

OFFICIAL PROCEEDINGS
CITY OF MORGAN CITY
JANUARY 23, 2018

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 Ray Autrey, Ron Bias, Tim Hymel, Mark Stephens 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 Reverend Bias.

There was no Positive Image recipient for the month of January.

Mayor Grizzaffi stated that he wanted to compliment the City employees that responded to the many complaints that stemmed from the recent cold weather. Councilman Tamporello also thanked all the employees.

Mayor Grizzaffi stated that a post on social media stated that Rhythms on the River was in jeopardy of being shut down. He stated that there had been a nearby resident that had been working with the City for the last several years to come to some sort of an agreement about the noise. He had met with the resident as well as Mr. Brian Blanchard regarding the event and had come up with a solution to the problem. Mr. Blanchard stated that the dates requested were April 6 through June 1, 2018. The stage would be turned a bit this year so that it faced more toward Railroad Avenue and would have less noise facing the residence. He stated that the sponsors upstairs in the River Room kept the event alive, so the stage needed to be visible from the balcony. A motion to allow Rhythms on the River to take place on Fridays from April 6, 2018 through June 1, 2018 was made by Mr. Stephens, seconded by Mr. Autrey, and voted unanimously in favor.

Mr. Scott Vice with the Krewe of Dionysus submitted a letter of request to hold the Irish/Italian walking parade on March 17, 2018 beginning at 1 PM (copy on file). A motion to allow the parade was made by Mr. Hymel, seconded by Reverend Bias, and voted unanimously in favor.

Mr. Ryan Yager and Mr. Charlie Solar submitted a letter of request to hold Porchfest in and around Lawrence Park on April 21, 2018 (Copy on file). A motion to allow the request was made by Mr. Stephens, seconded by Mr. Autrey and voted unanimously in favor.

Mr. Pat Cloutier asked Mayor Grizzaffi why LEPA Unit One operated 31% of the time in 2017. He questioned if that was the reason that the plant was not making any money for the City. Mayor Grizzaffi stated that the problem was that the power cost on the grid was so low right now. Mr. Cloutier questioned when the gas preheater would be installed at a cost of \$200,000. Mayor Grizzaffi was not sure when it would be installed but did advise that the plant had been out since Friday for a warranty issue on a cable.

Ms. Chandler Pasqua with the Nicholls Nursing 420 Community Nursing class stated that a requirement of their class was to attend a council meeting and this was the meeting they chose to attend.

The minutes of the December 19, 2017 meeting were submitted. There being no corrections, additions, or deletions, a motion to approve the minutes was made by Reverend Bias, seconded by Mr. Tamporello, and voted unanimously in favor.

Mrs. Deborah Garber, Finance Director, submitted the following financial statement for the period ending December 31, 2017.

MONTHLY FINANCIAL STATEMENTS

DATE: January 23, 2018

TO: Mayor and Council
 FROM: Deborah Garber
 RE: Comments related to summary of revenues and expenses compared to the **amended** budget for the period ended December 31, 2017.

Attached is the summary that compares our actual revenues and expenses to our operational budget for our major funds subject to budgetary control for the period ending December 31, 2017. The following comments are related thereto:

General and Ancillary Funds: Actual total revenues are over budget by \$84,500. Operating expenses are below budget by \$368,850. The net loss, after transfers, of \$417,300 is a favorable variance of \$457,700 compared to the **amended** budget.

Utility Fund: Actual revenues are over budget by \$276,600, with operational expenses still under budget by \$460,400. The net loss, after transfers, of \$1,758,800 creates a favorable variance of \$770,500.

Sanitation and Sewer Fund: The operating revenues are \$41,900 over budget, with total operating expenses under budget by \$96,900. The net income, after transfers, of \$1,410,200 leaves a favorable variance of \$22,500.

