh, and maybe have Cody come to a council meeting in the meantime, um, and answer any, any type of, uh, questions. And then of course, the sort of, what's the word I'm looking for, uh, how it's produced.

Uh, stuff for, uh, uh, Councilman, Councilman Sean Thompson. So all that can be happening in the interim. Uh, but I would suggest that we just keep this on the agenda, um, for more analysis.

Committee Member Becky Rohrbaugh:

Sure.

Mayor Clay Madden:

Okay. Alright. Um, next on the agenda is financial reporting improvements.

District I Councilwoman Cynthia Strong-Thompson:

Well, wait, I want to go over what my second part of this was.

If she can pull up some slides real quick. Sure,

Mayor Clay Madden:

sure.

District I Councilwoman Cynthia Strong-Thompson:

So one of the who

Mayor Clay Madden:

control that,

District I Councilwoman Cynthia Strong-Thompson:

she's gonna control it on,

Mayor Clay Madden:

so she's, she's in.

District I Councilwoman Cynthia Strong-Thompson:

So what I, what I did is a lot of times when you're looking at breakdown of compensation, looking at base pay is not the, is the picture to look at. You need to look at the cost per full-time employee, FTE. So clicked to the next

slide. So what I did is I took the information that, uh, HR provided me of a beginning police officer and a clerk one.

But then I added all the other benefits that they have. So the reality is our healthcare loan, um, when we look at an individual starting police officer of individual, meaning he's just getting his individual, um, healthcare policy, the total compensation package is \$85,000. And for a clerk, the individual health, with the individual healthcare, when you look at the total compensation package.

Is \$56,000. Now here's the big catch, because the family on the healthcare, we are paying so much of it. You look at that same police officer that may be an employee with family, his total compensation package is 106,000. But this is where we're really off The compensation for a family healthcare package is more than what we're paying a clerk one, so their their total compensation package.

If you look at family is \$78,000. So click to the next slide. Let's look at it another way. So entry level police officer, their base salary we're covering a hundred percent. If we're looking at the healthcare for family, that is 68% of

their salary that we are having to cover. This is what the city is paying for.

Um, the retirement, we're covering 43% of their salary. Social security. The city side of the payment, of course, is the 7.6, so the total annual cost to the city for an entry level police officer is 219% of their salary. Now watch this. Good in the next slide. So total compensation, um, for a level one clerk, their base salary, the healthcare family, this is where we're really off because of the way it's calculated that is 106% of their base salary.

And then when you get down to the same information, we are covering 250%. That's what it's costing us for that employee. Does that make sense? So when we go to the next slide. What this means is a two to one ratio for every dollar paid in salary. Based on this, um, salary survey, the city spends an additional a hundred and, or excuse me, a dollar 19 in benefits and taxes.

And the biggest problem is the healthcare in the mers are the largest non-salary drivers. Uh, even without a raise, these costs represent a massive fixed overhead. Um, we cannot change giving them measures, but one of the things we can

change is healthcare. Just on the, of who we're getting it from and other things.

Um, the other thing is employee contribution. Currently an employee with a family plan contributes only \$2,441 annually to their healthcare while the city covers 35,000. So that a and I do have that correct, I believe Joanna, that's annual.

Human Resources Director Joanna Anderson:

Yes.

District I Councilwoman Cynthia Strong-Thompson:

Okay. So this is where I did not pull it up, but when I was just kind of doing quick analysis of other communities.

It is anywhere statewide, from 80% down to 64% is what the city will pay. And then the employee has to do the the match. So I kind of wanted to share this information. Is there another slide after that or is that it? So if we're talking about a 2.7 cost of living adjustment, not a merit, but the cost of living, it increases the social security tax and the pension contributions.

So a real world example. A 2.7 raise for police officer costs the city \$2,108 per year. A 2.7 raise for a clerk costs

the city one TH thousand 292. So we need to take a look at how these impacts are doing, and especially after we got the salary survey that where so many of our employees actually are being paid above, um, the, uh, minimums on it that we can't look at everything.

Just isolated. We, we need to do what other businesses do, and you have to look at the true cost of an FTE, and this would be my recommendation. We start talking about budget. We need to take all these other factors into consideration.

Thank you. You can turn off and if anybody wants a copy of that, we've got it.

Mayor Clay Madden:

Yes. That has been sent to the committee.

District I Councilwoman Cynthia Strong-Thompson:

Yes.

Mayor Clay Madden:

And so, um, we'll just put it in the package, but no, I appreciate that. Uh, all good points. Any other discussion on this item?

Councilman-at-Large Jason Zuckerman:

Um, no, just a quick comment. I mean, I think those are good points as well. Um, uh, you know, but at, at the same time, you know, all the, all of those benefits and the cost of, of all, everything on top of.

Taxes and retirement and health insurance. That is something that not only every business pays, but every municipality pays. So I'd be interested in seeing how does that compare to other municipalities in terms of that, you know, those percentages. 'cause when you just put those up on the screen. Okay, yes, I get it.

