

# OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH



## PUBLIC AUDIT REPORT

HERBERT WALLACE MEMORIAL  
VOLUNTEER FIRE COMPANY

**2020-0038**

AUDIT SECTION  
ISSUED 4/9/2021



OFFICE OF INSPECTOR GENERAL  
JEFFERSON PARISH

DAVID N. McCLINTOCK  
INSPECTOR GENERAL



Date: 04/09/2021

To: Citizens of Jefferson Parish

From: David McClintock, Inspector General

Re: Audit Report #2020-0038 – Herbert Wallace Memorial Volunteer Fire Company

The Jefferson Parish Office of Inspector General (“JPOIG”) performed an audit on the operations and functions of the Herbert Wallace Memorial Volunteer Fire Company (“HWMVFC”). This audit was an emergent audit arising from a recent follow-up audit’s unresolved findings.

The objectives of this report were:

- To determine the adequacy of internal controls aimed to ensure that public funds received are spent in accordance with all governing laws and regulations and the fire district millage restrictions; and
- To assess the fire company’s compliance with the current fire services contract with Jefferson Parish.

The results of the audit identified a lack of compliance with the Parish contract, inadequate development of fiscal policies and procedures, and lack of proper controls over fuel invoicing and payroll payments.

The six (6) findings are enumerated in “Attachment A” and include specific elements directed to the HWMVFC and Administration. The confidential draft report dated 02/05/2021 received a written response from the HWMVFC and Administration. Please see Attachment E of the report for the entire Administration’s response. Please see Attachment F for the HWMVFC’s response.

The JPOIG would like to thank the management and staff of the HWMVFC and the Administration for their assistance and cooperation throughout this audit.

Sincerely,

David McClintock  
Inspector General

# HERBERT WALLACE MEMORIAL VOLUNTEER FIRE COMPANY 2020-0038

## Table of Contents

EXECUTIVE SUMMARY.....	001
OBJECTIVES, SCOPE, AND METHODOLOGY.....	002
Objectives.....	002
Scope And Methodology .....	002
Acronyms .....	003
BACKGROUND.....	003
DATA ANALYSIS.....	003
Cash in Bank.....	004
Operating Expenditures.....	005
Payroll.....	006
Fuel Expenditures.....	007
Equipment.....	007
Compliance with Applicable Laws and Regulations and the Parish Contract.....	007
Parish Office of Fire Services Management and Oversight of VFCs.....	008
CONCLUSION.....	008
ATTACHMENTS.....	010
Attachment A: Findings and Recommendations.....	010
Finding #1 – Lack of Segregation of Duties.....	011
Finding #2 – Lack of Documented Approval of Invoices for Payment.....	012
Finding #3 – Lack of Adequate Internal Control over Payroll Payments.....	013
Finding #4 – Fuel Invoicing Exceptions.....	015
Finding #5 – Lack of Compliance with Parish Contract.....	017
Finding #6 – Lack of Adequate Fiscal Policies and Procedures.....	018
Attachment B: Herbert Wallace Memorial VFC Contract.....	019

Attachment C: Fire Chief’s Timesheets and Payroll Guidelines..... 037  
Attachment D: Email To All VFCs about Policy and Procedures..... 042  
Attachment E: Response from the Parish Administration..... 044  
Attachment F: Response from the HWMVFC..... 048



## OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH

DAVID N. MCCCLINTOCK  
INSPECTOR GENERAL



### EXECUTIVE SUMMARY

The Jefferson Parish Office of Inspector General (JPOIG) has completed an audit of the Herbert Wallace Memorial Volunteer Fire Company (HWMVFC). This engagement was a 2020 emergent audit.

#### Objectives

The objectives of this audit were to:

1. To determine the adequacy of internal controls to ensure that public funds received are spent in accordance with all governing laws and regulations and the fire district millage restrictions; and
2. To assess the fire company's compliance with the current fire services contract with Jefferson Parish.

#### Audit Results

The JPOIG determined that the HWMVFC has not yet developed sufficient and adequate internal policies and procedures. Findings and recommendations were noted in the areas of operating expenditures, fuel expenditures, payroll, cash, and overall compliance with the existing agreement with the Parish.

#### Recommendations

The JPOIG issued six (6) findings:

1. Lack of Segregation of Duties;
2. Lack of Documented Approval of Invoices for Payment;
3. Lack of Adequate Internal Control Over Payroll Payments;
4. Fuel Invoicing Exceptions;
5. Lack of Compliance with the Parish Contract; and
6. Lack of Adequate Fiscal Policies and Procedures.

The findings above all relate to the lack of basic internal controls over public funds within the fire company's control. A recurring theme in the operations of volunteer fire companies is the lack of written policies and procedures, which, at a minimum, would serve as an effective tool against fraud, waste and abuse of public funds. The JPOIG would like to thank both the Office of Fire Services and the Herbert Wallace Memorial Volunteer Fire Company for their assistance with this audit.

The JPOIG findings and recommendations follow the report and are found at *Attachment A*.



OFFICE OF INSPECTOR GENERAL  
JEFFERSON PARISH

DAVID N. MCCLINTOCK  
INSPECTOR GENERAL



<b>Date of Report:</b> 04/09/2021	<b>PUBLIC AUDIT REPORT</b>	<b>Case No.:</b> 2020-0038
<b>Period of Audit:</b> 01/01/2020 - 06/30/2020	<b>Report By:</b> JPOIG Staff	<b>Status:</b> Public
<b><u>Subject of Audit</u></b> Herbert Wallace Memorial Volunteer Fire Company		

**INTRODUCTION**

Pursuant to JPCO § 2-155.10(11) (a), the Jefferson Parish Office of Inspector General (JPOIG) initiated an emergent audit of the Herbert Wallace Memorial Volunteer Fire Company (HWMVFC). The audit was initiated as a result of information identified during a follow-up report.

**OBJECTIVES**

The audit objectives are as follows:

- To determine the adequacy of internal controls aimed to ensure that public funds received are spent in accordance with all governing laws and regulations and the fire district millage restrictions; and
- To assess the fire company’s compliance with the current fire services contract with Jefferson Parish.

**SCOPE AND METHODOLOGY**

**Scope**

The audit period is January, 1 through June 30, 2020.

**Methodology**

The JPOIG developed and followed an audit program to assess risks and controls by sampling over the five (5) key areas: (1) operating expenditures, (2) payroll, (3) fuel expenditures, (4) equipment, and (5) cash-in-bank. Additionally, the JPOIG utilized the Parish’s compliance documentation maintained through the Office of Fire Services (OFS) to determine the HWMVFC’s level of compliance with the Parish contract for the last key area.

**Standards**

The JPOIG conducted the audit in accordance with the International Professional Practices Framework (IPPF), promulgated by the Institute of Internal Auditors (IIA). These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon audit objectives. We believe that

the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### **Acronyms**

The following acronyms are used in this document.

<b>JP</b>	Jefferson Parish Government (the Parish)
<b>JPOIG</b>	Jefferson Parish Office of Inspector General
<b>Fire Districts</b>	Jefferson Parish Fire Protection Districts
<b>HWMVFC</b>	Herbert Wallace Memorial Volunteer Fire Company
<b>OFS</b>	Office of Fire Services
<b>GAGAS</b>	Generally Accepted Government Audit Standards

### **BACKGROUND**

The HWMVFC is a 501(c)(3) organization according to the Internal Revenue Service website. It is also registered with the Louisiana Secretary of State as a non-profit corporation.<sup>1</sup>

The HWMVFC is one of five fire companies providing fire prevention and suppression services in Jefferson Parish Fire Protection District No. 7. The five companies are:

1. Avondale Volunteer Fire Company;
2. Bridge City Volunteer Fire Company #1;
3. Herbert Wallace Memorial Volunteer Fire Company;
4. Live Oak Manor Volunteer Fire Department; and
5. The Nine Mile Point Volunteer Fire Company #1.

Each of the five companies operates one fire station. The fire companies are funded through a District-wide millage; currently at 24.36 mills. The Parish makes monthly transfers of \$61,665.83 to the HWMVFC as per the contract, which carries a 10-year term.<sup>2</sup> The Parish contracts with the HWMVFC to perform fire services within its designated geographic area on the West Bank.

### **DATA ANALYSIS**

The JPOIG requested records from the the HWMVFC and its third party accountant/auditor for the period 01/01/2020 through 06/30/2020. These requests returned the following information to the JPOIG: (1) a complete general ledger and trial balance (electronic copy), (2) financial statements for the period of review, (3) supporting documents (invoices, receipts, etc.) for operating expenditures and payroll expenditures, (4) a listing of all vehicles and equipment, and

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<sup>1</sup>The HWMVFC was not in good standing with the Louisiana Secretary of State for failing to file its Annual Report. By completion of this report the HWMVFC had filed their annual report and was in good standing with the Louisiana Secretary of State.

<sup>2</sup> Fire Protection Agreement dated 02/27/2018 between Fire Protection District #7, of the Parish of Jefferson, State of Louisiana, authorized by Jefferson Parish Council Resolution # 130385, and Herbert Wallace Memorial Volunteer Fire Company.

(5) current titles and registration certificates for same. Copies of the HWMVFC’s current policies and procedures were also obtained.

The JPOIG also requested the complete files and records for the HWMVFC for the six-month period (01/01/2020 through 06/30/2020). Using this data, the JPOIG performed an analysis of areas A through E listed below:

- A. Cash in bank;
- B. Operating expenditures-exclusive of payroll and fuel expenditures;
- C. Payroll and related expenses;
- D. Fuel expenditures;
- E. Equipment and fixed assets; and
- F. Compliance with applicable laws and regulations and the Parish contract.

The JPOIG also requested the quarterly compliance reports for the HWMVFC, prepared by the OFS Director, and with that information, tests for compliance (Item F above) were performed.

**A. Cash in Bank**

The HWMVFC maintains a total of four (4) bank accounts: three (3) accounts are held with Capital One Bank and one (1) is held with Regions bank. The three (3) Capital One bank accounts are titled, “Operating,” “Coke Fund,” and “In Fund.” The Regions bank account is titled “Operating.” The purpose and source of funds for each is listed in the table below:

<b>Table # 1</b>				
<b>Bank</b>	<b>Account</b>	<b>Funding Source</b>	<b>Purpose</b>	<b>Balance as of 06/30/2020</b>
Capital One	Operating	JP Fire Dist. Millage	Fire Ops	\$104,202.13
Capital One	Coke Fund	Vending Revenue	Supplant Millage	\$806.37
Capital One	In Fund	Donations	Social Account	\$159,078.54
Regions	Operating			\$124,598.46
<b>Total</b>				<b>\$388,685.50</b>

The authorized signatories for all accounts are:<sup>3</sup>

- Dwight Payne Jr., Administrator, HWMVFC;
- Michelle H. Turner (Stackhouse), Board Treasurer, HWMVFC; and
- Barbara R. Camp, Board President, HWMVFC.

