

Center for Local
Government Excellence



Practicum for Implementation of Local Government Budget Act

**Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor**

**Presented by:
Jenifer Schaye, CFE
General Counsel**

**Date**

October 15, 2019

Time

1:00 pm – 2:15 pm

Instructors

Jenifer Schaye, CFE
General Counsel

Location

Kenner, LA

Method of Delivery

Classroom instruction

Learning Level

Basic

CPE Hours

1.5 Hours

CPA Subject Matter

Specialized Knowledge
and Application

Prerequisite

None

Course 204

Practicum for Implementation of Local Government Budget Act & Overview of Public Bid Law

Description

Legal elements of the Local Government Budget Act will be defined. In addition, questions will be proposed, which must be addressed, when the Local Government Budget Act is implemented. Finally, the consequences of not implementing the Local Government Budget Act will be described.

Objectives

After this class participants will be able to:

- Define elements of the Local Government Budget Act
- Practice implementing the Local Government Budget Act
- Determine consequences of non-implementation of the Local Government Budget Act

Who Will Benefit

- Elected Officials/Appointed Officials
- Local Government Employees/Local Government Auditors

About the Instructors**JENIFER SCHAYE, GENERAL COUNSEL**

Jenifer Schaye is General Counsel for the Legislative Auditor of the State of Louisiana. She is a graduate of the University of Dallas and of St. Louis University Law School. She has practiced law continuously for the last forty years in Texas and Louisiana. Jenifer has substantial experience in the governmental arena. She has worked as a Legislative Aid to a State Representative in Texas. She was a Louisiana Assistant Attorney General for eleven years. As an Assistant Attorney General, she focused on tort, insurance law, and gaming law and all aspects of the Administrative Procedure Act. In her capacity as general counsel to the Legislative Auditor, Jenifer advises on public law issues and laws relating to fiscal matters, ethics issues, and all public laws which impact political subdivisions and the audits of political subdivisions on the local and state level. Jenifer also serves as a board member on the Louisiana Survivor's

Benefit Board as the Legislative Auditor's designee. In addition, Jenifer represents the Legislative Auditor and staff in those matters where they are called to testify and/or to produce records for further inquiry by state and federal courts. She advises the Louisiana Legislative Audit Advisory Council on relevant audit law issues.

Because of her governmental background, Jenifer has a broad knowledge of the processes of government and the relationships between the various branches of state and local government.


Practicum for Implementation of the LGBA

Course 204

Agenda

Implementation of the LGBA 1:00P.M. – 2:00P.M.
Introduction
Budget Message (Sample Doc 1)
Side by Side Comparison (Sample Doc 2)
Public Participation in Budget Process (Sample Doc's 3 & 4)
Adoption of the Budget (Sample Doc's 5, 5a, 6)
Monitoring Implementation of Budget
Amending the Budget (Sample Doc's 7 & 8)
Miscellaneous Budget Issues
Public Bid Law Overview 2:00P.M. – 2:15P.M.
Public Bid Law
Questions???

Center for Local Government Excellence II




Practicum for Implementation of Local Government Budget Act

Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor

Presented by:
Jenifer Schaye, CFE
General Counsel

October 15, 2019 Center for Local Government Excellence – Level II 1

OBJECTIVES



- \$ Define Elements of LGBA**
- \$ Practice Implementing LGBA**
- \$ Determine Consequences of Non-Implementation of LGBA**

October 15, 2019 Center for Local Government Excellence – Level II 2

Budget Planning



October 15, 2019 Center for Local Government Excellence – Level II 3

Center for Local Government Excellence

Preparing the Budget

October 15, 2019 Center for Local Government Excellence – Level II 4

Center for Local Government Excellence

Sample Doc 1

strong

Weak

What do you think is:

- > Strength of the message?
- > Weaknesses of the message?
- > What issues have you had?

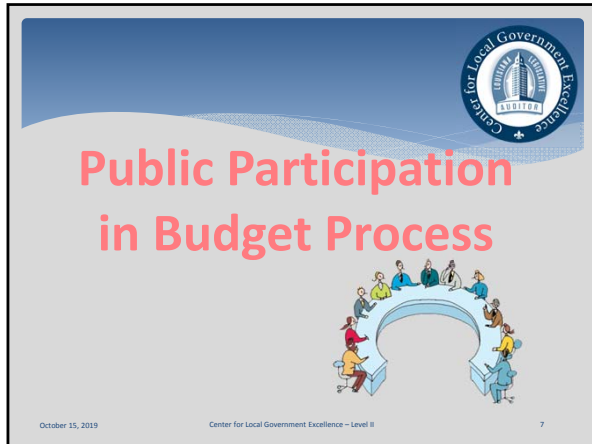
October 15, 2019 Center for Local Government Excellence – Level II 5

Center for Local Government Excellence

Sample Doc 2


Side by Side Comparison

October 15, 2019 Center for Local Government Excellence – Level II 6

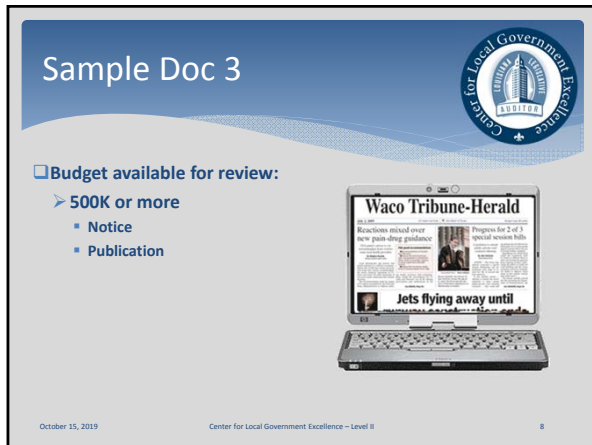


Center for Local Government Excellence

Public Participation in Budget Process



October 15, 2019 Center for Local Government Excellence – Level II 7




Center for Local Government Excellence

Sample Doc 3

Budget available for review:

- 500K or more
 - Notice
 - Publication




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Sample Doc 4


Certification




Public Hearing

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Sample Docs 5, 5a, 6




Adoption of the Budget




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Monitoring Implementation of Budget




October 15, 2019 Center for Local Government Excellence – Level II 11




Monitoring

- How would you do this?
- Problems in monitoring?
- What happens if you do not monitor?




