LAFAYETTE PARISH COUNCIL
CITY-PARISH ALIGNMENT (CPA) COMMISSION MEETING MINUTES
Wednesday, February 9, 2022; 9:00 a.m.
Lafayette City-Parish Hall, 705 West University Avenue, Council Auditorium, Lafayette, Louisiana

Commission Members present: Joseph “Bobby” Richard (Chair – Parish District 3), Purvis Morrison (Vice Chair – Area Mayors appointee), Bryan Tabor (Parish Council), Nanette Cook (City Council), Charles “Buddy” Schilling, II (Parish District 1), Paul Eason (Parish District 4), and William Thiele (Parish District 5)
Commission Members absent: Timothy Breaux (Mayor-President appointee) and Kevin Naquin (Parish District 2)

Council staff members in attendance: Veronica L. Williams (Clerk of the Council) and Joseph Gordon-Wiltz (Assistant Clerk)

1. Call to order

   CPA Commission Chair Bobby Richard called the meeting of the City-Parish Alignment (CPA) Commission to order at 9:07 a.m.

2. Invocation and Pledge of Allegiance

   Chair Richard offered the invocation and called on Commissioner Buddy Schilling to lead the Pledge of Allegiance.

3. Chair Announcements

   Chair Richard provided opening statements, welcoming everyone to the CPA Commission meeting. Commissioner Bryan Tabor acknowledged the e-mail received by the Commission from Mr. Bill Leyendecker and announced that he and the Mayor-President recently met and agreed to meet with two (2) Parish Council members and two (2) City Council members on the topic of cost allocations and to analyze whether there is fairness among the allocations. He also noted that CFO Toups may not be able to address all of the questions posed by Mr. Leyendecker.

4. “What Are Cost Allocations & Why Do They Exist?”

   After reviewing her educational and professional background, Chair Richard recognized LCG Chief Financial Officer (CFO) Lorrie Toups for opening statements on the how LCG cost allocations and why the allocations exist. CFO Toups began her comments by providing historical context on her experience with LCG, noting that she arrived in the midst of an election on deconsolidation in 2011, so the topic of cost allocations was something that she dealt with from the beginning of her LCG tenure. She described implementation of best practices, which resulted in a streamlined annual financial report that is heavily scrutinized by financial professionals across the country for proficiency. As far as whether consolidation has been fair, she stated that consolidation has allowed the City and the Parish to share resources, which allows cost sharing benefits for both sides. CFO Toups explained that cost allocations are used when it is not
reasonable to use exact numbers, which results in costs being assigned to specific cost centers. She stated that cost allocations are very complex, they are a very specific field of study, and is a widely acceptable method of accounting. CFO Toups recognized that cost allocations are very complicated, but they are very transparent throughout LCG because the cost allocation tools are identified in the budget document (she directed the Commission to pages 13 through 20 in the 2021-2022 LCG operating and capital budget book). She emphasized the ongoing improvements to transparency as time progresses and explained that any errors are corrected through mid-year adjustments, but are usually immaterial. She added that cost allocations are not motivated by what the Parish is able to pay and that the budget has been cut, which reduced both the City and the Parish allocations. Regarding last minute changes to the cost allocations, CFO Toups stated that many funds are budgeted at a zero (0) balance and that the Parish pays the City fund for services rendered for Parish matters. She stated that the Home Rule Charter does not prevent last minute changes to cost allocations, but having them in place early on is most beneficial to the budget processes. CFO Toups indicated her preference for generating a budget document by fund, especially for the sake of transparency. This process would result in more budget meetings, but it would result in easier tracking of funds. She explained that approximately 83% of LCG employees’ salaries are attributed to City functions, so the ratio of 80%/20% City/Parish allocation for salaries was rather accurate. An analysis of other LCG functions found similar outcomes of accuracy. She encouraged Commissioners to perform an internet search for “EMMA” to learn about municipal outstanding debt, to include LCG and Lafayette Utilities System. CFO Toups attested that, in the past, when a Mayor-President’s proposed cost allocations have been unreasonable, she spoke up and consulted the cost consultants for guidance. She explained that the cost consultants stated that 75% are City employees and 25% are Parish employees, then questioned the reason for the allocation not being 75%/25%. LCG reverts to the agreed upon cost allocation and apply it to the number of employees and the specific departments. CFO Toups stated that she will be sending the Commission some supplemental information to support LCG’s position on cost allocations via e-mail. On the concept of incremental costs, she stated that such costs are very minor and the City gets to bill the Parish for use of LCG’s sophisticated processing systems that need to be in place because of required standards for the City’s utilities system.