It, it does seem a little. Dramatic.

District I Councilwoman Cynthia Strong-Thompson:

Mm-hmm.

Councilman-at-Large Jason Zuckerman:

Um, but at the same time, uh, it's not unheard of for 50 to 60 to 70 or 80 even 80% we call it labor burden in the private world. Right. Um, you know, for, for that to be a normal figure, um, in terms of the cost of employing somebody, employers have a cost that they pay on top of, you know, the, the actual salary.

To, to an individual is just a piece of, uh, what the cost of, uh, deploying somebody is. But that's, that's not something new and, but great information.

District I Councilwoman Cynthia Strong-Thompson:

Well, no, that's what, uh, honestly, I had pulled that back last fall and I've done some basic studies on what other municipalities did, but it was a dirty study.

Um, it was basically going out to ask just generally what do y'all do? It was only based on what, who people responded back to.

Councilman-at-Large Jason Zuckerman:

Right.

District I Councilwoman Cynthia Strong-Thompson:

So it's not a true sample study.

Councilman-at-Large Jason Zuckerman:

Right.

District I Councilwoman Cynthia Strong-Thompson:

But, uh, that's where I said the 80 to 64%.

Councilman-at-Large Jason Zuckerman:

Yeah. So if we're, if we're in the 60 to 80% range in terms of labor burden on average, you know, I'd just be interested to see, well, how does that compare to other municipalities, other government entities?

And that, that to me is more meaningful than just the kind of raw. Hey, it costs us twice as much as the person's salary. I get it. That makes a big impact. But the reality is every municipality is paying those things. So I want to, I, I want to know how we compare other municipalities where got in the market with that,

Committee Member Michele Avery:

how many employees are on our, our healthcare plan and how many of 'em are. The family versus the individuals plan? I don't have those ratios in front of me, but we have about 115 employees who are on our insurance

Human Resources Director Joanna Anderson:

right now.

Committee Member Michele Avery:

Alright.

Human Resources Director Joanna Anderson:

115

Committee Member Michele Avery:

and there's one 17, so it's of

Human Resources Director Joanna Anderson:

one 18 please.

Committee Member Michele Avery:

Okay. The family versus the individual because that's a big gap.

Human Resources Director Joanna Anderson:

Um, I think our highest categories are family and employee. Only

Committee Member Michele Avery:

Right. Okay. So like 70% family and 30, sorry, I can't

Human Resources Director Joanna Anderson:

even

Committee Member Michele Avery:

be this around. We can do that.

Mayor Clay Madden:

Can you send us a little percentage, uh, breakdown or of that

Human Resources Director Joanna Anderson:

I'll send you the actual numbers.

Mayor Clay Madden:

Okay, good. Mm-hmm. Okay. Alright,

Human Resources Director Joanna Anderson:

clay?

Mayor Clay Madden:

Yes ma'am.

Committee Member Becky Rohrbaugh:

This, this is an excellent analysis and I know.

It had to take, um, Cynthia, a good bit of time to do that. So I compliment her getting into that. Uh, but Jason's point's well taken, and unless we know what other cities are paying, we don't know where we fit in this at all. At least with the pay scale, we have a very clear picture of, of where we fit between the minimum and the maximums.

But all indicators are. And we have very generous additional benefits package. So without any information to say otherwise, I would have to be inclined that, uh, a cola increase is not necessary this year at all. Our employees have a tremendous benefit package. Having worked in private

industry for 44 years before I retired, believe me, I never saw anything like this on.

Uh, the employee portion was, was much more significant. So I would like to either see a really good comparison such as the studies done or we rest on the laurels, that everyone is very well paid in both salary, compensation and benefits of this.

Human Resources Director Joanna Anderson:

Yeah, so the strategy has been. Historically that we want to have competitive wages and we want to have very strong benefits.

That's what gets people here. That's what keeps them here,

Councilman-at-Large Jason Zuckerman:

right? Yeah. The, the minute you don't, when you don't do that, you have a whole nother set of problems, right?

Human Resources Director Joanna Anderson:

That

Councilman-at-Large Jason Zuckerman:

recruiting problems, problems.

Human Resources Director Joanna Anderson:

So it's, it's something to be considered carefully and you know, not on a whim. I mean, this is something that really has to be looked at and we have to decide strategically.

Do we wanna keep going in the direction that we're going or are we making a change? And how is that going to affect recruitment and retention? All have to be considered.

Committee Member Michele Avery:

I, um, so I this, one of the things that kind of causes me some partner is the payroll tax, the 7.65% that we're paying in addition to the 10%.

So that kinda answers part of your question. What are we doing that other cities aren't doing that we're paying the 10% contribution? Um, for Mers that's required. And then we're also saddled with 7.65 because back in 1985 or 86, a decision was made that we were gonna pay into the payroll tax system and pay into the mers.

