

**FINANCE COMMITTEE MINUTES**  
**July 26<sup>th</sup>, 2011**  
**Chairman Steve Lee**  
**Vice-Chairman Charles Julien**

Members: Haston Lewis, Danny Millet, Charles Julien, Jaclyn Hotard, Darnel C. Usry, Cheryl Millet, Lucien Gauff, III, Ronnie Smith, Steve Lee

**PRESENT:** Haston Lewis, Ronnie Smith, Jaclyn Hotard, Charles Julien, Danny Millet, Lucien Gauff, III, Steve Lee & Darnel C. Usry

**ABSENT:** Cheryl Millet

**BID OPENING REPORT/AWARDS:**

**Brenda Labat – Bid Award – Authorization to award the contract for the Garyville Fire Department Expansion to Double E Construction Services, LLC of Reserve in the amount of \$63,750.00**

Brenda Labat, Director of Purchasing, stated, *"Administration requests authorization to award the contract for the fire station expansion to Double E Construction Services, LLC of Reserve, in the amount of \$63,750.00. The project includes a 25 foot extension to the existing structure and is funded through the Garyville Fire Department budget."*

**MOTION:** Councilman Lewis moved and Councilman Gauff seconded the motion to grant administration authorization to award the contract for the Garyville Fire Department Expansion to Double E Construction Services, LLC of Reserve in the amount of \$63,750.00. The motion passed with 7 yeas, 1 absent (Cheryl Millet) and 1 abstaining (Lee).

**Brenda Labat – Authorization to award the design and inspection contract for Wastewater Collection Repairs to Professional Engineering Consultants in an amount not to exceed \$152,000.00**

Brenda Labat stated, *"Administration requests authorization to award the design and inspection services contract to Professional Engineering Consultants of Baton Rouge. The contract is for an amount not to exceed \$155,470 to develop design plans and specifications to address inflow and infiltration repairs to the sewer system. The contract and repairs will be funded through a low interest loan from the Department of Environmental Quality (DEQ)."*

**MOTION:** Councilman Smith moved and Councilman Millet seconded the motion to grant administration authorization to award the design and inspection contract for Wastewater Collection Repairs to Professional Engineering Consultants in an amount not to exceed \$155,470.00. The motion passed with Councilwoman Cheryl Millet absent.

**Theresa Rodgers/Stacey Cador – Authorization to renew the property, general liability, and management liability insurance for the 911 Communication's District**

Therese Rodgers, CAO, stated, *"Administration requests authorization to renew the property, general liability, and management liability insurance for the 911 Communications District with American Alternative*

*Insurance Corporation through Riverlands Insurance Services. The estimated annual premium is \$24,398.24, which is \$647.59 more than last year's premium."*

**MOTION:** Councilman Julien moved and Councilman Smith seconded the motion to grant administration authorization to renew the property, general liability, and management liability insurance for the 911 Communication's District. The motion passed with 7 yeas, 1 absent (Cheryl Millet) and 1 abstaining (Lee).

**Theresa Rodgers/Stacey Cadore – Authorization to renew the Commercial Property insurance for the St. John Airport**

*Theresa Rodgers stated, "Administration also requests authorization to renew the Commercial property insurance for the St. John Airport with Southern Underwriters Insurance Company through Riverlands Insurance Services. The annual premium of \$1,647.00 reflects an increase of \$51.00 over last year's premium and will be cost shared between the parish and the Port of South Louisiana at 50% each."*

**MOTION:** Councilman Gauff moved and Councilman Millet seconded the motion to grant administration authorization to renew the Commercial Property insurance for the St. John Airport. The motion passed with 7 yeas, 1 absent (Cheryl Millet) and 1 abstaining (Lee).

**Angelic Sutherland – Authorization to execute a Joint Release by and between St. John the Baptist Parish and Grove Properties, LLC**

*Angelic Sutherland, Assistant to the Parish President, stated, "Administration requests authorization to execute a Joint Release with Grove Properties, LLC to nullify an agreement dated July 10, 2007. The agreement was intended to return a portion of the drainage servitude to the developer in exchange for a financial contribution toward a culvert project. Neither was upheld and the Parish has determined, through a licensed appraiser, that the value of the servitude (\$232,000) exceeds the obligation of the developer (\$191,324.40). Both parties agree to the release."*

**MOTION:** Councilwoman Hotard moved and Councilman Julien seconded the motion to grant administration authorization to execute a Joint Release by and between St. John the Baptist Parish and Grove Properties, LLC. The motion passed with Councilwoman Cheryl Millet absent.

