

City of Mansfield
MINUTES OF REGULAR PUBLIC MEETING
November 14, 2011

The Board of Aldermen met in regular session on **Monday, November 14th**, in Mansfield City Hall, located at 705 Polk Street. Mayor McCoy called the meeting to order at **4:30 p.m.**, after which an **Invocation** was offered by **Alderman Troy N. Terrell**. The Pledge of Allegiance was led by **Alderman Alvin R. Woodley**. The oral roll call was suspended; however, the following officials were recorded as **Present**: Honorable Curtis W. McCoy, G. B. Hall III –District **A**, Troy N. Terrell –District **B**, Mitchell L. Lewis –District **C**, Joseph Hall, Jr., -District **D** and Alvin R. Woodley –District **E**. **Absent**: None. **Press Present**: Eboni Parker -*The Enterprise* and Vickie Welborn –*The Times*.

It was MOTIONED by **MITCHELL L. LEWIS** and SECONDED by **JOSEPH HALL, JR.** to approve the minutes of the **October 24, 2011 regular** City Council meeting and to dispense with the reading. Motion Passed Unanimously.

It was MOTIONED by **G. B. HALL III** and SECONDED by **ALVIN R. WOODLEY** to approve payment of current outstanding bills for this period. Motion Passed Unanimously.

The Mayor next opened the floor to hear public comments from those in attendance to any item outlined on the meeting agenda. No comments were offered at this period. However, Mayor McCoy presented a Certificate of Appreciation to Retired Lieutenant Colonel Kenny Cox for his many years of devoted service to this community, the state of Louisiana and the nation. Currently, Colonel Cox is also campaigning for a term as Louisiana State Senator (District #38) against incumbent Sherri Smith Cheek. The City's Public Relations Officer, Cindy Williams, captured the gesture in pictures after which the presentation was followed by applause from those in attendance. The **Public Comments Period** was then closed.

Old Business:

None.

New Business:

Item A: It was MOTIONED by **G. B. HALL III** and SECONDED by **MITCHELL L. LEWIS** to approve the recommendation made by Alliance, Inc. to reject all public bids received and opened on October 20, 2011 at 11:00am for the City's Fire Station #2 Addition/Remodel project. A budget allocation of \$150,000 was set aside to fund this improvement project. However the lowest responsible base bid received was submitted from **M&M Builders, Inc.** at **\$214,498.00**. Three additive alternates were attached to this project. M&M Builders, Inc. submitted the following as their three Additive Alternates #1 -\$16,711 (paving drive at existing building), Alt.#2 -\$20,459 (constructing storage mezzanine and stairs) and Alt.#3 -\$8,700 (installing underground electric service), bringing their total bid submission to \$260,368.00. Others bidders for this project were as follows: **Hope Contractors of Shreveport** with a base bid of **\$234,500.00** (Alt.#1 -\$20,500, Alt.#2 -\$25,500 and Alt.#3 -\$3,500 all figures totaling \$284,000.00, **Douglas Construction & Remodeling Co., Inc.** with a base bid of **\$232,713.00** (Alt.#1 -\$28,572, Alt.#2 -\$29,118 and Alt.#3 -\$5,000 all figures totaling \$295,403.00, **Whitlock**

& Shelton Construction, Inc. with a base bid of **\$245,000.00** (Alt.#1 -\$21,400, Alt.#2 -\$25,300 and Alt.#3 -\$4,600 all figures totaling \$296,300.00, **Integrity, Inc.** with a base bid of **\$247,900.00** (Alt.#1 -\$22,000, Alt.#2 -\$36,000 and Alt.#3 -\$6,500 all figures totaling \$312,400.00, **Carter Construction Co., Inc.** with a base bid of **\$274,800.00** (Alt.#1 -\$24,185, Alt.#2 -\$30,255 and Alt.#3 -\$10,600 all figures totaling \$339,840.00, and **ELA Group, Inc.** with a base bid of **\$237,100.00** (Alt.#1 -\$89,190, Alt.#2 -\$15,500 and Alt.#3 -\$2,800 all figures totaling \$344,590.00. Two other companies were provided with bid specification packages – **Pace Contracting, L.L.C.**, and **Spectrum Painting, L.L.C.** **Pace Contracting, L.L.C.** submitted a sealed bid, but their submission arrived after the cutoff date and time of October 20th at 11:00a.m. **Spectrum Painting, L.L. C.** did not submit a bid. During the City's budget preparatory process for FY 2012, the allocation for this project was increased to \$250,000.00. The decision was made to rebid this project possibly in January 2012. Hopefully a bid submission closer to the new budget allocation will be proposed. Motion Passed Unanimously.

