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Special Meeting of November 22, 2016
6:00 p.m.

The Board of Mayor and Aldermen of the City of Waveland, Mississippi, met in Special Session at the Waveland City Hall Boardroom, 301 Coleman Avenue, Waveland, MS. on November 22, 2016 at 6:00 p.m. to take action on the following matters of City business.

ROLL CALL:

Mayor Smith noted for the record the presence of Alderman Burke, Richardson, Lafontaine and Piazza, along with Deputy City Clerk Tammy Fayard and City Attorney Rachel Yarborough.

Absent from the meeting was City Clerk Lisa Planchard.

NOTICE OF MEETING (EXHIBIT A)

INSURANCE RENEWAL-HEALTH/HEALTH INSURANCE/HUMAN RESOURCES

Re: Approve Health, Dental, Vision & Life Insurances: 12/1/16- 12/1/17 FY

Alderman Lafontaine moved, seconded by Alderman Richardson to approve Medical Option 1 with Humana (with employees increasing contribution from \$20/month to \$40/month; and Dental, Vision and Life renewal insurance plans with 'The Standard', both for the 12/1/16-12/1/17 term, including required signatures by the Mayor or City Clerk as needed. Mr. Jim Casadaban with HUB International was present to answer questions. **(EXHIBIT B)**

A vote was called for with the following results:

Voting Yea: Burke, Richardson, Lafontaine and Piazza

Voting Nay: None

Absent: None

Re: Contract with Compton Engineering, Professional Services for Design & Construction Phase re: Citywide Sewer Improvements Project (SRA funded)

Alderman Burke moved, seconded by Alderman Piazza to approve the negotiated contract with Compton Engineering for Professional Design & Construction Phase Services regarding the Citywide Sewer Improvements Project funded with SRF funds. **(EXHIBIT C)**

During discussion, City Attorney Yarborough noted that Exhibit C to the contract is labeled '6' pages and it's actually 5 pages; when you look at Exhibit C which is really what Mr. Lagasse and she have been working on, and where this all stemmed from is that the City originally received the grant agreement from MDEQ, and in that grant agreement is the project budget, which had different percentages allotted for professional services than what was determined by the 2006 MDEQ price guidelines for professional services. She said they have been negotiating back and forth which percentage would work based on the allotment of the project line percentages. Ms. Yarborough said she feels that, from a review of the terms of the project budget as defined by the loan agreement which assumes that the total loan amount is going to be \$7,566,428.00, the Board has determined that that is a high estimate and they anticipate that they will not borrow that much money; the project will actually be around \$5,000,000.00. However, when you take into consideration the overall budget (as Compton has done their cost index), construction costs will be around \$5,000,000, the professional design fees will be around \$354,000 as they're proposed by Compton, the construction professional services will be around \$415,000, and we anticipate another \$100,000 for geotechnical, but that's based on the \$7,566,428.00. Ms. Yarborough then asked Mr. Lagasse what he anticipated the geotechnical costs will be given a reduced cost of the loan. He said he's thinking somewhere between the \$60,000 and \$80,000 mark, and the reason is the things we don't have to replace, there's no geotech that needs to be done. Mr. Lagasse added that until we really get into that, he does not want to give the Board a number; Compton will make sure it's below the point that is allowed by the grant agreement. He said it's in the grant agreement, but typically Compton manages those services for the City, so that the reports

from the geotech are coming to Compton and not to the City. Along with that, Mr. Lagasse said they review the bills to make sure that the reports they are giving the City (testing that's been done) has been done to what has been requested. Mr. Lagasse said the way it's written in the loan agreement is a weird. Ms. Yarborough said, "It just says construction phase professional services, and this is based on the \$7.5M figure, are \$586,690.00. Now that is 9.76% of the construction costs which are \$6,009,998.00 under that budget agreement. This is an estimate; it's not a fine tuned art trying to figure out these percentages, and you know it's going to depend on the design and complexity and it's so gray at this moment that you can't really put a solid figure on it. But if you take that 9.76% of construction cost number and apply it to our lower construction cost of \$5,000,000... I just wanted to make sure there was enough room between what Compton was asking for for their construction phase professional services to allow for geotechnical services. We assume that it would be a \$100,000 under the \$7,000,000 so, well dependent on how you all feel, it's probably a safe assumption that it will decrease given that we've taken out some of those (repairs)." Mr. Lagasse said, "Well we've changed the methodology in which we're doing some of the work. In other words, there's more construction going on at Herlihy and the force main, and the gravity around the Herlihy area, which is where your biggest cost is. And then, going with CIP, which is the liner, the geotech like I said, won't be needed in those areas. You might have some minimum where we have to do some point repairs while they're lining pipe." Ms. Yarborough then asked, "So to finish the overall project calculation, we had the \$100,000 for geotech, \$30,000 for survey costs which are time and material and considered in the contract above and beyond the percentage to Compton, and then within the loan agreement there is an administrative fee of 5% of the total loan principal amount that MDEQ retains. So that's to be taken into the budget too, which if you assume a total budget cost of \$5,899,000, and that's with all those figures added together, you come out with a \$294,950.00 administrative fee that goes to MDEQ. That's what Mickey & I have been wrestling with all day, you know because when we sat down initially and did the numbers this morning, when we added it up... all the fees, even assuming the minimum \$5M construction and going from there, I just wanted to be sure that the Board was comfortable with that principal number. Because I don't know that anybody anticipated that 5% administration fee?" Mr. Lagasse said, "It's the first time we'd seen it, like when we got the loan and Rachel brought it to our attention, we'd never seen that. We also tried to call DEQ for 2 hours today and everybody at DEQ must be (on vacation) because there was not a single... we called 3 different numbers and did not get a call back." Ms. Yarborough said, "Even assuming that, and the way that the percentage rate for the lump sum that's determined for Compton's design services amount, if you look at that chart by MDEQ, it actually increases with the lower the principal amount goes. So if the construction bids come up high or low, you're only going to get a good deal from Compton because the percentage is only going to go lower if you decide to spend less money. I mean it was only going to go higher the lower that the principal amount goes for Compton's services." Mr. Lagasse said, "And we kept our percentages under a point and some change because we'd already done some of the work that; we've already been paid for some of the work, so what we did was we looked at the overall number of projects, where the projects were spread out. I feel that both numbers are fair; the number that scares me just a little bit... you know, if you all determine that you want to bid these out as 6 separate projects, we are committed to putting 6 separate RPR's on the jobs, whatever we need to do to make sure that it's overseen. With that, if we get good contractors we're going to do OK, if we get bad contractors, we're committed. It's really a roll of the dice right now. We have some questions, like the fee; I know there's nothing we can do about it, I just don't understand it. Somebody needs to explain to us why they (MDEQ) get a 5% fee; we get a 7% fee."

