

MINUTES OF THE
BLANCHARD MAYOR AND TOWN COUNCIL
REGULAR MEETING – FEBRUARY 8, 2011
7:00 O’CLOCK

Present: Mayor Digilormo, Alderpersons Ashby, Jones, Lee, Prewett, and Whittington, Chief Presswood, Atty. Tom Arceneaux, Bond Atty. Jack Brown, Caddo Deputy Corp. Spikes, Dave Cherry, David Yeates, Town Clerk Debra Smith, and various citizens.

Absent: None.

Pledge of Allegiance led by Ashby.

Invocation given by Arceneaux

Questions and Statements of Citizens: None

Motion by Jones to accept the minutes of the regular meeting of January 11, 2011, and special meeting of January 25, 2011. Second by Prewett. All voted aye.

Jones: “Mayor, at this time I would like move to suspend the rules and add a matter not on the agenda which is a motion dealing with allegations that have been made against the Town. The purpose of that motion is to address the manner in which to investigate and approach those allegations.”

Mayor: “There is a motion to suspend the rules and add a matter not on the agenda, which is a motion to engage an auditor to make an investigation, the purpose of which is to investigate allegations concerning elected officials and employees of the Town. Is there a second to this motion?”

Prewett: “Second.”

Mayor: “The matter of suspending the rule and adding the matter to the agenda has been moved and seconded and is now open for public comment. Are there any public comments? Having not heard any public comments, the motion moves to a vote: a) Those in favor or the motion to suspend by roll call vote: Lee “Yes,” Jones “Yes,” Whittington “Yes,” Ashby “Yes,” Prewett “Yes.” Okay, passed, thank you.”

Jones: “Mayor at this time I would like to make a motion that reads as follows:

There have been allegations made against the Mayor of the Town of Blanchard and certain representatives/employees. It is incumbent on this Board to be fair to all parties while simultaneously protecting the interest of the Town of Blanchard. Accordingly, I hereby move that we request the Town’s independent auditor, Mr. Sam Stevens, to conduct an independent investigation into the allegations and to report to the Board on or before our March board meeting his factual findings, after which the Board can consider what actions to take, if any.”

Second by Lee, all voted aye.

OLD BUSINESS

Public Hearing on Ordinance 1 of 2011(2nd Supplemental Bond Ord.)

The public hearing was opened at 7:07. There being no discussion, the public hearing was closed at 7:08.

Vote on Ordinance 1 of 2011

Motion by Lee to postpone the vote until March 8, 2011, regular council meeting. Second by Jones. all voted aye.

Public Hearing on Ordinance 2 of 2011(3rd Supplemental Bond Ord.)

The public hearing was opened at 7:09. There being no discussion, the public hearing was closed at 7:10.

Vote on Ordinance 2 of 2011

Motion by Lee to postpone the vote until March 8, 2011, regular council meeting. Second by Jones. all voted aye.

NEW BUSINESS

Ms. Mary McCollister—Prepaid Legal

Ms. McCollister with Prepaid Legal Services, Inc. addressed the Council to let them know of services available to the Town employees.

Resolution 4 of 2011 (re Ratification of Historical Actions (Existing Water System Property))

RESOLUTION 4 of 2011

A RESOLUTION CONFIRMING AND RATIFYING CERTAIN RIGHTS OF WAY
AND DEEDS PERTAINING TO EXISTING WATER SYSTEM PROPERTY
EXECUTED BY PRIOR ADMINISTRATIONS, AND OTHERWISE PROVIDING
WITH RESPECT THERETO.

WHEREAS, the Town of Blanchard (“Town”) is in the process of planning improvements to the Blanchard Public Water System (“System”) whose PWS ID No. is LA1017006 (the “Project”), one aspect of which is laying down new water lines to service the expansion of the System; and,

WHEREAS, in the process of reviewing title to existing water system property, it was determined that certain utility rights of way granted to Southwestern Electric Power Company (“Rights of Way”) and deeds whereby the town acquired and disposed of certain properties (“Deeds”) were executed and filed in the public record without the appropriate supporting documentation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Alderpersons of the Town as follows:

