

**FINANCE MEETING**  
**May 27, 2014**

The Finance Meeting of the City of Natchez met in the Council Chambers on Tuesday, May 27, 2014, at 4:30 p.m.

PRESENT:	Mayor Larry L. "Butch" Brown	Mayor
	Alderman Arceneaux-Mathis	Ward 1
	Alderman Ricky Gray	Ward 2
	Alderman Sarah Carter Smith	Ward 3
	Alderman Tony Fields	Ward 4
	Alderman Mark Fortenbery	Ward 5
	Alderman Dan Dillard	Ward 6

ALSO PRESENT:

City Clerk Donnie Holloway  
City Attorney Hyde Carby  
Temple Hendricks, Board Secretary  
David Atkins, Engineering  
Ed Bowser, IT Director  
James Johnston, Community Development Director

*James Johnston, Community Development Director*

**2014 Special Needs Assistance Program (SNAP) – July Cycle**

The FHLB of Dallas had announced that it was holding a July funding cycle, with applications being received beginning July 1, 2014. The department was seeking permission to again work with Concordia Bank & Trust and Home Bank to qualify, prepare and submit up to 12 applications for funding consideration. The department asked the city to waive any and all fees associated with this program including but not limited to building permit fees, preservation commission fees, etc., as done in the past. Mr. Johnston advised that he thought that there would be a fall funding cycle.

**MDEQ Regional Recycling Cooperative Grant Award**

The City of Natchez, in partnership with the City of Brookhaven and Wilkinson County, recently received news that Natchez was one of four recipients of the department's Regional Recycling Cooperative Grant, totaling \$317,162.00, to expand and increase recycling efforts in the respective communities. Local recycling partners included Alcorn State University, Co-Lin, National Park Service, Adams County Port, Adams County Airport, CVB, and various city departments. During the board meeting, permission would be requested to allow the mayor to sign the grant agreement and to allow the department to begin implementing the grant. Alderman Arceneaux-Mathis asked if there would be a way to have a shredding day. Mr. Johnston said he would check into it.

**MS State Dept. of Health**

**Lead Hazard Control Grant Opportunity**

As in January of 2013, the department was contacted by the MS Dept. of Health to see if the City of Natchez, along with the cities of Hattiesburg, Greenville and Greenwood, wanted to again participate in a lead hazard intervention program via an application which would be prepared and submitted to HUD for funding consideration later this year. The program would involve:

- Identification of 67 pre-1978 homes with children less than 6 years of age that live or frequent the home on a regular basis, with the owner/tenant being at or below 80% of median (adjusted for family size), with 75% of the homes being renter-occupied and 25% being owner-occupied.
- The city would conduct lead and environmental risk assessments using HUD Healthy Housing Rating System. If lead-based paint was found, the home would be abated.
- The city would also provide lead and healthy homes education (Lead Hazard Control & 7 Principles of Healthy Homes); educate the community on the Residential Lead-Based Paint Hazard Reduction Act, Lead Safe Housing Rule and Fair Housing Act.
- Submit miscellaneous quarterly reports
- Estimated impact in area of program - \$386,000.00; city required to provide 15% match (which will be provided as in-kind service via staff time on the project in the form of assessment and inspection services as well as outreach and education services)

The MS State Department of Health requires a commitment to again participate. Mr. Johnston said that he would be seeking a motion to again participate in this DHS program and allow the mayor to submit a letter stating this.

Regarding the purchase of property next to Concord/ Theodore West Park, Mr. Johnston reported that he'd contacted the family and they were interested in selling, probably at a below fair market value. Mr. Carby said that the city can purchase and hold real estate for proper public services which includes parks. An appraisal has not been done. Alderman Fields asked that the city proceed.

*Ed Bowser, IT Director*

Mr. Bowser updated the BOA on Civicplus and its features. He would be asking the BOA for approval of the contract in the Regular Meeting, pending the city attorney's review. The price of \$46,000.00 would be divided over three years, interest free.

