

OFFICIAL PROCEEDINGS
CITY OF MORGAN CITY
NOVEMBER 22, 2016

The Mayor and City Council of Morgan City, Louisiana, met at 6:00 pm (local time) in regular session, this date, in the City Court Building, Highway 182 East, Morgan City, Louisiana.

There were present: Honorable Frank P. Grizzaffi, III Mayor; and Council Members Ron Bias, Barry Dufrene, James Fontenot, Tim Hymel, and Louis J. Tamporello, Jr.

Absent: None

Also present were Mr. Marcus Folse, Chief Administrative Officer and Mr. Paul Landry, City Attorney.

The invocation was given by Chaplin Lowry.

Mayor Grizzaffi congratulated Mark Stephens for being elected to represent the citizens of District 2. Mr. Fontenot, Reverend Bias, Mr. Hymel and Mr. Tamporello all thanked the public for re-electing them to serve as councilmen.

The minutes of the October 25, 2016 meeting were submitted. There being no corrections, additions, or deletions, a motion to approve the minutes was made by Reverend Bias, seconded by Mr. Hymel, and voted unanimously in favor.

Mrs. Deborah Garber, Finance Director, submitted the following financial statement for the period ending October 31, 2016.

MONTHLY FINANCIAL STATEMENTS

DATE: November 22, 2016
TO: Mayor and Council
FROM: Deborah Garber
RE: Comments related to summary of revenues and expenses compared to budget for the period ended October 31, 2016.

Attached is a summary that compares our actual revenues and expenses to our operational budget for our major funds subject to budgetary control for the period ending October 31, 2016. The following comments are related thereto:

General and Ancillary Funds: Actual total revenues are over budget by \$468,200 however, Sales taxes in General Fund remain under budget by \$166,460. Operating expenses are currently over budget by 111,800. The net loss, after transfers, of \$1,917,000 creates a favorable variance of \$356,300.

Utility Fund: Actual revenues are over budget by \$510,500. A portion of the revenue that is over budget is the Surcharge totaling \$322,000 year-to-date which was not included in the 2016 budget. This money is used for capital expenditures to upgrade and improve the electrical system. Capital expenditures such as those are not reflected as expenses in these statements, only as increases in assets on the Balance Sheet. Operational expenses are under budget by \$255,100. Energy and gas costs are \$208,000 under budget. The net income, after transfers, of \$9,000 creates a favorable variance of \$831,200.

Sanitation and Sewer Fund: The operating revenues are \$39,000 over budget, with total operating expenses under budget by \$252,000. The net income, after transfers, of \$531,900 leaves a favorable variance of \$325,900.

Respectfully submitted,
/s/ Deborah Garber
Deborah Garber
Finance Director

CONSOLIDATED STATEMENT
Actual Revenues and Expenses Compared to Budget
Period Ended October 31, 2016

GENERAL AND ANCILLARY FUNDS	October 2016 ACTUAL	October 2016 BUDGET	VARIANCE
REVENUES			
General Fund	4,584,648	4,158,217	426,431
Recreation Fund	167,635	88,670	78,965
Library Fund	17,291	12,092	5,199
Auditorium Fund	97,951	77,323	20,628
Lake End Park Fund	577,278	640,332	(63,054)
Total Revenues	5,444,803	4,976,634	468,169
EXPENSES-OPERATIONAL			
General Fund	8,699,653	8,506,137	193,516
Recreation Fund	458,383	407,519	50,864
Library Fund	111,721	111,106	615
Auditorium Fund	417,236	456,387	(39,151)
Lake End Park Fund	630,180	724,193	(94,013)
Total Expenses	10,317,173	10,205,342	111,831
TRANSFERS			
Transfers from Funds	3,538,667	3,538,667	0
Transfers to Funds	(583,000)	(583,000)	0
Net Transfers	2,955,667	2,955,667	0
EXCESS NET OF TRANSFERS	(1,916,703)	(2,273,042)	356,339
UTILITY FUND			
Total Revenues	15,686,137	15,175,671	510,466
Total Expenditures	12,842,194	13,097,313	(255,119)
Net Excess	2,843,943	2,078,358	765,585
Net Transfers and non-oper.	(2,834,914)	(2,900,507)	65,593
Excess net of transfers	9,029	(822,150)	831,179
SANITATION AND SEWER FUND			
Total Revenues	2,266,044	2,227,027	39,017
Total Expenses	2,552,394	2,804,249	(251,855)
Net Excess	(286,350)	(577,222)	290,872
Net Transfers/non-operating expenses	818,285	783,244	35,041
Excess net of transfers and non-operating	531,935	206,022	325,913

A motion to accept the financial statement was made by Mr. Tamporello, seconded by Reverend Bias, and voted unanimously in favor.