Ms. Yarborough said the way the loan is structured is that they (MDEQ) are going to automatically withhold it from the City's sales tax (General Fund) after January 2019 and the Utility Fund will reimburse the General Fund.

A vote was called for with the following results:

Voting Yea: Burke, Richardson, Lafontaine and Piazza

Voting Nay: None

Absent: None

EVENTS/FESTIVALS/PURCHASING/RENTALS

Re: Rentals for Christmas Festival requested by Charlie Cornelius

Alderman Burke moved, seconded by Alderman Richardson to consider and/or approve request by Charlie Cornelius to rent space walk in the amount of \$150.00 and rental of sound system in the amount of \$350.00, as both relate to the Waveland Festival of Lights. Restricted remaining funds under Destination Waveland (budgeted towards the 2017 4th of July event) will be used.

During discussion, Mr. Lagasse offered the use of Compton's sound system to use free. Ms. Fayard said that she suggested to Mr. Cornelius that we use a sound system such as that, Mr. Greg Barabino with NAACP also has a DJ system, who said he would come out free. She added that Mr. Cornelius' response to her was, "Well do they have 5 microphones so that people can sing during the choral time. You know; I don't know. The other concern, he doesn't want to put the space walk down here; he want's to put it at the museum cause they want to open the museum the night of the festival. We've never had it down that far; we try to concentrate it here." Alderman Lafontaine said he thought during discussion that it was not going to go that far, that the Museum does their own thing; have their own Christmas event. Ms. Yarborough said, "Well, we are the Museum". Mayor Smith said he thought they're trying to incorporate it all together. Alderman Piazza said his concern is the liability of having a spacewalk. Ms. Yarborough said she believed they're inherently dangerous. Ms. Fayard said she thinks that promoting the Museum is super important, but she doesn't know this is the venue to present that to our public because of the young children and the types of objects at the Museum.

Mayor Smith said Mr. Cornelius wanted to draw down more money for this event, which is December 2nd out of that fund that was left over from Destination Waveland. Ms. Fayard said, "Yes, whatever money we use now (out of the 2017 Fourth of July event) we're going to have less money then." Mayor Smith said, "He'll have to raise more for that event." Ms. Yarborough said, "For the record, I oppose a spacewalk; it has substantial liability." Mayor Smith agreed. Ms. Fayard said, "Like Mike (Mayor) said, he was also asking for an additional \$1,000 to spend cart blanche' for whatever he needed." Mayor Smith said, "He should have actually been here so he could explain." Ms. Fayard said she thought he was going to be here; we had discussed it. Mayor Smith said, "He said he would see me at 6:00 pm".

Alderman Burke withdrew his motion.

Re: Rent Spacewalk for Festival of Lights

Alderman Burke moved, seconded by Alderman Piazza to approve request by Charlie Cornelius to rent spacewalk in the amount of \$150.00, as it relates to the Waveland Festival of Lights.

A vote was called for with the following results:

A vote was called for with the following results:

Voting Yea: Burke

Voting Nay: Richardson, Lafontaine and Piazza

Absent: None

Re: Rent Sound System for Festival of Lights

Alderman Lafontaine moved to approve request by Charlie Cornelius to rent sound system in the amount of \$350.00, as it relates to the Waveland Festival of Lights.

Motion dies for lack of a second.

ADJOURN

Re: Adjourn at 7:24 P.M.

Alderman Piazza moved, seconded by Alderman Lafontaine to adjourn the special meeting at 7:24 p.m.

A vote was called for with the following results:

Voting Yea: Burke

Voting Nay: Richardson, Lafontaine and Piazza

Absent: None

The foregoing minutes were presented to Mayor Smith on December 9, 2016

Lisa B. Planchard
City Clerk

The Minutes of the Special Meeting of November 22, 2016 have been read and approved by me on this, the 9th day of December 2016.

Mike Smith
Mayor

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