The JPOIG requested bank reconciliations for each of the above accounts and noted that the Administrator does not prepare written bank reconciliations. The Administrator indicated that he accesses each account online on a daily basis, and verifies that checks written to vendors have cleared and notes that the balance indicated by the bank is reasonable in comparison with the manual check register that he maintains. A third-party CPA firm is engaged to prepare the monthly bank reconciliations along with posting all transactions to accounting ledgers, which they maintain on behalf of the HWMVFC.

<sup>3</sup> According to the Capital One bank signature card, these individuals are authorized signatories since 11/15/2015.



## Books and Records

Based upon response to JPOIG requests, the HWMVFC does not internally maintain books or records in the form of a general ledger. The Administrator does maintain a manual check register. On a monthly basis, the Administrator submits the check register and all fiscal documents (payables, payroll, deposits, etc.) to an outside accounting firm (the “CPA”). The CPA maintains a general ledger on a cash basis for the HWMVFC and prepares interim monthly financial statements. The CPA provides monthly financial statements to the HWMVFC by the 15<sup>th</sup> of the following month for their use.

The CPA firm that performs the accounting services and prepares the interim financial statements also performs the annual audit. The most recent annual audit of the HWMVFC was completed as of 09/18/2020.

The JPOIG Auditor reviewed both the monthly financial statements and the annual audits prepared by the CPA firm for the HWMVFC. Additionally, the JPOIG met with representatives from the CPA firm to further understand the terms of the engagement. The JPOIG learned that the CPA firm prepared audited financial statements and issued audit opinions in accordance with GAGAS for the HWMVFC for fiscal years 1996 through 2019.

## **B. Operating Expenditures**

The HWMVFC Administrator, performs certain administrative functions for the fire company including the payments of bills, the preparation of payroll summaries, the deposit of miscellaneous receipts, and the maintenance of the checking accounts and check registers.

The JPOIG noted that the HWMVFC has three (3) authorized signers on the company’s operating bank accounts with Capital One Bank and Regions Bank, and that the Administrator also is one of the authorized signers. Although each check requires two (2) signatures, the Administrator’s status as a signer presents a lack of segregation of duties issue, as the Administrator also has authority to access to the accounting records and has online access to all bank accounts.<sup>4</sup>

As noted above in the previous section, the HWMVFC does utilize a CPA firm to perform certain accounting services, such as reconciling all bank accounts, posting all transactions to the HWMVFC general ledger (commonly known as the entity’s books of account) and preparing monthly, unaudited, interim financial statements for the President and Board of Director’s review and information.

The JPOIG reviewed the general ledger prepared by the CPA firm for the six-month period indicated above and tested selected transactions to validate the supporting documentation and to determine if the nature and purpose of the expenditure was an allowable use of restricted millage

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<sup>4</sup> The GAO Standards for Internal Control, commonly known as the Green Book, is a recognized authoritative source used by government finance professionals. Section 10.312 states: Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

funds. No unallowable expenditures were identified. However, there was no evidence of the Board's written approval for any of the invoices.

### **C. Payroll**

Payroll is processed bi-weekly by an outside payroll service. The standard pay period for the HWMVFC is based upon a 24-hour work day, and a 106-hour two week pay period. Scheduled days off are determined by the Fire Chief in advance to ensure station coverage. Some instances of overtime are necessary when employees incur unplanned absences from a previously scheduled work shift.

Each pay period, employees complete and sign a timesheet, but the timesheet does not require employees to attest to time worked. See Attachment C. The supervisor reviews and signs the timesheets before submitting them to the Administrator.

The Administrator prepares a summary of all employee's timesheets and forwards this summary document and a copy of the timesheets to the third-party payroll service. Because timesheets and the related summary require manual entry, totals shown are sometimes incorrect. The Administrator does not review the time records or validate the totals as shown on the timesheet. HWMVFC management does not review the payroll summary submissions.

A third-party payroll service processes payroll using specialized software, and forwards the resulting payroll summary reports and the required funding amount to HWMVFC for their records. The employee's net pay is deposited directly into the employee's designated checking account through direct deposit by the third-party payroll service. All tax and benefit withholdings and employer tax and benefit payments are remitted by the third-party payroll service using the designated HWMVFC payroll account.

The JPOIG tested a sample of 52 separate employee payroll submissions within the audit period, and noted 14 exceptions as follows:

- 1) In six (6) instances, federal and state taxes were not withheld from the employee's pay, hence, the requisite payments to the various taxing authorities were not made for that pay period. The employee requested taxes not to be withheld by placing a notation on their timesheet. No W-4 forms were completed or retained to properly authorize the employee's exemption from tax.
- 2) In two (2) instances, a firefighter's state pay was paid incorrectly. In one instance, a firefighter's state supplemental pay was incorrectly paid to an employee that was not entitled to receive this pay. In another instance, the state supplemental pay was not paid to an employee who was entitled to receive it.
- 3) In one (1) instance, an employee was not paid for all of the hours listed on the employee's timesheet with no explanation as to why the hours were not included in the employee's pay.
- 4) In one (1) instance, the employee's total hours worked on the timesheet were summarized incorrectly, resulting in the employee being paid overtime in excess of hours worked.
- 5) In four (4) instances, training hours were not calculated toward overtime hours, when the employee was entitled to receive pay and overtime pay for training hours completed.

Employees are entitled to receive paid training when the training hours are completed on a non-scheduled work day.

The percentage of total exceptions noted was in excess of 26%, and indicates the need for additional controls over payroll transactions, and more robust payroll policies and procedures.

#### **D. Fuel Expenditures**

The HWMVFC expends approximately \$30,000 per year to fuel four (4) vehicles, and has issued 4 fuel cards which are maintained in each vehicle. Employees who regularly drive the company vehicles, are responsible to refuel them as needed.

The JPOIG tested 25 weekly invoices from the fire company's fuel vendor, Fuelman, for accuracy and internal controls over fuel expenditures paid by the HWMVFC. The JPOIG learned that HWMVFC management does not review the invoices or create a written record of approval for payment. Further, HWMVFC does not have a written policy for the distribution of Fuelman fuel purchase cards, the delivery of fuel to the company's vehicles, or the payment of fuel invoices.

The testing revealed 12 total exceptions. Ten (10) exceptions were related to inaccurate mileage entered at the time of fuel purchase, and one (1) exception was related to an improper fuel type purchased. The vehicle called for diesel fuel, and unleaded fuel was dispensed at the station using the company's Fuelman card. One (1) exception was due to missing weekly fueling receipts. The exceptions recurred amongst four employees, one of which was the Fire Chief.

#### **E. Equipment**

The current contract with the Parish requires that the HWMVFC maintain an accurate inventory of fire vehicles and equipment. Additionally, the contract states that all equipment that has been purchased with public funds be titled in the name of the District, in this case, District # 7.<sup>5</sup> The JPOIG tested the equipment records for compliance with the Parish contract.

HWMVFC maintains a small fleet of fire equipment vehicles; namely, two (2) Ferrara fire pumpers and two (2) Ford F-250 pick-up trucks. The JPOIG validated that all of the vehicles are titled in the name of the district, and all vehicles were physically present at the fire station at the time of the physical inventory. The estimated market value of all vehicles is \$330,346. The total of all property and equipment reported in the unaudited interim financial statements dated 06/30/2020 is \$637,416. A complete inventory of all equipment held at the station is not maintained.

#### **F. Compliance with Applicable Laws and Regulations and the Parish Contract**

The JPOIG requested quarterly compliance reports from the OFS Director. The JPOIG requested reports for the period 01/01/2020 through 09/30/2020, as well as policies and

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<sup>5</sup> Fire Protection Agreement dated 02/27/2018 between Fire Protection District # 7, of the Parish of Jefferson, State of Louisiana, authorized by Jefferson Parish Council via Resolution # 130385, and Herbert Wallace Memorial Volunteer Fire Company.

procedures from the HWMVFC. The JPOIG reviewed the policies and procedures, noting the policies and procedures do not address the following areas:

- General fiscal controls and process.
- Guidance on allowable and unallowable uses of public funds.
- Fuel usage and fuel purchases.
- Processes for cash in bank, authorized signatories and bank reconciliations.
- The maintenance of accounting records and the preparation of interim financial statements.
- The requirement for an independent annual audit of the entity.

The JPOIG is aware that the OFS has issued the following directives to all VFCs. On 10/07/2019, an e-mail was sent to all VFC Fire Chiefs requesting they implement policies and procedures that include certain elements regarding fiscal operations and controls. See Attachment D. Additionally, over the course of the 2020 fiscal year, discussions were held by the OFS Director with all VFC fire chiefs regarding compliance with fiscal reporting requirements set forth in the contract, including the purchase and implementation of QuickBooks accounting software using a standardized chart of accounts for all transactions recorded. The OFS Director informed the JPOIG that the HWMVFC was not in compliance with certain elements of the contract as of 11/30/2020. These items are as follows:

- The third quarter 2020 financial report has not been submitted to OFS, which was due on 10/15/2020.
- The annual audit for 2019 has not been submitted to OFS, which was due after the close of the 2019 fiscal year.
- The current inventory report has not been submitted to OFS.

## **G. Parish Office of Fire Services Management and Oversight of VFCs**

The Office of Fire Services (OFS) is a department within Parish government vested with duties and responsibilities involving the management of the cooperative endeavor agreements with VFCs, including the HWMVFC.<sup>6</sup> The OFS is a developing function that engages in oversight of VFC fiscal operations and has been discussed in previous JPOIG reports.<sup>7</sup>

Many of the issues identified in this report are both the responsibility of the HWMVFC and also fall within the oversight of the OFS which has the authority to ensure adequate policy and procedure translate into meaningful business practices. While the instant report discusses the HWMVFC, the functions are being performed within each of the 13 VFCs. The OFS is well positioned to ensure, through the establishment of a standardized VFC fiscal framework, that adequate and demonstrable fiscal controls are in place.

## **CONCLUSION**

The lack of implemented fiscal and administrative internal controls over public funds remitted to

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<sup>6</sup> JPCO §2-212.

<sup>7</sup> JPOIG report #2019-0003. The report discusses the efforts of the OFS and may be accessed via <https://www.jpoig.net/images/2019-0003 - Combined Public Report OFS Sanitized Reduced.pdf>.

HWMVFC continues to present an ongoing risk of waste and potential fraud. The Parish Office of Fire Services exercises general fiscal oversight of the VFCs, to include the HWVFC, via contract. While the JPOIG understands this is a developing function, there is concern that the HWMVFC is not currently providing a sufficient level of fiscal assurance without the implementation and integration of the following basic fiscal controls: (1) segregation of duties; (2) standardized policies and procedures; (3) written authorizations; (4) approval of invoices, (5) employee attestations of time worked; and (6) internal controls over fuel purchases.