**Theresa Rodgers/Natalie Forbes – Authorization to execute change order No. 1 in the amount of \$84,699.59 for the REGALA Park Gym**

*Theresa Rodgers stated, "Administration requests authorization to execute Change Order No. 1 in the amount of \$84,699.59 with Block Construction for the REGALA Park Gym. The greatest portion of this change order is based on the Fire Marshall's review and recommendations to address safety requirements. Other changes include a new office on the ground level, a revised electrical service location, additional lettering on the gym floor, and a no-cost time extension of 73 days (Sept. 26, 2011). These changes are funded through the 2002 bond issue and remain below the original cost estimate of (\$3.2 million)."*

**MOTION:** Councilman Smith moved and Councilman Gauff seconded the motion to grant administration authorization to execute change order No. 1 in the amount of \$84,699.59 for the REGALA Park Gym. The motion passed with Councilwoman Cheryl Millet absent.

**Theresa Rodgers/Natalie Forbes – Authorization to execute contract amendment No. 1 with Meyer Engineers for the REGALA Park Gym in an amount not to exceed \$9,000.00**

Theresa Rodgers stated, "Administration requests authorization to execute contract amendment No. 1 in an amount not to exceed \$9,000.00 with Meyers Engineers, Ltd. for the REGALA Park Gym. This amendment is for part-time resident inspection services required by the increased project time. This change is also funded in the 2002 bond issue."

**MOTION:** Councilman Julien moved and Councilman Gauff seconded the motion to grant administration authorization to execute contract amendment No. 1 with Meyer Engineers for the REGALA Park Gym in an amount not to exceed \$9,000.00. The motion passed with Councilwoman Cheryl Millet absent.

**Theresa Rodgers/C.J. Savoie – Authorization to execute change order No. 1 in the amount of \$111,072.00 for the Lions Water Plant Expansion, Phase VII**

Theresa Rodgers stated, "Administration requests authorization to execute Change Order No. 1 in the amount of \$111,072.00 with Sealevel Construction, LLC for the Lions Water Plant Expansion, Phase VII. This change order includes changes to the plant filter building and piping, the addition of a 24-inch equalizer line between clear wells, and the addition of variable frequency drives to the 2.5 MGD Clarifier at the request of utilities department staff. It also includes an increase of 200 days, some of which was due to Mississippi River flooding. These changes are funded by the 2009 bond issue."

Councilwoman Usry asked, "Are we still within the budget?"

Theresa Rodgers stated, "Yes we are."

Councilman Gauff asked, "What is the actual completion date?"

C.J. Savoie, Parish Engineer, stated, "In September but it was extended when they stopped all construction within 1,500 feet they could do no excavation and that was mandated by the Corp. A lot of these days were used up at that time."

Councilman Julien asked, "As we look at the change orders, was this anticipated the changes that we are making right now or was that something that could be anticipated?"

Theresa Rodgers stated, "No sir. These were not anticipated. I will let Mr. Savoie address that further if you would like more information."

C.J. Savoie stated, "The proposal number one for the \$20,000.00 was some corrections that had to be made during the construction. The other two items were no anticipated they were requested by the utility department for these increases to help them in some areas that they

had. This project ran about \$400,000.00 below the estimated budget. So they are still well below the budget."

Councilman Julien asked, "At this point could you see that we could possibly go over the budget?"

C.J. Savoie stated, "No I don't think there is any possibility. I do possibly see one minor change coming but other than that I don't see anything else and we should finish on schedule."

Councilman Smith stated, "We have a real big change order here. I understand that they came in way under budget. I am also understanding that we as a whole are requesting to have these changes done but to add \$100,000.00 is it legal that we are just putting this in as a change order? It sounds to me like the whole scope of the project is changing if you are adding \$100,000.00."

C.J. Savoie stated, "You have to realize to that it is a 3.6 million dollar project."