Respectfully submitted,

/s/ Deborah Garber
 Deborah Garber
 Finance Director

CITY OF MORGAN CITY
CONSOLIDATED STATEMENT
 Actual Revenues and Expenses Compared to Budget
 Period Ended December 31, 2017

	DECEMBER 2017 ACTUAL	DECEMBER 2017 BUDGET	VARIANCE
GENERAL AND ANCILLARY FUNDS			
REVENUES			
General Fund	6,414,503	6,368,023	46,480
Recreation Fund	146,775	137,080	9,695
Library Fund	20,332	16,869	3,463
Auditorium Fund	321,232	326,040	(4,808)
Lake End Park Fund	709,716	680,038	29,678
Total Revenues	7,612,558	7,528,050	84,508
EXPENSES-OPERATIONAL			
General Fund	9,839,941	10,078,781	(238,840)
Recreation Fund	406,446	434,268	(27,822)
Library Fund	124,889	136,398	(11,509)
Auditorium Fund	508,444	513,640	(5,196)
Lake End Park Fund	725,627	811,110	(85,483)
Total Expenses	11,605,347	11,974,197	(368,850)
TRANSFERS			
Transfers from Funds	4,205,500	4,202,500	3,000
Transfers to Funds	(630,000)	(631,300)	1,300
Net Transfers	3,575,500	3,571,200	4,300
EXCESS NET OF TRANSFERS	<u>(417,289)</u>	<u>(874,947)</u>	<u>457,658</u>
UTILITY FUND			
Total Revenues	18,721,987	18,445,401	276,586
Total Expenditures	17,010,660	17,471,024	(460,364)
Net Excess	1,711,327	974,377	736,950

Net Transfers and non-oper.	(3,470,143)	(3,503,685)	33,542
Excess net of transfers	(1,758,816)	(2,529,308)	770,492

SANITATION AND SEWER FUND

Total Revenues	2,638,371	2,596,500	41,871
Total Expenses	3,205,396	3,302,266	(96,870)
Net Excess	(567,025)	(705,766)	138,741
Net Transfers/non-operating expenses	1,410,187	1,387,683	22,504
Excess net of transfers and non-operating	843,162	681,917	161,245

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

The next matter on the agenda was the selection of the Mayor Pro Tempore, whereupon,

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

RESOLUTION NO. R: 18-01

WHEREAS, by Ordinance 01-3, the council approved a change to the charter to provide for the annual selection of the mayor pro-tempore by a majority vote of the council, said selection to be made at the first meeting in January of each year, and

WHEREAS, this home rule charter amendment, in an election held on October 12, 2002, was approved by a majority vote of the qualified electors voting in this election.

NOW THEREFORE BE IT RESOLVED, by the City Council, the governing authority of the City of Morgan City, that Lou Tamporello is hereby selected as Mayor Pro-tempore of the City Council for the year 2018.

Reverend Bias seconded the motion.

The vote thereon was as follows:

AYES: Autrey, Bias, Hymel, Stephens, Tamporello

NAYS: None

ABSENT: None

The resolution was therefore declared approved and adopted this 23rd day of January, 2018.

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

ATTEST:

/s/ Debbie Harrington
 Debbie Harrington
 Clerk

The Issue Revenue Anticipation Notes Ordinance was the next matter on the agenda. A motion to table the ordinance until the February meeting was made by Mr. Hymel, seconded by Mr. Stephens, and voted unanimously in favor.

The public hearing was opened for the Electric Rate Ordinance. No one appeared for or against said ordinance, whereupon

This Ordinance introduced with first reading on December 19, 2017. Published by title on December 22, 2018.

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

ORDINANCE NO. 18-01

AN ORDINANCE OF THE CITY OF MORGAN CITY AMENDING AND REENACTING SECTION 110-31, SCHEDULE OF RATES, OF CHAPTER 110, UTILITIES, ARTICLE II, ELECTRIC SERVICE TO PROVIDE FOR THE SCHEDULE OF RATES FOR PROVIDING ELECTRIC SERVICE TO CONSUMERS FROM THE CITY'S SYSTEM

SECTION 1

BE IT ORDAINED, by the City Council, the governing authority of the City of Morgan City, Louisiana, that Section 110-31 of Chapter 110, Article II is hereby amended and re-enacted, said section to read as follows:

Section 110-31 - Schedule of Rates

The following shall be the scheduled monthly rates for providing electrical service to consumers from the city's system of electrical distribution effective January 1, 2010:

- (1) *Residential rate (ER)* for all residential service:
- Service fee . . . \$10.00
 - First 400 kwh, per kwh . . . \$0.04898
 - All over 400 kwh, per kwh . . . \$0.04672

Application of schedule. This schedule is applicable to individual residences or apartments for single-phase or three-phase-service metered through one meter. This schedule is not applicable to establishments of a commercial, industrial, or institutional nature.

