

OCTOBER 21, 2024

NEW IBERIA, LOUISIANA

IBERIA PARISH COUNCIL
SPECIAL FINANCE COMMITTEE MINUTES

The Special Finance Committee Meeting was called to order by Finance Chairman Scott Ransonet at 6:00 p.m.

ROLL CALL

Those members recorded as PRESENT were as follows:

Michael R. Landry, Marcus "Bruce" Broussard, Lloyd Brown, Warren P. Gachassin, Jr., Natalie Broussard, James P. Trahan, Scott Ransonet, Brock Pellerin, Lady Fontenette Brown (entered the meeting at 6:09 p.m.), Caymen Crappell, and Chad Maturin.

Those members recorded as ABSENT were as follows:

Francis "Tommy" Pollard, Sr., Dustin Suire, and Brian P. Napier.

Others in Attendance:

Parish President M. Larry Richard, CAO Milton "Bo" Belanger, Budget Officer Michelle Suire, Director of Sewerage District No. 1 Brad Cradeur, Acadiana Regional Airport Director Maurice "Moe" Songy, and Director of Recreation and Playground Tammy Trahan.

BUSINESS TO BE DISCUSSED

1. Initial review and discussion of the 2025 Proposed Budgets, as follows:

a. Recreation and Playground Fund Budget

Director of Recreation and Playground Tammy Trahan advised revenues have increased the 2025 Proposed Budget by 15% from last year. The \$698,000 includes \$650,000 in Capital Improvements plus \$60,000 in bonds paid for the Isle of Iberia.

Director Trahan explained there is an agreement that in the event any expenditures exceed revenue, Iberia Parish will reimburse Recreation and Playground.

Director Trahan advised that expenses include 2.5% salary increase, 10% insurance increase including property and group insurance, disposal services increased by 5%, and tree mitigation.

Councilman Warren P. Gachassin, Jr. questioned what Director Trahan projects for the 2025 Recreation and Playground Budget. He indicated that \$600,000 to \$700,000 is very conservative.

Director Trahan stated that on taxes they are predicting \$185,000 per month for taxes.

Councilman Warren P. Gachassin, Jr. stated that comparing to the last six months of collections, Recreation and Playground averaged \$244,000 per month. In April, \$246,000 was collected, in May \$244,000 per month was collected, and in June \$207,000 was collected. As of the last ninety days, collections were \$248,000, \$224,000, and \$297,000.

Director Trahan stated that over the past ten months, they did very well with collections.

Councilman Warren P. Gachassin, Jr. asked Director Trahan to confirm the amount of \$1.5 million collected over the last six months.

Director Trahan confirmed the amount collected.

Councilman Warren P. Gachassin, Jr. stated that Recreation and Playground will collect approximately \$3 million and questioned Director Trahan in regards to Capital Improvements in the Loreauville Park. These are not reflected in the 2025 Proposed Budget.

Director Trahan stated they have discussed improvements to the baseball fields.

Councilman Warren P. Gachassin, Jr. stated that an appropriation of \$20,000 in Capital Improvements to help with the girls softball fields and asked if she would be in agreement with this allocation.

Director Trahan stated that she would be in agreement with the appropriation of \$20,000 in Capital Improvements for that purpose.

Councilman Warren P. Gachassin, Jr. stated that youth baseball is one of the biggest programs in the Parish. He requested that Director Trahan review the 2025 Proposed Budget to determine what is needed in addition to the \$20,000. He further stated that we have people that travel to Iberia Parish to play ball. He stated that the estimated revenue is \$1.5 million and Director Trahan projected \$2.4 million.

Director Trahan further stated that whatever is not spent is carried over to next year's budget.

There was discussion regarding preventive maintenance of facilities.

Recreations and Playground Fund balances for the 2025 Fiscal Year:

- Beginning fund balance of \$3.9 million
- Deficit of \$698,869
- Ending fund balance of \$3.2 million

b. Sewerage District No. 1 Fund Budget

Director of Sewerage District No. 1 Brad Cradeur stated there are no changes as far as investment incomes or revenues not directly related to user sales. Rates have been regulated based on the economy. The predicted amount of \$3.145 million as a slight increase as far a user sales, with \$270,000 predicted revenue from First Solar beginning March 1, 2025 till year end, estimating their discharge during this period. This estimate is based on a plus or minus 10% of 72 million gallons. The number \$3.75 per thousand gallons is the agreed upon user rate.

Director Cradeur stated all other revenue line items are consistent with no changes.

Director Cradeur stated there has been an increase in Insurance and Professional Contracts expenditure line items.

