

FINANCE COMMITTEE MINUTES
September 14, 2010
Chairman Steve Lee
Vice-Chairman Charles Julien

Members: Haston Lewis, Danny Millet, Charles Julien, Jaclyn Hotard, Darnel Usry, Ronnie Smith, Cheryl Millet, Dale Wolfe, Steve Lee

PRESENT: Haston Lewis, Darnel C. Usry, Steve Lee, Ronnie Smith, Danny Millet, Charles Julien

ABSENT: Cheryl Millet, Jaclyn Hotard & Dale Wolfe

BID OPENING REPORT/AWARDS:

Bid Openings – Brenda Labat – Water & Sewer fittings, materials and supplies

Brenda Labat, Director of Purchasing, stated, *"This is our annual bid for warehouse inventory. This was comprised of hundreds of items that are maintained in the warehouse to be used as needed. This is a pricing only bid. We had pricing from six suppliers. It is much too much to detail and the administration is requesting that the council let us take it under advisement."*

MOTION: Councilman Julien moved and Councilwoman Usry seconded the motion to take the bids for the water & sewer fitting, materials and supplies under advisement. The motion passed with Councilman Wolfe and Councilwomen Hotard & Cheryl Millet absent.

Bid Opening – Riverlands drainage improvements

Brenda Labat stated, *"The engineers estimate on this job was \$1,200,000.00. It is a 2009 bond issue funded item. The bidders were BLD Services - \$1,545,101.00, Boh Brothers Construction - \$1,871,210.00, Cecil D. Gassiot, LLC - \$1,555,950.00, Civil Construction Contractors, LLC - \$1,900,250.00, Command Construction Industries - \$1,494,900.00 and Cycle Construction - \$2,040,890.00. The administration requests to take these bids under advisement."*

MOTION: Councilman Smith moved and Councilwoman Usry seconded the motion to take the bids for Riverlands drainage improvements under advisement.

Councilman Smith asked, *"Administration, I need to know how much money has been allotted for this project? How much money do we have in the bond issue?"*

Pat McTopy, CFO, stated, *"1.2 million."*

Councilman Smith stated, *"That is all we have? Here is why I am getting at this. This has been a problem in Riverlands for a minute or two and I don't want to go and look at this and take these under advisement when we already know that we only have 1.2 million in the bond issue and the closest to it is just right at 1.5. I don't want to come back two weeks from now and say oh we need to go back out for bids again. Do we have the additional three hundred thousand dollars or can we find it*

somewhere else if we need it? Here is why, I don't want to wait or waste another two months to get this project going. If we don't have the extra money I would rather you tell me right now that we don't have it and that we terminate this issue and go back out for bids again."

Pat McTopy, CFO, stated, "I haven't had an opportunity to evaluate that bid. I only received a phone call on the way driving up here tonight. As you know most of the other bids that we have opened particularly on the water projects have come in well underneath the engineering estimate. This is the first bid on the drainage project. It is to be followed soon by the Persimmon Street and St. Joan of Arc project and the big project at St. Peter's area. So we need to be very careful before we make awards and recommendations that may have a negative impact on future projects. I ask that I not be forced to give an answer right now without properly evaluating it."

Councilman Smith stated, "That is fine. You don't have to give me an answer right now. I guess my next answer to that is if we have already saved money on other projects, if it is more than three hundred thousand dollars then my advice would be to move forward with doing what you want to do. I am not trying to prolong this another thirty, sixty or ninety days because the people in Riverlands deserve this project to be done. I know they are tired of their houses flooding."

Pat McTopy stated, "We will do everything that we can to move the project forward."

Councilman Lewis stated, "What I wanted to say was that if we don't have enough money to do it at the beginning what is going to happen if we have a change order that costs more money? We would definitely have double trouble. What happens then?"

Councilman Smith stated, "What I am saying is that if we know that we don't have three hundred thousand dollars I don't need them to take this under advisement. That is what I am trying to say. Just go back out for bids and see if we can get a lower bid that way we will eliminate two or four weeks of prolonging the project."

Councilman Julien asked, "Would administration have a problem with tabling it until the next meeting?"

Pat McTopy stated, "That serves the same purpose as taking them under advisement. I recommend that we take them under advisement. It will give us an opportunity to review the bids. Mr. Savoie is already working with the design engineer to review them and we can look at the budget to see what funds are available. Mr. Smith the project will be done."

Councilman Wolfe arrived to the finance meeting.