The JPOIG findings and recommendations for the HWMVFC follow the report and are found in Attachment A.

# Findings & Recommendations



## **FINDINGS AND OBSERVATIONS**

An observation is the result of looking at a process or procedure being performed by others and is typically founded upon a specific time, or period, during which the observations takes place. A finding indicates a material or significant weakness in controls or compliance that was not detected or corrected by an entity in the normal course of performing its duties. Findings can be any one or the combination of the following: (1) significant deficiencies in internal controls; (2) fraud and illegal acts; (3) violations of contracts and grant agreements; (4) inefficiencies, (5) waste; or (6) abuse.

### **Finding #1: Lack of Segregation of Duties**

#### **Condition:**

The current Administrator who processes the company's receipt of revenues and payments to vendors, is also a signatory on the company's four checking accounts.

#### **Criteria:**

The GAO Standards for Internal Control, commonly known as the Green Book, is a recognized authoritative source used by government finance professionals. Section 10.312 states:

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

#### **Cause:**

The HWMVFC Board of Directors and the Fire Chief authorized the Administrator to sign checks and make deposits as part of his job duties.

#### **Exposure:**

Lack of adequate segregation of duties over cash and bank accounts creates the potential for fraud, waste, and abuse to occur and remain undetected or prolong detection.

#### **Recommendation:**

##### **Parish Administration/OFS**

The Parish Administration should consider utilizing the existing Office of Fire Services management structure to develop agreed upon financial procedures with the VFC's to ensure core elements of financial management are met to include demonstrable policy and practices that incorporate an adequate and effective segregation of duties.

##### **HWMVFC**

The HWMVFC Board President and Treasurer should remove the Administrator's access as signatory on all company bank accounts in the next 30 days. Authorized signers should be responsible members of the Board. The Board should maintain the existing policy requiring two (2) signatures for all bank transactions. Copies of the bank signature cards should be maintained in a secure file with the Board Secretary.

## **Finding #2: Lack of Documented Approval of Invoices for Payment**

### **Condition:**

The JPOIG tested 12 vendor payment transactions processed during the audit period, and found that there was no written approval by management noted on the invoice document or its supporting attachments.

### **Criteria:**

The GAO Standards for Internal Control, commonly known as the Green Book, is a recognized authoritative source used by government finance professionals. Section 10.10 states:

Transaction control activities are actions built directly into operational processes to support the entity in achieving its objectives and addressing related risks. 'Transactions' tends to be associated with financial processes (e.g., payables transactions), while 'activities' is more generally applied to operational or compliance processes. For the purposes of this standard, 'transactions' covers both definitions. Management may design a variety of transaction control activities for operational processes, which may include verifications, reconciliations, authorizations and approvals, physical control activities, and supervisory control activities.

### **Cause:**

Currently, the Administrator presents all invoices to the Board President for review and approval. However, the Board President does not notate the invoice as approved for payment.

### **Exposure:**

Invoices paid without a documented approval process does not provide sufficient evidence or documentation that the control process was applied to each specific payment transaction.

### **Recommendation:**

#### Parish Administration/OFS

The Parish Administration should consider utilizing the existing Office of Fire Services management structure to develop agreed upon financial procedures with the VFC's to ensure core elements of financial management are met to include demonstrable policy and practices that incorporate an adequate and effective invoice payment protocol.

#### HWMVFC

The Board President or their designee should approve each invoice for payment by including an amount, signature, and date on each transaction that is approved to be paid.



### **Finding #3: Lack of Adequate Internal Control over Payroll Payments**

#### **Condition:**

The JPOIG tested 52 payroll transactions for accuracy and proper compliance with Department of Labor Laws and the HWMVFC's own documented payroll policy and procedure. A number of payment exceptions (14 in total) were identified during testing. Gross pay transactions with exceptions totaled \$62,022 which represents 32% of the total gross pay processed in the six-month testing period.

1. Federal and State Taxes were not always withheld;
2. The hours on the timesheet were summarized incorrectly;
3. Training hours worked were not included in overtime hours;
4. State Pay Overtime was calculated incorrectly; and
5. The employee was not paid for all hours recorded on the timesheet.

#### **Criteria:**

Chapter 11 of the HWMVFC payroll processing guidelines and Federal Labor Law. See Attachment C.

#### **Cause:**

Although the Administrator received guidance from the Department of Labor, errors in the amounts paid to HWMVFC employees still persist, largely due to the fact that the timesheets used do not contain totaled hours worked by pay type, and due to the fact that the timesheets are manually prepared and many are illegible.

#### **Exposure:**

Errors in employee pay causes the HWMVFC to be at risk for fines and penalties by the Department of Labor and litigation by its employees. The JPOIG is unable to determine the total exposure to the company, however, in a previous Department of Labor review occurring in late 2016, the HWMVFC was required to pay \$37,578.20 in back pay to employees to correct payroll deficiencies.

#### **Recommendation:**

The JPOIG recommends that:

##### Parish Administration/OFS

The Parish Administration should consider utilizing the existing Office of Fire Services management structure to develop agreed upon financial procedures with the VFC's to ensure core elements of financial management are met to include demonstrable policy and practices that incorporate an adequate and effective controls for payroll processing.

##### HWMVFC

HWMVFC take the following actions to improve internal controls over payroll:

1. Design and implement an employee timesheet that clearly shows daily hours worked, and weekly and bi-weekly hourly pay totaled by payment classification or type;
2. The employee timesheet should include an attestation statement for hours worked and leave taken during the designated pay period;

3. Implement an electronic timesheet to ensure that hourly totals are accurate and that hours summarized and submitted to the payroll processing firm agree with the individual timesheets supporting all hours indicated and paid;
4. Include an approval line on the payroll summary sheet and require the Fire Chief to review and approve the summary sheet and all timesheets prior to submission to the third party payroll processing firm; and
5. Implement the payroll instructions as indicated by the OFS Director.

## **Finding #4: Fuel Invoicing Exceptions**

### **Condition:**

The JPOIG tested 25 fuel invoices presented by the fire company's vendor, Fuelman. After reviewing the fuel reports, 12 instances of exceptions were noted. Ten (10) exceptions for inaccurate mileage entered at the time of fuel purchase, one (1) exception was for an improper fuel type purchased, and one (1) exception was due to missing weekly fueling receipts. Total questioned costs for fuel amounts are \$2,075 which represents 81% of fuel costs tested for the period under audit. The exceptions recurred amongst four employees, one of which was the Fire Chief.

### **Criteria:**

The GAO Standards for Internal Control, commonly known as the Green Book, is a recognized authoritative source used by government finance professionals. Section 10.10 states:

Transaction control activities are actions built directly into operational processes to support the entity in achieving its objectives and addressing related risks. 'Transactions' tends to be associated with financial processes (e.g., payables transactions), while 'activities' is more generally applied to operational or compliance processes. For the purposes of this standard, 'transactions' covers both definitions. Management may design a variety of transaction control activities for operational processes, which may include verifications, reconciliations, authorizations and approvals, physical control activities, and supervisory control activities.

### **Cause:**

The HWMVFC Fire Chief approved the issuance of 4 fuel cards that are maintained in each company owned vehicle for employees to use when refueling the vehicles. As part of that issuance process, these employees were not made aware of any fuel purchase policy, nor were they given guidelines for the usage of the fuel cards.

### **Exposure:**

Lack of proper controls over the purchase of fuel, creates the potential for fraud, waste, and abuse to occur and remain undetected. Total questioned costs associated with these exceptions are \$2,075.

### **Recommendation:**

The JPOIG recommends that:

#### Parish Administration/OFS

The Parish Administration should consider utilizing the existing Office of Fire Services management structure to develop agreed upon financial procedures with the VFC's to ensure core elements of financial management are met to include demonstrable policy and practices that incorporate an adequate and effective controls on fuel distribution.

#### HWMVFC

The HWMVFC draft and implement a fuel purchase policy that includes the following elements:

1. Guidelines on the issuance of fuel cards, the responsibilities of the employee who takes possession of the card, and accountability requirements that include discipline up to and including termination if the cards are misused.
2. A written process for fueling that details the employee's responsibilities at the pump as the fuel is being delivered to the vehicle.
3. A written process for reviewing, approving, and paying the fuel vendor, including a process for resolving exceptions that appear on the weekly fuel reports.
4. An escalation process for employees who are consistently experiencing exceptions when they fuel the company's vehicles.

## **Finding #5: Lack of Compliance with the Parish Contract**

### **Condition:**

As of the date of this report, the OFS has prepared a compliance report on The HWMVFC as follows:

- The third quarter 2020 financial report has not been submitted to OFS, which was due on October 15, 2020.
- The annual audit for 2019 has not been submitted to OFS, which was due after the close of the 2019 fiscal year.
- The current inventory report has not been submitted to OFS.

The JPOIG also noted that the HWMVFC was not in good standing with the LA Secretary of State, which is a requirement of the Parish contract.

### **Criteria:**

Section 1(k) of the Parish contract regarding obligations of the company states the company shall, “adhere to all applicable federal, state and local laws in the performance of all services and obligations set forth herein.”

### **Cause:**

The HWMVFC has not updated its information with the Secretary of State as required by Louisiana law. The HWMVFC has not fully complied with the Parish contract or the OFS requests for information.

### **Exposure:**

Lack of compliance with the Parish contract and Louisiana Secretary of State requirements.

### **Recommendation:**

The JPOIG recommends that the Parish Administration/OFS establish a procedure that requires each VFC submit documentation demonstrating the entity is in good standing with the Louisiana Secretary of State.

## **Finding #6: Lack of Adequate Fiscal Policies and Procedures**

### **Condition:**

The JPOIG noted that the HWMVFC's written policies and procedures lack sections on the topics of general fiscal controls, the maintenance and preparation of interim financial statements, segregation of duties, allowable and un-allowable costs, fuel purchases and the issuance of an annual independent audit report.

### **Criteria:**

The GAO Standards for Internal Control, commonly known as the Green Book, is a recognized authoritative source used by government finance professionals. Section 12.02 states: "Management documents in policies the internal control responsibilities of the organization. Procedures may include the timing of when a control activity occurs and any follow-up corrective actions to be performed by competent personnel if deficiencies are identified. Management communicates to personnel the policies and procedures so that personnel can implement the control activities for their assigned responsibilities."

### **Cause:**

To date, the HWMVFC management and Board have elected not to implement written fiscal policies and procedures, despite previous recommendations from the former OFS Director.

