

**TUESDAY JULY 27, 2004  
RACELAND, LOUISIANA**

**STATE OF LOUISIANA  
PARISH OF LAFOURCHE**

**THE LAFOURCHE PARISH COUNCIL FINANCE & LEGISLATIVE COMMITTEE, PARISH OF LAFOURCHE, STATE OF LOUISIANA, WAS SCHEDULED FOR TUESDAY, JULY 27, 2004, IMMEDIATELY FOLLOWING THE BOARD OF APPOINTMENTS AND PERMITS COMMITTEE MEETING, IN THE COUNCIL MEETING ROOM AT THE LAFOURCHE PARISH COUNCIL BARRIOS CENTER, 1612 HWY. 182, SUITE 100, RACELAND, LOUISIANA.**

Mr. Tommy Lasseigne, Chairman, stated that the Finance and Legislative Committee was ready for the transaction of business following the Board of Appointments and Permits Committee. Proceedings of the meeting were called to order at 7:00 PM with the following:

**PRESENT:** Mr. Tyrone Williams  
Mr. Michael Delatte  
Mr. Michael Matherne  
Mr. Tommy Lasseigne BChairman  
Mr. Mark Atzenhoffer  
Mr. L. Phillip Gouaux, IIBCo-Chairman  
Mr. Brent Callais  
Mr. Daniel Lorraine

**ABSENT:** Mr. Lindel Toups

**PRESENTATIONS**

The first item (1) on the agenda was Mr. Sidney Triche, Board President of Lafourche Parish Water District 1, with a presentation on methods of funding of 70 million dollars of fire protection and rating improvements for this parish. Mr. Triche gave the following report:

*The purpose of this study was to explore in detail the recommendation of the Blue Ribbon Committee. Throughout the history of the water district its mission has been to provide adequate drinking water to the Lafourche citizens within its service area. Early in 2001 the Lafourche Parish Council created the Blue Ribbon Committee to review the various boards of the parish and to give recommendations to the Council on these boards. That committee completed its assignment and presented its recommendation to the Council earlier this year. The Committee's recommendation on Water Board was that the Water Board was doing an excellent job under their mandate. It is the Blue Ribbon Committee's opinion that the mandate should be changed to have the Water Board responsible to ensure adequate water supply for fire protection and future growth of the parish. This could be self funding and be a savings to the citizens of Lafourche Parish and to assist the Parish Council in evaluating the expansion of the*

*water district=s mandate and to establish a minimum level of improvements needed to upgrade the existing water system for water protection and to define possible methods of funding those improvements. It is important to realize that even with the completion of the defined system that improvements of all the fire system protection deficiencies would not be eliminated because they are beyond the scope of the water district. The minimum level of improvements defined in this report concentrates on replacing undersized lines (those under six inches). Adding mains to parish streets which do not presently have mains. Adding fire hydrants to the system and replacing existing two way hydrants with three way hydrants. Portions of the existing distribution system would still exist, where mains would need to be upgraded, to resolve fire protection problems.*

*This report also defines the projected time frames need to accomplish the defined improvements under each different funding option. We must first understand how the rating system works, if we want to better our rating: In the United States, there is a uniform grading system used to rate fire protection in different political jurisdictions for the purpose of giving insurance companies a basis for establishing insurance rates. The grading system originally developed by the National Board of Fire Underwriters is now maintained by the Insurance Service Office (ISO). In 45 or 50 states, the actual determination of public protection classification is done by the ISO. In Louisiana, ratings are the responsibility of the Property Insurance Association of Louisiana. The fire suppression ratings schedule for public systems consists of three major areas, 1. receiving and handling fire alarms (which only represents 10% of your grade), 2. fire departments (which represents 50% of your grade), and 3. water supply (which represents 40% of your grade). Typically, jurisdictions are rated approximately every 10 years, unless the jurisdictions request a special rating inspection due to significant changes, which would affect the rating. Ratings are expressed in classes ranging from 1 (the best) and 10 (the worst).*

*Service area housing units B Each housing unit is a customer to the water district. The number of dwelling units within the district service represents a more direct comparison to the number of water customers than does population. In 1960 there were 10,786 dwelling units and 3.7 persons per dwelling. In 2000, there were 28,536 dwelling units and 2.8 persons per dwelling. In the 10<sup>th</sup> Ward, there are 720.80 square miles and it represents 51.94% of the area, it has 30.56% of the customers, and 11.8 customers per square mile. In Ward 6, there 82.81 square miles, 5.97% of the area, 8.41% of the customers, and 28.3 customers per square mile.*