Councilman Lee stated, "I would like to recommend, as the chair, rather than a table that we take these under advisement and we ask administration, as Mr. McTopy said, perhaps while going under advisement they may come back with a solution after they have reviewed some other finances that we have saved some money on. So I would hope that we take administration's recommendation. I see the parish president shaking her head so she is in agreement. This is the

direction I would hope to see us go. We do have a motion to take these under advisement."

Councilman Smith asked, "Can I make a substitute motion? That would be that once administration takes this under advisement and if they find out that they don't have the money they can go back out for bids to hopefully get some lower bids in. I am only saying that to cut down on the amount of time to get this project started."

Councilman Lewis stated, "I second that."

Councilman Lee stated, "I have a substitute motion that being for administration to take the bids for Riverlands Drainage improvements under advisement, if they realize that there is no set plan how to move forward with this to give them the authority in the same motion to go out for bid hoping we will get some better bids the second time around."

Councilman Smith stated, "Correct exactly."

Jeff Perilloux, Parish Attorney, stated, "Point of information, I think in your motion you want to incorporate some language that would authorize the initial bids to be rejected totally for insufficient funding available for the project."

Councilman Smith stated, "That's fine."

SUBSTITUTE MOTION: Councilman Smith moved and Councilman Lewis seconded the substitute motion for administration to take the bids for Riverlands Drainage improvements under advisement and if we see that there is insufficient funds that the bids be totally rejected and the project be put out for bid again. The motion passes with Councilwomen Hotard and Cheryl Millet absent.

Pat McTopy/Principal Engineering – Authorization to go out for bids on the Country Club Bridge replacement

Pat McTopy, stated, "Mr. DiFranco representing Principal Engineering is here. His firm has completed the plans and specifications for the Country Club bridge project and we are recommending that we be authorized to begin advertising."

MOTION: Councilman Smith moved and Councilwoman Usry seconded the motion to grant administration authorization to go out for bids on the Country Club Bridge replacement. The motion passed with Councilwomen Hotard & Cheryl Millet absent.

Pat McTopy/Murray Architects – Change order #1 – 40th Judicial Court building in the amount of \$13,336.00

Pat McTopy stated, "This was a renovation project of an existing building on River Road in Reserve. Whenever there is renovation work done on that type of building it is expected that there will be some items that can't be foreseen. So what we have tonight is a change order in the amount of \$13,336.00 it represents about 5% of the total construction cost which we feel to be reasonable and we are recommending approval."

MOTION: Councilman Millet moved and Councilman Smith seconded the motion to grant change order #1 for the 40th Judicial Court Building in the amount of \$13,336.00. The motion passed with Councilwomen Hotard & Cheryl Millet absent.

Any and all other financial concerns

There were no other financial concerns at this time.

Stacey Cador – Authorization to renew Medicare-eligible retiree health coverage with Humana for the 2011 Plan Year

Stacey Cador, Director of Health & Human Resources, stated, *"I do apologize for the late addition to the agenda. The administration is requesting approval to renew the current Medicare eligible retiree health coverage with Humana Health Insurance for the 2011 plan year as CMS mandates the renewal by September 15th, 2010 for the 2011 plan year. You may notice in the documents that you received that the monthly premiums decreased from \$215.00 per member per month to \$169.00 per member per month."*

Councilman Smith asked, *"Maybe I am a little off base here, Mrs. Cador I know we usually have all of our insurance to the council by this time to go out for bids. Is there any reason why we haven't or when are we going?"*

Stacey Cador stated, *"We are still working on the RFP's. When the administration reviewed the one we had used in previous years it recognized that it lacked certain criteria and components that are standard to most RFP's. So we are looking at several models to try and revise the document to deliver a better document."*

Councilman Smith asked, *"Do you have any idea about when we are going to move forward with this?"*

Stacey Cador stated, *"Hopefully within the next two weeks."*

Councilman Smith stated, *"The reason I am asking that is because this is going to put us all behind the eight ball especially your office trying to get this all accomplished in a timely manner."*

Stacey Cador stated, *"We recognize that we are behind the time line that we have followed in previous years but we feel that we still have time to get it done."*

Councilman Julien asked, *"What types of changes would be made?"*

Stacey Cador stated, *"Just the document itself, it lacked language that was standard to most RFP's. So we are looking at several different examples to include in ours."*

MOTION: Councilman Smith moved and Councilwoman Usry seconded the motion to grant administration authorization to renew Medicare-eligible retiree health coverage with Humana for the 2011 Plan Year. The motion passed with 6 yeas, 2 absent (Hotard & Cheryl Millet) and 1 abstaining (Lee).

Adjournment

MOTION: Councilwoman Usry moved and Councilman Julien seconded the motion to adjourn. The motion passed with Councilwomen Hotard and Cheryl Millet absent.