Councilman Smith stated, "I understand that. That isn't my point. The point I am trying to make is and it sounds to me like we are changing the entire scope of the project where we are adding \$100,000.00 to this project. I am thinking why couldn't this have been done some other kind of way or should it have been re-bid out in a different way or this part of that project listed as another project and bid out separately. I am just saying because of the size of the change order and we are listing it as a change order."

C.J. Savoie stated, "One of the biggest items is the equalizer line between the clear wells. This is going to help them. As you know when we had a drought they had to use some of the Lions water to subsidize some of the Ruddock system. One of the problems that they ran into during that period of time was they could not suck some of the water out of one clear well and they were getting some water from the other clear well but it wasn't quick enough so they needed a 24 inch line to connect these two because they had a problem there and they are asking it be done while they have a contractor on site who could do this that is one of the items."

Councilman Smith stated, "I understand and I am not saying that we were doing anything purposely illegal or nothing like that. I am just saying for it to be that much of a change order didn't they know when the project went out that this was something that we needed to have done?"

C.J. Savoie stated, "No they didn't know because it really wasn't a part of the overall plan."

Councilman Smith asked, "I guess what I am asking Chuck and I may be totally off base here but this never came up before? We never knew that we needed another line back there? This just came up during the project?"

C.J. Savoie stated, "Yes because it recently became more of a problem. I guess they might have had I can't say Councilman Smith that they never knew this or it never happened but when you are doing improvements like that and you have a contractor on site and you see

something that might enhance a problem like that when you consider the \$100,000.00 versus the 4 million dollar project, it isn't that it is not a large change order I understand but these are things that they saw. The other one is the clarifier which they are installing. They feel that the frequency drive is going to save them a lot of money in the long run in the operation of that so they would like to have this but it required some additional electrical work in order to get it."

Councilman Lewis asked, "I was listening to what Mr. Smith said. In knowing that wasn't part of the project and they are bringing it up later, couldn't they wait on it? Does it have to be done at this time?"

Natalie Robottom, Parish President, stated, "I would like to just add a couple more things. Mr. Lewis you are correct but with having them on site they are already working on the project. It was a lot cheaper to do it this way then to have bid it out and had mobilization and bid fees. So again as Mr. Savoie said this is not part of the original project. Obviously when all the projects were designed we had an anticipated cost probably all the whistles and bells that we could possibly want were not included but when this project came under bid and as they worked through the process these were not contractor encouraged changes. We have been fortunate enough to move some of the lines and open some of the valves that helped us when we changed the filters. As a matter of fact I don't think people even knew we had a problem because we were able to change the water filters at Ruddock and not lose pressure because we can now produce water into the LaPlace area from Reserve. What we realized though is that it could have been even better had this 24 inch pipe connection been there because there were some concerns about the pressure and the amount of water that we could get through Reserve. So this is an administrative and engineering request to make the current project, which is a good project, a better project. It was a lot cheaper for us to do it while the contractors were on site. It is actually \$111,000.00 divided into three different separate projects that actually equate to that. I think what Mr. Savoie was saying and I know what you are saying it is a large change order but in the big scheme of things percentage wise it doesn't exceed the percentage that would allow us to have this size change order with a 4 million dollar project. Again this was not anticipated. This was something that we discussed with all the engineers and asked some of the same questions that you are asking and felt comfortable that at this point this was the best recommendation for that project and this parish at this time."

Councilman Smith asked, "Has this work been done or started already?"

Natalie Robottom stated, "It has not. The process is we get approval then they can do the work."

Councilman Julien stated, "I will support this but only because we have had so many problems with the water but the change order is huge. I think we do need the drinking water corrected."

**MOTION:** Councilman Millet moved and Councilman Gauff seconded the motion to grant administration authorization to execute change order No. 1 in the amount of \$111,072.00 for the Lions Water Plant Expansion, Phase VII. The motion passed with Councilwoman Cheryl Millet absent.

Councilwoman Cheryl Millet arrived at 6:15 PM.