And so my question is, 'cause my guess would be most of the employee. Have enough credits that they are, um, they probably qualify for social security. So paying the 7.65,

Councilman-at-Large Jason Zuckerman:

I

Committee Member Michele Avery:

just don't, it's double, it's paying something that we maybe don't need to pay where you can get out of paying. I'm not sure how hard that would be.

It's impossible. Yeah.

Councilman-at-Large Jason Zuckerman:

It is a payroll tax, right? I mean, it's paid, it is mandated.

Committee Member Michele Avery:

Government don't have to pay if you're paying into. No, the social security. Yeah, the social security.

Human Resources Director Joanna Anderson:

So we opted into that and our, our last opportunity to opt out was in the eighties

Committee Member Michele Avery:

at

Human Resources Director Joanna Anderson:

some point. Um, and then federal government passed some laws and we are, we're stuck with that.

I mean, unless we get federal law changed. Well, that's kind of,

Councilman-at-Large Jason Zuckerman:

yeah. So what I, just, out of all that and, and again, great analysis really. I mean, it's a great starting point, but I, I, I am more interested not in the, that big number, but how much above the average are we actually paying? I mean, to Michelle's point, 7.6% of something everybody pays, that really probably ought to come out of that number, I would think.

But we can have that discussion. But you know, if every municipality is paying for health insurance, every municipality is paying. How much more are we doing than the rest? That's the number I'm interested in. Not just the big, well, it cost us 80, you know, 80% of their salary or whatever.

Human Resources Director Joanna Anderson:

Yeah. So right now the city is paying approximately 93% of all premiums.

Um, government typically pays 80%, 85%. We're not far off, we're not obscene far off from what other other

municipalities are doing. Um, and the employees have seen an increase in their premiums over the last 10 years. I mean, every year it's gone up beyond our control. This is just the healthcare industry. Um, we can't stop that, but I'll give you an example 'cause I actually have this number on the top of my head.

Um, the employees saw a 17% increase in the premiums that they pay this year. And granted, I'm not gonna argue about how wonderful the benefits are. They are, they're wonderful. Um, but they have seen an increase. We've not just been stagnant. Um, we are, you know, trying to balance it out a bit more. But I prefer the approach of slowly implementing change just because, I mean, Cynthia pointed out that for clerk one, they're making 33,000 a year.

Family coverage is \$35,000 a year. So we're gonna start charging a clerk one, making 33,000 a year. You know, another thousand a year. Um, so again, all needs to be considered

District I Councilwoman Cynthia Strong-Thompson:

well to, and to that point, I know we discussed either last budget or budget before of looking if there are any

other healthcare availability, that our cost could be changed.

Um, I know people kind of gone away from the self-funded, I can tell you a horror story on self-funded. Um, but you know. I would like to see, and I don't know if you could get real numbers, as opposed to my dirty numbers that I got, um, and dirty just in that it's like, what do you do? And I, I can't back 'em up.

Is 35,000 that cost to the city? Is that what others are paying? And if they're not, what are they using? Because it's a difference if we're paying 35,000, but everything these guys want gets covered. Versus we're paying 35,000, they have a, you know, 30% deductible. They've gotta meet, you know, X, Y, z, of just kind of how health packages look at.

'cause one of my thoughts is, when we talk about this, especially for the younger people in the world, they like more money in their paycheck. They don't care about healthcare, they don't care about other things. And if we say on more of a cafeteria plan. Okay, I tell you what, we're gonna increase your pay by X amount, but now the healthcare

family's gonna cost you this, but your individual's gonna cost you that.

That they have a choice to opt in or out of where we kind of give them that sweet difference in their pay. This, the employee's still gonna kind of cost us, but then, you know, some of these hard costs that, and listen, my healthcare went up 18% this year, and I think pretty much anybody else. That's out there in the world.

That was a standard on healthcare. Those premiums, when they are about 18, the, I think the max they can do anyways is 20%, but it, it was about 18% even in the private sector.

Councilman-at-Large Jason Zuckerman:

But again, I, you know, I, I just keep going back to, I, I don't think we can look at that in a vacuum because if we don't really understand what the rest of the market is doing in terms of.

Of benefits and paying for those benefits and, and the total labor burden rate, which is what I would refer to that, all those, the cost on top of the salary employee. Unless we understand that, then we're not really understanding The,

whatever decision we make is gonna have on, on, in, on our recruitment and retention.

So that's really the numbers that we're gonna need. The salary numbers are great. Ms. Becky, I think. Pointed out that it looks like we really didn't overshoot it much. May have a little adjustment here or there to make, um, but I would be really interested in seeing what is that burden rate for other municipalities, um, city, parish, and state, so that we can see, okay, our burden rate is in the, you know, 65 to 85% range.