- Section 1. The Right of Way between the Town and Southwestern Electric Power Company dated April 11, 1979, attached hereto, is hereby approved, confirmed and ratified by the Board of Alderpersons of the Town.
 - Section 2. The Right of Way between the Town and Southwestern Electric Power Company dated August 17, 1979, attached hereto, is hereby approved, confirmed and ratified by the Board of Alderpersons of the Town.
 - Section 3. The Exchange Deed between the Town and Thomas L. and Miriam M. Hinkle dated September 11, 1983, attached hereto, is hereby approved, confirmed and ratified by the Board of Alderpersons of the Town.
 - Section 4. The Right of Way between the Town and Southwestern Electric Power Company dated September 7, 1983, attached hereto, is hereby approved, confirmed and ratified by the Board of Alderpersons of the Town.
 - Section 5. The Cash Sale Deed from Jackie W. and Nancy Jane Adcock to the Town dated June 16, 1997, attached hereto, is hereby approved, confirmed and ratified by the Board of Alderpersons of the Town.
 - Section 6. All resolutions or parts thereof in conflict herewith are hereby repealed.
- Motion by Jones, second by Whittington to accept Resolution 4 of 2011. All voted aye.

And Resolution 4 of 2011 was adopted on this 8th day of February, 2011.
Resolution 5 of 2011 (Revised application to Bond Commission for \$1.5 M)

RESOLUTION 5 of 2011

A resolution affirming the Town of Blanchard, State of Louisiana desire to issue an additional not to exceed One Million Five Hundred Thousand Dollar (\$1,500,000) Water Revenue Bonds and making application to the State Bond Commission for consent and authority to issue, sell and deliver not exceeding \$1,500,000 of Water Revenue Bonds, Series 2011, of the Town of Blanchard, State of Louisiana, all in the manner provided for by Part VII and/or Part XIII, Chapter 4, Title 39 and/or Chapter 32 of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority and providing for other matters in connection therewith.

WHEREAS, on May 12, 2009 the Town of Blanchard, State of Louisiana adopted the attached resolution (the "Prior Resolution") declaring the intention of the Town of Blanchard, State of Louisiana to issue Water Revenue Bonds in an amount not to exceed \$15,500,000; and

WHEREAS, on November 19, 2009 the Louisiana State Bond Commission granted approval to the Town of Blanchard, State of Louisiana to issue not to exceed \$14,000,000 Water Revenue Bonds (L09-326A); and

WHEREAS, on February 2, 2010 the Town of Blanchard, State of Louisiana issued \$1,000,000 Water Revenue Bond, Series 2010A and \$2,657,000 Water Revenue Bond, Series 2010B for a total of \$3,657,000 of Water Revenue Bonds; and

WHEREAS, it is the desire of the Town of Blanchard, State of Louisiana to issue in the aggregate not to exceed \$15,500,000 Water Revenue Bonds the and desire to increase the Commission's approval to include an additional not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) Water Revenue Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen (the "Board"), acting as the governing authority of the Town of Blanchard, State of Louisiana, that:

SECTION 1. Prior Resolution. The Board hereby affirms the Prior Resolution.

SECTION 2. Additional Bonds. The Town of Blanchard hereby requests an increase of additional bonds from \$14,000,000 to \$15,500,000.

SECTION 3. Application to State Bond Commission. Application be and the same is hereby formally made to the State Bond Commission for consent and authority for the Town of Blanchard, State of Louisiana (the "Issuer"), to affirm the Town of Blanchard, State of Louisiana desire to issue an additional not to exceed One Million Five Hundred Thousand Dollar (\$1,500,000) Water Revenue Bonds to issue, sell and deliver not exceeding \$1,500,000 of Water Revenue Bonds, Series 2011 (an aggregate total of not to exceed \$15,500,000), of the Town of Blanchard, State of Louisiana (the "Bonds"), to bear interest at a rate or rates not exceeding six percent (6%) per annum, to mature at such time or times, all in the manner provided for by Part VII and/or Part XIII, Chapter 4, Title 39 and/or Chapter 32 of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority and shall be secured by and payable from a pledge and dedication of net revenues derived from the operation of the Issuer's water system (the "System"). The portion of Bonds sold to United States – Rural Development (Part VII, Chapter 4, Title 39) shall mature no later than forty (40) years from the date thereof. The portion sold to the Louisiana Department of Health and Hospital (Part XIII, Chapter 4, Title 39) shall mature no later than twenty-two (22) years from the date thereof.

SECTION 4. Certified Copy of Resolution. A certified copy of this resolution shall be forwarded to said State Bond Commission by the Issuer's bond counsel, together with a letter requesting the prompt consideration and approval of this application.