**Theresa Rodgers/C.J. Savoie – Authorization to execute change order No. 1 in the amount of \$169,602.00 for the Reserve Drainage Project**

Theresa Rodgers stated, "Administration requests authorization to execute change order No. 1 in the amount of \$169,602.00 with LA Contracting Enterprises, LLC for the Reserve Drainage Project. The changes were requested by the parish and include installation of additional culverts on West First Street, installation of fire hydrant valves throughout the project, and the addition of 30 days to the project completion date. These changes are funded through the 2009 bond issue and the utilities department."

Councilman Julien asked, "Again \$169,000.00 in my opinion I think that is too much. I think it becomes bid manipulation if you will. I think that companies come in, they under bid and they know that we will approve astronomical change orders. A change order for almost a quarter of a million dollars, this individual could not be the lowest bidder if they are coming back and asking us for another \$170,000.00."

Natalie Robotom stated, "Clarification again Mr. Julien this was not at the request of the contractor. This was at the request of Councilman Millet to expand the scope of the project. Additionally during the process of going through the project there was a need from the utility department to change out the valves on all of the fire hydrants or many of them throughout the project and again at the request of utilities which is why they are paying part of this to make it a lot easier to maintain and operate those fire hydrants should they need to be valved off or circulated. So if you read through the project it was not a request of the contractor. These were request of the parish."

Councilman Julien stated, "As I respect Councilman Millet, again \$170,000.00 when our engineers went out to develop this project I am sure that they took into account the water hydrants. When we look at the individuals who are flooding all over the parish \$170,000.00 is entirely too much. I do want the people of District II to get what they need and the services that they need but I think that other parts of the parish are suffering. When we had this rain I know a lot of people saw a whole lot of flooding. When we look at the areas who have been suffering and we are saying that we don't have any money all of a sudden we find \$170,000.00 to go and put in extra culverts when that particular side of the track doesn't flood. So in my opinion that is just too much money to spend just because my councilman says that we need to find \$170,000.00 if that is the case all the people that are flooding in all those different districts then we need to be able to find the same amount of money for them."

Councilwoman Hotard asked, "Just looking at this from a contracting stand point it says that the scope of the project is to include additional culverts and the installation of fire hydrant valves. To me it looks like a separate project or if it is another project that they want to add on to this project then it exceeds the \$150,000.00 threshold and to me it looks like a project that needs to be bid out. I understand that a contractor may already be on site doing the work but if we tack on another project on top of theirs and get around the bid law and say that it is going to save us time and money because they are

already out there then we could do that really in any instance. So I want to make sure that we are treading lightly on that because it is over \$150,000.00. It is an entirely new project. To me it looks like something that needs to go out for bid to see if in fact this change order may not be \$170,000.00, if we put it out for a competitive bid we may get something a little bit lower than \$170,000.00."

Natalie Robottom stated, "We will defer to our legal counsel."

Councilman Lee stated, "This is what I was going to suggest, the last two comments that were made involving how this may or may not affect the bid law. At this time I think it would be advisable to have Mr. Daley address that particular issue because certainly that isn't the intent of these motions."

Natalie Robottom stated, "Absolutely not and actually one of them was an extension of the existing culvert project on W. 1<sup>st</sup>. The fire hydrants were totally outside of that project but the utility department requested it and offered to pay for the hydrants out of their funding rather than out of the bond project but as they were working on the streets and tearing it up getting the job done while the contractors were out there but the entire change order to W. 1<sup>st</sup> is not \$169,000.00 with regard to the contract that was previously awarded for culverts because the fire hydrants are really not necessarily combined."

Councilman Lee stated, "I asked legal counsel to address the issue of legality that has been brought up by the last two comments made by fellow council members. Let's clear the air on that then we will continue to have our discussion with the administration."

Tom Daley, Legal Counsel, stated, "Ms. Hotard raises one very good point. The threshold limit for capital improvement projects is \$150,000.00 anything over that has to be bid. The issue with regard to change orders is whether or not the precipitated change order is within the scope of the work. I would suggest at this time, unless there is some type of emergency, that we defer this change order so that myself or Mr. O'Regan can meet with the engineer and determine the scope of the original bid and if this anticipated work is within the scope or outside of it. If it is outside the scope and it exceeds \$150,000.00 Ms. Hotard is correct it should be bid out as a separate project. The prior item because it was under \$150,000.00 didn't raise that mandatory bid requirement but since this one exceeds that amount I would recommend that we defer action until we have had an opportunity to meet with the engineer and review the scope with the administration."

