

OFFICIAL PROCEEDINGS  
CITY OF MORGAN CITY  
OCTOBER 28, 2014

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, James Fontenot, Tim Hymel, and Louis J. Tamporello, Jr.

Absent: Barry Dufrene

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

The invocation was given by Reverend Plessela.

Mayor Grizzaffi stated that he and Mayor Ratcliff of Berwick had recently learned from Representative Sam Jones that the State Highway Planning Program had placed \$15 million dollars in the budget to redo the Highway 182 Bridge and \$21 million in the budget to redo the Highway 90 bridge. He stated that it would likely take two or three years before repairs would start, but at least the bridges were now on the list. Mayor Ratcliff stated that we needed to try to continue to keep both bridges for emergency situations.

The minutes of the September 23, 2014 meeting were submitted. There being no corrections, additions, or deletions, a motion to approve the minutes was made by Mr. Hymel, seconded by Reverend Bias, and voted unanimously in favor.

Mrs. Deborah Garber, Finance Director, submitted the following financial statement for the period ending September 30, 2014.

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**MONTHLY FINANCIAL STATEMENTS**

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**DATE:** October 28, 2014  
**TO:** Mayor and Council  
**FROM:** Deborah Garber  
**RE:** Comments related to summary of revenues and expenses compared to budget for the period ended September 30, 2014.

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 September 30, 2014. The following comments are related thereto:

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**General and Ancillary Funds:** Actual total revenues are over budget by \$593,292. Operating expenses are below budget by \$470,385. The net loss, after transfers, of \$600,555 creates a favorable variance of \$1,063,677.

**Utility Fund:** Actual revenues are over budget by \$1,864,367, with operational expenses also over budget by \$1,265,685. Again, this is largely due to the energy and gas costs being \$1,366,535 over budget making the electric and gas revenue over budget as well. The net income, after transfers, of \$896,507 creates a favorable variance of \$605,068.

**Sanitation and Sewer Fund:** The operating revenues are \$545,861 (\$542,000 sewer) over budget, with total operating expenses over budget by \$4,326. The net income, after transfers, of \$109,152 leaves a favorable variance of \$542,672.

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

CONSOLIDATED STATEMENT  
Actual Revenues and Expenses Compared to Budget  
Period Ended September 30, 2014

<b>GENERAL AND ANCILLARY FUNDS</b>	<b>September 2014 ACTUAL</b>	<b>September 2014 BUDGET</b>	<b>VARIANCE</b>
<b>REVENUES</b>			
General Fund	4,773,770	4,241,183	532,587
Recreation Fund	145,189	121,463	23,727
Library Fund	14,908	11,411	3,497
Auditorium Fund	86,921	84,525	2,396
Lake End Park Fund	553,618	522,533	31,086
Total Revenues	5,574,406	4,981,114	593,292
<b>EXPENSES-OPERATIONAL</b>			
General Fund	7,381,874	7,746,570	(364,696)
Recreation Fund	472,056	492,890	(20,834)
Library Fund	112,486	115,973	(3,487)
Auditorium Fund	353,021	376,726	(23,705)
Lake End Park Fund	530,518	588,182	(57,664)
Total Expenses	8,849,955	9,320,340	(470,385)
<b>TRANSFERS</b>			
Transfers from Funds	3,276,994	3,276,994	0
Transfers to Funds	(602,000)	(602,000)	0
Net Transfers	2,674,994	2,674,994	0
<b>EXCESS NET OF TRANSFERS</b>	<b>(600,555)</b>	<b>(1,664,232)</b>	<b>1,063,677</b>
<b>UTILITY FUND</b>			
Total Revenues	17,510,971	15,646,604	1,864,367
Total Expenditures	14,607,551	13,341,866	1,265,685
Net Excess	2,903,421	2,304,738	598,682
Net Transfers and non-oper.	(2,006,914)	(2,013,300)	6,386
Excess net of transfers	896,507	291,439	605,068
<b>SANITATION AND SEWER FUND</b>			
Total Revenues	2,125,531	1,579,670	545,861
Total Expenses	2,244,185	2,239,859	4,326
Net Excess	(118,654)	(660,189)	541,535
Net Transfers/non-operating expenses	227,806	226,669	1,137
Excess net of transfers and non-operating	109,152	(433,520)	542,672