*There are nine (9) fire districts, all of which are doing an excellent job. They have all been established by the Council and are directed by a board. The biggest fire district is fire district 3, which represents 777 square miles and is 56% of the area, and comprises part of Wards 4, 8, and 9 and all of Ward 10.*

*The customer base for the water district has grown from nearly 5,000, when the district began producing water, in 1955 to 28,621 in 2003. There are some small number of customers supplied by other water systems. In June of 2002, operations records reflected 156 customers in the Marydale Subdivision, 83 customers in Grand Bois, both were supplied by Terrebonne Parish water systems; and 13 customers along Highway 3185 were supplied by the city of Thibodaux water system. The sum of all customers supplied by other systems is 0.9% of the*

district customer base or 252 customers out of 28,621. The largest growth rate occurred in Ward 5, but that growth has now stopped. Ward 5 is supplied by the treatment plant located on the LA308 side of the bayou, to the South of Thibodaux and to the Lafourche and Assumption line. Presently, Ward 11, Bayou Blue, has the greatest rate of growth. Wards 1, 2, 4, and 9 all experience growth rates at the systems average. Wards 3, 7, 8, and 10 grew at less than the systems average rate.

In 1960, 419 million gallons of water a year was served. In 2000, 3.27 billion gallons of water was served. In 1960, a household averaged 154 gallons usage a day. Today, 343 gallons a day, is being used. In 1992, Port Fourchon used 479,000 gallons of water a day. Presently, 2 million gallons of water a day is being supplied. The entire parish's storage capacity is 8,600,000 gallons of water. Port Fourchon is 9,400,000. Lots of money would have to be spent just to keep up with the drinking water, if the present per capita consumption level is maintained and the present growth level is continued.

Before 1990, there was only one plant and that was the South Plant. Since then, we have a plant in the Thibodaux area. The South plant just upgraded from 8 million gallons a day to 12 million. The North plant was upgraded from 4 million gallons a day to 6 million. About 26 million dollars is being spent right now in upgrading our trunk system and upgrading both plants to be able to supply the demand. Since the beginning in 1955, the district has been upgrading the trunk main system up and down the bayou to keep pace with the growth in demand. The result of that effort has been that customers along Highway 1 and 308 are generally served by larger mains that are for a secondary benefit of fire protection.

Total Pipe Footage, breaks down to, the District's pipe network by Wards into pipe that is 6 inches and larger or pipe that is 6 inches and under. The pipe that is 6 inches and under are those slated for replacement. The total pipe footage is 4,229,000 and 64 feet a pipe. To get better fire protection, 1,188,950 ft. of pipe, which is under 6 inches, would have to be replaced.

There are four situations concerning fire hydrants that have to be addressed. 1. parish street served by lines too small to support fire flows. Those under six inches but they are slated for replacement where fire hydrants would be added. 2. parish street presently without water lines where mains and hydrants would be added. 3. parish streets served by lines adequate to support minimum fire flows, but having hydrants spaced further than 1,000 ft. apart. 4. Replacement of existing two way hydrants with three way hydrants.

Water Main Replacement Program In 1990, the Water District began a program to replace water lines that were less than four inches in diameter. The program was initially funded at approximately \$300,000 per year, with funds being derived from system revenues not required for system operations, maintenance, or that in service. For the last several years, the annual funding level has been increased to \$500,000, up through fiscal 2004, the program has upgraded over 46 miles of pipe at a cost of nearly 8.5 million dollars. Remaining streets to be utilized to be replaced at up to over 175 miles. This total does not include the 45 plus miles of know state highways and parish streets that do not have water mains.

Within the nine fire districts, within Lafourche Parish, the fire suppression rating classes presently vary from a high of 3 to a low of 7. Fire District 5 scored perfect on fire alarms (10 out of 10), the fire department had a score 25 out of 50. Fire District 4 had a score of 33.13 out

of 50. The diversions are to try to balance the score between the fire department and the water supply score, which is the water supply credit minus 80% of the fire department credit, multiplied by 5, which is always a minus.

In reviewing the comments pertaining to the water supply and the rating impact statement from the Property Insurance Association of Louisiana for different fire districts, most of the comments were made for more than one district. At least two of the comments were made for all the districts, to access how the water district can help the fire district and to improve their individual ratings. A discussion on the different comments on water supply and how they might be addressed gives us a start to maximize the available credits for water supply portion of the rating process. Additional credits can be obtained by inspected and maintaining each fire hydrant semiannually. Generally this comment is a joint responsibility of the different fire districts and the water district. Additional credits can be obtained by testing each draft site and fire hydrants semiannually, with the fire district making the semi-annual inspections and recording the results, and the water district providing the format to follow and being the central repository for the results.