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Sample Doc 7



Amending the Budget





MEETING NOTICE!




October 15, 2019 Center for Local Government Excellence – Level II 13

Sample Doc 8




- When is amending mandated?
- What does 5% really mean?
- At what time should the amendment occur?

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Miscellaneous Budget Issues



October 15, 2019 Center for Local Government Excellence – Level II 15



Budget Issues

- New sources of revenue
- New / Unexpected expenses
- Emergency & Extreme Emergency
- Fund Balance/Addressing Deficits



October 15, 2019 Center for Local Government Excellence – Level II 16

Questions



October 15, 2019 Center for Local Government Excellence – Level II 17

CONTACT INFORMATION for LEGAL

Jenifer Schaye, CFE
General Counsel
Louisiana Legislative Auditor
(225) 339-3871
jschaye@lla.la.gov

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Practicum for Implementation of LGBA

Sample Documents

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BUDGET MESSAGE

The 2015 budget represents the revenues and spending plan of the city aligned with the mission statement and focused on improvements in the key areas of government to benefit its citizens. This budget's revenue and expense go directly to the mission of the city, "To provide a safe, well-planned city with strong infrastructure foundation built from sustainable revenues and economic opportunity to benefit the health and well-being of its residents."

The revenue of the city is comprised of restricted and unrestricted sales tax, property tax and other revenues. The Budget Revenue section provides more detail as to the expected revenue for 2015 and a forecast for the near future.

We must consider the mix of revenues to accommodate the capital and operational needs of the city. The administration also seeks partnerships with other governmental agencies through cooperative endeavor agreements and grants to stretch local dollars in providing services to its citizens. The city has entered into an agreement with St. Tammany Parish to accept wastewater from outside of the city to pass through the city sewer plant. This will provide future revenue for the city and use the capacity of the sewer plant obtained through a federal grant in 2010. The city seeks State of Louisiana Capital Outlay funds with the cooperation of our state legislative delegation. The city coordinates with state, parish, Regional Planning Authority and Greater New Orleans Causeway Commission for road and drainage improvements.

The administration will continue efforts to improve on-line services to the public for permits, occupational licenses, check payments and (Public Works) work orders.

Safety of the city is our first priority. Mandeville Police Department (MPD) provides a high level of confidence for safety. The public has expressed concern with speeding in neighborhoods. MPD is up to full patrol with the addition of qualified new recruits hired in January. Traffic patrols have increased and presence is noticed. Crime cameras will be installed to monitor more active city locations, parks and playgrounds.

The Shoreline Protection study provides three levels of protection and three different costs. We are in process to provide the first level of protection and will seek funding for the enhanced versions.

We will continue the effort to expand the Trailhead property through State of Louisiana Capital Outlay funding and city match funding.

The City of Mandeville continues this year to improve its infrastructure in all areas. Funding from restricted sales tax propositions insures the city will continue to replace infrastructure before it becomes emergent. Restricted funds play an important role in the future. Most of our sales tax dollars are in restricted funds. As we look toward spending of restricted revenue, we must first make sure it meets the legal test of the proposition the voters approved. Secondly, we should make sure we provide the public the reporting and accountability required to demonstrate that have followed the law. Third we should spend the most restrictive funds first to allow for flexibility of less restricted funds to meet the needs of the citizens.

- Sewer Operations/Wastewater Management/Drainage

When we look at the amount of money the city has in restricted funds and future revenues coming from the wastewater management agreement with the parish, we can anticipate we will have additional funding for sewer operations. The compensation will be determined by metering the wastewater from the parish and applying a rate to it. I cannot predict what that will be, but we know the rate will be at least one and one half times what a resident of the city pays. Our focus toward sewer lift stations and distribution lines puts us in a proactive mode to identify and rework lift stations before they become emergent needs.

- Water System

Our water system should be in great shape with the addition of a new water tower. Water distribution lines are being replace in Golden Shores and are planned for design and construction in Mariner's Village.

- Roads

Cities all over Louisiana would like to have Mandeville's roads. We have put ourselves in excellent position to maintain our roads with the new Road Soft software. The software will incorporate the culvert assessment option this year.

There is where restricted revenues stop. They don't pay for maintenance on parks, playgrounds, police, planning, retirement, employee health care future liabilities, and retired employees' healthcare.

- 1959 one cent sales tax

As reported in the 2013-2014 Revenue Estimates Property tax and the 1959 one cent sales tax revenues that are unrestricted pay for the police (almost half the workforce), police cars, any maintenance on buildings and grounds, maintenance on parks and playgrounds and salary / benefits / retirement of the majority of the workforce. Over the last three years we have reduced our force and reduced the raises given to 2-1/2% per year for qualified personnel.

- Retirement

As to retirement, new employees as of September 1, 2010 pay 7-1/2% of their salary for retirement for MPERS (police) and MERS (city workers). The balance of the employee contribution is paid by the city. The employer part of the contribution is also paid by the city. Both plans are defined benefit plans. All employees are part of the social security system that requires a city and employee contribution. Both systems have seen an increase in investment revenue. MERS will add 1% to the employer contribution rate and MPERS will add 1/2 % to the employer contribution rate. The employer contribution for MPERS is significantly higher than MERS.

The investment revenue expectations are positive for the next fiscal year. GASB 67 and GASB 68 will be introduced this coming year. Each retirement plan will be required to provide the city a financial analysis of the unfunded liability. The city will have to provide a special audit on the retirement system's actuary evaluation in fiscal 2016.

- Healthcare will get more complicated and uncertain as to the coverage and costs. Healthcare for retirees is a question. Do they pay more than active employees as in the case of private business? It is an area that is already a significant part of the healthcare budget. Some governmental agencies are looking into allowing their retirees to go into the exchange to reduce costs.