SECTION 5. Declaration of Official Intent under Reg. 1.150-2. Prior to the issuance of the Water Revenue Bonds, the Issuer anticipates that it may pay a portion of the costs of construction and acquiring improvements, extensions and replacements to the System, including appurtenant equipment, accessories and properties, both personal and real, and costs related thereto, from other available funds. Upon issuance of the Water Revenue Bonds, the Issuer reasonably expects to reimburse said expenditures from the proceeds of the Water Revenue Bonds. Any such allocation of the proceeds of the Water Revenue Bonds for reimbursement will be with respect to capital expenditures as defined in Treasury Regulation 1.150(h) and will be made upon the delivery of the Water Revenue Bonds and not later than one year after the later date of (i) the date such expenditure was made or (ii) the date the improvements were placed in service. This resolution is intended to be a declaration of intent to reimburse in accordance with the provisions of Treasury Regulation 1.150-2.

SECTION 6. Employment of Bond Counsel. The Issuer hereby finds and determines that a real necessity exists for the employment of special bond counsel in connection with the issuance of the water revenue bonds, and accordingly Casten & Pearce, A.P.L.C., Bond Counsel of Shreveport, Louisiana, is hereby employed to do and perform comprehensive legal and coordinate professional work with respect to the issuance of the Water Revenue Bonds. Said special bond counsel shall prepare and submit to the Board of Aldermen as to the issuance and sale of the Water Revenue Bonds, and shall furnish their opinion covering the legality of the issuance thereof. The fee of special bond counsel in connection with the issuance of the Water Revenue Bonds is hereby fixed at a sum not to exceed the maximum fee allowed by the attorney General's fee guidelines of revenue bonds based on the principal amount of the Water Revenue Bonds actually issued, sold, delivered and paid for, plus "out-of-pocket" expenses; provided, however, that said fee shall be contingent upon the sale, issuance and delivery of the Water Revenue Bonds.

SECTION 7. Employment of Financial Advisor. Government Consultants of Louisiana, Inc., Baton Rouge, Louisiana, is hereby appointed as financial advisor in connection with the Water Revenue Bonds, any compensation to be subsequently approved by the Issuer and to be paid from the proceeds of the Water Revenue Bonds and contingent upon the issuance of the Water Revenue Bonds; provided that no compensation shall be due to said financial advisor unless the Water Revenue Bonds are sold and delivered and all costs must be reasonable and approved by the Issuer.

SECTION 8. Authorization of Bond Counsel and Financial Advisor. The Bond Counsel and the Financial Advisor are hereby authorized and directed to take any further action in furtherance of this Resolution and the Bond Counsel is authorized and directed to prepare necessary documents appertaining thereto and to present them for further action by this Board.

SECTION 9. State Bond Commission Swap Policy. By virtue of Issuer's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval resolved and set forth herein, it resolves that it understands and agrees that such approval is expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2006, as to the borrowing and other matter subject to the approval, including subsequent application and approval under said Policy of the implementation or use of any swap or other product or enhancement covered thereby.

Motion by Lee, second by Jones to accept Resolution 5 of 2011.

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

YEAS: Ashby, Jones, Lee, Prewett, and Whittington

NAYS: None

ABSENT: None

And Resolution 5 of 2011 was adopted on this 8th day of February, 2011.

Louisiana Community Development Block Grant (LCDBG) Survey

The Louisiana Community Development Block Grant (LCDBG) office is requiring all elected officials to complete a survey and submit to the LCDBG office by February 28, 2011.

Report of Departments

Buildings and Grounds—Whittington nothing to report.

Streets and Rights of Way—Jones nothing to report.

Water Dept.—Prewett stated everything running good.

Sewer Dept. — Ashby stated everything running good. Motion by Lee to proceed with Department of Environmental Quality (DEQ) loan for 20 years at 0.95% not to exceed \$1.6 million for needed upgrades and expansion to the sewer plant. Second by Jones. All voted aye.

Police Dept.—Chief stated approval for \$5,800 from the Parish has been received to purchase new computers. Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) is splitting approximately \$25,000 between 10 of the smaller municipalities in Caddo Parish.

Treasurer Report—Lee nothing to report.

Comments by Mayor

Mayor Digilormo and Town Clerk Debra Smith will be in Baton Rouge at the Louisiana Municipal Association (LMA) Mid-Winter Conference February 22-24, 2011. Workshop is still scheduled for February 22 at 6:30 p.m. Motion by Jones to adjourn, second by Prewett. All voted aye. Meeting adjourned 7:35.

Johnny Digilormo, Mayor

Debra Smith, Town Clerk