The water supply component of the rating system lies solely on the water district's ability to assist with improvements and existing fire suppression rating classes. Even within that component there are some items, such as, inspecting and maintaining draft sites, which do not pertain to the water district, to test the value of what the district can do to improve ratings.

If all the water districts have a rating of 40 (which is the maximum point received) how would they change? Fire District 1 had a rating of five before and it remains a five. Fire District 2 had a rating of five and went to a four, so it improved one. Fire District 3 also went from a five to a four. Fire District 4 stayed the same. Fire District 5 went from five to four. Fire District 6 improved their ratings by one. Fire Districts 7, 8, and 9 stayed the same.

Probable costs\_\_ The total costs of the improvements described, to achieve the minimum level of fire protection, is just under \$70 million, which amounts to almost \$2,500 each in a per customer basis. This program would not result in maximum water supply credits, while providing extensive improvements to the system, for fire rating inspections because of two primary factors: The first being of the hydrant spacing and secondly the ability to produce fire flows as recommended. Correcting the first concern would require doubling what we have now in addition to about 2,500 more hydrants, costing approximately \$11 million dollars more than the defined minimum level of fire protection. Changing the fire hydrant spacing would be reduced from 1,000 feet to 600 feet. The total program cost would increase to about \$2,850 each, on a per customer basis. The second factor, which is less than recommended fire flows, is very difficult to quantify without getting into a very detailed hydraulic analysis of the district system. However, in an effort of the outside scope of this report, some attempt must be made to establish an order of magnitude cost to solve this issue with the following assumptions, within each ward a percent of the six inch mains have been estimated as needing replacement, the augmenting and replacement would be done by eight inch mains and with those assumptions the cost of increasing fire flows to recommended values would add nearly \$23 million to the improvements. Summing all three components of the improvements gives a total program cost of \$104 million, on a per customer basis a total program cost is about \$3,700 each.

*Fire service funding options\_\_ The findings of this report were that the scope of improvements needed for the water system and for fire service would range from at least \$70 million to about \$104 million. Funding for a program of that magnitude, would require new and expended sources of money. There were several options. Option 1 was continuing the current program at \$500,000 a year. Option 2 was revenue bonds. Option 3 was general obligation bonds. Option 4 was ad valorem taxes. Option 5 was special purpose sales tax. Option 6 was rate increases.*

*Option 1\_ continuing present program of \$500,000 a year. The system upgrades would be funded with income from the present rate structure, using the adopted priority system to first replace three inch lines and smaller than four inch lines to finally six inch mains and other improvements such as fire hydrant replacements and additions. The water district presently funds this program at \$500,000 per year from revenues collected from water system operations and are not need for that service and maintenance and operation of the system. It would take 140 years to complete if the present level of funding is maintained and looking at the lower end of the fire service improvements of the \$70 million and we don=t do anything else.*

*Option 2\_ revenue bonds. This option would allow system improvements which would be funded with bond money borrowed over specified time window and repaid with system earnings. To support the additional dept rates would have to be increased to generate interest, principal repayment, and death service coverage. Based on recent improvements funded by revenue bonds and without greatly expanding our staff we can handle approximately \$10 million in improvement construction projects every five years. Considering a five year cycle to implement \$10 million of improvements would take 35 years for the \$70 million minimum level improvements program. If this option is combined with option number one which plan to continue then you could reduce it to 30 years. To generate the added revenue for each \$10 million of improvement needed to cover the dept service would require an increase in commodity rates of about 40cents per thousand gallons of water. To accomplish the entire minimum improvements funded by revenue bonds would increase the rate structure ultimately \$1.20 for every thousand gallons of water. Recognizing that at any given time the maximum outstanding bonds would be \$30 million. Looking at the combination of revenue bonds and the replacement program would not change the rate increase but would shorten the time span required to complete the improvements program. It should be recognized that these rate changes would not include the normal increases in operating and maintenance expenses that would also require rate increases. The average terms the typical residential customer now paying \$11.10 per month for water service would see their bills rise to \$19.50 per month for revenue bond funding. In either case the average annual rate of increase over the term of the bonds issues amounts in about 4%. To lessen the impact on the customers that could be increased in increments.*