Are we five or 10% higher than everybody else? Is that really what we're talking about? Or are we gonna lower that by burdening the, the employees to pay more? Mm-hmm. You know, and then we're gonna end up having a up salaries just so that they can pay their own health insurance, so,

Committee Member Becky Rohrbaugh:

right.

Councilman-at-Large Jason Zuckerman:

Anyway, with,

Committee Member Becky Rohrbaugh:

um, can I ask Johanna, I guess it's a technical or legal.

Question if we had that information, if we had the comparison. Okay. It would be more clear, does the city as an entity have the legal ability to tier employees? In other words, you brought out a good point. Can you take your lowest paid employees and can the city have a plan where it meets the health insurance cost?

For those employees higher than it might for someone other employees in higher tiers. Can we have those type of tiers or do we discriminate in some sense? And where does the city of Manville fall?

Human Resources Director Joanna Anderson:

Right. So that's certainly an option on the table. Um, it is tricky when it comes to paying, you know, having the employees pay different amounts of premiums.

It's. Administrative nightmare. But even if that becomes simple in some way, then you're looking at, okay, well who is higher up on the pay plan? Right? It's people who have been here longer, it's older people, so then are we

disproportionately affecting our older population, whereas our younger population isn't seeing that, that same increase.

So it's possible, but it would have to be analyzed legally to make sure that we're not disproportionately affecting. About protected glass.

Councilman-at-Large Jason Zuckerman:

Yeah. I've never seen that done any place.

Human Resources Director Joanna Anderson:

Me neither. But I mean, it can be done if you're doing it correctly. And, but it's, it's a lot. I'm not, that is not an easy option to, to do.

Mayor Clay Madden:

Okay. Thank you. Thank you. Uh, all good points. Um, Councilwoman Strong Thompson, if you have any more. Uh, energy there. Uh, I think you wanted to take over or, or kind of take on this next agenda item about the financial reporting improvements. And I think that, uh, finance director, Jessica,

Committee Member Michele Avery:

I,

Finance Director Jessica Farno:

I don't know if there's

Committee Member Michele Avery:

anything.

Implementation down stage.

District I Councilwoman Cynthia Strong-Thompson:

So basically what he's talking about is what we're talking about, trying to create some of the financial reporting, um, to make it more clear for non accounting folks. Um, and that was actually a strategy that, uh, Ms. Avery had come up with. And, uh, Jessica's basically said, we'll try to implement it towards the end of the year.

Let's just try to get through the next quarter and the probably what the next budget review cycle.

Finance Director Jessica Farno:

Yeah, I think there were some, um, improvements maybe especially in the budgeting presentation. Right. I think to, to me, those are more likely to get introduced, uh, first and as we move into the budget cycle, and I'll go to prepare the budget exhibits with, with those forms, and then we'll take a look at doing the, the monthly report with the, with like a

dashboard or something like that so that those are a little bit easier to digest as well.

Mayor Clay Madden:

Okay. Okay. My apologies for confusing that. Um, I, I thought you had more or maybe, uh, some updates on that, but that, that is fine. Um, I think that the research that you and Ms. Avery did together, um, in talking with, uh, finance director au, um, just as she said, I think we can accommodate, uh, many of those. So it's just gonna kind of be a.

Let's see how it goes over the next couple of weeks as we're rolling out the budget. We'll, we'll start composing the budget in the next couple of weeks. We usually start around the 1st of April. Um, at least having the initial meetings with directors. Uh, lemme just make one note, uh, fund balance minimum.

Um, Ms. Faro had handed out this sort of mock resolution, uh, and I know that. That it was, uh,

Finance Director Jessica Farno:

you have the, I'm sure

Mayor Clay Madden:

I know that it was, uh, just sort of talked about, uh, what the right number is, can be debated amongst, uh, this committee and then of course debated by the council if they were gonna vote on anything.

But, um, Ms. Faro, before we start kind of digesting this, did you want to talk about how, how you kind of base base this.

Finance Director Jessica Farno:

Sure. So the GFOA recommend the Government Finance Officers Association recommends that, um, general purpose governments maintain unrestricted budgetary fund balance in the general fund of no less than two months of regular operating revenues or expenditures.

Uh, that equates to about 16 or 17%, you know, of your total expenditures, uh, budgeted expenditures in a year where you would be looking to have as your ending fund balance. Um, so I kind of drafted this, you know, um, resolution of, of what something could look like if the council wanted to bring something like this forward to kind of have a policy in place that, uh, mandates those, um, particular fund balances.

It kind of has some definition, the purpose definition of, um, you know, unassigned fund balance. Uh. The GFOA recommendation is like between 16 and 17%. 20% would be

Committee Member Michele Avery:

16 and 17.

Finance Director Jessica Farno:

16 to 17.

Committee Member Michele Avery:

16 to 17

Finance Director Jessica Farno:

Two months, yeah.