### **Exposure:**

Lack of written policies and procedures creates the potential for fraud, waste and abuse to occur and remain undetected.

### **Recommendations:**

The JPOIG recommends that:

#### Parish Administration

The Parish Administration should consider utilizing the existing Office of Fire Services management structure to develop agreed upon financial procedures with the VFC's to ensure core elements of financial management are implemented, documented and available for review.

#### HWMVFC

The JPOIG recommends that the HWMVFC implement comprehensive written policies and procedures that include fiscal and administrative functions.

Herbert Wallace  
Memorial VFC  
Contract





## FIRE PROTECTION AGREEMENT

THIS Fire Protection Agreement (hereafter referred to as "Agreement") is made and entered into this 27<sup>th</sup> day of February, 2018, by and between the following parties:

**Fire Protection District No. 7 of the Parish of Jefferson, State of Louisiana** (hereinafter referred to as "DISTRICT"), a political subdivision of the State of Louisiana, appearing herein through Cynthia Lee-Sheng, Chairperson of the Jefferson Parish Council, its governing authority, acting by virtue of Resolution No. 130385 adopted by the Jefferson Parish Council on the 15<sup>th</sup> day of November, 2017, a certified copy of which is attached hereto; and

**Herbert Wallace Memorial Volunteer Fire Company** (hereinafter referred to as "COMPANY"), a non-profit corporation organized under the laws of the State of Louisiana, domiciled and doing business in the Parish of Jefferson, State of Louisiana, herein represented by Barbara Camp, its President, acting by virtue of that resolution adopted by its membership on the 27 day of February, 2018, a copy of which is attached hereto;

### WITNESSETH

**WHEREAS**, COMPANY is a private, non-profit corporation that has been determined to be a quasi-public entity, obligated to expend public funds in accordance with all applicable laws, which has traditionally provided certain fire protection and suppression services for the good of the public within the geographical boundary of an area now delineated as Fire Protection District No. 7 of the Parish of Jefferson, State of Louisiana; and,

**WHEREAS**, the DISTRICT was formed for the purpose of providing the citizens and taxpayers of DISTRICT with fire suppression services and fire prevention services; and,

**WHEREAS**, the DISTRICT has heretofore contracted with COMPANY for the performance of fire suppression, fire prevention services, rescue operations as well as response to incidents, emergencies, disasters and/or fire related calls due to civil disturbances; and,

**WHEREAS**, COMPANY has performed such services effectively and has honored all of its commitments to the DISTRICT and to the citizens of the DISTRICT; and,

**WHEREAS**, the DISTRICT is aware of the significant cost and resources that would be required if the DISTRICT were to attempt to form its own fire department and to staff it with directly hired public employees; and,

**WHEREAS**, COMPANY has available to it the equipment and manpower to effectively deliver fire suppression and fire prevention services to the citizens and taxpayers of DISTRICT; and,

**WHEREAS**, the funds received by COMPANY from DISTRICT pursuant to this Agreement are primarily for personal services rendered in the form of fire protection services as well as the maintenance and operation of fire protection equipment and buildings.

**NOW THEREFORE**, considering the foregoing and for good and valuable consideration, the receipt and sufficiency of which is acknowledged as evidenced by the respective signatures hereto, the parties do agree as follows:

### I. OBLIGATIONS OF COMPANY



**1. Fire Protection Services:**

COMPANY agrees to provide fire suppression services and fire prevention services within the geographical boundaries of DISTRICT. Said geographical boundaries shall be considered COMPANY's primary coverage area. COMPANY shall make every effort to meet those standards of the National Fire Protection Association (hereinafter "NFPA") adopted by the State of Louisiana, for similar size populated areas in the performance of the following specific services:

- a) Fire suppression services relating to structures and buildings of whatever kind, to brush fires, to trash fires, or to any other kind of fire of whatever nature.
  - (i) In the event that the origin and cause of a fire are deemed suspicious by fire company or law enforcement personnel such that it is reasonably suspected that an arson may have been committed, the commanding fire officer on the scene shall request an investigation by a certified arson investigator. In the event that COMPANY does not employ the services of a certified arson investigator, then COMPANY shall request that a certified investigator from East Bank Consolidated Special Service Fire Protection District of Jefferson Parish, Louisiana or the Louisiana State Fire Marshal's Office be dispatched to the scene to conduct an investigation into the origin and cause of the fire for the purposes of determining whether an arson was committed.
- b) Rescue operations in connection with subpart (a) above. Rescue operations shall include vehicle extrication, elevated rescue and confined space rescues performed by the Company or through mutual aid agreements with other local fire districts. Nothing herein shall be construed to require Company to attempt underwater rescue operations or search for and/or dispose of explosive devices or ordinances. Rescue operations shall also include land and water based search and rescue services, humanitarian aid and other disaster related response services during times that threaten public health and safety posed by possible terrorist actions and weapons of mass destruction and other incidents of man-made origin, and the threats to public health and safety from natural disasters, all capable of causing severe damage to property and danger to life; and shall be subject to additional compensation as follows:
  - (i) Compensation for Manpower shall be the actual cost of all overtime expenses.
  - (ii) Compensation for equipment usage, rental and purchase, shall be the actual cost of such expenses.
  - (iii) Compensation for food and shelter shall be the actual cost of all such expenses.
  - (iv) Compensation for materials shall be the actual cost of all such expenses.
- c) Make available to citizens and taxpayers of the DISTRICT routine technical and fire protection advice such as is customarily offered by Fire Departments.
- d) Enforce the Parish of Jefferson Fire Code and other related ordinances and polices of the Parish of Jefferson that may from time to time be enacted, but only to the extent authorized by law.
- e) Answer and respond to any and all fire calls within the DISTRICT on a 24-hour per day, 7 day per week schedule.

- f) Make every effort to maintain training levels consistent with NFPA requirements.
- g) Maintain training records of all COMPANY firefighting personnel in accordance with applicable state and federal laws for a period of not less than five years, said records to be made available to the DISTRICT upon its written request.
- h) Observe all applicable state and federal safety laws, and endeavor to adhere to all applicable NFPA standards for personal safety and working conditions.
- i) Respond to requests for mutual aid from neighboring communities or DISTRICT pursuant to mutual aid agreements.
- j) Answer and respond to all hazardous materials spills or incidents within the DISTRICT on a 24 hour, 7 day per week schedule.
- k) Adhere to all applicable federal, state, and local laws in the performance of all services and obligations set forth herein.
- l) Establish goals and objectives to maintain or improve the current Property Insurance Association of Louisiana (hereinafter "P.I.A.L.") rating for the defined territory set forth in Article II, Paragraph 8 of this Agreement.

**2. Facility Maintenance:**

- a) COMPANY agrees to maintain any and all facilities which are purchased with Contract Consideration in good condition and further agrees to permit examination of such facilities upon reasonable notice by the DISTRICT and by the P.I.A.L.
- b) COMPANY agrees not to construct any new fire station within the DISTRICT without first receiving the approval of the DISTRICT.
- c) Any Capital Improvement Project to be performed by COMPANY upon DISTRICT property, upon a facility constructed on DISTRICT property, or that will be funded with Contract Consideration shall require DISTRICT approval prior to COMPANY beginning work on said project. For the purposes of this paragraph, a Capital Improvement Project shall be defined as any erection, construction, alteration, improvement, or repair exceeding the sum of \$50,000.00. Additionally, although the Louisiana Attorney General has opined that Title 38 of the Louisiana Revised Statutes of 1950, La. R.S. 38:2211 *et seq.* ("Public Bid Law") is not applicable to COMPANY, COMPANY hereby agrees to adhere to the requirements set forth in the Public Bid Law for projects that exceed the contract limit specified in the Public Bid Law.
- d) COMPANY and the DISTRICT further understand and agree that any acquisitions of immovable property or buildings by COMPANY with Contract Consideration or with public funds generated through bond issues shall be the property of the DISTRICT and, if legally required to be titled, shall be titled in the DISTRICT's name and not in the name of COMPANY. Additionally, COMPANY agrees that any immovable property or buildings acquired by COMPANY with funds received from DISTRICT or from the Parish of Jefferson prior to the effective date of this Agreement are the property of DISTRICT. COMPANY further agrees that any such assets that are presently titled in the name of COMPANY shall be retitled in the name of DISTRICT.
- e) COMPANY agrees to be responsible for the daily maintenance of any fire stations acquired through bond issues. Building maintenance shall include upkeep of the interior of such station, station grounds, landscaping

maintenance, minor premises repairs and custodial and housekeeping services.

- f) In the event COMPANY should cease operations voluntarily for whatever reason during the term of this Agreement or be removed for just cause by the DISTRICT in accordance with the provision of this Agreement, all buildings, equipment or apparatus purchased with or through bond proceeds, appropriations from the Jefferson Parish general and special revenue funds, or Contract Consideration shall become (or remain if already titled in DISTRICT) the property of DISTRICT.

**3. Equipment Purchase, Repair and Inspection:**

- a) Although the Louisiana Attorney General has opined that Title 38 of the Louisiana Revised Statutes of 1950, La. R.S. 38:2211 *et seq.* ("Public Bid Law") is not applicable to COMPANY, COMPANY hereby agrees to adhere to the requirements set forth in the Public Bid Law for purchases of any materials or supplies in the amount of ten thousand (\$10,000.00) dollars or greater utilizing Contract Consideration.
- b) COMPANY shall notify the Director of the Office of Fire Services (hereinafter "Director of Fire") prior to purchasing any vehicles, equipment, or apparatus valued at \$100,000.00 or greater.
- c) The parties agree that any apparatus and/or equipment purchased by COMPANY shall meet NFPA standards at the date of manufacture.
- d) The parties agree that apparatus, equipment, and vehicles purchased with Contract Consideration or with public funds generated through bond issues shall be the property of DISTRICT and shall be titled in the name of DISTRICT. Additionally, COMPANY agrees that any depreciable apparatus, equipment, and vehicles acquired by COMPANY with funds received from DISTRICT or from the Parish of Jefferson prior to the effective date of this Agreement are the property of DISTRICT. COMPANY further agrees that any such assets acquired within three (3) years prior to the commencement date of this Agreement that are presently titled in the name of COMPANY shall be retitled in the name of DISTRICT.
- e) COMPANY shall provide, purchase and maintain the needed emergency communications for all apparatus and equipment.
- f) In the event that COMPANY desires to purchase fire apparatus utilizing the proceeds of a DISTRICT bond issue or utilizing funds held by DISTRICT for capital improvement purposes, then COMPANY shall obtain DISTRICT approval prior to purchasing the apparatus. Should COMPANY fail to obtain the necessary approval, then DISTRICT will not be obligated to pay for any part of the apparatus.
- g) COMPANY shall maintain and repair all DISTRICT owned fire apparatus and equipment in good working condition to the full extent of their expertise, ability and financial means and to permit examination of such apparatus or equipment at reasonable times by the DISTRICT or by the Property Insurance Association of Louisiana.
- h) After the execution of this Agreement, the DISTRICT and COMPANY will cooperate with one another to prepare an inventory of each asset and piece of equipment owned by the DISTRICT with an initial purchase cost of FIVE HUNDRED (\$500.00) DOLLARS or more and utilized by COMPANY. COMPANY will furnish the DISTRICT with a list of all property it believes meets this description. Thereafter, upon reasonable notice to COMPANY, the

DISTRICT will have access to COMPANY's premises and records to make whatever verification it feels may be required.