*Option 3\_ General obligation bonds. This option just like the previous system improvement would be funded with bond money borrowed over specified time window. The difference in the two options is that bond repayment was backed by Lafourche Parish tax evaluation rather than from water system revenues. Using a fifteen year bond term about 2.1 mills are required for each \$10 million dollars of general obligation bonds. If the same*

*improvement program approach was used as discussed with the revenue bond option, \$10 million bonds every five years the improvement program would require 33 years to complete.*

*Option 4\_ ad valorem tax mileages. The water district presently charges 3.81 mills under the amino tax. In 2002 and 2003 the mileage produced \$1,037,580 and \$1,213,974. On a per/mill basis the annual amount were 272,331 for 02 and 318,628 for 03. Under the voter approved ad valorem tax the water district could set a maximum of 5 mills or 1.19 mills above the present rate. At the 2003 per mill tax revenue the additional 1.19 mills would generate 379,167 dollars. If the amino tax set at highest level presently allowed, those funds combined would present \$500,000 the district is using to fund upgrades the total would be \$879,167. It would take us 80 years. It should be noted that the present amino tax authorization expires next year. To continue the tax would require approval by the voters in 2005. Should that not occur the districts rate structure would have to be increased significantly to offset the income generated by the amino tax. For the average customer this mean about a 15% increase in rates.*

*Option 5\_ special purpose sales tax. According to the collection history for Lafourche Parish prepared by the sales and use tax department of the Lafourche Parish School Board. Sales taxes collected in Lafourche parish in the water district service area (entire parish except for the city of Thibodaux) in calendar year 03 amounted to \$6,500,000. If a special purpose sales tax of 1% were established to fund fire service improvements the tax would generate \$6,500,000 per year. For the \$70 million minimum level of improvement the tax would have to remain in place for about ten years.*

*Option 6\_ rate increases. The water district presently sell 3.3 billion gallons of water per year. In one thousand gallon units basis for the commodity rate scheduled that represents 3.3 million units. Therefor for each ten cents increase in commodity rate, the water district can expect \$330,000 in added revenue. To generate a million dollars per year would require an increase in commodity rate of 30 cents per thousands gallons. For the average district residential user who consumes 7 thousand gallons per month their bill would increase by \$2.10 per month from the present amount of \$11.10 to \$13.20. On a percentage basis that amounts to nearly 19% increase. With the additional one million dollars annual funding when combined with funding number one would reach \$1.5 million and take 47 years to complete the \$70 million program.*

*For the average citizen or business in the water district service area the system improvements of fire protection described earlier in this report can have two primary benefits. One can be estimated as to its value while the other was nearly impossible to measure. The measurable benefit is the impact the improvement would have on our insurance rates. The difficult to measure benefit is the individuals piece of mind that he has improved fire protection near his home. To establish an estimate of potential savings in home owners insurance premiums the water district requested three different three different insurance agents representing three different insurance companies to give quotes for a \$80,080,000 dwelling (which is the medium home value for Lafourche Parish in the 2000 census) in a fire suppression class of 3, 5, and 7. In addition to responding to the districts request two agents provided quotes for a \$100,000 dwelling in the same three classes. One agent also provided a comparison for a frame dwelling as well. From these quotes average annual insurance rates per one dollar of value were*

*calculated for classes not having direct quotes. Typical annual premium values were found to be around 1% of the dwelling value with a variance ranging from 0.7 on the low end to 1.35 on the high end, depending on the construction type and the fire suppression class. With the distributions of dwellings by value by ward and an estimate of the insurance premiums per suppression class, the next step was to calculate the possible premium savings. In wards where the protection class would change due to the improvements in the water supply component of the class rating system. The total annual parish wide reduction and residential premiums calculated to be \$977,013. For the average dwelling the reduction was \$44 per year ranging (depending on the dwelling value) from \$3.59 per year on the lower end of the scale to \$822.33 on the high end of the scale. The medium value dwelling of \$80,000 would enjoy a premium savings of \$57 per year. Another factor in considering the premium savings is the time line needed to implement the fire service improvements necessary to affect the change in the class rating. Savings would not be achieved quickly and mean for some years of waiting until the improvement upgrades are sufficient to bring about lowering of class ratings.*