As we look forward, we know that there are challenges ahead. There will be challenges in the short term for funding of operations beyond the flat unrestricted revenues we expect. The council has passed a resolution placing a restructure of

sales tax on the November ballot. This will expand the use of the one cent restricted sales tax to include all lawful spending of the city. In future years, we expect revenues to allow for a reduction in property tax. An analysis is included.



Donald J. Villere
Mayor, City of Mandeville

SAMPLE DOC 2

(AGENCY NAME) _____ FUND - BUDGET FOR YEAR ENDING (Insert Date)								
	Current Year						Upcoming Year	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Original Budget	Last Adopted Budget	Actual Year-to-Date as of: (Insert Date)	Estimated Remaining for Year	Projected Actual Result at Year End	% Change Last Adopted Budget vs. Projected Actual Result at Year End	Proposed Budget	% Change Projected Actual Result at Year End vs. Proposed Budget
				[C + D]	[E / B - 1]		[G / E - 1]	
SUMMARY OF REVENUES - BY SOURCES								
Local sources:								
(Insert Revenue Source)	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	#DIV/0!
(Insert Revenue Source)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Revenue Source)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Total Revenues from Local Sources	-	-	-	-	-	#DIV/0!	-	#DIV/0!
State sources:								
(Insert Revenue Source)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Revenue Source)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Revenue Source)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Total Revenues from State Sources	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Federal sources:								
(Insert Revenue Source)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Revenue Source)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Revenue Source)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Total Revenues from Federal Sources	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Total Revenues by Sources	-	-	-	-	-	#DIV/0!	-	#DIV/0!



(AGENCY NAME)
_____ FUND - BUDGET FOR YEAR ENDING (Insert Date)

	Current Year						Upcoming Year	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Original	Last Adopted	Actual	Estimated	Projected	% Change	Proposed	% Change
SUMMARY OF EXPENDITURES - BY AGENCY								
Agency (Insert Agency Name)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Total Expenditures by Agency	-	-	-	-	-	#DIV/0!	-	#DIV/0!
SUMMARY OF EXPENDITURES - BY DEPARTMENTS								
Department Administration (Insert Department Name)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Department Name)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Department Name)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Total Expenditures by Departments	-	-	-	-	-	#DIV/0!	-	#DIV/0!
SUMMARY OF EXPENDITURES - BY FUNCTIONS								
Function General Government	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Public Safety	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Function Name)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Total Expenditures by Functions	-	-	-	-	-	#DIV/0!	-	#DIV/0!
SUMMARY OF EXPENDITURES - BY CHARACTERS								
Character Salaries	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Expenditure Type)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Expenditure Type)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Total Expenditures by Characters	-	-	-	-	-	#DIV/0!	-	#DIV/0!

~~XXXXXX~~

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(AGENCY NAME)
 _____ FUND - BUDGET FOR YEAR ENDING (Insert Date)

	Current Year						Upcoming Year	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Original	Last Adopted	Actual	Estimated	Projected	% Change	Proposed	% Change
SUMMARY OF OTHER FINANCING SOURCES - BY SOURCES								
Other Financing Sources								
Transfers In - ____ Fund	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Other Financing Source)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Other Financing Source)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Total Other Financing Sources by Sources	-	-	-	-	-	#DIV/0!	-	#DIV/0!
SUMMARY OF OTHER FINANCING USES - BY USES								
Other Financing Uses								
Transfers Out - ____ Fund	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Other Financing Use)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
(Insert Other Financing Use)	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Total Other Financing Uses by Uses	-	-	-	-	-	#DIV/0!	-	#DIV/0!
SUMMARY OF FUND BALANCE								
Net change in fund balance	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Estimated Beginning Fund Balance	-	-	-	-	-	#DIV/0!	-	#DIV/0!
Estimated Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	#DIV/0!

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Public Hearings On
East Baton Rouge Parish School System's
PROPOSED 2017-2018
GENERAL FUND BUDGET

Public Hearing Pursuant to the Provisions of La. R.S. 39:1306-1308
and La. R.S. 17:88(A)

Public Hearings will be held before the East Baton Rouge Parish School Board:

Thursday, June 1, 2017, 5:00 P.M.
Public Hearing/Board Workshop
School Board Room
1050 South Foster Drive
Baton Rouge, Louisiana

Thursday, June 15, 2017, 5:00 P.M.
Public Hearing/Board Meeting for Adoption of Budget
School Board Room
1050 South Foster Drive
Baton Rouge, Louisiana

The Budget document is available for public inspection at the
School Board Office Reception area, at 1050 South Foster Drive, Baton Rouge,
Louisiana

Certification – Public Participation

This is to certify that the (Public Entity) has complied with Louisiana Revised Statute 39:1307 relative to public participation in the budget process for the Year Ended (*Fiscal Year End Date*). Notice of availability for public inspection and public hearing was held in compliance with applicable statute. (*Public Official/Administrator Name*) (*Date*)

Budget Resolution

The following resolution was offered by Ms. Vereta Lee and seconded by Ms. Connie Bernard.

A resolution adopting, finalizing and implementing the General Fund Budget of the East Baton Rouge Parish School System for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

WHEREAS, the Superintendent of the East Baton Rouge Parish School System, with the assistance of the Chief Business and Operations Office, prepared a Proposed General Fund Budget for the fiscal year beginning July 1, 2017 and ending June 30, 2018, which was accompanied by a budget adoption resolution; and

WHEREAS, the proposed General Fund Budget adoption resolution has been submitted to this School Board for review and consideration; and

WHEREAS, notice of a public hearing on the proposed General Fund Budget, and notice of the availability of the proposed budget for review at such hearing has been timely published in The Advocate, and

WHEREAS, a public hearing on the proposed General Fund Budget has now been reviewed and considered; now

THEREFORE BE IT RESOLVED by the School Board that the proposed General Fund Budget is hereby approved, adopted, and finalized subject to the following changes (if any).