Committee Member Michele Avery:

Okay. 16 or 17% of what number

Finance Director Jessica Farno:

your budgeted, um, operating expenditures. So what

Councilman-at-Large Jason Zuckerman:

would that, so what would that be for current operating expenses?

What did that be?

Finance Director Jessica Farno:

So, let's see. I pulled up the 2025 number. Because I had those with already, the capital outlay pulled out, the grants associated with the capital outlay pulled out. I had those kind of, you know, ready to go. Right. And so, um, so this is looking at the end of, of 2025. Um, we had a beginning fund balance of 15.8 million.

We have a projected change in fund balance at the end of the year of about a decrease of, of about \$1 million, which would get an ending fund balance of 14.8 million. Uh, in that fiscal year, we had about \$22 million of operating expenditures, so the minimum required fund balance would've been 4.4 million.

If, if you have a, a target range, which you know would be above that minimum. The minimum requires action if you wanna stay within the target range. Ours is a little bit higher, uh, because we are, you know, pro to natural disasters. So, uh, in order to ensure that we have adequate fund balance to not only cover our expected operating expenditures, but additional expenditures that might be incurred in something like a natural address or you would want that range to be.

We were at 67.22%, so we were in excess of even the target range of 40%,

Councilman-at-Large Jason Zuckerman:

and they recommended a 16 to 17. We wrote about 40%.

Finance Director Jessica Farno:

We're about 67%,

Councilman-at-Large Jason Zuckerman:

67.

Finance Director Jessica Farno:

Then you start looking at one time expenders, big capital outlays and things like that, we would do with that excess flood balance.

So that would be more than double

the bottom of the target range. It's more than double the bottom of the target range, and the minimum is 20%. It's, you know, um, triple the, the minimum required.

Councilman-at-Large Jason Zuckerman:

I really, I really like the idea of putting together. I don't know if I do it as a resolution, but I probably do it

as an ordinance. That could be, you know, that would, uh, survive councils and, and could be modified over time.

But, um, I really like the idea of putting together exactly what you've done. We could decide on these percentages and a target range, and then an absolute minimum of budget shall not bring that projected fund balance below this. Right. And then kind of what I have right up here on the screen can be presented along.

Finance Director Jessica Farno:

In the budgetary process so that you could see, you know, our projected ending fund balance and where it falls in line with, um, this fund balance. And you would see how far, of course, this is excluding capital outlay, right? So then you would say, okay, like how much are we appropriating for capital Alley in this year?

Does that, you know, fit in with what the excess of. Yeah, so I've got a question for you. 'cause just outta curiosity, the 16% of the 21 million is 3.5 million. Um, we spend more of that in just one hurricane. Um, I guess if we talk about, say, hey, you know, the range is 40%, 8.7

million, and we make an ordinance and we go down to seven, is that for the year, for the month, for the quarter?

And what would it, so this would happen in the budgetary cycle that you would never budget, you know, within these things. But also in the little, in the draft, there's um, some outlining with that. So you have the target range, which is that 30 to 40%. So as you're preparing the budget, your, your target range is in there.

And then the applications are in the budget adoption period. Um. And then there's some language in there. If the fund balance projects the fund balance below the minimum level, the city council may adopt such a budget only upon determining that extraordinary circumstances exist. Oh, okay. And then authorization to deviate, the city council may use the funds below the minimum level.

In the event of declared emergency natural disasters, or other extraordinary circumstances, any action should include a plan to replenish the fund balance over a reasonable period of time.

Councilman-at-Large Jason Zuckerman:

Yeah, so if you wanted to be ultra conservative with it and, and even exceed your recommendations and say, well, our target thumb downs are be 50% of operating expenses, but under no circumstances do you propose a budget that would bring it below 35 or 40%, or whatever number we come up with.

Um, that would still be significantly. I mean, we, our fund balance is still significantly above that at this point. Correct. And that's just in the general fund. We're not even talking about the other, so, so it's this, it is this line that, you know, I've been bringing this up for a while now. It's this line of at what point are we taxing people too much and growing these fund balances beyond what they want to be? Because that's not the purpose of government.

Finance Director Jessica Farno:

Right. The purpose of government is to collect taxes and provide service with those dollars. So if you're just collecting the money and not providing services, then you're not, you know, providing the intention of, of what the government is for. And in the general fund, when you talk about the operating expenses, the majority of the operating expenses are salaries and employee event and employee

benefits, because the people providing the services are who you're paying those salaries and.

Let's do, um, the additional capital outlay would come from when you're above that 40% range, right? Like, so you have this range where you're staying in with just your operating expenses, and then you have this, um, rain day fund, essentially right? To, to cover emergencies and, and any downturns in the economy or anything like that that, um, you may not have anticipated.

And then, you know, whatever's above that 40% range, that's what you spend on capital outweigh one time things, you know, stuff like that. Plus grants. Right. And money back from the state parish. Okay.