*Since the passage of the Clean Water Act more stringent guide lines have come down to clean our drinking water a lot of the water district in the United States right now are in trouble. No further than St. John the Baptist Parish if they don't clean up their water quickly, they would be fined \$3,000 a day for every day not in compliance. When the federal mandates came down that they had to reduce the consistency in your water from 0.8 to 0.6. All the water districts were scrambling to comply, but our water district was already there. Last year it was voted the number one best drinking water in the state of Louisiana.*

Mr. Tommy Lasseigne questioned how did they factor in for the cost of the individual homes for Port Fourchon in the evaluations, since it was obviously a significant portion of the revenue. Mr. Triche stated that Port Fourchon was 42% of the revenue, and that was another area that would have to be carefully planned for when choosing the funding options. He stated that this was one of the many things that they have to address, but it needs to be considered; and together they can come up with a master plan for the parish. Mr. Phillip Gouaux stated that he appreciated Mr. Triche, Mr. Dirk Barrios, and their committee. Mr. Matherne stated that he met with Mr. Dirk earlier in the year. Mr. Matherne asked, with a minimum of 6 inches for fire fighting, do rates additionally go down as the size of the pipe goes up? Mr. Triche responded that it depends on the fire flow, and that would be the most expensive part of it. It would cost an additional \$23 million, if the match of the fire flow was done as recommended. Mr. Mark Atzenhoffer stated that fire engines have a 1,500 gallon per minute pumps on them. He also said that if we only supply four or five hundred gallons a minute, that our fire ratings are still not going to change.

## MOTIONS

The next item (2) on the agenda was a motion authorizing Phillip Gouaux as President of the Police Jury Association of Regions 1 and 2 to proceed with the planning of the Police Jury Region 1 and 2 meeting and luncheon, and with any and all contracts to be executed by the Parish President associated with this function. A **motion** was offered by Mr. Phillip Gouaux, seconded by Mr. Brent Callais, and **carried** by a vote of eight (8) yeas and zero (0) nays with one absence being that of Mr. Lindel Toups.

The next item (3) on the agenda was a motion requesting the Parish President to start informal negotiations regarding cable franchise agreements. A **motion** was offered by Mr. Michael Matherne, and **seconded** by Mr. Mark Atzenhoffer. Mr. Matherne stated that we currently have three cable franchises located in Lafourche Parish, a small portion is with, most of the Parish is with Time Warner and Charter Communications. He stated we have a franchise agreement allowing them to operate in the parish, although we can not control the rates, we can control the services we expect from those cable operators. It states on the franchise agreement, that the grantee shall provide one PEG (Public Education and Government) channel for the cable system for use by the franchising authority for non commercial, video programing, for public education, and government access. That was generally how the Council expects those cable providers to broadcast its meetings. It also states that the grantee may use the designated PEG channel if there was no other demand on it. Also, the grantee shall provide appropriate insertion equipment at the cable head end for the PEG channel. Mr. Michael Matherne stated that Charter Media has not provided a delay of our council meetings in about three months, but traditionally they were doing it on Fridays on the PEG channel. The Council has not received that service in quite some time. Mr. Matherne stated that he would like to start informal negotiations between the Adminwastration and those franchises to clearly identify the Council=s expectations. Mr. Matherne also stated that he would like the administration to explore the cost of having live broadcasting. Mr Tommy Lasseigne asked if there are any conflicts with Charter? Mr. Michael Matherne replied with an answer of no. Mr. Mark Atzenhoffer stated that he would like to broadcast meetings on the internet. Mr. Brent Callais would like to commend Vision communications. The **motion** was *carried* by a vote of eight (8) yeas and zero(0) nays with one absence (1) being that of Mr. Lindel Toups.

#### **DISCUSSIONS**

The next item (4) on the agenda was a discussion concerning all contracts signed by the Parish President that were not approved by the Lafourche Parish Council. This item was *deferred* to a later date.

The next item (5) on the agenda was a discussion concerning salaries of 2008. Mr. Michael Matherne stated that he contacted the surrounding 7 parishes (Lafourche, Ascension, Assumption, St. Charles, St. James, St. John, St. Mary, and Terrebonne) and looked at their population, how many council members they had, and how many people the council members represents. Also, what their monthly salary was and investment per constituent, which was the monthly salary divided into constituency (\$800 a month salary, you represent almost 10,000 people, which comes to .08, which was a ratio of the people you represent compared to the salary). Mr. Matherne feels that it was important to offer attractive salaries for all public service employees. Mr. Phillip Gouaux stated that looking at the dollars, that nobody was getting rich off of public service. He also stated that he did not run for the money and he does not believe anybody there ran for the money, and that the increase of salary would only serve as a means of moneys that would be used to work for the parish.