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

The next matter on the agenda was the Finance Committee recommendations, whereupon,

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

**RESOLUTION NO. R: 14-46**

BE IT RESOLVED, by the City Council, the governing authority of the City of Morgan City, that the following Finance Committee recommendations be and the same are hereby approved:

1. Recommend that the City move forward and seek a consultant to inspect residential and commercial properties to determine if installation of backflow preventer needed and to prepare a program for the City to implement, not to exceed \$90,000 from Pollution Abatement fund.

Mr. Fontenot seconded the motion.

The vote thereon was as follows:

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

The resolution was therefore declared approved and adopted this 28<sup>th</sup> day of October, 2014.

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Frank P. Grizzaffi, III  
Mayor

ATTEST:

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Debbie Harrington  
Clerk

In the matter of the FEMA Seclusion letter, Mayor Grizzaffi stated that because the City protested the DFIRM maps, the Parish had not been allowed to accept their maps. This situation cause a problem for areas like Cypremort Point that would benefit from the new maps. He stated that a letter could be written to FEMA to seclude Morgan City from the current Maps and that the Parish would then be able to accept the current DFIRM maps. A motion to allow Mayor Grizzaffi to sign the Seclusion Letter was made by Reverend Bias, seconded by Mr. Hymel, and voted unanimously in favor.

Mayor Grizzaffi stated that the Capital Outlay yearly requests required a resolution, whereupon,

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

RESOLUTION NO. R: 14-47

WHEREAS, the Mayor submitted to the council, the following projects for re-submission to the State requesting Capital Outlay funding:

Front Street Wharf Bulkhead and Stabilization	\$1,121,989
LA Highway 70 Drainage Improvements	\$1,468,407
Brashear Avenue Drainage Improvements	\$1,218,228
Morgan City Water System Improvements	\$1,250,000
Lake End Parkway Cabins	\$5,041,024
Brashear Avenue Extension	\$2,000,000

NOW THEREFORE BE IT RESOLVED by the City Council, the governing authority of the City of Morgan City, Louisiana that it hereby supports the Mayor's request, to the state, for Capital Outlay Funds to complete these projects.

Mr. Hymel seconded the motion.

The vote thereon was as follows:

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

The resolution was therefore declared approved and adopted this 28<sup>th</sup> day of October, 2014.

\_\_\_\_\_  
Frank P. Grizzaffi, Mayor

ATTEST:

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Debbie Harrington, Clerk

The Mayor stated that the auditors had suggested that the City enter into a contract with the City Attorney, whereupon,

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

RESOLUTION NO. R: 14-48

WHEREAS, the City has retained Mr. Paul Landry to represent the City as general counsel, said duties to include general legal services, consultation and preparation and review of contracts, leases and deeds; and

WHEREAS, a contract must be signed between the City and Paul T. Landry for said services.

NOW THEREFORE 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 to execute a contract with Mr. Paul T. Landry for general counsel for the City.

Mr. Tamporello seconded the motion.

The vote thereon was as follows:

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

The resolution was therefore declared approved and adopted this 28<sup>th</sup> day of October, 2014.

\_\_\_\_\_  
Frank P. Grizzaffi, III, Mayor

ATTEST:

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Debbie Harrington  
Clerk

In the matter of the Steam Plant Closure, Mayor Grizzaffi stated that there was currently no contract in place with LEPA for the operation of the Steam Plant. LEPA had

determined that they could save \$16 million dollars over a four year period if they no longer operated the steam plants in Morgan City, Plaquemines, Houma, New Roads and Rayne. LEPA wanted to turn the Steam Plant over to the City by June 15, 2015. LEPA would get a broker to sell any usable items in the Steam Plant overseas. He stated that a resolution needed to be passed in order to accomplish this, whereupon,