BE IT FURTHER RESOLVED, that the Superintendent, or his/her successor, in his/her capacity as Superintendent of the School Board, or the Chief Business Operations Officer of the School Board, or his/her successor, in his/her capacity as Chief Business Operations Officer of the School Board, is hereby authorized and in his/her sole discretion, to make such changes within the General Fund Budget line items he/she may deem necessary, (with appropriate notification to the Board), provided that any reallocation of funds affecting in excess of one percent (1%) of the projected revenue collections must be approved in advance by action of the School Board at a meeting duly noticed and convened.

BE IT FURTHER RESOLVED that the Superintendent of the School Board, or his/her successor, in his/her capacity as Superintendent of the School Board, is hereby directed to advise the School Board in writing when:

1. Revenue collections plus projected revenue collections for the remainder of the year, within the General Fund or a Special Revenue Fund that is not expenditure driven, is failing to meet estimated annual budgeted revenues by five percent (5%) or more.
2. Actual expenditures plus projected expenditures for the remainder of the year, within the General Fund or a Special Revenue Fund, is exceeding the estimated budgeted expenditures by five percent (5%) or more, or
3. The actual beginning fund balance, within the General Fund or a Special Revenue Fund that is not expenditure driven, fails to meet the estimated beginning fund balance by five percent (5%) or more, and the fund balance is being used to fund current year expenditures.

BE IT FURTHER RESOLVED that the Superintendent (Secretary-Treasury of the School Board), or his/her successor, shall certify completion of all actions required by Louisiana R.S. 39:1306 by publishing a notice of the minutes of the meeting in The Advocate.

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

YEAS: (-) Evelyn Ware-Jackson, Mark Bellue, Dr. Dawn Chanet Collins,
Jill C. Dyason, Connie Bernard, David Tatman, Kenyetta Nelson-Smith,
Vereta Lee

NAYS: (0) None

ABSTAINING:(0) None

ABSENT:(0) Michael Gaudet

DID NOT VOTE:(0) None

And this Resolution was declared adopted on this the 15 day of June, 2017.

EAST BATON ROUGE PARISH
SCHOOL BOARD

THE FOLLOWING ORDINANCE WAS MOVED FOR INTRODUCTION BY COUNCIL MEMBER ____; SECONDED FOR INTRODUCTION BY COUNCIL MEMBER _____
ORDINANCE NO. 17-25

AN ORDINANCE TO APPROPRIATE FUNDS RELATIVE TO AND FOR ADOPTION OF THE OPERATING BUDGET FOR THE CITY OF MANDEVILLE; AND TO ESTABLISH THE ADMINISTRATION OF EXPENDITURES THEREOF AND TO PROVIDE FOR RELATED MATTERS.

BE IT ORDAINED that the Operating Budget as set out herein as Exhibit "D" attached hereto is adopted by the City Council of the City of Mandeville and that the appropriations called for therein are made; and

BE IT FURTHER ORDAINED, that the Operating Budget shall be administered under the following rules:

- 1.) No transfer of funds, as shown on exhibit "B", in the amount greater than \$5,000 of a fund appropriation may be made between line items within that fund. If there is a need to transfer more than \$5,000 within a line item, it must come to the council for council approval.
- 2.) A budget amendment shall be required should the total of all budget adjustments made within a fiscal year exceed 5% of a department appropriations;
- 3.) Any inter departmental appropriations change shall only be by amendment to the budget;
- 4.) As provided for in Louisiana R.S. 39:1311 the budget adopted herein shall constitute the authority of the Mayor to incur liabilities and authorize expenditures from the respective budgeted funds during the fiscal year.
- 5.) In the event that surplus funds are needed to fund budget items, the Administration shall provide an explanation and justification during the budget process.
- 6.) Directors' and the Mayor's Salaries and Supplements are listed as listed on Exhibit "B" by position
- 7.) Council Budget Exhibit "C" expenditures are included in Exhibit "D".
- 8.) Professional Services Contracts as it pertains to funds appropriated by the budget and as covered by Section 5-08 of the Mandeville City Charter shall be those contracts in which the primary service is performed by those holding the designation or certification as a medical doctor, attorney, architect, landscape architect or engineer."

The ordinance being submitted to a vote, the vote thereon was as follows:

AYES:	0
NAY:	0
ABSTENTIONS:	0
ABSENT:	0

and the ordinance was declared adopted this __th day of August , 2017

Kristine Scherer
Clerk of Council

Lauré Sica
Council Chairman

SUBMITTAL TO MAYOR

The foregoing Ordinance was SUBMITTED by me to the Mayor of the City of Mandeville this ____ day of August 2017 at ____ o'clock p.m.

CLERK OF COUNCIL

APPROVAL OF ORDINANCE

The foregoing Ordinance is by me hereby APPROVED, this ____th day of August, 2017 at _____ o'clock p.m.

DONALD J. VILLERE, MAYOR

RECEIPT FROM MAYOR

The foregoing Ordinance was RECEIVED by me from the Mayor of the City of Mandeville this ____th day of August, 2017 at ____ o'clock p.m.

CLERK OF COUNCIL

NEWELL NORMAND SHERIFF HARVEY, LOUISIANA

**NEWELL NORMAND, SHERIFF, TAX COLLECTOR
AND CHIEF EXECUTIVE DIRECTOR OF THE
LAW ENFORCEMENT DISTRICT IN THE
PARISH OF JEFFERSON, LOUISIANA**

ADOPTING RESOLUTION

**GENERAL FUND
AND
SPECIAL REVENUE FUNDS
16-17 AMENDED BUDGETS
AND 17-18 PROPOSED BUDGETS**

The attached Amended 16-17 and Proposed 17-18 Summary Budgets representing estimated revenues, expenditures and changes in fund balances are hereby adopted to serve as the Operating Budget of the Jefferson Parish Sheriff's Office for the General Fund and Special Revenue Funds. Accordingly, implementation is hereby authorized.

Adopted this 23rd day of June 2017, in Harvey, Louisiana.