- (2) *General Service rate (EG)* for all non-residential service that is not classed Large General Service as defined below. The base charge shall be \$2.50 per kw of metered demand plus effective March 1, 2018:
- Service fee . . . \$10.00
 - First 500 kwh, per kwh . . . \$0.061260
 - Next 9,500 kwh, per kwh . . . \$0.043200
 - Next 10,000 kwh, per kwh . . . \$0.034800
 - All over 20,000 kwh, per kwh . . . \$0.039000

Application of schedule. This schedule is applicable to commercial, industrial, institutional, or other non-residential uses requiring single-phase or three-phase monthly service metered through one meter that is not classified as Large General Service. Demand charge is applicable for total load connected. The city's electric utility department will provide and install the necessary meters to measure the kw demand and the kw consumption of all customers of this class of service.

The demand charge is inapplicable to customers whose total monthly demand is less than five kw. Customers shall be demand metered for one year; for those customers whose total kw demand for each month is less than five kw, no base or demand charge shall thereafter be charged. No reimbursement for previously paid demand charges shall be permitted. Should an exempt customer's kw consumption usage change to equal or exceed five kw per month, the demand charge shall be reinstated.

- (3) *Large General Service rate (EL)* for all non-residential service metered through one meter that requires greater than 15,000 KWH per month and that either requires 300 KVA or

more of transformer capacity or has primary conductor metering. The base charge shall be \$3.00 per kw of metered demand plus:

- Service fee ... \$10.00
- First 10,000 kwh, per kwh . . . \$0.04259
- Next 20,000 kwh, per kwh . . . \$0.03328
- All over 30,000 kwh, per kwh . . .\$0.02960

Application of schedule. This schedule is applicable to commercial, industrial, institutional, or other non-residential uses meeting the Large General Service criteria defined above.

Demand charge is applicable for total load connected.

The city's electric utility department will provide and install the necessary meters to measure the kw demand and the kwh consumption of all customers of this class of service.

(4) *Housing authority rate (EH)* for all housing authority installations:

- Service fee ...\$10.00
- First 2,500 kwh, per kwh . . .\$0.074700
- All over 2,500 kwh, per kwh . . .\$0.044250

(5) *Electric municipal rate (EM)* for city usage is \$0.3098 per kwh.

(6) *Resale, sharing prohibited.* Electric energy served under any of the schedules included in this section is for the exclusive use of the customers and is not to be resold or shared with others.

(7) *Power adjustment.* In addition to the charges established in subsections (1)--(5), each customer shall pay a charge which shall be determined as follows:

A Power Adjustment (PA) is a variable unit charge determined monthly in accordance with the following formula with definitions provided hereafter for the purpose of allocating the total monthly cost of power purchased, changes in demand costs, as well as the actual annual savings from competitive power supplier contract. The Power Adjustment shall apply to each kilowatt-hour (kwh) of energy supplied to all customers under this schedule.

$$PA = \left(\left(\frac{PPC + FC + GC}{\text{Total Volume of Energy}} \right) - D \right) \times L$$

- PA = Power Adjustment
- PPC = Purchased Power Cost
- FC = Fuel Cost
- GC = Generation Cost
- D = Demand Cost Factor as defined below*
- L = Loss factor or one minus the Kwh percentage of Electric Distribution System loss

* The City's 2004 wholesale demand costs and capacity payment revenues were used to create the basis for the Demand Cost Factor. Once in place, the Demand Cost Factor will automatically account for fluctuations in wholesale power costs to the City of Morgan City. Additionally, the Demand Cost Factor may be adjusted to recover no more than fifty percent of any additional savings in wholesale power costs when compared to the base year of 2004.

