

MINUTES OF A REGULAR MEETING OF THE MAYOR AND COUNCIL OF THE CITY OF GONZALES, STATE OF LOUISIANA, TAKEN ON OCTOBER 8, 2018, 5:30 P.M. AT CITY HALL, 120 S. IRMA BLVD.

MEMBERS PRESENT:

Mayor Barney Arceneaux
Councilman Harold Stewart
Councilman Tyler Turner

Councilman Kirk Boudreaux
Councilman David Guitreau
Councilman Neal Bourque

MEMBERS ABSENT: NONE

ALSO PRESENT:

Scot Byrd, City Clerk
Sandra Alleman, Payables Clerk

Erin Lanoux, City Attorney

Motion by Councilman Kirk Boudreaux, seconded by Councilman David Guitreau to approve the Council Meeting Minutes, taken September 24, 2018.

YEAS: Councilman David Guitreau, Councilman Kirk Boudreaux, Councilman Harold Stewart, Councilman Tyler Turner, Councilman Neal Bourque

NAYS: NONE

ABSENT: NONE

The City Clerk read the minutes from the regularly scheduled Planning and Zoning Commission meeting, held October 1, 2018. There were no items from the minutes requiring action from the city council.

Motion by Councilman Neal Bourque, seconded by Councilman Kirk Boudreaux to approve the Fiscal Year 2017-2018 Financial Audit Report as presented by Diez, Dupuy & Ruiz. The Audit produced an unmodified opinion.

YEAS: Councilman David Guitreau, Councilman Kirk Boudreaux, Councilman Harold Stewart, Councilman Tyler Turner, Councilman Neal Bourque

NAYS: NONE

ABSENT: NONE

Motion by Councilman Kirk Boudreaux, seconded by Councilman Tyler Turner to Adopt Resolution No. 2874:

A RESOLUTION OF THE CITY OF GONZALES, LOUISIANA
AUTHORIZING THE PURCHASE OF NATURAL GAS FROM THE
MUNICIPAL ENERGY ACQUISITION CORPORATION;
APPROVING THE EXECUTION AND DELIVERY OF A GAS SALES
CONTRACT RELATING TO SAID PURCHASE; AND CONSENTING
TO THE ASSIGNMENT OFF CERTAIN OBLIGATIONS UNDER
THE GAS SALES CONTRACT IN CONNECTION WITH THE
ISSUANCE OF BONDS BY THE TENNERGY CORPORATION.

The following Resolution was offered by Councilman Kirk Boudreaux and seconded by Councilman David Guitreau:

WHEREAS, The Tennergy Corporation, An Energy Acquisition Corporation, is an energy acquisition corporation organized by actions of its associated municipalities pursuant to the provisions of Title 7, Chapter 39, Tennessee Code Annotated (the "Act") ("Tennergy"); and

WHEREAS, Tennergy was formed, among other reasons, to acquire secure, reliable and economic long-term supplies of gas for resale to its associated municipalities and to other governmentally-owned utilities for ultimate delivery to the residential, commercial, institutional, and industrial consumers in their areas of service, both inside and outside the State of Tennessee, and to achieve cost savings, economies of scale and reliability of supply; and

WHEREAS, Tennergy has planned and developed a project to acquire long-term gas supplies from Royal Bank of Canada (“RBC”), pursuant to a Prepaid Natural Gas Purchase and Sale Agreement, and will sell the gas purchased from RBC to public gas distribution systems, municipal gas and electric utilities, and joint action agencies serving public gas distribution systems (the “Project Participants”), so as to bring the benefits of secure, reliable and economical gas supplies to the Project Participants and the citizens, inhabitants, and customers they serve (the “Prepaid Project”); and

WHEREAS, The Municipal Energy Acquisition Corporation (“MEAC”) is an energy acquisition corporation formed pursuant to the Act, a public corporation, and an instrumentality of certain municipalities and the State of Tennessee; and

WHEREAS, MEAC has been afforded an opportunity to participate in Tennergy’s gas supply Prepaid Project described above as a Project Participant under a natural gas supply contract between MEAC and Tennergy (the “MEAC Supply Agreement”); and