#### **RESOLUTIONS**

The next item (6) on the agenda was a resolution authorizing the issuance of not exceeding fifteen million dollars (\$15,000,000) of Road Bonds of the Parish of Lafourche, State of Louisiana;

making application to the Louisiana State Bond Commission; employing Bond Counsel; and providing for other matters in connection therewith. A **motion** was offered by Mr. Mark Atzenhoffer and seconded by Mr. Michael Delatte. Mr. Phillip Gouaux asked why 15 million? He stated that previous estimates said 12.5 million. Mr Gouaux stated that he was under the impression from our Bonding Counsel that we could exceed this year over 8 or 9 million. Mr. Tommy Lasseigne stated that it does not exceed 15 million. Also, he stated that you can bond whatever you want. Mr. Gouaux stated that he would not want to freeze Road Royalty funds. He also stated that we can use these from account to account. He stated that he wanted to be careful not to lock up all these funds. Mr. David Wolfe, Attorney with Adams & Reese in New Orleans, stated that at the request of Mr. Lasseigne he had put together some information over the last couple of months about the Parish=s options for financing capital improvements in general, not just roads. He stated that the Royalty Road Revenues are presently being used to pay off bonds. A large number of those bonds would mature next year. An access of \$600,000 of those moneys would be freed up in 2005 and can be used for other purposes including supporting a new bond issue without impacting your operating revenues in any way. It would n=t be enough to support \$10 to \$15 million dollars of bonds, but it would go a large way towards paying for some of those bonds. Any major capital improvement program was going to require a commitment of funds to support bond issues or an annual out lay. The balance that you are trying to make is whether you can finance things on a pay as you go basis or whether you want to anticipate future revenues, borrow money and accomplish the capital improvements over a shorter period of time. Mr. Wolfe stated that they are delighted to have the opportunity to work with the parish on this program and possibly others in the future. This resolution does not issue the bonds, does not set the final details of the bonds, but basically is a resolution to start the program rolling. He stated that if this resolution was adopted, they would begin working with the Administration, the Finance Committee, and the Council as a whole, on putting together a bond issue, that is payable from the source of revenues and is in the proper amount, and structured in the way that fits in with the parish=s overall plans of capital improvements. Mr. Wolfe=s impression, based on preliminary discussions, is that Royalty Road Revenues would probably be the primary source of repayment for any bond issue that the parish does. He stated that this resolution would simply start the ball rolling on the program and allow to make an application to the State Bond Commission, once some of the details have been set. Also, it would include a certain recital that was important under federal law in the event that you want to reimburse some of the expenditures that your currently making now with bonds that may be issued some months down the road. Mr. Cullen Curole stated that there are a couple of things that are of concern and one of them was the 20 year factor. He found it to be odd that the Parish was financing road projects for 20 years, because 10 or 12 years from now, they would probably need to be redone again. He asked the Council, if they would want that leverage? Mr. Wolfe stated that more than likely it would not be 20 years and that it was just for the bond application process. He also stated that the perimeters in this resolution are intended to be broad, so that if a bond commission approval would be presented, within these perimeters, it would cover any conceivable structure that needs to be done. Certainly it was understood that road improvements may not have a useful life of 20 years and it would be inappropriate to finance those kinds of improvements over that long a period of time. Mr. Cullen Curole asked what was the specific process and how many times would it come back to

the Council for approval? Mr. Wolfe answered that it would come back for at least two meetings; one for introduction of an authorizing ordinance that would set all the details for the bonds, and then again for the final adoption of that ordinance. He expected that before that time was reached, there would be another meeting, at least for a resolution, that would approve final proceeding with the final details; the exact term, the exact structure, the exact source of repayment, and the exact amount. Mr. Wolfe said that there was an issue about whether or not the entire amount of bonds could or should be sold this calendar year and there may be some advantages to splitting the issue into two series to keep the total issuance for the year 2004 under \$10 million with the balance to be done next year or the following year. He then said that those benefits may be so small, that the additional costs or risks of interest rates going up, may out way the benefits of splitting te issue up. Mr. Michael Matherne offered an amendment to Section 3 (Bond Counsel)that the parish would requests for proposals for Bond Counsels and come back to committee. The amendment failed for lack of second. The committee *recommended approval* of said resolution by a vote of eight (8) yeas and zero (0) nays with one absence being that of Mr. Lindel Toups.