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

RESOLUTION NO. R: 14-49

WHEREAS, since 1980, the City of Morgan City (City) has been a member of the Louisiana Energy and Power Authority (LEPA); and

WHEREAS, the City is a Full Requirements Service (FRS) Member of LEPA whereby the City received power and energy transmission service from LEPA at wholesale for distribution and service to the City's electric utility customers; and

WHEREAS, On December 12, 2005 the City entered into a Generating Operating Agreement with LEPA wherein, in exchange for the City making available the Joseph J. Cefalu, Sr. Municipal Steam Plant and its internal combustion generating facilities (Morgan City Generation) for use by LEPA in the provision of FRS to the City and LEPA's other FRS Members, LEPA controls and incurs the attendant operation, maintenance and fuel costs associated with the operation of the generation in the supply of FRS to the City and LEPA's other FRS Members; and

WHEREAS, LEPA is constructing a new 64 megawatt natural gas fueled combined cycle combustion turbine generating station (LEPA Unit No. 1) in Morgan City which is presently scheduled to be commercially operable in the fourth quarter of 2015; and

WHEREAS, the City is a 10 MW participant in LEPA Unit No. 1; and

WHEREAS, the City is also a 20.7 MW participant in LEPA's Rodemacher Unit No. 2 coal fired generating facility; and

WHEREAS, LEPA has advised the City that the continued operation and maintenance of the Morgan City Generation is no longer viable in LEPA's production of electric energy when considering: (i) the cost of replacing the capacity of the Morgan City Generation in the Midcontinent Independent System Operator (MISO) markets, (ii) the age of the various generating units, (iii) the necessity for a significantly increased level of expenditures related to maintaining the units in operable condition, (iv) the lack of readily available replacement parts and systems and, (v) the relatively high heat rates of the units when compared to much lower heat rates readily available by LEPA's participation in the MISO markets; and

WHEREAS, LEPA has advised the City that in order to maintain the Morgan City Generation in 2015 it estimates that it will cost \$2,952,000 in operation, maintenance and reliability fixed cost expense excluding fuel and consumables; and

WHEREAS, LEPA can replace the annual fixed cost of maintaining and operating the Morgan City Generation in MISO markets for approximately \$661,000 or less, and reduce the cost of FRS to the City by approximately 4-6 mills/kWH; and

WHEREAS, LEPA had advised the City that it will return the operation of the Morgan City Generation to the City effective midnight on May 31, 2015 assuming MISO approval; and

WHEREAS, the City's participation in LEPA Unit No. 1 assures continued availability of an efficient generating facility located within the City; and

WHEREAS, the Council is desirous of continuously exploring means for a reduction in its wholesale cost of electricity; and

WHEREAS, give the economic obsolescence of the Morgan City Generation the Council elects not to incur an estimated \$2,952,000 of annual expense to continue to operate and/or maintain the Morgan City Generation.

NOW THEREFORE BE IT RESOLVED, by the City Council, the governing authority of the City of Morgan City, that they hereby declare as surplus equipment the Morgan City Generation once LEPA has returned the operation of the Morgan City Generation to the City of Morgan City, and the Council hereby further directs the Mayor to sell or dispose of the Morgan City Generation in the manner provided for by law.

Mr. Fontenot seconded the motion.

The vote thereon was as follows:

AYES: Tamporello, Fontenot, Bias, Hymel

NAYS: None  
ABSENT: Dufrene

The resolution was therefore declared approved and adopted this 28<sup>th</sup> day of October, 2014.