WHEREAS, MEAC has offered to sell to the City of Gonzales, Louisiana (the “City”) a portion of the gas that MEAC will purchase from Tennergy under the MEAC Supply Contract; and

WHEREAS, the City Council of the City (the “Governing Body”) has determined that it is in the best interest of its natural gas distribution system and the customers it serves that the City purchase a portion of its annual natural gas requirements from MEAC pursuant to a natural gas supply agreement to be entered into by MEAC and the City, as more fully described herein (the “Gas Sales Contract”), the substantially final form of which is attached to this Resolution; and

WHEREAS, for the purpose of securing its obligations to Tennergy under the MEAC Supply Contract, MEAC will pledge all of its right, title and interest under the Gas Sales Contract and the amounts payable by the City thereunder to Tennergy; and

WHEREAS, the City shall have no obligation or liability with respect to the payment of MEAC’s obligations to Tennergy under the MEAC Supply Contract or the bonds issued by Tennergy to finance the costs of the Prepaid Project (the “Bonds”), and the City’s only obligations shall be as set forth in the Gas Sales Contract; and

WHEREAS, in order to authorize the purchase of natural gas from MEAC and the execution of the Gas Sales Contract, to consent to the pledge by MEAC of its interests under the Gas Sales Contract to secure its obligations under the MEAC Supply Contract, and to authorize the taking of such other necessary and appropriate action in furtherance of the above described program, the Governing Body adopts this resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Gonzales, Louisiana as follows:

1. The City shall purchase from MEAC on each day in each month for the term of the Gas Sales Contract such portion of the City’s natural gas requirements as the Authorized Officer (as defined below) shall determine, in consultation with the Governing Body, and set forth in the Gas Sales Contract, pursuant to and substantially in accordance with the terms of the Gas Sales Contract as submitted to the Governing Body at this meeting and attached to this Resolution, and which is approved pursuant to Paragraph 2 herein, and the officers, employees and agents of the City are hereby authorized and directed to take such actions and do all things necessary to cause the purchase of said gas to take place, including the payment of all amounts required to be paid in order to purchase the gas in accordance with the Gas Sales Contract.

2. The Gas Sales Contract shall be in substantially the form submitted, which is hereby approved, with such completions, omissions, insertions, and changes as may be approved by the officers executing said Agreement, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; provided, however, that the Gas Sales Contract shall not be for a term longer than 31 years, shall provide for a natural gas purchase obligation not to exceed an average of 500 MMBtu per day, and shall provide for a minimum projected discount to the City, taking monthly and projected annual savings into account (the "Minimum Discount," as defined in the Gas Sales Contract), of (i) thirty cents (\$0.30) per MMBtu during the Initial Reset Period (as defined in the Gas Sales Contract) and (ii) twenty cents (\$0.20) per MMBtu during the remaining term of the Gas Sales Contract; provided that the officers, employees and agents of the City are authorized to elect to continue to purchase gas during a Reset Period (as defined in the Gas Sales Contract) during which the discount is less than the Minimum Discount (all as described in the Gas Sales Contract), if such officers, employees and agents determine such election to be in the best interest of the City. The Gas Sales Contract may also provide for a MEAC Administrative Fee as defined in the Gas Sales Contract of not to exceed three cents (\$0.03) per MMBtu as calculated as provided in the Gas Sales Contract, and a Project Administrative Fee of not to exceed three cents (\$0.03) per MMBtu as calculated as provided in the Gas Sales Contract, which fees will reduce the amount realized as the Minimum Discount.

3. The Mayor (the "Authorized Officer"), is authorized to execute the Gas Sales Contract and the City Clerk (the "Attesting Officer") is authorized to attest to such execution.

4. The execution and performance by MEAC of the MEAC Supply Contract is hereby acknowledged by the Governing Body, and the Governing Body hereby consents to (a) the assignment and pledge by MEAC of all its right, title and interest under the Gas Sales Contract, including the right to receive performance by the City of its obligations thereunder, to secure the performance and payment by MEAC of its obligations under the MEAC Supply Contract, and (b) the sale of receivables due to MEAC from the City when necessary to provide revenues sufficient to enable MEAC to meet and pay when due its obligations under the MEAC Supply Contract.