Councilwoman Hotard stated, "All I wanted to say is that I wasn't suggesting that the administration tried to do anything illegal. I wanted to clarify that before. Like I said, from a contractor stand point when I see over \$150,000.00 and I know that is the threshold it just raised a flag for me so I wanted to make sure just as a body collectively that we are not doing anything improper."

Councilman Smith asked, "Mrs. Robottom do you all have a break down of how much the water hydrants, the valves are?"

Natalie Robottom stated, "It is on page 19. I think it was \$28,000.00."

Councilman Smith asked, "So actually the change order that you need for the project that we have in hand is like \$141,000.00 or something like that?"

Natalie Robottom stated, "And some of those additional costs, just the fire hydrants themselves were \$28,000.00 and you add lines 11 and 12 to that there are some of those numbers..."

Councilman Smith stated, "Let's say it is \$40,000.00 and we are \$120,000.00 over what we are asking for a change order. My only comment on this was I think what we need to do is that we need to do better preparation and we need to look at the entire project at the beginning of the project and get that department involved at the planning phase of the project so that they can come in and recommend at that time hey while we are doing this we may want to add these valves in and have it as an alternate number one or whatever and do it like that so it won't look like this and this problem won't come up next time. It is only a suggestion."

Natalie Robottom stated, "It is a good one. We are working really hard to do that. Unfortunately some of these were designed before we had the current people working in those departments and as they are there now that wasn't part of the original design. I don't know that utilities were involved. It was a drainage project. As the utilities department and the firemen on the road detected such a problem the request was made and obviously it is something that we need to pay closer attention to."

Councilman Smith asked, "I know if we took out that portion of just the valves and stuff would we be able to continue on with the project. I don't want to sit here and delay a project in Mr. Millet's district for two weeks or a month and put them behind the scope and add additional cost and fees because of that. What I would like to see is if we could take that portion out, if the council would agree to that, take that portion out with the valves for the hydrants and do the other work that they need to do."

Councilman Lewis stated, "Well what I was looking at is who designed that work already to put out and do it because every job that we have, if it is a new job, should be designed or something laid out as to how they are going to do it, when they are going to do it. If you are building a house you have a plan."

Councilman Smith stated, "Chuck my only question is I don't want to hold this project up any okay. I would just like to say if we can get this change order with everything included except for the valves for the fire hydrants could we do it that way?"

C.J. Savoie stated, "Yes you can do it that way. In my opinion you can take out those items. I don't know if the water line off set is central to him putting in the remaining lines drainage stuff. This is another area that is part of a street that they added on to for the drainage. So they wanted to finish out the street."

Councilman Smith stated, "I understand that. I am trying to give them as much space to do as much as we can and also take the advice of our legal counsel also."

Councilwoman Hotard stated, "The only concern that I have with what Ronnie is saying is that if we start breaking down a project just for the purpose of it to fit into the bid law I have a problem with that as well. What I think the best thing is like Tom Daley said to table this item and take a deeper look into it. I know Danny this is your district. I could make a lot of comments about it. We need a lot of this work all over the parish also. I would like to put that into the form of a motion that we table this item."

**MOTION:** Councilman Millet moved and Councilwoman Hotard seconded the motion to table change order No. 1 for the Reserve Drainage Project. The motion passed unanimously.

#### **Any and all other financial concerns**

#### **Natalie Robottom – Certificate of Substantial Completion – Reserve Boat Launch**

Natalie Robottom stated, "Yes we apologize for just getting that to you we received it today as well. It is a substantial completion for the Reserve Boat Launch. The urgency is that there is a requirement for the grant that all the documents be in place by the end of August for us to get that reimbursement. So we are requesting approval of this substantial completion."

**MOTION:** Councilman Julien moved and Councilman Millet seconded the motion to authorize a certificate of substantial completion for the Reserve Boat Launch. The motion passed unanimously.

#### **Adjournment**

**MOTION:** Councilwoman Millet moved and Councilman Julien seconded the motion to adjourn. The motion passed unanimously.