SECTION 2

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.

Mr. Tamporello seconded the motion.

The vote thereon was as follows:

- AYES: Stephens, Tamporello, Autrey, Hymel
- NAYS: Bias
- ABSTAIN: None
- ABSENT: None

Certified approved and adopted this 23rd day of January, 2018.

Delivered to Mayor at 8:30 AM, this 25th day of January, 2018.

/s/ Debbie Harrington
Debbie Harrington, Clerk

Approved this 25th day of January, 2018.

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

Received from Mayor at 9:00 AM on January 25, 2018.

/s/ Debbie Harrington
Debbie Harrington, Clerk

Published: January 30, 2018

The public hearing was opened for the Water Rate Ordinance. No one appeared for or against said ordinance, whereupon,

This ordinance was introduced with first reading on December 19, 2017. Published by title on December 22, 2017.

Mr. Hymel offered the following ordinance, who moved for its adoption.

ORDINANCE NUMBER 18-02

AN ORDINANCE OF THE MAYOR AND COUNCIL OF MORGAN CITY, LOUISIANA, AMENDING THE CODE OF ORDINANCES BY AMENDING AND REENACTING ARTICLE IV, WATER SERVICE, SECTION 110-105, SCHEDULE OF RATES, AND SECTION 110-151, SCHEDULE OF SEWER USER RATES.

SECTION 1

BE IT ORDAINED, by the City Council, the governing authority of the City of Morgan City, Louisiana, that Article IV, Water Service, Section 110-105 and Section 110-151, is hereby amended and re-enacted, said sections to read as follows:

ARTICLE IV – WATER SERVICE

Section 110-105 - Schedule of rates

The following shall be scheduled rates to be charged for the furnishing of water to consumers from the system of water mains of the municipal water plant effective March 1, 2018:

- (1) Residential water rate.
 - a. Customer charge. There shall be a customer charge of \$10.00 per month* placed on each residential customer.
 - b. Residential rate schedule. The residential rate is:
 - First 2,500 cubic feet - \$1.73 per 100 cubic feet*.
 - All over 2,500 cubic feet - \$2.59 per 100 cubic feet*.

Application of schedule. This schedule is applicable to water service to domestic users in individual residences or to individual family apartments, or to individually metered trailers used as residences, or to multiple residences owned and occupied by one family and serviced through one meter where no rent is paid among the family residents or to multiple residences serviced through one meter due to non-availability of a servicing municipal water main.

- (2) Commercial and industrial water rates.

- a. Customer charge. There shall be a customer charge of \$15.00 per month* placed on each commercial and industrial customer.
- b. Commercial and industrial rate schedule. The commercial and industrial rate is:
 First 2,500 cubic feet - \$1.73 per 100 cubic feet*.
 All over 2,500 cubic feet - \$2.59 per 100 cubic feet*.

Application of schedule. This schedule is applicable to water service to general small and large commercial and/or industrial establishments, to include trailer parks where trailers are not individually metered, and to include apartment complexes.

- (3) Master meter rates. Any business, governmental entity, commercial or industrial utility customer within the City which receives services through a master meter, provided that the business, governmental entity, commercial or industrial utility customer's master meter services twenty-five (25) or more residents shall be charged for water delivered at \$1.33 per 100 cubic feet*.
- (4) Municipal rates. Bulk water from municipal hydrants. The rate charged for water usage by customers from fire hydrants shall be \$1.33 per 100 cubic feet plus \$45.00 per temporary hydrant connection to be applied to labor and administrative costs for metering and billing. Bulk water from municipal hydrants shall be available to customers only upon approval by city officials after confirmation that there are adequate water inventories for fire protection and water main pressure.
 - All rates in Section 110-105, except for (4) b., shall be subject to annual review by the Finance Director. The Finance Director shall report findings of the annual review to the council through written reports..

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.

Mr. Autrey seconded the motion.