Newell Normand, Sheriff, Tax Collector and
Chief Executive Director of the Law
Enforcement District in the Parish of
Jefferson, Louisiana

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THE FOLLOWING ORDINANCE WAS MOVED FOR INTRODUCTION BY COUNCIL MEMBER _____; SECONDED FOR INTRODUCTION BY COUNCIL MEMBER _____;

ORDINANCE NO. 18-17

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MANDEVILLE TO AMEND ORDINANCE NUMBER 17-25, THE OPERATING BUDGET OF THE CITY OF MANDEVILLE AND FOR OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Article V. Financial Procedures of the Home Rule Charter provides that amendments to the adopted budget be made by ordinance; and,

WHEREAS, an amendment to the operating budget adopted for fiscal year 2017-2018, Ordinance Number 17-25, is required due to expenditures in Capital Outlay and Vehicle Maintenance will exceed the current authorized appropriated funds budgeted for 2017-2018 City of Mandeville Operating Budget; and,

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Mandeville that the operating budget ordinance for fiscal year 2017-2018, Ordinance Number 17-25, is hereby amended in that budget amendments regarding the Capital Outlay and Vehicle Maintenance, as set forth on the attached Exhibit "A", incorporated as a part hereof, be adopted for the 2017-2018 Fiscal Year Operating Budget.

BE IT FURTHER ORDAINED, that in all other respects the 2017-2018 operating budget adopted shall remain in full force and effect.

The Ordinance being submitted to a vote, the vote thereon was as follows:

- AYES:
- NAY:
- ABSTENTIONS:
- ABSENT:

and the Ordinance was declared adopted the 24th day of May, 2018.

Kristine Scherer
Council Clerk

Lauré Sica
Council Chairman

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SUBMITTAL TO MAYOR

The foregoing Ordinance was SUBMITTED by me to the Mayor of the City of Mandeville this
____ day of _____, 2018, at _____ o'clock a.m.

CLERK OF COUNCIL

APPROVAL OF ORDINANCE

The foregoing Ordinance is by me hereby APPROVED this ____ day of _____, 2018, at
____ o'clock a.m.

DONALD J. VILLERE, MAYOR

VETO OF ORDINANCE

The foregoing Ordinance is by me hereby VETOED, this ____ day of _____, 2018, at ____
o'clock ____m.

DONALD J. VILLERE, MAYOR

RECEIPT FROM MAYOR

The foregoing Ordinance was RECEIVED by me from the Mayor of the City of Mandeville, this
____ day of _____, 2018, at _____ o'clock a.m.

CLERK OF COUNCIL

CERTIFICATE

I, THE UNDERSIGNED Clerk of the City Council of the City of Mandeville do hereby certify
that the foregoing is a true and correct copy of an ordinance adopted by the City Council of the City of
Mandeville at a duly noticed, called and convened meeting of said City Council held on the 24th day of
May, 2018 at which a quorum was present and voting. I do further certify that said Ordinance has not
thereafter been altered, amended, rescinded, or repealed.

WITNESS MY HAND and the seal of the City of Mandeville this ____ day of _____, 2018.

CLERK OF COUNCIL

Exhibit A

City of Mandeville
Budget Amendment 5

Page	Line	Capital Budget	PROJECT	ACCOUNT	ACCOUNT DESCRIPTION	Budget 3/31/2018	Budget Request	Amendment Budget
							5	
108	117	Operating		010 -100-000-88000	CAPITAL OUTLAY	4,700,250	118,000	4,818,250
		Capital Budget		Current Budget	Revised Capital Budget			
51	14	Jackson St/LAKEFRONT-- Bathroom		\$ 200,000.00	\$ 318,000.00			
109	149	Operating		010 -110-000-47000	VEHICLE MAINTENANCE	58,553	22,000	80,553
					Increase to General Fund Expenditure Budget	4,758,803	140,000	4,898,803

SAMPLE DOC 8

Dear Members:

This letter is to formally provide written notice to you pursuant to the Local Government Budget Act, R.S. 39:1311(A), that the actual expenditures for this fiscal year to date for the City are currently exceeding budgeted expenditures by more than 5%.

As you may recall, the City incurred additional expenses in addressing the water main breakage on Main Street. This breakage resulted in damage to City Hall and the jail as well as loss of equipment and supplies.

I hereby propose that the Council amend the current budget to appropriate additional funds for Capital Projects and Supplies. Due to increased actual revenues, there are sufficient funds available for this proposed increased appropriation.

Sincerely,

Mayor

Practicum for Implementation of LGBA

Questions/Answers

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Budget Planning

A. When should the entity start budget planning?

Accounting and budget staff should have clearly defined roles in the budget preparation process, including written job duties. Part of their duties will be to develop a budget “calendar” with timelines and deadlines for budget completion. Due to the varying number of publication and public inspection days, starting the process at least 6 months before the budget is to be adopted is a good rule of thumb. However, each entity should consult with their general counsel and/or accounting firm to decide what timeline fits best for them.

B. What documents does the entity need to begin planning the budget?

- 1) Last two or three year’s budgets
- 2) Insurance documents
- 3) Bank Statements
- 4) Proces verbals (millages)
- 5) Other (e.g., if the entity has grants, it will need the grant documents; if the entity has bonds, it will need the bond documents; or, if the entity has loans, it will need the loan documents, etc.)

C. What are the entity’s projected expenses? The amount of money the entity expects to spend in the coming *fiscal year*, broken down into the categories the entity expects to spend it in - payroll, operating costs, capital expenses, debt services, etc.

- 1) Should develop ways of estimating all expenses, especially those that are not fixed
- 2) Determine/estimate fixed expenses
- 3) Note fixed expenses, fluctuating expenses and emergencies.

Budget Planning

- D. What is the entity's projected revenues?** Sometimes referred to as "income," revenue is the amount of money the entity expects to take in for the coming fiscal year. For budget planning, revenue must be broken down by source (i.e., the amount the entity expects from each funding source). Last year's figures are usually a baseline.
- E. What is the interaction of expenses and revenues? What gets funded from which sources?** It is important to list all sources of income and any restrictions. If income such as millages or grant funds comes with restrictions, it's important to build those restrictions into the budget, so that the entity can make sure to spend the money as required.
- F. What are the entity's goals?** The entity should have a clear idea of their short term and long term goals when creating the budget to ensure that money is properly appropriated. Goals may be developed by the council, committee or advisory group.
- G. What about unexpected expenses? How will the entity plan for that?** It is important to take into account that unexpected expenses will occur, such as with weather events, and to plan accordingly. Please note, if such events occur, the budget will need to be amended.
- H. What are the entity's long-term projections (inclusive of revenues & expenses)?** The entity should plan its current fiscal year budget with an eye towards upcoming years, which is called "long term projections." Long-term projections take into account such things as the entity's capital improvement and maintenance programs, existing and upcoming debt service, debt limit, bonds and tax renewals as well as economic trends.