Director Cradeur explained to the Council sewerage treatment processes related to pump repairs and long-term expenses. He further explained that \$35,000 was placed into the Architectural Services line item in an effort to prepare for any Community Development Grant that may be offered to Iberia Parish. An additional \$35,000 was placed in Administrative Fees line item.

Director Cradeur further explained that the Repair and Maintenance line item has been lower to approximately \$70,000.

Director Cradeur stated that for the City of New Iberia Plant, the budget was increased from \$600,000 to \$820,000 considering the flow that will be received from First Solar. He explained that the flow from First Solar will not go to the co-owned plant, it will flow to the City of New Iberia Plant. He further explained that normally we budget approximately \$600,000 while he projected \$3.75 per thousand gallons in revenue, we are currently paying \$2.38 and projecting \$3.05 per thousand gallon.

Councilman Warren P. Gachassin, Jr. questioned as to why this is being accounted for now when the contract will not be negotiated until a couple of years from now.

Director Cradeur responded stating that was correct.

Councilman Warren P. Gachassin, Jr. asked if there is a contract in effective until next year.

Director Cradeur responded stating that was correct as well.

Councilman Warren P. Gachassin, Jr. questioned if the DEQ loans can be used for improvements or just enhancements for what we have now or can it be utilized for the future.

Director Cradeur that Iberia Parish has been paying on the DEQ loan for approximately six years. There is also another \$300,000-\$400,000 in cash as collateral because of that loan. The loan could be expanded for another three to four years, however, more funds would have to be secured.

Councilman Michael R. Landry questioned as to whether there are plans to expand the Jefferson Canal System to bring the Parish up to date.

Director Cradeur responded stating that it costs approximately \$100,000 to run a gravity sewer line. It has to be determined how many houses would be on that line. The average amount of revenue received per home is \$52.00 per month, times twelve which is approximately \$624 per year. If there is a lift station that has 5hp pumps and those pumps are \$6,000 each, you will need ten homes at \$600 per year to pay for one pump. The Parish would need to decide if they want to invest \$100,000 for that.

Councilman Michael R. Landry stated that a lot of money was invested to bring a sewerage line through the ditch in his subdivision. There are approximately 75-100 houses in his subdivision and would like to know if there are plans for expansion in his subdivision.

Director Cradeur stated he is working on trying to make that happen and he is more than happy to look at it from an engineering standpoint. He further stated it has to be financially viable to not lose money and then everybody's rates will increase.

Parish President M. Larry Richard commended Director Cradeur for doing a fantastic job in Iberia Parish.

President Richard further stated that there is currently a \$3.5 million project in which sewer lines are being run. We are seeking to receive an additional \$8 million from Capital Outlay this year which will address the some of the issues we are discussing. We are trying to start funding for a sewer treatment plant for growth in Iberia Parish and to tie in the subdivision that was mentioned which is our five-year goal.

Sewerage District No. 1 Fund Budget balances for the 2025 Fiscal Year:

- Beginning fund balance of \$1.3 million
- Deficit in 2025 of \$515,393
- Ending fund balance of \$873,418

c. Sewerage District No. 1 - Port of Iberia Fund Budget

Sewerage District No. 1 - Port of Iberia Director Brad Cradeur stated there are no major changes and Iberia Parish is cash flow positive.

Director Cradeur stated the Port of Iberia was been generous and gave \$14,000 to upgrade blowers at the Wastewater Treatment Plant at the Port of Iberia.

Sewerage District No. 1 - Port of Iberia Fund balances for the 2025 Fiscal Year:

- Beginning fund balance of \$69,541
- Deficit in 2025 of \$2,006
- Ending fund balance of \$67,535

d. Waterworks District No. 3 Fund Budget

Waterworks District No. 3 Director Brad Cradeur stated that revenue increased \$1.05 million in water sales. He stated there is a large subdivision developing but does not want to project funds not yet received.

Director Cradeur stated there is a \$25,000 revenue stream. The new water plant funding will be completely separate to operate the plant and cover costs to avoid taking funds from Waterworks Fund Budget.

Director Cradeur stated that additional funds were placed in Repair and Maintenance line item and Capital Improvements.

President M. Larry Richard informed the Council that \$50,000 was put into savings for an office building and we will have to continued to do that to prepare for the future of Iberia Parish.

Waterworks District No. 3 Fund Budget balances for the 2025 Fiscal Year:

- Beginning fund balance of \$828,212
- Deficit projected in 2025 of \$406,783
- Ending fund balance of \$421,429

e. ARA Water Plant Fund Budget

ARA Water Plant Director Brad Cradeur stated that one of the hardest things to do is to negotiate rates with a billion dollar corporation.