Ms. Garber stated that in the Self-Insurance Fund, the city was about \$36,000 to the good. The reinsurance had paid \$70,000 thus far and the weekly averages varied between \$6,000 and \$20,000.

Mayor Grizzaffi stated that he asked Ms. Garber to look into getting a line of credit for the City so they would not have to borrow from one fund to pay bills in another. He stated the auditors frowned upon borrowing from other funds. He felt MC Bank would be a good choice because they currently handled all of the City's accounts. He stated that there would be a \$2 million cap on the line of credit per year and the interest rate would be 4%. Ms. Garber stated that she spoke with the bond counsel and they advised that Bond Commission approval needed to be secured, whereupon,

The following resolution was offered by Mr. Dufrene and seconded by Mr. Fontenot:

RESOLUTION R:16-30

A resolution giving preliminary approval to the issuance of not to exceed Two Million Dollars (\$2,000,000) of Revenue Anticipation Notes, of the City of Morgan City, State of Louisiana; providing certain terms of said Notes; making application to the State Bond Commission for approval of said Notes; and providing for other matters in connection therewith.

WHEREAS, Sections 745 through 748, inclusive, of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "Act"), authorize municipalities to pay their current expenses by anticipating all their revenues for the year and to borrow money to pay these current expenses in anticipation of such revenues; and

WHEREAS, the City of Morgan City, State of Louisiana (the "Issuer" or "City"), desires to incur debt and issue not exceeding Two Million Dollars (\$2,000,000) of its Revenue Anticipation Notes (the "Notes"), for the purpose of paying current expenses of the City in anticipation of all revenues of the City, said Notes to mature no more than twelve (12) months from the date of issuance, and to bear interest at a rate not to exceed four per centum (4%) per annum; and

WHEREAS, the Issuer desires to make formal application to the State Bond Commission for approval of the Notes, described above;

NOW THEREFORE, BE IT RESOLVED by the Morgan City Council (the "Governing Authority"), acting as the governing authority of the City of Morgan City, State of Louisiana, that:

SECTION 1. **Preliminary Approval of Notes.** The Issuer is hereby authorized to incur debt and issue not to exceed \$2,000,000 of its Revenue Anticipation Notes, at a rate or rates not exceeding four per centum (4%) per annum, to mature no more than twelve (12) months from the date of issuance, for the purpose of paying the costs of current expenses for the fiscal year ending December 31, 2017 to be secured by and payable from all their revenues for the year and to borrow money to pay these current expenses in anticipation of such revenues.

SECTION 2. **State Bond Commission.** Application be and the same is hereby formally made to the State Bond Commission, Baton Rouge, Louisiana, for its consent and authority to issue and sell the aforesaid issue of Notes, and a certified copy of this resolution shall be forwarded to the State Bond Commission on behalf of the Issuer, together with a letter requesting the prompt consideration and approval of this application. By virtue of applicant/issuer=s application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission=s approval(s) resolved and set forth herein, it resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the AState Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.@, adopted by the Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

SECTION 3. **Employment.** This Governing Authority finds and determines that a real necessity exists for the employment of special counsel in connection with the issuance of the Notes, and accordingly, Foley & Judell, L.L.P., of New Orleans, Louisiana, as Bond Counsel, is hereby employed to do and perform work of a traditional legal nature as bond counsel with respect to the issuance and sale of said Notes. Said Bond Counsel shall prepare and submit to this Governing Authority for adoption all of the proceedings incidental to the authorization, issuance, sale and delivery of such Notes, shall counsel and advise this Governing Authority as to the issuance and sale thereof and shall furnish its opinions covering the legality of the issuance of the Notes. The fee of Bond Counsel for each issue or series of Notes shall be fixed at a sum not exceeding the fee allowed by the Attorney General=s fee guidelines for such bond counsel work in connection with the issuance of such series of revenue note and based on the amount of said Notes actually issued, sold, delivered and paid for, plus Aout-of-pocket@ expenses, said fees to be contingent upon the issuance, sale and delivery of said Notes. The Mayor is hereby authorized and directed to execute, and this Governing Authority hereby agrees to and accepts the terms of, the engagement letter of Bond Counsel appended hereto as **Exhibit A**. A certified copy of this

resolution shall be submitted to the Attorney General of the State of Louisiana for his written approval of said employment and of the fees herein designated, and the Clerk is hereby empowered and directed to provide for payment of the work herein specified upon completion thereof and under the conditions herein enumerated.