Alderwoman Carter Smith advised that \$100,000.00 can't be added to the Microseal contract per the AG's opinion therefore she'd like to amend a previous motion (\$400,000.00 for asphalt, \$100,000.00 for Microseal) or make a new motion that \$500,000.00 be allocated for asphalt. She reported that the asphalt will begin July. Alderman Fields asked that the BOA look at the list that combined FAU and non-FAU streets. Mayor Brown reported that there will not be any FAU funding for approximately 3-5 years. The BOA looked at the street inventory and discussed that the price listed to overlay State from MLK to St. Charles was \$41,000.00—David Atkins advised that this didn't include milling. A computer generated the price for the overlay of State Street and the price would be verified by the next BOA meeting. Alderwoman Carter Smith said that she would attend a BOS meeting as she feels that they should put up, at a minimum, \$250,000.00 for street repairs and go by the city's street inventory.

Kevin Preston, Magnolia Bluffs Casino, appeared and presented his list of possible people to serve on the advisory board to disburse the MBC's Community Development funds. Mayor Brown advised Mr. Preston that the advisory board would be composed of Mr. Preston, the mayor and another person the city picks. It was agreed that there would be a vetting process of proposed advisory members and the process would be wrapped up by June 10<sup>th</sup>.

Alderwoman Arceneaux-Mathis asked where Commerce Street is on the street inventory for Microseal.

Mr. Carby reported that MidLa had agreed to FERC's mediation process. The Public Service Commission has hired DC lawyers to attend and represent the area's interest.

Mr. Carby advised that the Personnel Department had requested it be informed of which officers are working off duty jobs and understand the rules. Mr. Carby said that he would be contacting Chief White for written rules and regulations related to it.

Alderman Dillard asked that his list of questions be spread on the minutes:

*Budget Report Review April 2014*

*103 Public Properties*

*p. ? R30 \$29,457 Transfer from which other Fund*

*p. ? Fund Expense Sub Totals \$8,246 does not match docket*

*185 Martin School MDAH-Grant 2011 NOT Budgeted*

*p. 87 E10 \$28,720 Contract Services Incorrect YTD amount*

*\$10,900 has been paid out of the Isaac Fund towards this work.*

*\$27,812 has been paid out of the Gustav Fund towards this work.*

*\$38,312 has been paid toward this work to date.*

*109 Casino Annual Lease Payment*

*p. 42 E49 -\$114,000 Inter Fund Loan Repayment*

*This appears to be the repayment of a loan made to Pay Roll. But why does it show up as additional revenue making the fund balance \$1,114,000?*

*p. 42 E09 \$303,110 Contract Services*

*This is the exact amount of the first street overlay program and should be debited against last year's budget NOT this year's budget.*

*p. 42 E10      \$2,997.50      City Project #601-13      what is this for?*

*p. 42 R25      \$1,000,000      Incorrect  
\$727,504 FY 2012-13 ending balance according to statements B&K 10/01/12  
\$303,000 spent for street overlay \$200,000 will be spent on micro-sealing.  
\$424,000 balance to be brought forward.*

*126-342-637 Recreation*

*p. 61 E09      \$69,936      YTD Amount      In Excess of Budget  
The Budget amount is \$65,000 for contract services. The Clerk appears to be Overpaying this vendor by \$4,936. This has been brought up before.  
Why is the Clerk OVERPAYING this vendor in excess of the Budget?*

*301 Colonnade Renovation*

*Incorrect Budget Amount*

*p. 102 R10      \$750,000      Federal Funds  
This is an incorrect amount. Total project will not exceed \$350,000.*

*302 Community Development*

*p. 103 E09      \$20,610      Miscellaneous      Restricted Fund  
This is a restricted Fund. No monies can be expended, transferred or Loaned without an approval from the Board and the funding entity.  
This payment was for a van for the Traffic Department and was should have Been repaid by now.*

*337 Transit Regional Construction*

*p. 10 R23      \$27,862      Miscellaneous      Where did this come from  
This project is closed out. So where is this money coming from?*

*p. 109 E09      \$26,671      Prof Services      does not match docket  
The invoice is from SSR and should be charged against either the Colonnades or Depot project. In any case this has nothing to do with the Transit Facility.*

*340 Highland Blvd Bypass Lift*

*p. 110 R10      \$2,114.33      Where did this come from  
p. 100 E30      \$1,114.96      Transfer      To which fund & why?  
Why is the Clerk receiving and transfer monies out of a fund that should belong to Water Works?*

*501 Unemployment Compensation*

*NOT Budgeted*

*p. 112 E07      \$12,367      Why didn't the Clerk Budget*

*604 Tax Fund*

*p. 112 R01      \$222 YTD      \$5,000,000 UNDER Budget  
This fund was budgeted at \$5,277,159 but has only collected \$222 to date?*