5. The Bonds are not obligations of the City but are limited obligations of Tennergy payable solely from the revenues and receipts arising from the sale of gas to the Project Participants and others, including MEAC, pursuant to the MEAC Supply Contract and to similar agreements with the other Project Participants. By acknowledging the issuance of the Bonds and consenting to the assignment of the Gas Sales Contract and the sale of receivables owed by the City, the City is not incurring any obligation or liability with respect to the MEAC Supply Contract or the Bonds, and the City's obligation pursuant to this Resolution is to purchase natural gas and perform its obligations as set forth in the Gas Sales Contract.

6. The officers, employees and designated representatives of the City are hereby authorized and directed to provide such financial and operating information with respect to the City and its utility system, including annual financial statements, as Tennergy may reasonably request for use in Tennergy's offering documents and annual continuing disclosure filings for the Bonds.

7. All acts and doings of the officers, employees or designated representatives of the City which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution,

delivery and performance of the Gas Sales Contract, and in furtherance of the issuance and sale of the Bonds, shall be and the same hereby are in all respects approved and confirmed.

8. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

9. All other resolutions or orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed. This Resolution shall be in immediate effect upon and after its adoption. If the Bonds have not been issued by June 30, 2019, this Resolution shall no longer be effective.

The foregoing resolution was adopted by the following votes:

YEAS: Councilman David Guitreau, Councilman Kirk Boudreaux, Councilman Harold Stewart, Councilman Tyler Turner, Councilman Neal Bourque

NAYS: NONE

ABSENT: NONE

ABSTAIN: NONE

Final vote on Ordinance No. 4075:

AN ORDINANCE AMENDING THE CODE OF ORDINANCE
CHAPTER 2. ADMINISTRATION, ARTICLE 5. PERSONNEL RULES
AND PROCEDURES, DIVISION 5, ABSENCES FROM WORK
SECTION 2-215. LEAVE OF ABSENCE WITHOUT PAY AND
EXTENDED MEDICAL LEAVE. (CHANGE) (a) TO READ:

BE IT ORDAINED, by the Mayor and Councilman of the City of Gonzales, Louisiana:

That the Code of Ordinance of the City of Gonzales be hereby amended to read:

CHAPTER 2. ADMINISTRATION*

Article V. Personnel Rules and Procedures.

DIVISION 5. Absences from Work

Sec. 2-215. Leave of absence without pay and extended medical leave.

(CHANGE) (a) To read:

(a) Leaves of absence without pay may be authorized on an individual basis by the mayor/police chief. During any authorized leave without pay, earned leave shall not accrue. Prior to taking leave without pay, an employee will be required to use all available paid leave.

YEAS: Councilman David Guitreau, Councilman Kirk Boudreaux, Councilman Harold Stewart, Councilman Tyler Turner, Councilman Neal Bourque

NAYS: NONE

ABSENT: NONE

Final vote on introduce Ordinance No. 4074:

AN ORDINANCE AMENDING THE CODE OF ORDINANCE
CHAPTER 11. GARBAGE, TRASH, WEEDS AND WASTES.
SECTION 11-39, COST ASSESSED AGAINST PROPERTY OWNER,
(CHANGE) TO READ; **SECTION 11-62,** COST ASSESSED
AGAINST OWNER, TIME OF PAYMENT, PROCEDURE WHEN
OWNER FAILS TO PAY, (CHANGE) TO READ:

BE IT ORDAINED, by the Mayor and Councilman of the City of Gonzales, Louisiana:
That the Code of Ordinance of the City of Gonzales be hereby amended to read:

CHAPTER 11. GARBAGE, TRASH, WEEDS AND WASTES*

Sec. 11-39. - Cost assessed against property owner.

