

MINUTES OF THE
BLANCHARD MAYOR AND TOWN COUNCIL
REGULAR MEETING – JANUARY 11, 2011
7:00 O'CLOCK

Present: Mayor Digilormo, Alderpersons Ashby, Lee, Prewett, and Whittington, Chief Presswood, Atty. Tom Arceneaux, Bond Atty. Jack Brown, Dave Cherry, David Yeates, Caddo Deputy Corp. Spikes, and Town Secretary Candy Foshee.

Absent: Alderperson Jones and Town Clerk Debra Smith.

Pledge of Allegiance led by Whittington.
Invocation given by Digilormo.

Questions and Statements of Citizens: None

Motion by Lee to accept the minutes of the regular meeting of December 14, 2010, and special meeting of December 28, 2010. Second by Prewett. All voted yea.

NEW BUSINESS

Appointment of Commissioners and Mayor Pro Tem

Motion by Prewett, second by Ashby to make the following appointments for Commissioners and Mayor Pro Tem: Mayor Pro Tem and Treasurer—Patsy Lee, Sewer—Nathan Ashby, Streets and Right-of-Ways—Allison Jones, Water—Ross Prewett, Buildings and Grounds—James Whittington. All voted yea.

Reappointment of Town Attorney Tom Arceneaux

Motion by Prewett, second by Ashby to reappoint Tom Arceneaux as Town Attorney for the term of January 1, 2011, to December 31, 2014. All voted yea.

Reappointment of Town Clerk Debra Smith

Motion by Whittington, second by Ashby to reappoint Debra Smith as Town Clerk for the term of January 1, 2011, to December 31, 2014. All voted yea.

Resolution 1 of 2011 (State Bond Application for \$6,000,000)

RESOLUTION 1 OF 2011

A resolution making application to the State Bond Commission for consent and authority to issue, sell and deliver not exceeding \$6,000,000 of Bond Anticipation Notes, Series 2011, of the Town of Blanchard, State of Louisiana, all in the manner provided for by Part VII and Section 1460.2 of Title 39 and Section 9038.38 of Title 38 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto and providing for other matters in connection therewith.

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. 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 issue, sell and deliver not exceeding \$6,000,000 of Bond Anticipation Notes, Series 2011 of the Issuer (the "Bond Anticipation Notes"), to bear interest at a rate or rates not exceeding six percent (6%) per annum, to mature no later 2 years from the date thereof, all in the manner provided for by Part VII and Section 1460.2 of Title 39 and Section 9038.38 of Title 38 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto, for the purpose of providing interim financing in anticipation of a loan from the United States of America-Rural Development ("RD") and paying the costs of issuance of the Bond Anticipation Notes, which Bond Anticipation Notes shall be additionally 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 Bonds are primarily payable upon the issuance of the Issuer's Water Revenue Bonds, Series 2011B, which RD has committed to purchase upon completion of the waterworks project to which the Bond Anticipation Notes apply.

SECTION 2. 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 3. Declaration of Official Intent under Reg. 1.150-2. Prior to the issuance of the Bond Anticipation Notes, 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 Bond Anticipation Notes, the Issuer reasonably expects to reimburse said expenditures from the proceeds of the Bond Anticipation Notes. Any such allocation of the proceeds of the Bond Anticipation Notes 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 Bond Anticipation Notes 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 4. 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 bond anticipation notes, 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 Bond Anticipation Notes. Said special bond counsel shall prepare and submit to the Board of Aldermen as to the issuance and sale of the Bond Anticipation Notes, 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 Bond Anticipation Notes 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 Bond Anticipation Notes 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 Bond Anticipation Notes.

SECTION 5. Employment of Financial Advisor. Government Consultants of Louisiana, Inc., Baton Rouge, Louisiana, is hereby appointed as financial advisor in connection with the Bond Anticipation Notes, any compensation to be subsequently approved by the Issuer and to be paid from the proceeds of the Bond Anticipation Notes and contingent upon the issuance of the Bond Anticipation Notes; provided that no compensation shall be due to said financial advisor unless the Bond Anticipation Notes are sold and delivered and all costs must be reasonable and approved by the Issuer.