- i) If DISTRICT-owned property in COMPANY's possession is replaced, becomes obsolete or is no longer in use, then said property shall be surrendered by COMPANY to the Jefferson Parish Surplus Property facility. The proceeds of the sale of such property shall be vested in the DISTRICT, and may be used by DISTRICT for any lawful purpose. If COMPANY desires to receive an allocation of DISTRICT surplus property funds, then COMPANY shall make written request to DISTRICT. Should DISTRICT approve the request, then the use of such funds shall be subject to the provisions of this Agreement pertaining to the expenditure of public funds and the maintenance of DISTRICT-owned property.
- j) In the event this Agreement is terminated, all DISTRICT-owned property will be immediately returned to the DISTRICT.

#### **4. Insurance:**

COMPANY agrees to maintain reasonable and adequate insurance coverage for its operations by directly contracting with an insurance carrier of its choice as follows:

- a) Fire and contents insurance sufficient to cover the appraised value of all firefighting facilities and depreciable assets purchased with public funds of any kind, including millage funds, special service charges, bond issues and supplemental payments, and kept on COMPANY's premises.
- b) Auto liability insurance on all vehicles with limits of ONE MILLION (\$1,000,000.00) DOLLARS for each occurrence, and physical damage coverage including collision coverage and comprehensive coverage with a maximum of FIVE THOUSAND (\$5,000.00) DOLLARS deductible for each occurrence. This insurance shall be purchased by the COMPANY on all vehicles.
- c) Worker's compensation insurance in accordance with Louisiana law. Employers liability, section B, shall be at least ONE MILLION (\$1,000,000.00) DOLLARS per occurrence.
- d) Flood insurance for (i) all properties located in a flood zone other than B, C, or X; or (ii) properties which have been previously flooded and have received FEMA funds. This insurance shall be purchased by the COMPANY.
- e) Commercial general liability insurance covering COMPANY's operations and risks associated with such operations in the amount of TWO MILLION (\$2,000,000.00) DOLLARS.
- f) Occurrence-based professional liability insurance with limits of ONE MILLION (\$1,000,000.00) DOLLARS per occurrence and TWO MILLION (\$2,000,000.00) DOLLARS aggregate. Notwithstanding the foregoing, said professional liability coverage shall only be required in the event that a Fire Prevention Bureau is established in the DISTRICT.

The DISTRICT and the Parish of Jefferson, its Districts, Departments and Agencies under the direction of the Parish President and Parish Council, shall be named as an additional insured on COMPANY's General Liability, Automobile Liability, and Professional Liability policies. COMPANY's insurer shall have no right of recovery or subrogation against the DISTRICT or the Parish of Jefferson, its Districts, Departments and Agencies under the direction of the Parish President and the Parish Council, it being the intention of the parties that the Worker's Compensation, General Liability, Automobile Liability, and Professional Liability policies described above shall protect both parties and be the primary coverage for

any and all losses covered by the described insurance.

COMPANY shall furnish DISTRICT with certificates evidencing all required coverages. Certificates shall be furnished to the Director of Fire upon execution of this Agreement and within thirty (30) days of the renewal of a policy or the purchase of a new policy.

## II. GENERAL PROVISIONS

1. **Assignment:** The parties agree that each, in making this Agreement, depend on the particular capacities, expertise, powers, and good offices of the other which would not be satisfactorily provided for by a third party, and therefore, the parties hereto agree that no right or obligation hereunder may in anyway whatsoever be assigned or delegated to a third party without express written consent of the other party given hereto in advance.
2. **Notices:** Any notice required to be given pursuant to the provisions of this Agreement shall be in writing, and either delivered in person or deposited in the United States mail, postage pre-paid, registered or certified mail, return receipt requested and properly addressed at the following addresses:  
  
IF TO COMPANY:  
Herbert Wallace Memorial Volunteer Fire Company  
4040 Highway 90  
Avondale, LA 70094  
  
IF TO DISTRICT:  
Fire Protection District No. 7 of the Parish of Jefferson, State of Louisiana  
c/o Chairman, Jefferson Parish Council  
1221 Elmwood Park Blvd., 10<sup>th</sup> Fl.  
Jefferson, LA 70123
3. **Entire Agreement:** This writing constitutes the entire agreement between the parties with relation to the subject matter hereof, and supersedes any previous agreement or understanding, whether verbal or otherwise, with relation hereto, and no addition, deletion, or other amendment hereto may be made except as is agreed in writing by the parties, in advance, with the same formality as accorded this Agreement.
4. **Jurisdiction:** This Agreement shall be governed, construed and controlled according to the laws of the State of Louisiana and COMPANY agrees to be subject to the jurisdiction of the 24<sup>th</sup> Judicial District Court.
5. **Attorney Fees:** In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement, on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party, reasonable attorney's fees and reasonable costs and expenses, determined by the court sitting without jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.
6. **Waivers:** It is agreed and understood that any failure to strictly enforce any provision hereof, shall not constitute a waiver of the right to demand strict performance of that or any other provision hereof at any time hereafter.
7. **Severability:** The terms and conditions of this Agreement are separate and separable, and if for any reason, any court of law or administrative agency should deem any provision hereof invalid or inoperative, the remaining provisions of this Agreement shall remain valid and in full force and effect.

8. **Defined Territory:** Fire Protection District No. 7 of the Parish of Jefferson, State of Louisiana is bounded by:

Beginning at the point of intersection of the centerline of the Mississippi River and the Jefferson-St. Charles Parish line; thence proceeding in a southerly and easterly direction along said parish line, through Bayou Verret and Lake Cataouatche to the mouth of Bayou Bardeaux; thence, easterly to the centerline of Bayou Segnette; thence, northerly along the centerline of said Bayou to its intersection with the southwest corner of the corporate limits of the City of Westwego, as such limits are presently constituted; thence, northerly along the western corporate limits of the City of Westwego, as such limits are presently constituted, to the point of intersection of said corporate limit, as projected, with the centerline of the Mississippi River; thence, westerly along the meandering centerline of the Mississippi River to the point of beginning.

**Designated area of Herbert Wallace Memorial Volunteer Fire Company:**

Property bounded by the beginning at a point where Main Canal extended intersects the northern line of Lake Cataouatche, thence in a northwesterly direction along the St. Charles – Jefferson Parish line to the intersection of St. Charles Parish line and Southern Pacific Railroad tracks, thence in an easterly direction along the Southern Pacific Railroad tracks to the western line of Modern Farm Road, thence in an easterly direction to the east property line of Modern Farm Road, thence in a northerly direction to the Texas Pacific and Southern Pacific Railroad tracks, thence in an easterly direction to the Main Canal extended and the Texas Pacific and Southern Pacific Railroad Tracks, thence in a southerly direction along the Main Canal extended and Main Canal to point of beginning.

9. **Independent Contractor:** It is understood by the parties that COMPANY is a private, nonprofit corporation with its own board of directors and management. COMPANY is an independent contractor, not an agent of or alter ego of the Parish of Jefferson or of the DISTRICT.
10. **Duty to Cooperate with Inspector General:** It shall be the duty of every parish officer, employee, department, agency, special district, board, and commission; and the duty of every contractor, subcontractor, and licensee of the parish, and the duty of every applicant for certification of eligibility for a parish contract or program, to cooperate with the inspector general in any investigation, audit, inspection, performance review, or hearing pursuant to JPCO 2-155.10(19).

By signing this document, every corporation, partnership, or person contracting with DISTRICT, whether by cooperative endeavor, intergovernmental agreement, bid, proposal, application or solicitation for a parish contract, and every application for certification of eligibility for a parish contract or program, attests that it understands and will abide by all provisions of JPCO 2-155.10.

### III. REPORTS AND RECORDS

COMPANY agrees to submit the following reports:

- A. To the Finance Director of the Parish of Jefferson on an annual basis an audited financial statement showing the disbursement of all public funds received for the previous year, specifically excluding (if desired) funds raised through COMPANY's private fund-raising activities.
- B. An itemized annual budget for operations and capital expenditures to the Director of Fire. The budget shall be submitted in both electronic and paper copies. COMPANY's budget shall itemize all expenditures of funds derived from this Agreement and provide beginning and estimated ending fund balances. The purpose of this submittal is not to solicit the Director of Fire's approval of the budget, but it is to be used for the reporting and tracking of the proper use of public

funds. Any and all amendments made to the budget by COMPANY during the budget year shall be submitted to the Director of Fire not later than ten (10) days from the date that the amendment was approved by COMPANY. Additionally, a budget-to-actual report for prior calendar year expenditures shall be submitted to the Director of Fire not later than June 30<sup>th</sup> of each year. The Director of Fire may elect to provide COMPANY with accounting software that must be used by COMPANY to prepare budget reports and submittals required hereunder. The provision of said software would be at the sole cost of DISTRICT.

- C. To maintain adequate records, and retain such records in accordance with standard accounting guidelines, showing the disbursement of all funds received pursuant to the present contract, and upon reasonable notice to make the same available for audit by the Parish and any other party as required by law.
- D. Quarterly financial reports concerning the expenditures of funds received pursuant to Article IV of this Agreement. Each report shall be furnished to the Director of Fire no later than thirty (30) days following the end of the reporting period, and shall provide the information set forth on Exhibit "A," which is attached hereto and incorporated herein.
- E. Provide certificates of completion issued by the Louisiana Board of Ethics concerning completion of the one (1) hour ethics training program mandated by La. R.S. 42:1170. On or before January 1<sup>st</sup> of each year, COMPANY shall furnish to the Director of Fire certificates of completion for each employee legally required to undergo ethics training during the preceding year. Additionally, COMPANY shall submit a roster of all COMPANY members that are legally required to undergo the ethics training program.
- F. Fire reports must be filed with the Office of the State Fire Marshal no later than the last day of the following month. Fire reports must be completed for all incidents that have generated an item number from the 911 communications center. Upon COMPANY receipt of the email confirmation received from the Office of the State Fire Marshal indicating receipt of the fire reports, COMPANY shall provide said email confirmation to the Director of Fire.