Preparing the Budget

A. Who has responsibility for preparing the budget?

The chief executive or administrative officer of the political subdivision is responsible for preparing the budget.

For Example:

Municipalities – Mayor;

Drainage District – Board President or Chief Financial Officer;

Sheriff – Sheriff or Chief Finance Officer.

R.S. 39:1305(B)
LGBA FAQ Question #19
Best Practices

1. What is the role of the mayor?

As the chief executive, the mayor is responsible for preparing and submitting the budget to all members of the governing board.

2. What is the role of the finance committee?

Often the finance committee is tasked with assisting the Mayor in preparing the budget.

3. What is the role of the police jury/board of alderman/city council/parish council?

As the legislative body, they are responsible for adopting the budget through the budget adoption instrument (i.e., ordinance or resolution).

B. Are there any steps to take before preparing the budget document?

1. Gather documents necessary:

- Latest adopted budget;
- Current expenditures;
- Current fund balances; and
- Debt service schedules.

2. Determine when to start:

- Work backwards from deadline date; and
- Be sure to factor in any hearing and notice requirements.

Best Practices

Preparing the Budget

C. What must the budget include?

1. A budget message that is signed by the budget preparer (Mayor, CEO, Board President, CFO, etc.) and containing:
 - a summary description of the proposed financial plan, policies, objectives, assumptions, budgetary basis; and
 - a discussion of the most important features.
2. A statement for the general fund and each special revenue fund* showing:
 - Prospective fund balances;
 - A clearly presented side-by-side detailed comparison of such information for the current year, including:
 - i. Fund balances at beginning of year;
 - ii. Year-to-date actual receipts and revenues received;
 - iii. Estimates of all receipts and revenues to be received the remainder of the year;
 - iv. Estimated and actual revenues itemized by source;
 - v. Year-to-date actual expenditures and estimates of all expenditures to be made the remainder of the year itemized by agency, department, function and character;
 - vi. Other financing sources and uses by source and use, both year-to-date actual and estimates for the remainder of the year; and
 - vii. The year-to-date actual and estimated fund balances as of the end of the fiscal year.
 - The percentage change for each item of information from current fiscal year to upcoming year.
3. Budget adoption instrument (Ordinance or Resolution)

* A special revenue fund is a fund used within a government entity to record the proceeds from certain revenue sources for which fund usage is restricted, i.e. dedicated taxes for recreation, roads, maintenance, etc.

LLA LGBA FAQ Questions #20
Best Practices: LGBA Reporting Template

Preparing the Budget

D. What if the entity has a surplus?

1. If a surplus occurs during the year, the budget must be amended in order to expend the additional funds. (Only dollars appropriated and budgeted may actually be spent.); and
2. Any surplus funds remaining at the end of the year would be included in the fund balance for the following budget year.

R.S. 39:1305

E. What if the entity has a deficit?

1. The total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year. (R.S. 39:1305E)
2. When revenue expectations are lower than expected by 5% or more, the governing authorities must amend the budget to bring it back into balance.
3. In order to address a prior year's deficit that has occurred, the governing authority shall develop a plan to utilize funds and estimated revenues to reduce and eliminate the deficit while continuing to fund operations.

LGBA FAQ Q. #40

F. What should be done concerning the Capital Outlay Budget?

1. Only the budget for general fund and special revenue funds are subject to the LGBA. However, a public entity should still budget out any capital outlay expenditures.
2. As a practical matter, capital outlay budgets are often addressed and adopted along with the general operating budget.

R.S. 39:1305

Public Participation in Budget Process

A. Does the entity's proposed budget need to be published?

No, there is no requirement under the Local Government Budget Act (LGBA) that an entity's proposed budget be published. However, the LGBA does require that proposed budgets be made available for public inspection at the office of the public entity.

R.S. 39:1308

For purposes of **R.S. 39:1308**, "office" is:

1. For municipalities, the office of the mayor or municipal governing authority;
2. For school boards, the school board office;
3. For special districts, at the office of the district's governing authority; and
4. For all other political subdivisions, at the office of the individual political subdivision.

See, Q.31 of the LGBA FAQs

B. What amount of expenditures triggers additional public participation?

Entities with total proposed expenditures of \$500,000 or more from the general fund and any special revenue funds in a fiscal year (or similar budgetary period) shall afford the public an opportunity to participate in the budgetary process prior to the adoption of the budget.

R.S. 39:1307(A)

This additional public participation includes the requirement that a notice be published stating that the budget is available for public inspection and a public hearing on the budget is to be held on a specified date and time.

To meet these additional public participation requirements, an entity that proposes to spend \$500,000 or more from the general fund or any special revenue fund must, upon completion of the proposed budget, publish a notice stating that the budget is available for public inspection. This notice must also state that a public hearing on the proposed budget shall be held with the date, time, and place of hearing specified in the notice. This notice must be published at least 10 days prior to the public hearing.

R.S. 39:1307(B)

Public Participation in Budget Process

However, even those political subdivisions and school boards that propose to spend less than \$500,000 from the general fund or any special revenue fund in a fiscal year (or similar budgetary period) must adopt the budget and any amendments at a public meeting and provide the opportunity for public inspection.

R.S. 39:1307; 39:1308;

See also AG Op. Nos. 87-190 and 89-512

Independently elected officials, such as sheriffs, must provide the opportunity for public inspection, but are not required to adopt their budgets at a public meeting. Independently elected officials adopt their budgets through a letter authorizing the implementation of the budget, which is published in their official journal.