Item B: It was MOTIONED by **JOSEPH HALL, JR.** and SECONDED by **ALVIN R. WOODLEY** to approve the *Certificate of Substantial Completion* as submitted by **M&M Builders, Inc.** for the Hobson Street and Wheeler Street Improvements project. Motion Passed Unanimously.

Item C: All councilmen and City department heads were furnished a copy of the Proposed 2012 Budget of Revenue and Expenditures prior to this meeting to review and prepare for discussion of any areas or concern.

Item D: It was MOTIONED by **JOSEPH HALL, JR.** and SECONDED by **G. B. HALL III** to set a public hearing for **November 28, 2011** to hear comments and concerns regarding the City's 2012 Budget of Revenue and Expenditures. Motion Passed Unanimously.

At this time, a request was made by Mayor McCoy to amend the agenda to include discussion of two issues not printed on this meeting agenda –one was to adopt a Resolution for inclusion in the City's 2012-2013 LCDBG grant application package and the other involved a recommendation to award a construction contract to a contractor for a chemical injection system at one of our water booster stations. Those in attendance were asked if there was any objection to amending the agenda to include these items. No opposition was voiced; therefore it was MOTIONED by **JOSEPH HALL, JR.** and SECONDED by **MITCHELL L. LEWIS** to amend the meeting agenda to include discussion and a call to take action on the aforementioned issues. It was MOTIONED by **G. B. HALL III** and SECONDED by **JOSEPH HALL, JR.** to adopt a Resolution whereby the City agrees to pay **\$90,000** from their general fund towards construction costs for this project. The City of Mansfield is submitting an application for a FY 2012-2013 Louisiana Community Development Block Grant for public facility (street) improvements. Based on the streets to be rehabilitated, the total cost of the project is estimated at \$406,527.00. The LCDBG will cover \$225,027.00 of these costs and it will be incumbent upon the City to provide a grant match of \$181,500 (this amount satisfies administrative fees, engineering fees

and \$90,000 of construction costs). The City has further agreed to pay all administrative and engineering fees associated with this project. By agreeing to payment of these fees, the City will gain two (2) bonus points for their matching monetary contributions when this grant is graded and scored. The City Clerk (Marvin Jackson) informed the Mayor and Council that by offering these contributions, the likelihood of our grant being funded increases. It should be further noted that these fees will have to be remitted only in the event that this grant is funded. Motion Passed Unanimously. In relation to the second issue, it was MOTIONED by **G. B. HALL III** and SECONDED by **MITCHELL L. LEWIS** to approve the recommendation by BALAR Associates, Inc. to award a construction contract to **Industrial Research Corporation (I.R.C.)** for installation of a chemical injection system at the City's South Mansfield Water Booster Station. I.R. C. submitted proposals for three (3) different options – Option 1: One 2' x 4' Single Compartment and one 4' x 6' Single Compartment building (**\$26,700**), Option 2: Two (2) 4' x 4' Single Compartment buildings (**\$28,200**) and Option 3: Two 4' x 6' Two Compartment buildings (**\$34,500**). It was BALAR's recommendation that the City opt for Option 3 at a total bid price of **\$34,500.00**. Added to this installation/construction cost will be engineering fees of \$3,500.00. In April 2011, the City was awarded a grant from the Community Water Enrichment Fund (CWEF) for FY 2010-2011 in the amount of **\$35,000.00**. Total cost of this project with construction costs and engineering fees combined will be \$38,000.00. With the grant award being used to fund this project, the City will only be 'out-of-pocket' \$3,000.00. This project was not required to be advertised for public bid since it was far less than the threshold of \$150,000 for public works projects as mandated by the LA Public Bid Law. Motion Passed Unanimously.