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Frank P. Grizzaffi, III  
Mayor

ATTEST:

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Debbie Harrington  
Clerk

The next matter on the agenda was the Cooperative Endeavor Agreement with Save Historic Morgan City regarding the upkeep of the Gathright House. Mayor Grizzaffi stated that he had been approached by the committee to allow them five years to do fund raising to do the maintenance and repairs on the building. Ms. Deborah Price with the Committee stated that it was estimated that it would take about \$60,000 to bring the house back to its original condition. She stated that since it was the second oldest building in town, the Committee felt it was worth saving, whereupon,

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

RESOLUTION NO. R: 14-50

WHEREAS, Article VII, Section 14(c) of the Constitution of the State of Louisiana provides that "for a public purpose, the state and its political subdivisions...may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual;" and

WHEREAS, the City of Morgan City and Save Historic Morgan City, Inc. are desirous of preserving the historic value of the Gathright House for future generations; and

WHEREAS, the City will retain ownership of the Gathright House and provide some services and the Save Historic Morgan City, Inc. will form and maintain a museum at the Gathright House.

NOW THEREFORE 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 to execute and submit the Cooperative Endeavor Agreement between the City and the Save Historic Morgan City, Inc. in regards to the Gathright House.

Mr. Fontenot seconded the motion.

The vote thereon was as follows:

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

The resolution was therefore declared approved and adopted this 28<sup>th</sup> day of October, 2014.

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Frank P. Grizzaffi, III, Mayor

ATTEST:

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Debbie Harrington  
Clerk

The next matter on the agenda was the first reading of the 2014 Budget Amendment Ordinance. This was a first reading and no definitive action was necessary.

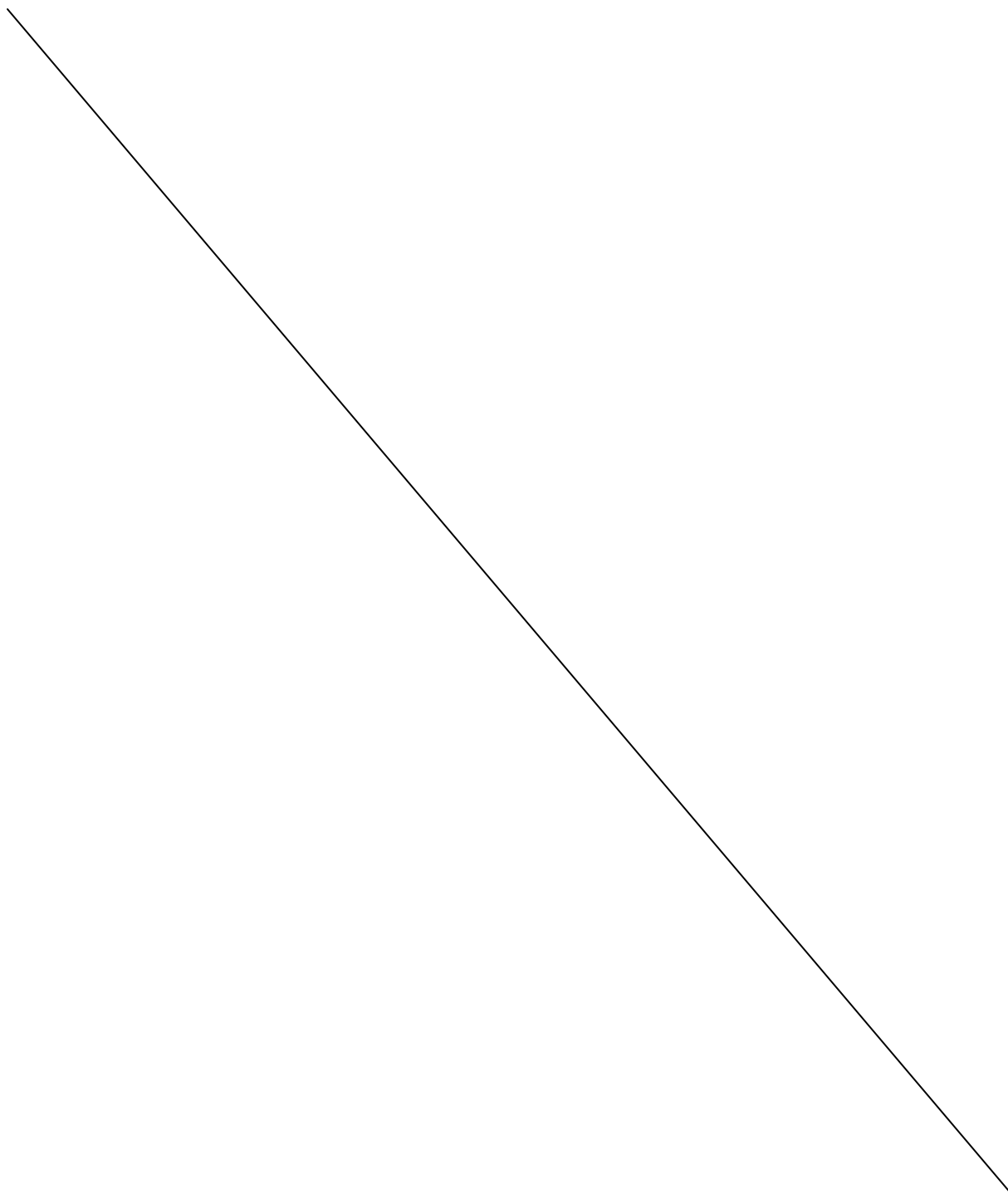
The first reading of the ordinance that would create the Morgan City Development District Commission was the next matter on the agenda. This was a first reading and no definitive action was necessary.