Commissioner Tabor acknowledged that Finance has a system of checks and balances, to which CFO Toups responded that their system and protocols are reasonable in nature. Regarding hazmat responses that the City responds to outside of the City, she stated that the Parish reimburses the City for those costs within the following year. Commissioner Nanette Cook questioned whether there is a way to divide the budget document between the City’s budget and the Parish’s budget, to which CFO Toups responded that the document would lack transparency because of all of the funds that are consolidated and may not be an acceptable approach to budgeting the overall LCG budget. CFO Toups echoed that the closest way of getting to a budget that could possibly interpret City and Parish budgeting would be to budget by fund. Commissioner Cook asked to be able to review a sample of a budget document that is budgeted by fund, to which CFO Toups responded that this would be possible because her Department has already assembled a document in this format. Chair Richard questioned whether the budget hearings would be done by fund under such a scenario, to which CFO Toups responded in the affirmative and noted that there would be more meetings, but greater transparency. She emphasized the importance of cost allocation schedules being agreed upon in April of the prior year, before the next fiscal year budget gets implemented.
(it is recommended that the Councils, in joint session, would decide the allocation in April).
Commissioner Will Thiele recapped the points identified above to confirm his understanding, then requested the study from the cost allocation consultants and the spreadsheet that breaks down all the mass changes of the government, which is thereafter maintained by LCG until the next mass change. Commissioner Thiele questioned whether there are any other allocations that the consultants recommend that LCG may be able to consider beyond what has already been implemented, to which CFO Toups responded that there is such a broad range of what would be applicable and where it would be applicable, but she stated that she could ask the consultants for alternative recommendations. Commissioner Thiele noted some of the PTC Committee’s recommendations, one of which is having a separate checking account for the Parish. CFO Toups explained that LCG does have separate accounting, but there is no need for a separate account because of the existing separate ledgers. Commissioner Purvis Morrison stated that he was always under the impression that there were two (2) separate checking accounts between the City and the Parish, to which CFO Toups explained that the separate accounts went away in the 1990s. He asked whether accounting under “functional consolidation” would be able to continue the way accounting exists under the current structure of government. CFO Toups expressed concern about department heads serving two (2) executives. Commissioner Cook acknowledged such challenges. Commissioner Morrison returned to his inquiry as to whether accounting practices could be maintained under “functional consolidation” and whether the Parish is financially whole, to which CFO Toups responded that the Parish general fund balance is around $3 million. Commissioner Paul Eason questioned the existence of some of the other allocations that are not strictly 80%/20% or 75%/25%, to which CFO Toups responded that the monies that are approved by the voters is what drives the availability of funding for the daily activities and the general expenditures of the government. Chair Richard sought clarification on whether there is law that determines whether cost allocations are legal, to which CFO Toups responded in the negative and explained that it is based on generally accepted cost allocation and accounting principles. Commissioner Tabor recommended forming a committee of Parish and City Council members to work toward deciding cost allocations in time for this April, to which CFO Toups responded that having a draft City/Parish allocation would be beneficial. Council Clerk Veronica Williams stated that each Council has a budget committee with two (2) members from the respective Councils, so those individuals could take on this task. Following Chair Richard’s inquiry, CFO Toups explained that a sample cost allocation was 80%/20% for revenues and expenditures actually accounted for 79%/21% from that same sample. Commissioner Cook questioned whether CFO Toups has ever seen a 50%/50% allocation since she has been at LCG, to which CFO Toups responded that there are no employees on the Parish side that works 24/7, but there are such employees in the City fire department and police department, so such a split may not necessarily be realized.

Chair Richard thanked CFO Toups for her participation and presentation.

5. Comments from the Public

Chair Richard recognized the speakers who requested to address the CPA Commission.

- **Bill Leyendecker** addressed the Commission, noting that government is tasked with providing effective and cost-efficient services. He emphasized that the City of Lafayette needs its own mayor to better align the City, Parish, and unincorporated area interests.
6. Discussion on Request to Extend CPA Commissioners’ Six (6)-Month Term

Chair Richard discussed the possibility of asking the Parish Council to extend the meeting time of the CPA Commission beyond the six-month timeframe, stating his desire to be thorough in advance of the Commission putting forth its recommendation. He stated that the Commission may not need to utilize the entire extended timeframe granted, but there would be comfort in knowing that the additional time would be available. Commissioner Cook stated that the Commission was tasked with answering ten (10) questions, so she recommended that each Commissioner answer the questions and then have a committee formed to compile this information. She opined that when Assistant City-Parish Attorney Mike Hebert will attend the next meeting to address the Home Rule Charter. Commissioner Cook stated that she feels as though the Commission timeframe should be extended only by one (1) month in order to accommodate tying up any loose ends. Chair Richard indicated that he has conferred with Parish Councilman John Guilbeau and stated that the Commission should not be in a rush to produce its recommendation. Commissioner Thiele stated that he would be supportive of meeting in the middle, perhaps with extending by two (2) months and identifying specifically how the Commission will make use of the additional time. Commissioner Cook recommended forming a committee to work on drafting the final recommendation(s). Commissioner Morrison echoed that the Commission needs to make the best use of its time and study the critical issues of different government structure scenarios to be considered.

A motion was offered by Tabor, seconded by Eason, to propose a three-month extension to the City-Parish Alignment Commission’s allotted timeframe to the Parish Council, along with providing the Parish Council with a brief description of tentative meeting goals and objectives, the vote for which was as follows:
YEAS: Tabor, Cook, Thiele, Morrison, Richard, Eason, Schilling
NAYS: None
ABSENT: Breaux, Naquin
ABSTAIN: None
The motion to propose a three-month extension to the City-Parish Alignment Commission’s allotted timeframe to the Parish Council, along with providing the Parish Council with a brief description of tentative meeting goals and objectives, was approved.

The Commission agreed to form a drafting committee of the City-Parish Alignment Commission to include Commissioners Paul Eason, Nanette Cook, Bryan Tabor, and Bobby Richard.

7. Discussion on Next Meeting Agenda and Forecasted Agenda

Chair Richard announced that the next meeting is scheduled for Wednesday, March 9, 2022. The Commissioners provided input on various departments and individuals they wish to hear from over the course of an extension to the Commission timeframe, pending approval by the Parish Council. There was special concern placed on reviewing each consolidated function of the government to determine any ramifications.
8. Adjourn

Chair Richard declared the meeting adjourned at 11:40 a.m.