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

YEAS: Dufrene, Fontenot, Bias, Hymel, Tamporello
NAYS: None
ABSENT: None

And the resolution was declared adopted on this, the 22nd day of November, 2016.

/s/ Frank P. Grizzaffi, III
Frank P. Grizzaffi, III
Mayor

ATTEST:

/s/ Debbie Harrington
Debbie Harrington
Clerk

Mayor Grizzaffi stated that the Tennis Pro Contract was up for renewal every two years and the current tennis pro was interested in continuing his services, whereupon,

Reverend Bias offered the following Resolution, who moved for its adoption.

RESOLUTION NO. R: 16-31

WHEREAS, since 2008 the City of Morgan City has had a contract with Mr. Scott Rhodes to administer the recreation department's tennis program, and

WHEREAS, the contract with Mr. Scott Rhodes has an expiration date of January 1, 2017, and

WHEREAS, Mr. Rhodes wishes to renew his contract with the City of Morgan City with the same conditions and compensation.

NOW THEREFORE BE IT RESOLVED, by the City Council, the governing authority of the City of Morgan City, that the Mayor be authorized to enter into a contract with Scott Rhodes for the purpose of performing the duties of the Tennis Court Pro.

Mr. Hymel seconded the motion.

The vote thereon was as follows:

AYES: Bias, Hymel, Dufrene, Fontenot, Tamporello
NAYS: None
ABSTAIN: None
ABSENT: None

The resolution was therefore declared approved and adopted this 22nd day of November, 2016.

/s/ Frank P. Grizzaffi, III
Frank P. Grizzaffi, III
Mayor

ATTEST:

/s/ Debbie Harrington
Debbie Harrington
Clerk

The next matter on the agenda was Change Order Number 3 on the Wharf Rehabilitation Project. Mayor Grizzaffi stated that the Wharf Committee had opted to use composite decking instead of wood because it would last much longer, whereupon,

Mr. Fontenot offered the following Resolution, who moved for its adoption.

RESOLUTION NO. R: 16-32

BE IT RESOLVED, by the City Council, the governing authority of the City of Morgan City, that the Mayor be and he is hereby authorized, empowered, and directed in the name of and on behalf of said municipal corporation, to execute Change Order Number 3 under Contract Number R:15-20, between the City of Morgan City and Larry Doiron, Inc., for the Front Street Wharf Rehabilitation project.

Mr. Tamporello seconded the motion.

The vote thereon was as follows:

AYES: Fontenot, Tamporello, Bias, Dufrene, Hymel
NAYS: None
ABSENT: None

The resolution was therefore declared approved and adopted this 22nd day of November, 2016.

/s/ Frank P. Grizzaffi, III
Frank P. Grizzaffi, III
Mayor

ATTEST:

/s/ Debbie Harrington
Debbie Harrington
Clerk

Mayor Grizzaffi stated that SMIG as well as the St. Mary Parish Council had expressed opposition to the lawsuits that Governor Edwards was proposing against Oil Companies regarding coastal erosion and coastal permits. He stated that the city should also pass a resolution, whereupon,

Mr. Tamporello offered the following Resolution, who moved for its adoption.

RESOLUTION NO. R: 16-33

WHEREAS, the oil and gas industry is a major economic driver in Louisiana and represents billions of dollars in economic impact as well as millions of dollars in direct salaries to Louisiana citizens; and

WHEREAS, oil and gas has proven to be a partner in the communities in which it does business and has invested heavily in the success of St. Mary Parish and surrounding parishes; and

WHEREAS, recent lawsuits filed by neighboring parishes, trial attorneys, and the 15th Judicial District Attorney could have a direct and negative impact on the continued investment of several Oil and gas companies in St. Mary Parish; and

WHEREAS, these lawsuits could drive many energy sector businesses out of Louisiana in search of more friendly environs in which to do business; and

WHEREAS, in an already depressed economic climate, now is not the time to proclaim that Louisiana is closed for business, as we need to prove that St. Mary Parish is ready and able to meet the needs of business and does not condone frivolous lawsuits against any sector of our economy.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the City of Morgan City opposes any lawsuits filed by Governor John Bel Edwards, Attorney General Jeff Landry, and the 16th Judicial District Attorney against oil and gas companies for, or on behalf of St. Mary Parish regarding coastal erosion/coastal permit.