#### IV. PAYMENT

For and in consideration of COMPANY performing the obligations set forth herein, DISTRICT agrees to pay to COMPANY a sum of money in monthly installments, which represents a portion of the proceeds of the present millage or of any future millage which may be used for maintenance and operations levied annually on the assessed valuation of property subject to taxation in said DISTRICT as well as a portion of the proceeds of any service charge assessed on persons owning commercial and residential structures, whether occupied or unoccupied, located wholly or partly within DISTRICT for the purpose of acquiring, constructing, improving, providing, maintaining or operating DISTRICT's fire protection facilities. The monthly installment amount is hereby established at SIXTY-ONE THOUSAND SIX HUNDRED SIXTY-FIVE AND 83/100 (\$61,665.83) DOLLARS. Additionally, any portion of the Two Percent Fire Insurance Fund distribution that COMPANY is entitled to receive shall be disbursed by DISTRICT to COMPANY in a separate payment. The aforesaid monthly installments and Two Percent Fire Insurance Fund payments are collectively referred to hereinbefore and hereinafter as "Contract Consideration." Contract Consideration does not include any millage money collected for capital improvements or future bond issues.

COMPANY may make written requests for adjustments to the Contract Consideration or for additional one-time allocations of funds from DISTRICT. All such requests shall be in writing and shall contain justifications for the requested adjustment. The grant of any Contract Consideration increase or of any additional one-time allocation of DISTRICT funds shall be at the sole and unfettered discretion of DISTRICT's governing authority, and may contain restrictions, requirements, or conditions regarding the expenditure of said funding. All such expenditure restrictions, requirements, or conditions

imposed by DISTRICT's governing authority concerning a Contract Consideration increase or a one-time allocation of funds shall constitute a part of this Agreement. If COMPANY fails to comply with the expenditure restrictions, requirements, or conditions so imposed, then DISTRICT may rescind the Contract Consideration increase and may reduce future monthly installments to recover any funds that were not expended in accordance with said expenditure restrictions, requirements, or conditions.

Parties hereby acknowledge that the Contract Consideration due hereunder is sourced from revenues that may be subject to fluctuation. Notwithstanding any other provision of this Agreement to the contrary, in the event that actual recurring revenues received by DISTRICT fall below the budgeted recurring revenues in a fiscal year, then DISTRICT's governing authority shall have the right to decrease the monthly installments accordingly. Prior to imposing such a decrease to Contract Consideration, DISTRICT shall provide COMPANY with written notice stating the new Contract Consideration amount and the date that the decrease will become effective.

DISTRICT also agrees to pass any and all resolutions and ordinances needed to impose any and all necessary *ad valorem* taxes in order to obtain the Contract Consideration due COMPANY under this Agreement. DISTRICT further agrees to pass any and all resolutions and ordinances necessary to collect said taxes. DISTRICT further agrees to allow COMPANY, upon reasonable notice, to inspect the public records of the Finance Director of Jefferson Parish concerning the collection and disbursement of taxes and Contract Consideration.

COMPANY agrees to employ all public funds, facilities and equipment entrusted to its care for providing said fire protection services, fire suppression services, fire prevention services, rescue operations, as well as response to incidents, emergencies, disasters and/or fire service calls related to civil disturbances, necessary and incidental for the operation of their respective areas in accordance with applicable laws.

COMPANY acknowledges and agrees to utilize the Contract Consideration in connection with satisfying its obligations under this Agreement solely for the following purposes:

- (i) to acquire and maintain, trucks, apparatus and other movable equipment, including but not limited to insurance, fuel, office supplies, utilities, equipment, communications equipment, uniforms, food, tools, boats, training supplies, search and rescue equipment and supplies, identifications, badges, computers, software, and other similar items necessary and incidental to efficiently satisfy the obligations under this Agreement; and,
- (ii) to purchase the insurance policies that COMPANY is required to maintain pursuant to this Agreement; and,
- (iii) to hire, train, compensate and equip firefighters, operators and officers in accordance with COMPANY by-laws, polices, directives, or hiring procedures; and,
- (iv) to recruit, train, equip and retain volunteer firefighters in accordance with COMPANY by-laws, directives, or hiring procedures; and,
- (v) to purchase, construct and maintain immovable property to serve as fire stations, administrative offices, maintenance facilities and warehouses necessary to support all of the equipment, supplies and personnel required to satisfy the obligations under this Agreement; and,
- (vi) to provide for health and physical fitness expenses including gym memberships and wellness programs for all paid and volunteer firefighters; and,
- (vii) to purchase a plaque, trophy, certificate, medal or similar memento to acknowledge outstanding achievement or valiant act of personnel in an amount not to exceed the value set forth in La. R.S. 40:1510; and,
- (viii) to, in accordance with La. R.S. 40:1510, implement and execute a length of service awards program established by COMPANY, which provides a



monetary benefit, based upon service, to eligible volunteer firefighters as determined by COMPANY. Notwithstanding the foregoing, COMPANY shall obtain written approval of said program from DISTRICT prior to the implementation and execution of said plan.

COMPANY acknowledges and agrees that it shall not use the Contract Consideration for the purchase of any of the following:

- (i) Alcoholic beverages.
- (ii) Gifts or supplies for non-firefighting personnel; except as otherwise provided herein.
- (iii) Awards or gifts; except as otherwise provided herein.
- (iv) Training, travel, education or expenses that are not directly related to firefighting, fire department management and administration, search and rescue, hazardous materials, emergency medical response, emergency management, fire suppression services, fire prevention services, rescue operations, as well as response to incidents, emergencies, disasters or civil disturbances.
- (v) Any additional travel expenses incurred as a result of a paid or volunteer member of the COMPANY being accompanied by an individual who is not required to undergo the training for which the travel was authorized, or whose presence is not required for the performance of the COMPANY business for which the travel was authorized.

#### **V. EXPENSE RESTRICTIONS**

All travel or training and related items procured by the COMPANY and utilizing Contract Consideration for the purchase thereof shall be subject to the following conditions and limitations:

- (i) All travel and training shall be limited to the COMPANY's firefighting members and administrative staff.
  - a. Notwithstanding the foregoing, should training and/or travel for non-firefighting members of COMPANY be deemed necessary by COMPANY, then the Director of Fire shall be notified of such training and/or travel.
- (ii) Meals
  - a. Reimbursement for all meals shall be based on the latest IRS Publication No. 1542 "Per Diem Rates". Tips on the meals are included in the per diem allowance and shall not be separately reimbursed.
- (iii) Hotel
  - a) In an effort to obtain the most reasonable and cost effective rates, the COMPANY shall choose sites within a reasonable vicinity of the location where the COMPANY business is being conducted.
  - b) Individuals staying with relatives or friend shall not be eligible for hotel reimbursement.
  - c) Miscellaneous hotel room expenses shall not be reimbursed except for business related phone calls and internet access charges.
- (iv) Automobile Rentals: Individuals who anticipate the need for automobile rental must document the need, in writing, prior to out of town travel. All automobile rentals must be obtained in accordance with COMPANY by-laws or in accordance with policies or directives that have been adopted by COMPANY. If no applicable bylaw, policy, or directive exists, then rentals must be individually approved by COMPANY through the process used to approve official acts of COMPANY.
- (v) Transportation
  - 1) Reimbursement for additional airline costs for baggage shall be authorized only if such baggage contains equipment or supplies necessary for the purpose of the air travel, or if the scope of the

- individual's personal baggage for which the cost is levied is reasonable.
- 2) Individuals must provide a cost comparison to COMPANY when proposing to use a personal vehicle instead of air travel. COMPANY shall reimburse for the more cost effective mode of transportation.
- (vi) Personal Vehicle
- 1) Mileage reimbursement shall be calculated using the rates authorized by the IRS.
  - 2) Mileage shall be reimbursed starting from the place of employment to the destination and back. Original receipts for parking must be included for reimbursement.
  - 3) Individuals already receiving mileage allowances must travel in excess of five hundred (500) miles in order to be eligible for reimbursement.
  - 4) All private vehicles used for COMPANY business shall be insured in accordance with Louisiana law.
  - 5) When two or more individuals travel for COMPANY business in the same vehicle, only one individual shall be eligible for mileage reimbursement.

## VI. DEFAULT

The performance or failure to perform any one or more of the following acts shall constitute a default under the provisions of this Agreement:

- a) The failure of either party to cure any breach of contract after receipt of fifteen (15) days written notice.
- b) The filing of a voluntary petition by parties seeking relief under the United States Bankruptcy Act, or the failure of a party to dismiss an Involuntary Petition in Bankruptcy within ninety (90) days after the filing of an Involuntary Petition under the United States Bankruptcy Act.
- c) The voluntary appointment by a party of a receiver or trustee to handle or control all or substantially all of its assets, or the failure to remove an involuntarily appointed receiver or trustee within ninety (90) days after the appointment of the receiver or trustee. The making by a party of a general assignment for the benefit of its creditors.
- d) Notwithstanding the provisions of the preceding paragraph herein, in the event COMPANY fails to carry out the following obligations and duties contained in the Agreement, the DISTRICT shall notify COMPANY and COMPANY shall correct such failure within the time period set forth below or shall be deemed to be in default of this Agreement:
  1. Failure to submit reports to DISTRICT: 15 days
  2. Failure to make required inspections: 15 days
  3. Failure to comply with general responsibilities, obligations, and duties, and maintenance to fire apparatus equipment: 45 days
- e) Notwithstanding any other provisions herein to the contrary, failure or refusal of COMPANY to respond to a fire alarm.
- f) Upon the default of either party, the non-defaulting party may elect to pursue any remedy available at law including, but not limited to declaring this entire Agreement to be terminated. COMPANY shall have the right to immediately cease service as required by the Agreement in the event the DISTRICT fails to pay the consideration provided for in this Agreement. DISTRICT hereby relieves and releases COMPANY from any liability for any losses occurring during such time as COMPANY has ceased service on account of the failure

or inability of the DISTRICT to pay the Contract Consideration due under this Agreement and shall indemnify COMPANY against any liability incurred after COMPANY ceases services. This Agreement to indemnify shall include reimbursement for any and all legal fees and costs incurred by COMPANY in defense of any claim or suit brought by any person, corporation, political subdivision, taxpayer or citizen arising out of any losses sustained after fire protection or suppression services cease on account of non-payment of Contract Consideration. This Agreement to indemnify shall be effective whether COMPANY's cessation of services is or is not alleged to be negligent.