SECTION 6. 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 7. 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.

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

YEAS: Ashby, Lee, Prewett, Whittington

NAYS: None

ABSENT: Jones

And Resolution 1 of 2011 was adopted on this 11th day of January, 2011.

Resolution 2 of 2011 (Authorize Mayor to sign attorney engagement agreement)

RESOLUTION 2 OF 2011

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH M. THOMAS ARCENEUX ENGAGING THE TOWN ATTORNEY AND OTHERWISE PROVIDING WITH RESPECT THERETO.

WHEREAS, the Town of Blanchard (the "Town") desires to engage M. Thomas (Tom) Arceneux ("Attorney") as its Town Attorney; and

WHEREAS, the Attorney has submitted an Engagement Agreement to memorialize the terms of the engagement and payment for services; and

WHEREAS, the engagement is on the same terms and conditions as the engagement for the previous four years;

NOW, THEREFORE, BE IT RESOLVED by the Board of Alderpersons of the Town of Blanchard, in due, legal and regular session convened, as follows:

Section 1. Johnny Digilormo, Mayor of the Town, is authorized to execute the Engagement Agreement or letter on behalf of the Town in the form attached to this Resolution and to deliver same to the Attorney.

Section 2. If any provision or item of this Resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Resolution that can be given effect without the invalid provisions, items or applications and to this end the provisions of this Resolution are hereby declared severable.

Section 3. All Resolutions or parts hereof in conflict herewith are hereby repealed.

Motion by Lee, second by Prewett to accept Resolution 2 of 2011. All voted yea.

And Resolution 2 of 2011 was adopted on this 11th day of January, 2011.

Introduce Ordinance 1 of 2011 (by title only) Second Supplemental Bond Ordinance
Whittington introduced the following Ordinance 1 of 2011 by title only to be considered for adoption at the Regular Meeting scheduled for February 8, 2011.

SECOND SUPPLEMENTAL BOND ORDINANCE 1 OF 2011

A supplemental Bond Ordinance authorizing the issuance of not exceeding \$6,535,200 of Water Revenue Bonds, Series 2011A, of the Town of Blanchard, Louisiana, in accordance with the terms of a General Bond Ordinance adopted on November 24, 2009; prescribing the form, and certain terms and conditions of said Bonds; and providing for other matters in connection therewith.

Introduce Ordinance 2 of 2011 (by title only) Third Supplemental Bond Ordinance
Whittington introduced the following Ordinance 2 of 2011 by title only to be considered for adoption at the Regular Meeting scheduled for February 8, 2011.

THIRD SUPPLEMENTAL BOND ORDINANCE 2 OF 2011

A supplemental Bond Ordinance authorizing the issuance of not exceeding \$4,930,240 of Water Revenue Bonds, Series 2011B, of the Town of Blanchard, Louisiana, in accordance with the terms of a General Bond Ordinance adopted on November 24, 2009; prescribing the form, and certain terms and conditions of said Bonds; authorizing the issuance of a Bond Anticipation Note in connection with said bonds; and providing for other matters in connection therewith.

Report of Departments

Buildings and Grounds—Whittington stated nothing to report.

Streets and Rights of Way—Jones absent.

Water Dept.—Prewett stated the water plant never lost power during the bad weather.

Sewer Dept. — Ashby stated the sewer plant was overloaded and has been for a while. He also reported that a few years ago it would take \$2,000,000 to bring plant to what was needed to meet the demand for the next 30 years.

Police Dept.—Chief stated no vehicle accidents during the winter storm, just some trees down. The generator for the police department worked great during the power outage. Even with the traffic light out, everything went smooth during the storm.

Treasurer Report—Lee stated nothing to report.

Comments by Mayor

Mayor stated nothing to report. Corporal Spikes with Caddo Parish Sheriff's Department is the new liaison for the Blanchard area. Motion by Whittington to adjourn, second by Prewett. All voted yea. Meeting adjourned 7:25.

Johnny Digilormo, Mayor

Debra Smith, Town Clerk