The next item (7) on the agenda was a resolution authorizing the Parish President to sign a contract(s) with Nicholls State University to host the Police Jury Association Region 1 & 2 meeting and dinner on September 10,2004. A **motion** was offered by Mr. Phillip Gouaux and seconded by Mr. Michael Delatte. Mr. Cullen Curole requested for an amendment to change contract to contract(s) which was moved by Mr. Mark Atzenhoffer and seconded by Mr. Michael Delatte. The committee *recommended approval* of said resolution as *amended* by a vote of eight (8) yeas and zero (0) nays with one absence being that of Mr. Lindel Toups.

The next item (8) on the agenda was a resolution requesting legal opinion from the Lafourche District Attorney to determine whether or not all contracts that were approved and signed by the Parish President without Council approval would need to be presented to the Council for ratification. A **motion** was offered by Mr. Daniel Lorraine and seconded by Mr. Brent Callais. Mr. Callais stated that if the Parish President would let the Council view the contracts that she had signed, let the Council approve it, and that it would not have to tie up the District Attorney=s time to looking over this. He asked that a compromise be made in some way, shape, or form. Mrs. Charlotte Randolph stated that they would do everything expected to make these contracts legal and binding, to make them happen. She also stated that they would present them in whatever form the Parish Council wanted them. She asked the Council, when looking at the list, to determine which ones they felt needed to be reviewed or discussed. Mr. Daniel Lorraine stated that all the contracts came to the Council and that they did have a previous opinion from the D.A., saying that all contracts have to be approved. He wanted the problem corrected and wanted to see the contracts to identify the location and who they belonged to. Mrs. Charlotte Randolph stated that her only concern was that it would sometimes delay the process, because Administration would have it for a period, prior to getting on the agenda. Mr. Daniel Lorraine stated that the Council does not have to review anything under \$50,000. Mr. Mark Atzenhoffer stated that the Charter provides for the guidance. He stated that the Council, through the ordinance process, can determine the parameters for the contracts. Mr. Atzenhoffer said that everybody should come together, with parameters to agree on, pass an ordinance, and move on. Ms. Randolph stated that next year=s budget is going to be very detailed,

so that the Council would know in advance what contracts would need to be signed and approved. Mr. Daniel Lorraine moved to *rescind* his motion, seconded by Mr. Brent Callais, and *carried*.

The next item (9) on the agenda was a resolution authorizing JBC/AIA a Notice to proceed for architectural services for the Gheens Branch Library; and authorizing the Parish President to sign all necessary documents. A **motion** was offered by Mr. Mark Atzenhoffer, seconded by Mr. Michael Delatte, and *carried*.

### **Two-Third Agenda**

Item one (1) on the 2/3 agenda was a presentation of monthly report of parish finances required by Lafourche Parish Home Rule Charter. Ms. Shannon Chaisson, Finance Director, stated that the finance report was supposed to be given at the last meeting, which was held on June 30th. The numbers did not reflect the Heck settlement, because it was settled after June 30<sup>th</sup>, and some of the changes are civil case fees that were listed as appearance and bond forfeitures. The operating supplies were over budgeted; which was the cost of housing juveniles (cost \$80 to \$100 per day). Juror witness fees can be applied to a separate bond (1-12) that currently has \$22,000. The reimbursement of some rights has a cash posting error. Note that the drainage fund in 104; line items for fuel and for sand are over budgeted, which was due to the rain fall and the increase in the amount of fuel that was needed. She stated that in August, we would receive our assessment from the assessor for the reassessment that was done, so Administration would have a better handle on what the revenue should be. Council would know at that point what the status was and if any corrective action was needed. Ms. Chaisson reviewed a pie chart, and went over the sales tax collections. She stated that the finance department has met with the auditors and changes would be made. Then, she said that Administration was striving to have the budget to the Council by October 1<sup>st</sup>, so the Council would have time to review it. Mr. Lorraine asked who picks up the tab on the sewer districts? Ms. Chaisson answered the general fund. She said that the deficit has built up over time, and they are projecting it at \$107,000. Mr. Lasseigne asked if the solid waste fund would be facing a deficit? Ms. Chaisson replied as to it depending on when the money comes in and that it was at 40% now. Mr. Lasseigne stated that the year was 50% gone. Ms. Chaisson stated that the 3<sup>rd</sup> quarter was the highest peak. She anticipated that the budget would be close. Mr. Daniel Lorraine stated that every year we are spending 1.5 or 1.7 million dollars more than we are taking in. He stated that the Council would have to look at this real hard, and that something would have to be done soon. Mr. Gouaux stated that in the near future, the subcommittee that has been formed to look at those contracts; would be bringing forth to the council, a solution to that problem.