- g) In the event DISTRICT fails to pay the consideration provided for in this Agreement or fund the services DISTRICT requires COMPANY to perform under this Agreement, COMPANY shall have the right to cancel this Agreement upon sixty (60) days written notice to DISTRICT. During the sixty (60) day notice period, COMPANY shall make its best effort to perform services under this Agreement although the parties understand that said services may be limited or reduced as a result of lack of manning or inadequate supplies or equipment. After said sixty (60) days period, DISTRICT relieves and releases COMPANY of any liability or losses as may occur as a result of such limited or reduced services and shall defend and indemnify COMPANY and pay all legal fees and costs incurred by COMPANY in defense of any action brought by any person, corporation, political subdivision, taxpayer or citizen on account of any losses sustained on account of inadequate fire protection or suppression.

#### **VII. FORCE MAJEURE**

Neither party to this Agreement shall be responsible to the other party hereto for any delays or failure to perform caused by any circumstances reasonably beyond the immediate control of the party prevented from performing, including, but not limited to, acts of God. Wind limits for Fire dispatch and evacuation plans for Fire Departments are established in the Jefferson Parish emergency operations plan to protect Fire personnel and assets.

#### **VIII. INDEMNIFICATION**

As to any loss, damage or claim covered by insurance placed hereunder, COMPANY agrees to appear, defend, indemnify and hold harmless the DISTRICT, the Parish of Jefferson, its Parish President and Parish Council, appointed boards and commissions, officials, officers, employees and agents, individually and collectively, from all losses, claims, suits, demands, expenses, recoveries, judgments, subrogation, attorney's fees or actions of any kind or nature resulting from personal injury to any person (including death) or damages to any property, arising out of or alleged to have arisen out of any of COMPANY's negligent acts or omissions in the performance of their obligations under the terms of this Agreement.


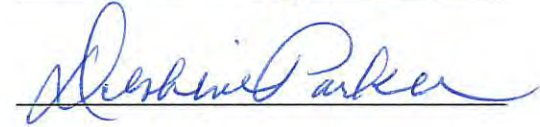
#### **IX. TERM OF AGREEMENT**

The term of this Agreement shall be for ten years commencing on the 1<sup>st</sup> day of December, 2017 and ending at 12:00 a.m. on the 1<sup>st</sup> day of December, 2027. Thereafter, this Agreement shall continue from month to month unless terminated by thirty (30) days written notice by one party to the other.

THUS DONE AND SIGNED in the Parish of Jefferson on the date hereinabove first read in the presence of the undersigned competent witnesses who after due reading of the whole.

**FIRE PROTECTION DISTRICT NO. 7 OF THE  
PARISH OF JEFFERSON, STATE OF  
LOUISIANA**

WITNESSES:


  


By:   
CYNTHIA LEE-SHENG, Chairperson  
Jefferson Parish Council

WITNESSES:


**HERBERT WALLACE MEMORIAL  
VOLUNTEER FIRE COMPANY**

By:   
Print Name: Barbara Camp



**AMENDMENT NO. 1 TO FIRE PROTECTION AGREEMENT  
BY AND BETWEEN  
FIRE PROTECTION DISTRICT NO. 7  
OF THE PARISH OF JEFFERSON, STATE OF LOUISIANA  
AND  
HERBERT WALLACE MEMORIAL VOLUNTEER FIRE COMPANY**

THIS AMENDMENT NO. 1 TO FIRE PROTECTION AGREEMENT is made and entered into this 9<sup>th</sup> day of October, 2018, by and between the following parties:

**Fire Protection District No. 7 of the Parish of Jefferson, State of Louisiana** (hereinafter referred to as "DISTRICT"), a political subdivision of the State of Louisiana, appearing herein through Cynthia Lee-Sheng, Chairperson of the Jefferson Parish Council, its governing authority, acting by virtue of Resolution No. 131634 adopted by the Jefferson Parish Council on the 6<sup>th</sup> day of June, 2018, a certified copy of which is attached hereto; and

**Herbert Wallace Memorial Volunteer Fire Company** (hereinafter referred to as "COMPANY"), a non-profit corporation organized under the laws of the State of Louisiana, domiciled and doing business in the Parish of Jefferson, State of Louisiana, herein represented by Barbara Camp, its President, acting by virtue of that resolution adopted by its membership on the 9 day of Aug., 2018 a copy of which is attached hereto; and

DISTRICT or COMPANY may individually be referred to herein as a "Party" or collectively as "Parties."

**WITNESSETH**

WHEREAS, DISTRICT has contracted with COMPANY for COMPANY to provide fire protection and prevention services; and,

WHEREAS, the Parties mutually desire to amend the Fire Protection Agreement to modify the terms of various provisions related to insurance requirements, use of and titling of DISTRICT assets, surplus DISTRICT property, indemnification, and applicable standards.

NOW THEREFORE, DISTRICT and COMPANY agree as follows:

**SECTION 1.** That the introductory paragraph of Article I ("Obligations of Company"), Section 1 ("Fire Protection Services") is hereby amended to read as follows:

COMPANY agrees to provide fire suppression services and fire prevention services within the geographical boundaries of DISTRICT. The geographical boundaries set forth in Article II ("General Provisions"), Section 8 ("Defined Area"), Paragraph 2 ("Designated Area of Herbert Wallace Memorial Volunteer Fire Company"), of this Agreement shall be considered COMPANY's primary coverage area. COMPANY shall make every effort to meet those standards of the National Fire Protection Association (hereinafter "NFPA") in the performance of the following specific services:

**SECTION 2.** That Article I ("Obligations of Company"), Section 2 ("Facility Maintenance") is hereby amended by adding subsection "g)", which reads as follows:

DISTRICT hereby permits COMPANY to use any DISTRICT-owned immovable property situated within COMPANY's primary coverage area, including but not limited to the following parcels:

1. That certain piece, parcel, or lot of land including all buildings and appurtenances thereto bearing municipal address 4040 US-90, Avondale, LA.

Any use by COMPANY of DISTRICT-owned immovable property shall be consistent with and in furtherance of COMPANY's obligations under this Agreement. COMPANY may utilize DISTRICT-owned immovable property and facilities within its primary

coverage area for community outreach and educational activities related to the fire suppression and fire prevention services performed by COMPANY pursuant to this Agreement. Further, COMPANY may utilize DISTRICT-owned immovable property and facilities within its primary coverage area for the purpose of conducting fundraising activities that financially support activities, initiatives, and procurements that bolster COMPANY's ability to perform its obligations under this Agreement, provided that COMPANY first obtains any licenses or permits required to conduct such activities. COMPANY shall not use any DISTRICT-owned assets in any manner that is inconsistent with law.

**SECTION 3.** That subsection "d)" of Article I ("Obligations of Company"), Section 3 ("Equipment Purchase, Repair and Inspection") is hereby amended to read as follows:

The parties agree that apparatus, equipment, and vehicles purchased with Contract Consideration or with public funds generated through bond issues shall be the property of DISTRICT and shall be titled in the name of DISTRICT if legally required to be titled. Additionally, COMPANY agrees that any depreciable apparatus, equipment, and vehicles acquired by COMPANY with funds received from DISTRICT or from the Parish of Jefferson prior to the effective date of this Agreement are the property of DISTRICT. COMPANY further agrees that any such assets acquired within three (3) years prior to the commencement date of this Agreement that are presently titled in the name of COMPANY shall be retitled in the name of DISTRICT.

**SECTION 4.** That Article I ("Obligations of Company"), Section 3 ("Equipment Purchase, Repair and Inspection") is hereby amended by adding subsection "k)", which reads as follows:

DISTRICT hereby permits COMPANY to use DISTRICT-owned movable property that is currently in COMPANY's possession or that may come into COMPANY's possession during the term of this Agreement. COMPANY shall not use any DISTRICT-owned assets in any manner that is inconsistent with law.

**SECTION 5.** That subsection "i)" of Article I ("Obligations of Company"), Section 3 ("Equipment Purchase, Repair and Inspection") is hereby amended to read as follows:

If DISTRICT-owned property in COMPANY's possession is replaced, becomes obsolete or is no longer in use, then said property shall be surrendered by COMPANY to the Jefferson Parish Surplus Property facility. Alternatively, should DISTRICT's governing authority authorize the disposal of DISTRICT-owned property through other methods, then COMPANY may utilize such method(s) provided that COMPANY adheres to all requirements and conditions that DISTRICT's governing authority has established for the method(s) used. The proceeds of the sale of such property shall be vested in the DISTRICT, and may be used by DISTRICT for any lawful purpose. If COMPANY desires to receive an allocation of DISTRICT surplus property funds, then COMPANY shall make written request to DISTRICT. Should DISTRICT approve the request, then the use of such funds shall be subject to the provisions of this Agreement pertaining to the expenditure of public funds and the maintenance of DISTRICT-owned property.

**SECTION 6.** That Article I ("Obligations of Company"), Section 4 ("Insurance") is hereby amended to read as follows:

COMPANY agrees to purchase and maintain reasonable and adequate insurance coverage for its operations by directly contracting with an insurance carrier of its choice as follows:

- a) Commercial Property insurance, including Named Storm coverage, for building and contents, sufficient to cover the appraised replacement value of all firefighting facilities and depreciable assets purchased with public funds of any kind, including millage funds, special service charges, bond issues and supplemental payments, and kept on COMPANY's premises. The appraised value shall be agreed upon by DISTRICT.

- b) Auto liability insurance on all vehicles with limits of ONE MILLION (\$1,000,000.00) DOLLARS for each occurrence, and physical damage coverage including collision coverage and comprehensive coverage with a maximum of FIVE THOUSAND (\$5,000.00) DOLLARS deductible for each occurrence. COMPANY may participate in DISTRICT's program of self-insurance in order to comply the requirements of this paragraph. Notwithstanding any provision of this paragraph to the contrary, COMPANY may elect to discontinue comprehensive coverage for any vehicle that meets both of the following criteria: (i.) vehicle is five (5) years of age or older; and (ii.) vehicle is not a fire apparatus.
- c) Worker's compensation insurance in accordance with Louisiana law. Employers liability, section B, shall be at least ONE MILLION (\$1,000,000.00) DOLLARS per occurrence.
- d) Flood insurance for (i) all properties located in a flood zone other than B, C, or X; or (ii) properties which have been previously flooded and/or have received FEMA funds.
- e) Commercial general liability insurance covering COMPANY's operations and risks associated with such operations in the amount of ONE MILLION (\$1,000,000.00) DOLLARS per occurrence and TWO MILLION (\$2,000,000.00) DOLLARS aggregate.
- f) Claims-made professional liability insurance with limits of ONE MILLION (\$1,000,000.00) DOLLARS per occurrence and TWO MILLION (\$2,000,000.00) DOLLARS aggregate. Notwithstanding the foregoing, said professional liability coverage shall only be required in the event that a Fire Prevention Bureau is established in the DISTRICT.