(CHANGE) To read:

Within ten (10) days after the removal as provided in sections 11-37 and/or 11-38, the clerk shall furnish the owner as shown on the last assessment roll, by certified mail, a written statement showing the cost or expense incurred for the work, and the place or property on which the work was done. If the owner is found to have violated this section more than two times within a six month period, the city will additionally assess the owner a fine of \$250 upon the third offense and \$500 on every subsequent offense thereafter. These charges include, but are not limited to, any actual costs incurred by the City of Gonzales, fines levied against the owner, any administrative fees incurred, any third party contractor fees, and also expressly includes interest on all sums due from incurrence until payment. In the event the city elects to hold a public hearing before the city council and the nuisance is not remedied as proscribed in the hearing, each day shall constitute an additional offense. Notice of the public hearing shall be provided by certified mail and publication in the newspaper of record at least fifteen days prior to the hearing. If the statement is not paid within one (1) month thereafter, the amount thereof shall be included in and form a part of the taxes due by the property and the owner, and when collected shall be credited to the general fund of the city. The city is authorized to may recover costs of demolition, removal, maintenance, interest or attorney fees as provided in Louisiana RS 33:4766.

Sec. 11-62. - Cost assessed against owner, time of payment, procedure when owner fails to pay.

(CHANGE) To read:

After the cutting or removal as provided in section 11-61, the clerk shall furnish the owner as shown on the last assessment roll, by certified mail, a written statement showing the cost or expense incurred for the work, and the place or property on which the work was done, and any applicable fines and interest as set forth hereafter. If the owner is found to have violated this section more than two times within a six month period, the city will additionally assess the owner a fine of \$250 upon the third offense and \$500 on every subsequent offense thereafter. The City is further authorized to charge the owner interest on all sums due from incurrence until payment at a rate that does not exceed the legal interest rate provided in La. R.S. 9:3500. If the statement is not paid within one month thereafter, the amount thereof shall be included in and form a part of the taxes due by the property and the owner, and when collected shall be credited to the general fund of the city.

YEAS: Councilman David Guitreau, Councilman Kirk Boudreaux, Councilman Harold Stewart, Councilman Tyler Turner, Councilman Neal Bourque

NAYS: NONE

ABSENT: NONE

Motion by Councilman Kirk Boudreaux, seconded by Councilman Harold Stewart, to introduce Ordinance No. 4076:

AN ORDINANCE AMENDING THE CODE OF ORDINANCE
CHAPTER 13. PARKS AND RECREATION. **SECTION 13-37**,
RATES, CHARGES AND FEES. (A) THE FOLLOWING RATES,
CHARGES AND FEES SHALL APPLY TO THE GONZALES CIVIC
CENTER (CHANGE) (8) TO READ:

BE IT ORDAINED, by the Mayor and Councilman of the City of Gonzales, Louisiana:

That the Code of Ordinance of the City of Gonzales be hereby amended to read:

CHAPTER 13. PARKS AND RECREATION*

Sec. 13-37. – Rates, charges and fees.

(a) The following rates, charges and fees shall apply to Gonzales Civic Center:

(CHANGE) (8) To read:

A security deposit of six hundred (\$600.00) dollars is required at the time of booking and is refundable fourteen (14) days after the event provided the building is returned in the same condition as when received. If the lessee does not notify the lessor of a cancellation with a period of ninety (90) days of the scheduled event, said deposit will be forfeited unless cancellation is caused by an act of God or other natural disaster.

Final vote on the foregoing amendment to be taken at the next regular City Council Meeting scheduled for October 22, 2018.

Motion by Councilman Tyler Turner, seconded by Councilman Neal Bourque, to approve a special use permit for Kool Kids Movement for a bike-a-thon to be held at the soccer field on Orice Roth on October 27, 2018 from 6 pm until 7:30 pm, subject to approval from the Chief of Police.

YEAS: Councilman David Guitreau, Councilman Kirk Boudreaux, Councilman Harold Stewart, Councilman Tyler Turner, Councilman Neal Bourque

NAYS: NONE

ABSENT: NONE

The Central Services Director presented a report to the city council regarding recent complaints made about garbage service over the last 90 days.

The Chief Engineer presented a report regarding progress on current project within the city.

The Public Works Director presented his report.

There being no further business to come before the City Council and upon a motion duly made and seconded, the meeting was adjourned.

Barney Arceneaux, Mayor

ATTEST:

Scot Byrd, City Clerk