*Alderman's Docket of Claims April 14, 2014*

*Vendor 359104 Claim# 3,470*

*Transfer \$35,349 from Fund 185 M Martin MDAH to 329 N Natchez Drainage*

*Why is the Clerk transferring monies out of one Restricted Capital Improvements Fund, that wasn't Budgeted, into another Restricted Capital Improvements Fund that wasn't Budgeted either? How does this in any way "clean up the GL?"*

Alderman Dillard stated, under Casino Annual Lease Fund, there was an expenditure of \$303,100.00 for contract services. Mr. Holloway replied that it was for street overlay so should be in last year's budget and not sure why it showed up in this year's budget. Mr. Holloway said paid in this fiscal year therefore showed up in this budget. Alderman Dillard responded that it was paid in October, this fiscal year, therefore expenses and \$727,000.00 in revenues should've be brought forward. Mr. Holloway said that Alderman Dillard was looking at a report and not what was in the bank. The city has \$1,424,000.00 in the bank account and \$200,000.00 would be paid for Microseal out of this year's budget. Alderman Dillard said that the \$200,000.00 was to be paid out of last year's budget. Mr. Holloway said it was in

last year's budget but wasn't paid until after the budget year. Mr. Holloway said the fund should've showed \$1,424,000.00 and the reports would be corrected.

Alderman Dillard said there was an interfund loan from the Casino Annual Lease Fund in the amount of \$ 114,000.00 to Payroll. It now appears that it had been repaid but showed up as a revenue making the fund balance \$1,114,000. Mr. Holloway said it had to go into revenue as an expense out then went back in. Alderman Dillard said the fund balance was almost impossible to keep up with without bank statements—the report shows now that the fund received an additional \$114,000.00. Alderman Dillard said he was satisfied that last year expenses would be paid out of last year's budget, this year's expense would be paid out of this year's budget and the Annual Casino Lease Fund's balance was \$1,424,000.00.

Alderman Dillard advised that \$35,349.00 was transferred out of the Margaret Martin MDAH Grant Fund to North Natchez Drainage—he asked why done as those are special revenue funds with restricted use. Mr. Holloway reported that no funds were transferred out of the Margaret Martin Grant fund and said he could only think that it was put into the wrong account when the money came in and was transferred back to North Natchez Drainage. Mr. Holloway said that the \$35,000.00 should show up on the transfer list under Margaret Martin—he said that Margaret Martin should show a transfer in and a transfer out. Alderman Dillard said the report only shows expenses, no revenues and no transfers in and out. Alderman Dillard asked that the list be a continuing list that you add to and not strike things from. The report doesn't show anything about MM—all he saw was that \$11,000.00 was transferred from North Natchez Drainage to the general fund—Mr. Holloway said that this doesn't make sense. Alderman Dillard said the report should show transactions from October 1st to the end of the fiscal year.

Mayor Brown asked Mr. Holloway to trace the \$35,000.00.

Alderwoman Carter Smith asked if Mrs. Legaux had found out anything about the placement of Magnolia Bluffs Casino's sign at the top of Roth Hill—Mr. Carby was going to look at the sign ordinance as well. Mayor Brown advised that Mrs. Legaux was on vacation. Mr. Carby said that he'd asked Mrs. Legaux to look at how other historic cities handle off premise signs for casinos. A discussion was held regarding the Magnolia Bluffs Casino's sign placement. Alderman Dillard said that he was prepared to make a motion during the Regular Meeting that he felt would mitigate the issue.

**A motion was made by Alderwoman Arceneaux-Mathis, with a second by Alderman Fields, to close the Finance meeting to make a determination that a valid reason existed to go into Executive Session. The motion carried unanimously.**

Mr. Carby returned and advised that it had been determined that a valid reason existed to go into Executive Session which was the discussion of two proposed leases of city property, the job performance of a city accountant and a Police Department employee.

**After meeting in Executive Session, Alderman Dillard made the motion to go out of Executive Session and adjourn to the Finance Meeting of the Board of Aldermen. Alderman Gray seconded the motion which carried unanimously.**

**Alderman Gray made the motion to adjourn the Finance Meeting to go into the Regular Meeting of the Board of Aldermen. Alderwoman Carter Smith seconded the motion which carried unanimously.**

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Larry L. "Butch" Brown, Mayor

Attest:

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Donnie Holloway, City Clerk