See, Q.17, 18, 30 and 31 of the **LGBA FAQs**

C. Is the entity required to have a public hearing?

Any entity, political subdivisions, school boards and independently elected officials, that propose to spend \$500,000 or more from the general fund or any special revenue fund in a fiscal year (or similar budgetary period) must have at least 1 public hearing prior to adopting the budget.

R.S. 39:1307(C)

Entities that propose to spend less than \$500,000 from the general fund or any special revenue fund in a fiscal year (or similar budgetary period) are not required to have a public hearing.

See, Q 17, 18, 31 and 33 of the **LGBA FAQs**

D. Are committee hearings public?

Yes, according to the open meetings law “any committee or subcommittee” is considered a public body and their meetings are required to be public.

R.S. 42:13

E. Are public hearings and public meetings the same?

No. The LGBA states that they are two separate events.

See, Q.30 of the **LGBA FAQs**

Public Participation in Budget Process

F. Can the entity have a public hearing within a public meeting?

The public hearing and the public meeting must be two separate events with the public hearing occurring apart from the public meeting. Therefore, there has to be a notice of the public hearing and a separate notice for the public meeting.

However, the two events could occur on the same day, with the public meeting directly following adjournment of the public hearing. Or, the public hearing may occur within the public meeting as long as it is clearly delineated on the agenda as the public hearing. If the entity chooses this second method, they must ensure they “open the public hearing” take questions and then “close the public hearing” before continuing the public meeting. In both cases, the agenda of the public meeting must clearly reflect that the public body is going to adopt the budget for that entity in question.

Adoption of the Budget

A. Does the budget have to be adopted as initially proposed and published?

For Lawrason Act municipalities, the governing authority may adopt amendments prior to adopting the budget so long as they do not substantially change the budget that was presented and made available for public inspection. If substantial revisions are needed to the proposed budget, the governing authority should reject the budget and restart the budget adoption process.

[Act 96 of the 2019 Regular Session](#)

For other public entities (Parish governing authorities, school boards, municipalities operating under a home rule charter, etc.), the governing authority may adopt amendments to the proposed budget in an open meeting prior to adopting it.

B. Does adoption require a public hearing?

Political subdivisions or elected officials that propose expenditures of \$500,000 or more must conduct at least one public hearing prior to adoption of the proposed budget.

Political subdivisions that propose to spend less than \$500,000 are not required to advertise and conduct public hearings, but must still make the proposed budget available for inspection prior to adoption.

[**R.S. 39:1307**](#)

C. Does adoption require a public meeting?

Except for independently elected officials, adoption of the proposed budget, and any amendments thereto, must occur in an open meeting.

Independently elected officials adopt their budget through a letter published in their official journal. However, the independently elected official is still subject to the requirement of holding a public hearing prior to adoption pursuant to R.S. 39:1307, if their budget proposes to expend \$500,000 or more.

[**R.S. 39:1309**](#)

Adoption of the Budget

D. Can the entity adopt its budget by resolution?

For independently elected officials: the budget adoption instrument shall consist of a letter authorizing the implementation of the adopted budget, which shall be published in their official journal.

For municipalities, parishes, school boards, or special districts: the budget adoption instrument shall be an appropriation ordinance, adoption resolution, or other legal instrument.

For Lawrason Act municipalities: budget adoption must be accomplished by ordinance, R.S. 33:406.

**[LLA FAQ:
Steps Necessary for Adoption and
Implementation of an Annual Budget...](#)**

Amending the Budget

The budget amendment process in the LGBA addresses the respective roles of an entity exercising the legislative function for the political subdivision (defined in [R.S.39:1302](#)); and the chief officer exercising the executive functions for the political subdivision. The LGBA also ensures that political subdivisions do not expend more funds than they have available. The law requires the budget to be balanced.

Following is a list of questions that entities must consider during the fiscal year in order to determine whether the budget must be amended:

A. Are revenues lower or expenditures higher by 5% or more of budgeted amounts for the fund?

This is a “Yes” or “No” question. If the answer is “Yes” then the LGBA requires amendment of the budget.

[See, Q 40, 42, 43, 44 of the LGBA FAQs](#)

B. Is written notification to the governing authority required before amending the budget?

[R.S. 39:1311](#) requires the chief executive or administrative officer of a political subdivision with budgets having anticipated expenditures of \$500,000 or more from the general fund or any special revenue funds in a fiscal year (or similar budgetary period) to advise the governing authority in writing when:

(1) **Total** revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

(2) **Total** actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

(3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

Amending the Budget

Once the governing authority has been notified of a 5% variance or a change in operations upon which the original budget was developed, the governing authority must amend the budget. The LGBA does not specify the time in which the governing authority must amend the budget, but it is recommended that the amendment occur as close as possible to when the variance or change in operations occurs.

This requirement of written notice does not apply to governing authorities and independently elected officials with budgets having anticipated expenditures of less than \$500,000 from the general fund or any special revenue funds in a fiscal year (or similar budgetary period). However, both independently elected officials and political subdivisions with budgets less than \$500,000 must still amend their budgets when there is a 5% variance or change in operations.

[See, Q 43 of the LGBA FAQs](#)

C. Do additional funds need to be appropriated?

If the answer is “yes,” then the budget must be amended. Funds of a political subdivision must be appropriated before they may be expended; therefore, any additional revenue must be appropriated through the budget amendment process before it may be spent.

[See, Q 40 of the LGBA FAQs](#)

D. Have any situations arisen which require expenditures that were not budgeted?

If the answer is “yes,” then the budget must be amended. Situations may arise during the course of the fiscal year that were not expected when planning the budget – such as an emergency weather event. In such cases, the budget must be amended in order to appropriate funds for those unexpected expenditures or to increase any existing appropriation of funds.

[See, Q 40 of the LGBA FAQs](#)

Amending the Budget

E. What type of instrument is required to adopt amendments for the budget?

Most governing authorities make budget amendments through resolution or ordinance that is introduced and adopted in a public meeting. A resolution is sufficient if the entity is not a Lawrason act entity, and the charter (or other law) does not require an ordinance. However, a Lawrason act entity is required to make budget amendments through ordinance.