Mayor Clay Madden:

Okay. My recommendation would be. To a willing councilman. Uh, it would be if, if, if it's the will, uh, of one of the council members on this committee or otherwise to put this into the council, uh, go ahead and move forward with it. At least that would get it on the agenda at a future council meeting to be debated and discussed.

Um, it doesn't necessarily need to wait for this committee to conclude. So I, I'm fire away. I'm happy to work with Ms. Fardo and that'd be great for some of that. Okay, that'd be great. Any other comments on that?

Yes ma'am. Ms. Beck?

Committee Member Becky Rohrbaugh:

Well, I would like to con compliment Ms. Fardo for working this up if it is been a key concern of mine and probably the reason the mayor asked me to join this committee.

Uh, I scream about it while, meanwhile, if we can get the general fund in order. Okay. This city could just do just about anything it wants. We wouldn't have to have lengthy discussions over payroll and benefits and things like that because if the general fund is in order, it allows us to do all these other things.

Uh, the ranges she's picked are reasonable. The challenge in question for the city of, uh, is that's gonna come up immediately is say we pick the 30% range. Personally I would prefer 40. I like having those extra funds. If something like, uh, what's happening with the police station

comes along, you can get X amount of dollars, three and four times what the city will have to put off the city.

You come up with cash. You wanna have that as well as uh, a six and a half, 6.6 million bottom range. 'cause that's what a hurricane's gonna cost us. And we never know if or when we'll get reimbursed for any of those funds. But the council has got to figure out, how do we get here? Ask, saying you're gonna reserve a bottom range in the 30%, 6.6 million.

That's fine, but right now the approved budget has capital expenditures, well in excess to that. So can we take capital expenditures off and start working toward this? We've got to have a step, a step approach to get to this point. If we get to this point, then you establish that precious foundation. We knew we need to do everything else.

And protect us from the successive expenses that hit, particularly when a, when a hurricane comes along. My, my comment on that, Ms. Becky, a very good point would be, I think if this was established, it would, it would help guide the administration and future administrations in budgeting for, for capital, uh, projects.

Mayor Clay Madden:

But one thing that I've never understood, nobody's really ever been able to explain it to me. Um. The, the, I guess the argument against what you were saying is if you're going for something like a new police station and you don't have the money budgeted, then you're not gonna be able to get the grant.

The, the grants, my, I guess, thought philosophy on it is if you have the. You can quickly do a budget adjustment. In other words, if you apply for a grant and the, and the, and the people that are giving you the grant, whether it's state capital, outweigh or otherwise said, we're gonna give you this grant.

We're gonna, we're gonna give you 50% of the cost. Let's just say to keep it simple, uh, you have to pay for the other 50%. If you don't necessarily have that other 50% budgeted, but you have that 50% in your reserves, then you just go to the council and say, Hey. Let's do a budget adjustment or we're gonna miss out on this opportunity.

So I think that there's, uh, more discussions like that that can take place, but I think that doing something like

this is gonna guide both the administration, future administrations and the council, uh, in their due diligence.

Councilman-at-Large Jason Zuckerman:

And, and to miss Becky's point. And I think it's a very good one. Um, but this is a piece of the puzzle.

This is establishing what I think. We, we should have established a long time ago, which is what should our target fund balances be? Not just growing them to outrageous amounts and saying, oh, they dropped a little bit. We're in a crisis. That's what's happened today. Nobody's stopped and said, well, what should they be?

And have we taken too much money from our taxpayers? So I think this is a great start, but you know, we, we haven't talked at all about, and I know we've. We discussed last time that you know 90% of the income for the city, the vast majority of it is through sales taxes. That's most of our revenue. A lot of that revenue is in restricted funds.

All of those sales taxes, all of that income is set to expire in the near future. And the city has to ask itself, are we gonna keep doing the same thing over and over again and expect a different result? Are we going to continue to

ask the public to pay these same taxes going into the same restricted funds that we never spend and grow these fund balances?

Or are we going to tackle that problem at some point? So this is half of the problem in my mind. The other half. It is time we look at that. It is time we quit taxing our citizens. And sticking into the mattress. I know there's, people don't like that, uh, phrase or that terminology, but that's what we've been doing in my mind.

So, but Jason, um, you bring up very good points if you do a resolution like this, and I would love to see the council consider it. It should include the categories of items when that minimum could be tapped. Uh, I'll just use hurricane as an example, and everyone knows you've got to address that. So if you have a resolution and say, this minimum level is being established by a cushion, if there is a hurricane, we tap into it.

Committee Member Becky Rohrbaugh:

Um, if we get the opportunity for match funding and it's, uh, to the city's advantage, that is the reason you can tap into it. But if you are restricted. So it just can't be

spent willy nilly. It's then it has some firmness to it enough to proceed with. I think those are great suggestions. Yes. Alright, so, um, I guess this is a, uh, strong words of encouragement for any councilman that might wanna sponsor that and put it on the agenda.