Director Cradeur stated the revenue of \$709,540 was borrowed for the brand new Water Plant outage. He informed the Council that he worked out a 24-month agreement with First Solar for \$70,954 per month flat rate, not based on consumption. That number calculates to 775,000 gallons per day at \$3.01 per thousand gallons. During the first five months in operation, they are only going to use 84,000 gallons per day and will pay for 775,000 gallons. This will be a net positive over a two-year period. The projected overall revenue is approximately \$70,000.

Parish President M. Larry Richard stated that First Solar will begin operation on March 1, 2025 and will be fully operational by the end of next year.

Councilman Natalie Broussard questioned as to whether the project was on schedule.

Director Cradeur stated that sewerage is ahead of schedule by two weeks and water is on schedule. First Solar is expected to open on March 1, 2025.

Councilman Warren P. Gachassin, Jr. requested that Director Cradeur repeat what First Solar has done for Iberia Parish by paying for water they are not utilizing.

Director Cradeur stated that First Solar, for the first five months has agreed to pay ARA Water Plant \$2,365 per day for \$240 worth of water.

Councilman Warren P. Gachassin, Jr. requested that Director Cradeur confirm that First Solar gave Iberia Parish Government money to enhance the sewer lines.

Director Cradeur confirmed that is correct.

ARA Water Plant Fund Budget balances for the 2025 Fiscal Year:

- Beginning fund balance of -0-
- Projecting a surplus in 2025 of \$70,000
- Ending fund balance of \$70,000

f. Airport Authority Fund Budget

Airport Authority Director Maurice "Moe" Songy stated the projected income for flowage fees is \$45,000, aviation rentals is \$1.4 million, crop income was scaled back this year because we loss 230 acres to First Solar. It was made up in lease revenue but loss in the crop lease.

Director Songy stated with the grant program through DOTD Aviation, we can get reimbursed 50% depending if approved by State Legislature. The State requires DOTD Aviation to match FAA funds first.

Director Songy explained the various projects including a corporate hangar, runway construction, and tree removal at Lemaire Memorial Airport.

Director Songy stated that \$100,000 was placed in the Professional Services line item for architectural services and added that there is an increased in the Insurance line item.

Director Songy stated that all buildings at the airport are all occupied.

Director Songy stated that \$45,000 was rolled over from 2024 to the Equipment line item for the purchase of an industrial pressure washer.

Director Songy stated that \$450,000 was added to the Equipment line item and explained FAA and FedEx's requirements. They use the same fire truck which is a 2010 model and is approximately fifteen years old. He further stated that the fire truck can be refurbished for approximately \$450,000. The purchase of a new fire truck would be approximately \$1.2 million. The company would loan Iberia Parish a truck while our fire truck is being refurbished.

Councilman Brock Pellerin questioned Director Songy as to the life expectancy of a refurbished fire truck.

Director Songy stated that he hopes to get another 10-15 years of use out of the fire truck once refurbished.

Director Songy stated that \$200,000 was added to the Equipment line item for the purchase of a quick response vehicle, however, it is not a requirement to purchase this item.

Parish President M. Larry Richard questioned Director Songy as to how much money is received from Avex annually for the FedEx requirement.

Director Songy stated that the lease payments received is approximately \$70,000 per month.

Parish President M. Larry Richard stated that it would take approximately six months to pay back and further questioned what the \$200,000 was for in the Equipment/Furniture line item.

Director Songy confirmed that \$200,000 budgeted was for Equipment/Furniture.

Director Songy stated that \$100,000 was budgeted for roof repairs and maintenance to the buildings and \$20,000 was budgeted for the purchase of four generators.

Councilman James P. Trahan questioned as to how Iberia Parish gets paid on the crops, whether it is a one-fifth (1/5) or one-sixth (1/6) from crops.

Director Songy confirmed that the lease states it is a one-fifth (1/5) from the sugar yield.

Councilman James P. Trahan questioned if Iberia Parish received its one-fifth (1/5) from last year's crop.

Director Songy confirmed that Iberia Parish received the one-fifth (1/5) from last year's crop.

Councilman Lady Fontenette Brown questioned which line item is for the land that First Solar is leasing.

Director Songy confirmed that it is under Aviation Rentals on the first page and stated they pay \$150,000 for the first two years. After year three beginning January of 2026, First Solar will pay 10¢ per square foot which is approximately \$1.03 million per year. There will be a 5% increase after the fifth year.

Airport Authority Fund Budget balance, as follows:

- Beginning fund balance of \$3 million
- Projected surplus in 2025 of \$1.8 million
- Projected \$1.1 million

g. Health Unit Maintenance Fund Budget

Budget Officer Michelle Suire stated that revenue of the Health Unit Maintenance Fund Budget consists of ad valorem taxes, state revenue sharing and investment income.