Mr. Dufrene seconded the motion.

The vote thereon was as follows:

AYES: Tamporello, Dufrene, Fontenot, Hymel
NAYS: Bias
ABSENT: None

The resolution was therefore declared approved and adopted this 22nd day of November, 2016.

/s/ Frank P. Grizzaffi, III
Frank P. Grizzaffi, III
Mayor

ATTEST:

/s/ Debbie Harrington
Debbie Harrington
Clerk

The next matter on the agenda was the 2016 amended budget ordinance. No definitive action was necessary.

The public hearing was opened on the 2017 Budget Ordinance. No one appeared for or against said ordinance, whereupon,

This Ordinance introduced with first reading on October 25, 2016, and a second reading on November 22, 2016. Published by title on October 3, 2016 and November 1, 2016.

Mr. Tamporello offered the following Ordinance, who moved for its adoption.

ORDINANCE NO. 16-05

AN ORDINANCE OF THE CITY COUNCIL OF MORGAN CITY, LOUISIANA ADOPTING AN OPERATING BUDGET OF REVENUES AND EXPENDITURES FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2017, AND ENDING DECEMBER 31, 2017.

SECTION 1

BE IT ORDAINED, by the City Council, the governing authority of the City of Morgan City, Louisiana, that:

Section 1

The attached detailed estimate of revenues as reflected in the consolidated statement, the supporting line item budget, and other such fiscal exhibits and information as required by the Louisiana Local Government Budget Act are ready for approval and adoption to serve as the Budget of Revenues for the City for the Fiscal Year January 1 to December 31, 2017.

Section 2

The attached detailed statement of expenditures as reflected in the consolidated statement, the supporting line item budget and other such fiscal exhibits and information as required by the Louisiana Local Government Budget Act are ready for approval and adoption to serve as the Budget of Expenditures for the City for Fiscal Year January 1 to December 31, 2017.

Section 3

The adoption of the Budget of Expenditures as reflected in the attached line item budget containing account object of expenditure classifications shall be declared to be the appropriation of the amounts set therein as established in each budget classification by object of expenditure.

Section 4

The amounts appropriated for all accounts shall not exceed the amounts fixed therefore in the Budget of Expenditures; however, nothing contained in this section shall be construed to prohibit the governing authority from amending or making an appropriation to and for a contingent fund to be used in cases of emergency.

BE IT FURTHER ORDAINED, etc., that the budget for fiscal year January 1 to December 31, 2017, as attached hereto and made a part hereof be and the same is hereby approved.

Should any section, paragraph, sentence, clause, or phrase be declared unconstitutional or repealed for any reason, the remainder of the ordinance shall not be affected hereby. That all laws or parts of laws in conflict with this ordinance be and the same are hereby repealed. This ordinance shall take effect immediately after its passage within the time prescribed by law.

Reverend Bias seconded the motion.

The vote thereon was as follows:

AYES: Tamporello, Bias, Dufrene, Fontenot, Hymel
NAYS: None
ABSENT: None

Certified approved and adopted this 22nd day of November, 2016.

Delivered to Mayor Grizzaffi at 10:00 AM, this 28th day of November, 2016

/s/ Debbie Harrington
Debbie Harrington, Clerk

Approved this 29th day of November, 2016.

/s/ Frank P. Grizzaffi, III
Frank P. Grizzaffi, III, Mayor

Received from Mayor Grizzaffi at 9:00 AM on November 29, 2016.