The next matter on the agenda was the 2015 Budget ordinance. Mr. Hymel made motion to hold the budget workshop on November 6, 2014 at 4:00 PM at City Hall, seconded by Mr. Tamporello, and voted unanimously in favor.

The application for a package liquor and beer permit (copy on file) for Subraj Singh d/b/a H & M Food Mart, 7028 Highway 182 East, was submitted. Councilman Tamporello pointed out that his current home address was not listed on the application. A motion to approve the application contingent upon him supplying a current home address and a copy of his lease was made by Mr. Tamporello seconded by Reverend Bias and voted unanimously in favor.

Mayor Grizzaffi offered the names of Sherman Marcantel and Jarrod Cunningham for appointment to the Board of Adjustments. A motion to concur in the appointments was made by Reverend Bias, seconded by Mr. Fontenot, and voted unanimously in favor.

The final item on the agenda was the Resolution of Respect for Mr. Lee Delaune, whereupon,



Messrs. Bias, Fontenot, Hymel and Tamporello offered the following Resolution, who moved for its adoption.

RESOLUTION NO. R: 14-51  
**IN MEMORIAM**  
**MR. LEE A. DELAUNE**

WHEREAS, God, in his infinite wisdom has taken Lee A. Delaune from our midst;  
and

WHEREAS, Mr. Delaune lived a life of service to his family, friends, and his community; and

WHEREAS, Mr. Delaune dedicated his life to the Louisiana Shrimp & Petroleum Festival, serving for forty three years; and

WHEREAS, Mr. Delaune worked as the Louisiana Shrimp & Petroleum Festival Executive Director for six years; and

WHEREAS, his untimely death has deprived the entire St. Mary Parish, the State of Louisiana, and the City of Morgan City of a fine citizen, and

WHEREAS, he will be missed by the many, whose lives he touched.

NOW THEREFORE BE IT RESOLVED, by the City Council, the governing authority of the City of Morgan City, that all those in attendance at this meeting rise and bow their heads in silent prayer out of respect for the late Lee A. Delaune and extend to his bereaved family our sincere condolences in this, their hour of sorrow, and in these inadequate words endeavor to express the high regard in which we held him in life and honor his memory in death.

BE IT FURTHER RESOLVED, etc., that this resolution be inscribed on a separate page of the official proceedings of this meeting; that a copy of this resolution be sent to his bereaved family; and that this meeting adjourn out of respect for the late Lee A. Delaune.

Messrs. Bias, Fontenot, Hymel and Tamporello seconded the motion.

The vote thereon was as follows:

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

The resolution was therefore declared approved and adopted this 28<sup>th</sup> day of October, 2014.

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Frank P. Grizzaffi, III, Mayor

ATTEST:

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Debbie Harrington, Clerk



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Debbie Harrington  
Clerk

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Frank P. Grizzaffi, III  
Mayor