Item two (2) on the 2/3 agenda was a resolution authorizing Mr. Brent Callais as Chairman of the Veterans= Memorial District, to hire an appraiser, to appraise the property that the Veterans= Memorial District was interested in purchasing, and authorizing the payment thereof. A **motion** was offered by Mr. Daniel Lorraine, seconded by Mr. Michael Matherne, and *carried* by a vote of eight (8) yeas and zero (0) nays with one absence being that of Mr. Lindel Toups.

Item three (3) on the 2/3 agenda was a resolution approving J. Wayne Plaisance to survey the property that the Veterans= Memorial District was interested in purchasing and to authorize in the payment there of. A **motion** was offered by Mr. Brent Callais, seconded by Mr. Daniel Lorraine, and *carried* by a vote of eight (8) yeas and zero (0) nays with the absence of Mr. Lindel Toups.

Item four (4) on the 2/3 agenda was a resolution authorizing the Parish President to sign and administer a contract(s) with Golden Motors, Inc., to purchase two mini buses for the Veterans= Memorial District and to authorize a payment thereof. A **motion** was offered by Mr. Brent Callais and seconded by Mr. Daniel Lorraine. Mr Callais stated that the Council received the bids for the Veterans= Memorial District=s mini buses. He said one bid for the mini buses was from Golden Motors, for the two buses that was to be purchased, at \$40,300 a bus. The resolution **carried** by a vote of eight (8) yeas and zero (0) nays with the absence of Mr. Lindel Toups.

Item five (5) on the 2/3 agenda was a resolution authorizing the Parish President to negotiate, sign, and administer a contract between the parish and Otto Candies in order to maintain the public portion of Eagle Island Road, Ward 11 of Lafourche Parish. A **motion** was offered by Mr. Mark Atzenhoffer, seconded by Mr. Phillip Gouaux, and **carried** by a vote of eight (8) yeas and zero (0) nays with the absence of Mr. Lindel Toups. A **motion** was made by Mr. Mark Atzenhoffer to **amend** the resolution to say Otto Candies, Inc., seconded by Mr. Daniel Lorraine, and **carried** by a vote of eight (8) yeas and zero (0) nays with the absence of Mr. Lindel Toups.

A **motion** was offered by Mr. Brent Callais to go back to regular agenda, seconded by Mr. Mark Atzenhoffer, and **carried** by a vote of eight (8) yeas and zero (0) nays with one (1) absence being that of Mr. Lindel Toups.

#### **PUBLIC TO ADDRESS THE COMMITTEE**

The next item on the agenda was Public to address the Committee. Mr. Dwayne LeBouef, Vice President of the Humane Society, asked about the progress with the animal shelter? Mrs. Charlotte Randolph answered that the architect had reported to the Committee and Administration would be sending out a letter to receive a request for proposals. Mr. LeBouef asked if it was definitely being built in Thibodaux. Mr. Phillip Gouaux stated that the decision was to be made based on the money that could be acquired, if in fact, it was to be built within the corporation of Thibodaux. Mr. Michael Matherne stated that the Lorio Foundation only funds projects in Thibodaux. Mr. LeBouef asked if the facility would accommodate all of Lafourche Parish. Mr. Gouaux stated that the incorporated areas are not obligated to fund any of the animal shelter. Mr. LeBouef stated that they were under the impression that the Lorio Foundation had put up \$150,000 to the city of Thibodaux, and that the Humane Society was concerned as to how much of that was going to the shelter. Mr. Cullen Curole asked what would it cost? Mrs. Charlotte Randolph answered about \$400,000. Mr. Matherne stated that as the project progresses, that Council was going to ask for some civic organization, to partner with the animal shelter, to act as their sister organization. Mrs. Randolph offered a report to the Chairman and the Council at the next meeting.

#### **ADJOURN**

On **motion** by Mr. Brent Callais, seconded by Mr. Michael Delatte, and with no further business, the Lafourche Parish Council Legislative and Finance Committee meeting of June 22, 2004, **adjourned** at 8:52 P.M.

**TOMMY LASSEIGNE, CHAIRMAN  
LAFOURCHE PARISH FINANCE**

**AND LEGISLATIVE COMMITTEE**

**SHEILA B. BOUDREAUX, COUNCIL CLERK  
LAFORCHE PARISH COUNCIL**