The vote thereon was as follows:

AYES: Hymel, Autrey, Stephens, Tamporello
 NAYS: Bias
 ABSTAIN: None
 ABSENT: None

Certified approved and adopted this 23rd day of January, 2018.

Delivered to Mayor Grizzaffi at 8:30 AM this 25th day of January, 2018.

/s/ Debbie Harrington
 Debbie Harrington, Clerk

Approved this 25th day of January. 2018.

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

Received from Mayor at 9:00 AM on January 25, 2018.

/s/ Debbie Harrington
 Debbie Harrington, Clerk

Published: January 30, 2018

The public hearing for the Gas Rate Ordinance was opened. No one appeared for or against said ordinance, whereupon,

This ordinance was introduced with first reading on December 19, 2017. Published by title on December 22, 2017.

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

ORDINANCE NUMBER 18-03

AN ORDINANCE OF THE CITY OF MORGAN CITY AMENDING AND RE-ENACTING SUB-SECTION (1) OF SUB-SECTION (a) OF SECTION 110-66, OF ARTICLE III, GAS SERVICE TO PROVIDE FOR THE SCHEDULE OF GAS USER RATES.

SECTION 1

BE IT ORDAINED, by the City Council, the governing authority of the City of Morgan City, Louisiana, that Sub-section (1) of Sub-section (a) of Section 110-66, is hereby amended, said sub-section effective March 1, 2018 to read as follows:

ARTICLE III – GAS SERVICE

SECTION 110-66 – Schedule of Rates; Billing; Summer Discontinuance Options

Sec. 110-66. - Schedule of rates; billing; summer discontinuance option.

(a) The following shall be the schedule of rates charged for furnishing natural gas to consumers:

(1) *Residential rates and municipal rates.*

- First 4,000 cubic feet, per 1,000 cubic feet \$ 4.85
- Next 6,000 cubic feet, per 1,000 cubic feet\$ 4.46
- Next 10,000 cubic feet, per 1,000 cubic feet\$ 4.20
- All over 20,000 cubic feet, per 1,000 cubic feet\$ 3.94
- Residential Customer charge, per month 7.00

(2) *Commercial rates.*

- First 4,000 cubic feet, per 1,000 cubic feet \$ 4.85
- Next 6,000 cubic feet, per 1,000 cubic feet \$ 4.46
- Next 10,000 cubic feet, per 1,000 cubic feet\$ 4.20
- All over 20,000 cubic feet, per 1,000 cubic feet\$ 3.94
- Commercial Customer charge, per month\$ 10.00

(3) *Industrial rates.*

- Minimum charge per month, to include first 1,000,000 cubic feet \$2,500.00
- All over 1,000,000 cubic feet, per 1,000 cubic feet 2.50
- In addition to the above monthly industrial gas rate, the customer will be responsible for all costs associated with installing this service.

(4) *Housing authority.*

- First 30,000 cubic feet, per 1,000 cubic feet \$4.49
- Next 100,000 cubic feet, per 1,000 cubic feet\$ 4.32
- Next 100,000 cubic feet, per 1,000 cubic feet\$ 4.06
- All over 230,000 cubic feet, per 1,000 cubic feet\$ 3.94

SECTION 2

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.

Mr. Autrey seconded the motion.

The vote thereon was as follows:

- AYES: Tamporello, Autrey, Hymel, Stephens
- NAYS: Bias
- ABSTAIN: None
- ABSENT: None

Certified approved and adopted this 23rd day of January, 2018.

Delivered to Mayor Grizzaffi at 8:30 AM, this 25th day of January, 2018.

/s/ Debbie Harrington
Debbie Harrington, Clerk

Approved this 25th day of January 25, 2018.

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

Received from Mayor at 9:30 AM on January 25, 2018.

/s/ Debbie Harrington
Debbie Harrington, Clerk

Published: January 30, 2018

Mayor Grizzaffi offered the name of Mrs. Marion Collins for appointment to the Library Committee. A motion to concur in the appointment was made by Mr. Tamporello, seconded by Mr. Autrey, 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 of.

/s/ Debbie Harrington
Debbie Harrington
Clerk

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