[See, Q 41 of the LGBA FAQs](#)

F. Are amendments adopted at an open meeting?

For political subdivisions and school boards, any budget amendment must be adopted at a public meeting after publication of the agenda in accord with the normal open meetings notice requirements (that is, 24 hours notice). No additional separate public hearing is required.

For independently elected public officials, such as sheriffs, adoption of the amendment is made by publication of notice of same in the official journal. No public meeting and no public hearing is required.

[See, Q 41 of the LGBA FAQs](#)

G. Will budget be balanced with adopted amendments?

Yes. When amending the budget, the entity must take into account that the law requires the budget to be balanced. Governing authorities that do not meet revenue expectations must reduce expenditures, because it is unlawful to pass a deficit budget in Louisiana. There can be no deficit spending. (R.S. 39:1305E. - *The total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year.*)

[See, Q 40 of the LGBA FAQs](#)

Amending the Budget

H. Is an amendment required or has the chief executive/administrative officers been authorized to make changes within a budget without governing authority approval?

In some cases, the chief executive/administrative officer has authority to make transfers within a budget department. Such authority is usually provided in the budget adoption instrument or other sources of law (i.e., Charter or ordinance). Such transfers can be made without amending the budget. However, in all other cases – i.e. transfers between departments, absence of authority to transfer within a department and increasing appropriations --an amendment is required.

[See, Q 41 and 43 of the LGBA FAQs](#)

Monitoring/Implementation of Budget

After the budget is adopted, it is important to monitor its implementation to ensure all appropriations are adequate and no deficit spending occurs. Following are questions to ask when monitoring the adopted budget:

A. Are reports on expenditures and revenues being reconciled to the budget at least monthly?

As a best practice, the LLA recommends a budget-to-actual comparison on a monthly basis.

R.S. 39:1309B

R.S. 39:1311

Best Practices: Budgeting

B. Are revenues lower or higher than expected?

Reminder: If revenues are lower than expected/budgeted for the entire fund by 5% or more, the public entity shall amend its budget to bring it back into balance.

Additionally, for budgets that expend \$500,000 or more, a written notification of the revenue shortage shall be sent by the Chief executive or administrative officer (i.e. Mayor, CFO, CEO, etc.) to the governing authority (council, board, etc.) or independently elected official.

R.S. 39:1311

C. Are expenditures higher or lower than expected?

Reminder: If expenditures are higher than expected/budgeted for the entire fund by 5% or more, the public entity shall amend its budget to bring it back into balance.

Additionally, for budgets that expend \$500,000 or more, a written notification of the excess expenditures shall be sent by the Chief executive or administrative officer (i.e. Mayor, CFO, CEO, etc.) to the governing authority or independently elected official.

R.S. 39:1311

Monitoring/Implementation of Budget

D. Are revenues lower or expenditures higher by 5% or more of budgeted amounts for the fund?

If so, the entity must amend the budget to bring it back into balance.

Additionally, for budgets that expend \$500,000 or more, a written notification of the revenue shortage and/or excess expenditures shall be sent by the Chief executive or administrative officer (i.e. Mayor, CFO, CEO, etc.) to the governing authority or independently elected official.

R.S. 39:1311

E. Are expenditures matched to appropriations?

The answer to this question should always be “Yes.” The LGBA requires that except in cases where the chief executive officer is responding to a declared disaster, all expenditures shall require a corresponding appropriation within the public entity’s budget.

If the answer is “No” then the budget must be amended, as the budget provides the appropriation authority for the expenditure of funds.

R.S. 39:1314

LGBA FAQ Q. #54

F. How do payroll and personnel changes affect the budget?

Increases or decreases in payroll and personnel may increase or decrease budgeted expenditures.

Changes in personnel needs, during the budget year, may also constitute a “change in operations” that triggers a required budget amendment.

R.S. 39:1310 &

LGBA FAQ Q. #45

Monitoring/Implementation of Budget

G. How does a beginning fund balance that is 5% lower than budgeted affect the budget?

The public entity is required to amend its budget to bring it back into balance, addressing the shortage in revenue and anticipated funds.

For those political subdivisions with total proposed expenditures of \$500,000 or more, a written notification of the shortfall shall be sent to the governing authority or independently elected official in addition to the required budget amendment.

For independently elected public officials, such as sheriffs, adoption of the amendment is made by publication of notice of same in the official journal. No public meeting or public hearing is required.

R.S. 39:1310 & 1311
LGBA FAQ Q. #44

H. Are there any ordinances or charter provisions which require additional procedures?

Public entities should review its charter or adopted ordinances to determine if any additional requirements have been placed on amending the budget or in notifying of revenue shortfalls and excess expenditures.

LGBA FAQ Question #44
Check your ordinance/charter

LLA's LGBA Reporting Template:
Best Practices

Miscellaneous Budget Issues

A. What should the entity do if a budget is not adopted before the end of its fiscal year?

The entity may by statute continue to operate on 50% of the amounts appropriated in its last validly adopted budget. There can be no transfers between budget departments. No additional funds may be expended without adoption of a budget.

[R.S. 39:1312](#)

B. What should the entity do if a budget is still not adopted after 50% of the prior adopted budget has been expended?

No additional expenditures or debt may be incurred beyond the 50% appropriated by statute.

C. How should the entity handle fund deficits from prior years in subsequent fiscal years?

All public entities must amend their budgets whenever revenues and expenditures rise or fall after the budget has been adopted to avoid deficits.

However, if a deficit occurs in a fund, the public entity shall establish a plan to resolve the deficit while maintaining operations. Any such plan should seek to resolve the deficit as quickly as possible and avoid incurring any additional deficits.

[LGBA FAQ Q#40](#)

D. Does the entity need to amend its budget after the fiscal year is over to correct errors?

The LGBA does not contemplate the amendment of a budget after the fiscal year has ended.

The budget serves to appropriate funds for the current fiscal year.

Further, the law mandates that public entities must amend their current budgets timely to avoid deficits.

[R.S. 39:1310](#)
[LGBA FAQ Q#42](#)