Mayor Clay Madden:

Done. Um, thank you. Um, okay. Is there, if there's no more discussion on that, um. Before we go to public comment, I do see us having another one of these meetings in the future, whether it's exactly a month or maybe more like a month and a half. I would like to see the availability of when Cody can come and present that information to the, to a council meeting.

And maybe we let that take place and then maybe we regroup. Uh, but we will have another meeting and um, I may need to move, uh, to another night of the week. Uh. Maybe Tuesday or something like that. But, but we'll talk about that. But, um, we'll, we'll figure out a good meeting day for everybody. Um, so that'll kind of be our next step.

So that'll kind of be what we're doing. Um, we do have a lot of people here tonight, so I'm gonna open it up for

public comment, but I just wanna remind everybody, but that we're just discussing concepts and principles that, you know, this committee is not voting on anything. But, um, is there anybody that wants to come up to say anything?

Employee Kathleen Sides:

I'll. Yes sir.

Okay, so I'm ready. Something, so read it. I'm gonna have to ask something. I know where your house is, but I have to ask you. Lean side's five 30 street. Okay. I'm both a city employee and a citizen, and I care about the long term health of this community. I'd like to talk about the suggested changes and benefits in COLA and other expenditures and revenues of the city.

Over the past five years, the city has chosen not to levy and collect more than \$9.7 million in property taxes, but it was legally authorized to collect. At the same time, garbage and utility rates went nearly a decade without increases. These were policy choices about how the city decided to fund its services.

Meanwhile, for our last audit, the city maintains governmental fund balances exceeding \$60 million. Unlike most

municipalities, this city also carries zero debt.

Additionally, approximately \$30 million of those fund balances are restricted funds that the city has the ability to request be rededicate.

During this same time period, millions of dollars have been spent on non-essential items, such as land acquisitions, a baseball field, playgrounds, pickleball, courts, concerts, parades, fireworks shows, tree giveaways, landscaping, seasonal decorations, to name a few. Those amenities certainly enhance our quality of life, but they also reflect spending priorities.

In 2021 when the city completed its salary survey, the pay plan was adjusted based on the assumption that cost of living increases would continue. The number of steps were reduced from 30 to 25, and the percentage between steps was reduced from 2.5% to 2% because COLA adjustments were expected to supplement employee compensation.

Local government is fundamentally a service industry. Employees are both the city's greatest expenditure and its most valuable asset. Most other essential expenditures are increased every year to reflect rising costs while employee

cost of living adjustments are proposed to be frozen.

Freezing cola shifts the financial burden of inflation and policy decisions onto the workforce.

Rather than addressing it through the city's broader financial resources as both an employee and a resident, I believe discretionary amenities should be funded by citizens through the normal tax and fee structure, not indirectly by asking employees to absorb those costs through stagnant wages. It's also worth noting that only eight of the city's 115 employees.

Actually live. One more sentence

that only,

that only eight of the cities, 150 employees actually live within the city limits. Decisions about compensation directly affect the city's ability to attract and retain the people who provide these services to this community every day. And I respectfully ask you to reconsider taking these benefits away from employees.

Mayor Clay Madden:

Thank you.

Thank you. Ms. Size, uh, is there any other public comment? I want go twice. I thought you had a mic drop there, but Gilbert wants to come up. It's not gonna be that good. Officer Gilbert, everybody.

Police Officer James Gilbert:

Hey, good evening. My name is James Gilbert. I live at 8 6 0 6 6 Highway four 50. I'm Franklin Police officer here in Manville.

I just want take a moment to address few things. I mean the, the counseling made great presentation, but she did compare directly police officers to clerks and I just want to take a moment to speak to that. For my opinion and for on behalf of my family who takes advantage of this great plan that we have, it's an honor and pleasure to serve here.

I don't want you to hear anything that I'm saying as a, as a negative about the city. I'm very glad to be here, but I do wanna say that we have unique health challenges as police officers and our family situation is a bit different. Um, because anytime there's a natural disaster, anytime something terrible happens, I have to kiss my wife and kids goodbye and say, God, God's be good luck.

And I come here and serve these people. And I think that deserves a little bit of consideration. When I came here, it was right after Captain Roberto lost his life, and I saw how this community rounded. They, they circled the wagons, they got behind his family and they supported him. All I'm asking is that don't wait for another folded flag to support us.

We have things that are different for us and we have different needs. We're appreciative of what we have, but please don't take a look at this. It's very important. I recall one day I was here putting out barricades. My son Isaac, got his head Gased completely open. And of course I go running to meet at the er and thankfully we were able to take care of that.

We're appreciative of it. Um, but we would really, really appreciate you considering us and not taking away some of those benefits for us, because some of us, it's very needful for us. Thank you for your, thank you.

Mayor Clay Madden:

Thank you, officer Gilbert. Very well said. Yes sir.
Thank Scott Diskin.