Budget Officer Michelle Suire stated there are no major changes to the Health Unit Maintenance Fund Budget other than transfers to Rabies Control Center and Criminal Justice Facility.

Parish President M. Larry Richard stated he received a call from Dr. Tina requesting to hire another full-time person so we may need to make some adjustments to that budget.

Councilman Warren P. Gachassin, Jr. recommended that perhaps the Opioid Fund Budget could be used to hire this person.

Parish President M. Larry Richard confirmed that the Opioid Budget could be used to hire the full-time person needed.

Health Unit Maintenance Fund Budget balance, as follows:

- Beginning fund balance of \$2.6 million
- Projected surplus in 2025 of \$490,628
- Ending fund balance of \$2.1 million

h. Criminal Justice Facility Fund Budget

Budget Officer Michelle Suire stated that revenue of the Health Unit Maintenance Fund Budget consists of ad valorem taxes, state revenue sharing and investment income.

Budget Officer Michelle Suire stated there are no major changes to the Criminal Justice Facility Fund Budget other than transfers from the Health Unit, Public Buildings and Royalty Fund Budgets.

Budget Officer Michelle Suire stated the contract amount with Correct Health decreased, with the Sheriff's Department reimbursing Iberia Parish Government 35% of that amount as well as inmate medical and supplies, maintaining utilities and Sheriff mandates.

Budget Officer Michelle Suire stated that budgeted revenues for the American Rescue Plan Act (ARPA), roof and facility repairs.

Budget Officer Michelle Suire further stated that a budget adjustment will need to be done for housing of juveniles for 2024. She further stated the money for the District Attorney is allocated for the juvenile program.

Councilman Michael R. Landry questioned if the new proposed tax overhaul by the Governor will affect Iberia Parish.

Parish President M. Larry Richard stated there is approximately \$700,000 direct for the Fire District and they are going for a tax election next year. President Richard stated that he cannot recommend the Parish Council to opt out of inventory taxes and this topic will definitely have to be researched before making a decision.

Councilman Warren P. Gachassin, Jr. questioned as to whether Police Jury Association advertised anything regarding opting out of inventory taxes.

Criminal Justice Facility Fund Budget balance, as follows:

- Beginning fund balance of \$290,307
- Projected surplus in 2025 of \$17,265
- Ending fund balance of \$307,572

i. Public Buildings Maintenance Fund Budget

Budget Officer Michelle Suire stated that revenue of the Public Buildings Maintenance Fund Budget consists of ad valorem taxes, state revenue sharing and investment income.

Budget Officer Michelle Suire stated that it was budgeted for Building Repairs and the purchase of a pressure washer. This line item is being reduced to \$70,000.

Budget Officer Michelle Suire reviewed and recited the Public Building Maintenance Fund Budget.

Parish President M. Larry Richard discussed Roy Building as it is deteriorating and will cost some major funds when repair of this building is started.

Public Buildings Maintenance Fund Budget balance, as follows:

- Beginning fund balance of \$3.7 million
- Projected surplus in 2025 of \$483,411
- Ending fund balance of \$3.2 million

j. Royalty Fund Budget

Budget Officer Michelle Suire stated that revenue of the Royalty Fund Budget consists of Parish Royalty, investment income, funds transferred, Texaco interest to pay the Royalty Fund towards the bond.

Budget Officer Michelle Suire reviewed and recited the Royalty Fund Budget.

Council Brock Pellerin questioned Parish President M. Larry Richard as to upcoming projects.

Parish President M. Larry Richard stated that upcoming projects consist of Pebbles Coulee, Little Valley Bayou, George Lancon and Rutten Rill Road. President Richard further stated that a more accurate list can be given at a later date.

Royalty Fund Budget balance, as follows:

- Beginning fund balance of \$5.9 million
- Projected surplus in 2025 of \$4.8 million
- Ending fund balance of \$1.04 million

A motion was made by Mr. Michael R. Landry, seconded by Mr. Marcus "Bruce" Broussard, that the Finance Committee adjourn.

This motion having been submitted to a vote, the vote thereon was as follows:

YEAS: Michael R. Landry, Marcus "Bruce" Broussard, Lloyd Brown, Warren P. Gachassin, Jr., Natalie Broussard, James P. Trahan, Scott Ransonet, Brock Pellerin, Lady Fontenette Brown, Caymen Crappell, and Chad Maturin.

NAYS: None.

ABSENT: Francis "Tommy" Pollard, Sr., Dustin Suire, and Brian P. Napier.

And the motion was declared adopted this 21st day of October, 2024.

Finance Chairman Scott Ransonet declared the Special Finance Committee Meeting adjourned at 8:01 p.m.

I HEREBY CERTIFY THE FOREGOING TO BE EXACT AND TRUE:

Clerk of the Council