/s/ Debbie Harrington
Debbie Harrington, Clerk

Published: December 1, 2016

In the matter of the Class "A" and Class "B" liquor licenses, the following were up for renewal:

2017 CLASS A & B LIQUOR LICENSES

Acadiana Bar & Grill	615 Brashear Ave
AJ'S 2 ND ST PUB	1400 Second Street
ATCHAFALAYA CAFÉ LLC	7310 Hwy 182E
BAY CITY BISTRO	618 Front Street
BLOWOUT LOUNGE	117 Railroad Avenue
CAFÉ JO JO'S LLC	624 Front Street
CAJUN COUNTRY LOUNGE	1226 Victor II Blvd
CANNATA'S SUPERMARKET	7 th & Brashear Avenue
CASTALANO SAUSAGE & DELI	1023 Sixth Street
CIARION HOTEL MORGAN CITY	520 Roderick Street

CIRCLE K #4640	7700 Highway 90
CRACKER BARREL #52	6383 Highway 182
CVS / PHARMACY, LLC #5289	6502 Highway 182
DAIQUIRI'S & COMPANY	7550 Highway 90
DUKES LOUNGE	7722 Highway 90
EL TORO MEXICAN GRILL LLC	7027 Hwy 182 E
FRIEND'S TAVERN	6701 Hwy 182 Ste B
GANAWAY'S	1409 Federal Avenue
H & M FOOD MART	7028 Hwy 182E
HAMPTON INN & SUITES	6365 Highway 182E
HENRY'S OF MORGAN CITY, INC	319 Second Street
JOHNNY'S FOODMART	2100 Federal Ave
LA MART INC	413 Federal Ave
LATIN CORNER LLC	201 Railroad Ave
LINK'S CAFÉ	1118 Victor II Blvd
MAMA G'S	7540 Hwy 182
MORGAN CITY MUNICIPAL AUDITORIUM	Highway 90
PARADISE VALLEY CASINO	1116 Victor II Blvd
PARADISE VALLEY DAIQUIRIS	1114 Victor II Blvd
PETROLEUM CLUB OF MORGAN CITY	500 Roderick St
QUICK GENERAL MINI MARKET	2407 Sixth St
RITE AID # 7283	1223 Victor II Blvd
ROUSE'S SUPERMARKET #10	6403 Highway 90
SPORTS BAR	7419 Highway 182
STAZIONE DELI #2	6602 Highway 182
TABLE FIVE LOUNGE	702 Fifth Street
TAMPICO RESTAURANT & CANTINA	Inglewood Mall
THE DRINK HOUSE	501 First Street
THE GALLEY LLC	7409 Hwy 182E
THE RATHSKELLER	7222 Highway 90
TIMMY T'S	6815 Highway 90
TOKYO FISH RESTARANT	6214 Highway 182E
VICTOR II DELI	1220 Victor II Blvd
WALGREEN #10975	815 Brashear Ave
WALMART MARKET #7099	1002 Hwy 70

A motion to accept the liquor license renewals was made by Mr. Fontenot, seconded by Mr. Dufrene and voted unanimously in favor.

The next matter on the agenda was the Class "B" Liquor & Beer permit for Trang Ribardi d/b/a Fifth Street Store, LLC. Ms. Rebaradi stated that she and her father were now running the store and her brother only operated a check cashing and MoneyGram business out of the store. She stated that her dad took care of the day to day operations and she was a school teacher so she went to the store after school. Mr. Hymel stated that he wanted to make sure that the law was followed. Mr. Tamporello stated that the store would be watched because of the past indiscretions and the Council wished to stay within the limits of the law. Reverend Bias stated that he felt it would be a good idea to keep the check cashing separate from the alcohol and tobacco sales. Mr. Fontenot asked if all of the items listed in the application had been repaired. Ms. Ho stated that everything was currently up to code. A motion to grant the Class "B" Liquor & Beer permit to Trang Ribardi d/b/a Fifth Street Store, LLC was made by Reverend Bias, seconded by Mr. Fontenot and voted unanimously in favor.

Mayor Grizzaffi stated that Mr. Lester Beam had resigned from the Recreation & Parks Commission. He offered the name of Mr. Tommy Minton to serve on the Recreation & Parks Commission. A motion to concur in the appointment was made by Mr. Dufrene, seconded by Mr. Fontenot and voted unanimously in favor.

There being no further business, a motion to adjourn was made by Reverend Bias, seconded by Mr. Hymel and voted unanimously in favor.

/s/ Debbie Harrington
Debbie Harrington
Clerk

/s/ Frank P. Grizzaffi, III
Frank P. Grizzaffi, III
Mayor