Councilman-at-Large Scott Discon:

Councilman Large. I guess this might be a housekeeping question, but um, following up with Councilman Zuckerman and Councilwoman, uh, strong Thompson and even Jessica, can we get a, um, a comparative of where we are with the rest of the cities our size, southward shore, so that we can see what they're doing?

I think I mentioned last meeting when we came to it that, uh, I been talking with. Insurance people and they're, they're changing how groups are, are quoted and I just wanna make sure that we're out there actively looking for other ways to maybe decrease some of these costs that we can provide all these packages for the employees.

And everybody's saying we want to, they want to keep everything, but you know, household is only so big. And when you try to make everything happen with the other or the mother, you usually have to decide, let's get some better quotes. Let's, let's streamline this. I think we need to try to look at and make sure we're streamlined and everything so that we'll have all the information to make the decisions.

So that's one thing I just want know, who's gonna be in charge of putting that comparative? Is that gonna be, um, the

HR department or, yeah, that's the kind of stuff we're gonna talk about in the, uh, interim. Yeah, that's fine. And then the last thing, just, just to be clear on that. Comparative, are you talking about the, the cost of employment above the salary, what we call, I mean, all of it, but we talk about the, um, if you want to talk insurance, what kind of policies is Slidell using compared to ours, and then what's the cost, what companies they're using.

Do we need to open it up and get, uh, quote from other companies? All that needs looked at. And at the same time, I think what you're talking about is what percentage, um. You wanted the comparative to see where we fit in with everyone else. Uh, I agree with that also, but I think we needed to a whole analysis, a comparative analysis between our employees and what they get and what other cities and what they get, who they use, and what type of policy health insurance is in place.

And, um, anywhere else that we can look to see where we can maybe cut some costs without taking away that, um. That asset. I don't even know if that's the right word, but that, um, benefit that the city offers their employees. I think

that's what we need to be looking at because nobody wants to cut any of it.

We heard it all tonight and that's a common thing, but I think we need to do, we might need to tighten up and see what we need to do to maybe switch those costs around. It's just an idea. Anyway, that's what I'm looking at. But I appreciate all your work. I'd like all the reports to bring. Thank you. Thank you.

Mayor Clay Madden:

And, um. A lot of that is the stuff we're gonna be working on in the end. Thank you. Councilman Diskin. Any other public comments tonight? Yes sir. Can I comment quickly? Yeah. Yes. And you can walk up while she comment.

Human Resources Director Joanna Anderson:

Yes, Scott, I would love to talk to you and go over with you the process of selecting an insurance package, all of the work, all the comparisons that go into it.

Yeah, it's gonna be fun. We're gonna have a good time.

Mayor Clay Madden:

Yeah, I, I would recommend that, just so I understand, stops on that committee now. Yeah. Call, um, yeah. I would

encourage you to sit with Joan and learn how that process works. You know, they, our, our current broker I know works very hard to shop at amongst the, the insurance companies that we are allowed to choose from is

Human Resources Director Joanna Anderson:

we can, we can go with anyone and Right. We have gone with. The best product for the lowest price consistently every year. And this year we only saw a 2% increase. Yes. Somebody mentioned that they saw, what'd you see, Cynthia?

District I Councilwoman Cynthia Strong-Thompson:

18% of our premium,

Human Resources Director Joanna Anderson:

we saw two. So we're doing pretty good. And we, we shopped what we have.

Mayor Clay Madden:

Yeah. We shopped and, and selected a new broker a few years ago. Um, and so yeah, they, they shop it through the, the main insurance companies that can service us as well as those. Individual insurance companies, different plans. But yeah, I would, I would encourage you in the meantime to go sit sit with, uh, Joan.

Employee Alex Weiner:

Yes, sir. Uh, Alex Wiener, 1402 North Conway Boulevard. I'm one of the younger employees that Constable Sean Thompson mentioned, and my scenario's a little bit unique in that I do actually focus more on the healthcare benefits rather than just the, uh, money going into my account with the paycheck about.

Eight years ago, I had a health diagnosis that I followed. Two years of treatments ended in surgery. Uh, otherwise I would've die. And then ever since then, I'm on a medication that I take every eight weeks that with the city's very generous, uh, health insurance still costs \$6,000, uh, every eight weeks that I have to pay for.

So I would appreciate keeping the current plan in place rather than adjusting it and trying to give back to the paychecks and adjusting the healthcare side of it. Thank you. Thank you. Thank you.

Mayor Clay Madden:

Thank you, Alex. Uh, any other public comment tonight? Okay. As always, I think it was a very good and, uh, we will have another meeting with this committee in, in a couple of

weeks. Uh, we'll work out some of the fine details about, uh, Cody coming to the council. Uh, and the other study items. Uh, I will entertain a motion to adjourn.

Motion to adjourn. Okay. All is in favor. Aye. Meeting adjourn. Thank you everybody.