Item E: At this time, independent auditor, William E. Weatherford (CPA) summarized his findings from performance of the City's 2010 Financial Audit and provided his analysis of the City's efficiency and effectiveness of their stewardship of public resources. He commented that the staff was very cooperative whenever he made request for public records in the performance of his audit work. Generally, the City is doing well financially Mr. Weatherford told the aldermen, due in part to increased revenue being generated from businesses associated with the Haynesville Shale. Still, he encouraged City management to retain some of that good fortune for a 'rainy day' since the shale-related benefits will at some point, contract. As of December 31, 2010, net assets of the City exceeded its liabilities by **\$10,866,538.00**. Of this amount, \$2,030,302 (18.68%) is reported as "unrestricted net assets" and represents the amount available to be used to meet the City's ongoing obligations to the citizens of Mansfield. Further, the City issued \$4,120,000 of taxable Sales Tax Bonds, Series 2010 to fund improvements to the City's water distribution system. It also issued \$1,214,800 of taxable Sewer Revenue Bonds, Series 2009 for wastewater collection system improvements. A loan and pledge agreement through the Louisiana Department of Health and Hospitals provides for 100% principal forgiveness under the American Recovery and Reinvestment Act of 2009 (ARRA). Video poker revenues increased from \$221,181 in 2009 to \$260,507 in 2010. The largest expenditures were for public works, public safety, and general government. In fiscal year 2010, governmental activity expenses exceeded program revenues resulting in the use of \$2,161,106 in general revenues, primarily taxes. The business-type activities program revenues exceeded expenses by \$1,060,648.00. In

addition, during 2010, major capital expenditures included \$1,181,306 for improvements to the sewer system, \$3,665,743 for improvements to the water system, \$102,023 for park and recreation facilities, \$31,168 for street and sidewalk improvements, \$27,478 for police vehicles, and \$20,321 for a pickup truck used in the public works area. Overall, the City received a *clean* opinion, but some negative exceptions were noted. For one, the audit report was late in being submitted to the LA State Legislative Auditor's office. It was due in that office annually by June 30th, and Mr. Weatherford blamed the late submission on an illness. He vowed to have it submitted by June 30th next year. The most notable finding was an internal theft discovered that involved a former city worker whereby misappropriation of funds was one of the charges. A forensic auditor was employed to investigate the malfeasance. The investigation is presently ongoing and a definitive amount of the funds taken is currently not known. Detection of the misappropriation by one of the staff members at City Hall occurred shortly after the former employee's termination. Stronger internal controls have been implemental to reduce the risk of a similar type occurrence. Other internal control problems were noted, but have since been corrected. As Mr. Weatherford concluded his summarization of the audit, Alderman G.B. Hall III requested a breakdown of the revenue received from oil and gas mineral royalties. Alderman Hall wanted to know what portion of the revenue was derived from lease signing bonuses and which portion was received in the form of actual mineral royalties. Mr. Weatherford stated that he would provide the council with this information soon. Mayor McCoy then expressed his appreciation to the Council for their part in helping to efficiently manage the financial affairs of the City.

A final presentation was offered from Ms. **Jennifer K. Voisin**, Manager of Corporate Development for Chesapeake Energy Corporation. She was present to offer the Mayor and Council an update on Haynesville Shale activity. She remarked that Chesapeake Energy has plans to remain in the area for quite some time. They have begun construction of a new complex (a field office) in DeSoto Parish. Further, they have moved their activities from the drilling phase to a developmental phase. A total of \$174 million in royalty payments from 2008 through June 2011, have been received by property owners (residential and commercial) in Northwest Louisiana since the Haynesville Shale exploration. Of that amount the 71052 zip code has been the recipient of well over \$38 million. Ms. Voisin cited total royalties received in several of the parishes' zip codes, but with 71052 realizing the highest gains. The working relationship with the residents and businesses has been extremely positive and mutually beneficial.

During the **Comments Period** for the Mayor and Council Members, none were offered.

With no further business to discuss, the meeting adjourned at **5:12p.m.**, by MOTION from **JOSEHP HALL, JR.** and was **SECONDED** by **MITCHELL L. LEWIS**. Motion Passed Unanimously.

Curtis W. McCoy, Mayor
Marvin R. Jackson Clerk