The DISTRICT and the Parish of Jefferson, its Districts, Departments and Agencies under the direction of the Parish President and Parish Council, shall be named as an additional insured on COMPANY's General Liability, Automobile Liability, and Professional Liability policies. COMPANY's insurer shall have no right of recovery or subrogation against the DISTRICT or the Parish of Jefferson, its Districts, Departments and Agencies under the direction of the Parish President and the Parish Council, it being the intention of the parties that the Worker's Compensation, General Liability, Automobile Liability, and Professional Liability policies described above shall protect both parties and be the primary coverage for any and all losses covered by the described insurance.

COMPANY shall furnish DISTRICT with certificates evidencing all required coverages. Certificates shall be furnished to the Director of Fire upon execution of this Agreement and within thirty (30) days of the renewal of a policy or the purchase of a new policy.

**SECTION 7.** That Article III ("Reports and Records"), Section B is hereby amended to read as follows:

An itemized annual budget for operations and capital expenditures to the Director of Fire. The budget shall be submitted in both electronic and paper copies. COMPANY's budget shall itemize all expenditures of funds derived from this Agreement and provide beginning and estimated ending fund balances. The purpose of this submittal is not to solicit the Director of Fire's approval of the budget, but it is to be used for the reporting and tracking of the proper use of public funds. Any and all amendments made to the budget by COMPANY during the budget year shall be submitted to the Director of Fire not later than ten (10) days from the date that the amendment was approved by COMPANY. Additionally, a budget-to-actual report for prior calendar year expenditures shall be submitted to the Director of Fire not later than June 30<sup>th</sup> of each year. The Director of Fire may, if requested by COMPANY, elect to provide COMPANY with accounting software to prepare budget reports and submittals required hereunder. The provision of said software would be at the sole cost of DISTRICT.

**SECTION 8.** That Article VIII ("Indemnification") is hereby amended to read as follows:



COMPANY agrees to appear, defend, indemnify and hold harmless the DISTRICT, the Parish of Jefferson, its Parish President and Parish Council, appointed boards and commissions, officials, officers, employees and agents, individually and collectively, from all losses, claims, suits, demands, expenses, recoveries, judgments, subrogation, attorney's fees or actions of any kind or nature resulting from personal injury to any person (including death) or damages to any property, arising out of or alleged to have arisen out of any of COMPANY's negligent acts or omissions in the performance of their obligations under the terms of this Agreement.


THUS DONE AND SIGNED in the Parish of Jefferson on the date hereinabove first read in the presence of the undersigned competent witnesses who after due reading of the whole.

**FIRE PROTECTION DISTRICT NO. 7 OF THE  
PARISH OF JEFFERSON, STATE OF  
LOUISIANA**

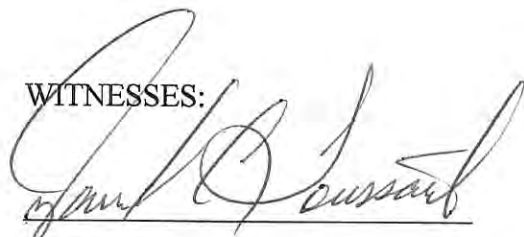
WITNESSES:

Norman L. Lee  
Gil LeNormand

By:

  
CYNTHIA LEE-SHENG, Chairperson  
Jefferson Parish Council

WITNESSES:

  
Jacquie C. Toussaint

**HERBERT WALLACE MEMORIAL  
VOLUNTEER FIRE COMPANY**

By:

Barbara Camp  
Print Name: Barbara Camp



Fire Chief's  
Timesheets and  
Payroll Guidelines



# HERBERT WALLACE MEMORIAL VOL. FIRE DEPT.

## CHAPTER 11

### OVERTIME PAY POLICY Sick, Vacation, and Holiday Pay

1. All suppression personnel will be paid overtime rate of regular hourly rate, plus  $\frac{1}{2}$  that hourly rate after reaching 106 hours in a 14 day pay cycle which equals time and  $\frac{1}{2}$  of your regular hourly rate. The pay cycle will begin at midnight on Friday and run for two weeks or 14 days till the second Friday at midnight.
2. Sick time, and vacation time will not be counted towards the regular pay cycle towards the 106 hours worked. The only time overtime will be paid when not physically on duty is if a suppression person has been injured on the job, and is filing that injury under workman's compensation. Then all hours after 106 will be paid at regular hourly rate times  $\frac{1}{2}$  of that rate equaling time and  $\frac{1}{2}$  your regular hourly rate.
3. Holiday pay will not be calculated in the 106 hours of regular time worked, and holiday pay does not figure into overtime over 106 hours.
4. Holiday pay will be paid at a rate of double the normal hourly rate. Holiday time will begin at midnight of the morning of the holiday until midnight the next night. Most holiday pay will be from midnight till 0700, and 0700 till midnight in a 24 hour period.
5. All personnel full-time as well as part-time will be paid under the same guidelines as stated above.
- 6.

Example if you work 120 hours in a pay period with no holiday, vacation or sick time, you will be paid 106 hours at regular hourly rate and 14 hours at your regular hourly rate plus  $\frac{1}{2}$  that hourly rate equaling time and  $\frac{1}{2}$  for 14 hours.

If you work 120 hours and 24 of those hours are sick, or vacation time, you will receive all 120 hours at your regular rate of pay times 120 hours, no  $\frac{1}{2}$  time will be added.

If you work 120 hours and 17 of those hours are on a holiday (0700 till midnight) then you will receive 103 hours at regular hourly rate and 17 hours at double your regular hourly rate for the holiday worked.

7. If a state of emergency is declared such as a hurricane, and you are called in to work, you will be paid at of rate of time and  $\frac{1}{2}$  your regular hourly rate for time worked that is not you regularly schedule day to work. If while on duty for a declared state of emergency a holiday falls, everyone working that day that is their normal work day scheduled will receive double time for holiday worked, and those who are not scheduled to work that day as part of their normal work schedule, will be paid a rate of double time and  $\frac{1}{2}$  of their normal hourly rate of pay.

Herbert Wallace Fire Company  
 4040 Hwy 90W  
 Avondale, La. 70094  
 Pay Period: Dec 28,2019 thru Jan 10,2020  
 Account #D527

Names	Regular Hrs.	Overtime Hrs.	State Pay OT Hrs	Holiday Hrs.	Sick Hrs	Vacation Hrs.	Training Hrs.
Arrington, Taylor	96			7			
Berggren, Christopher	72				24	7	
Berggren, Thomas	106	49		24			
Collins, Christian	106	38	38	17		24	
Donnaud, Justin	72			31			
Dortch, Jamal R.	<del>0</del>						
Ford, Leo	106			17			
Harris, ReyJavik	96			24			
Hydell, Jared	27						
Mason III, Willie	72			24		24	
Parker, Willie	<del>0</del>						
Swanson, Steven	48						
Payne, Dwight	45						

Regular Hrs.    Overtime    State    Holiday    Sick    Vaca.    Training  
846      87      38      144      24      55      \_\_\_\_\_  
 Combined 1194



# Herbert Wallace Memorial Fire Co Time Sheet

MAY DAY

Sat 28	Sun 29	Mon 30	Tue 31	Wed 1	Thu 2	Fri 3	Total	Ot/Holi
IN	IN 7AM	IN MID	IN	IN 7A	IN MID	IN	REG-	31 24
Out	out	out MID	out	out	out 7A	out	H-	17
#	# VAC	# 7	#	#	# 17	# 7	V	24

24 VAC  
= 24 CALL IN  
to work

Sat 4	Sun 5	Mon 6	Tue 7	Wed 8	Thu 9	Fri 10	Total	Ot/Holi
IN	IN MID	IN	IN 7A	IN MID	IN 7A	IN MID		
Out	out MID	out 7A	out	out MID	out 7A	out MID		89
#	# 17	# 7	#	# 17	# 7	# 17		

-24-

-24-

24 - 17

### Overtime and Holiday in red ink

1-9-20 MASON VAC DAY: 24hrs

**Comments** <sup>7AM</sup> 27 CALLED to work NO ONE ELSE to work = 24hrs

106

**Pay Period Dec 28, 2019 thru Jan 10, 2020**

**Please Sign** \_\_\_\_\_  
**Christian Collins** \_\_\_\_\_

**Reg** \_\_\_\_\_  
**OT** 3-8  
**Vac** 24  
**Hol** 17  
**Sick** \_\_\_\_\_  
**Training** \_\_\_\_\_

Email To All VFCs  
About Policy and  
Procedures



**From:** [Joe Greco](#)  
**To:** [rwilson@mrfd3.com](mailto:rwilson@mrfd3.com); [Linton Duet](#); [3rd District VFD](#); [Austin Fellows](#); [Billy Zink \(azinkjr@gmail.com\)](mailto:azinkjr@gmail.com); [Blaine Terrebonne](#); [Bobby Wilson <RobertWilson>](#); [Brad Migliore](#); [Brandon Davis](#); [Cary Radford](#); [Christian Collins](#); [Chuck Whitmer](#); [Don Robertson](#); [Elvis Smith](#); [Elvis G. Smith](#); [Gary Girard](#); [Hunter, Blake](#); [Joe Greco](#); [Aubry Chaisson - Grand Isle Fire](#); [Keith Plaisance](#); [Michael Labruzzo](#); [Michael Ortiz](#); [Randy Bean LOMVFD](#); [RicHard Parker - Harvey Vol Fire](#); [Rickie Eslick](#); [Ryan Guidroz](#); [Scott Berthelot](#)  
**Subject:** Standard Operating Procedure  
**Date:** Monday, October 7, 2019 9:14:05 AM  
**Attachments:** [Standard Operating Procedure 1 rev.docx](#)  
[Standard Operating Procedure 2.docx](#)  
[Standard Operating Procedure 3.docx](#)  
[Standard Operating Procedure 4.docx](#)  
[Standard Operating Procedure 5.docx](#)

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Presidents / Chiefs

I ask that you review the attached SOP's with your Board Members and consider implementing them in your Departments. If you have any questions please feel free to contact me.

Joseph R. Greco Jr.  
Director  
Office of Fire Services  
Jefferson Parish  
910 3rd Street  
Gretna, LA 70053  
(504)736-6201  
[jgreco@jeffparish.net](mailto:jgreco@jeffparish.net)



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Response from the  
Parish Administration







# JEFFERSON PARISH

OFFICE OF THE PRESIDENT

CYNTHIA LEE SHENG  
PARISH PRESIDENT

March 17, 2021

**Via Electronic Mail**

David N. McClintock  
Jefferson Parish Inspector General  
990 N. Corporate Drive, Suite 300  
Jefferson, LA 70123

Re: Administration Response to Office of Inspector General-Jefferson Parish-  
Confidential Draft Audit 2020-0038-Herbert Wallace Memorial Volunteer Fire  
Company

Mr. McClintock:

In accordance with Jefferson Parish Code Section 2-155.10(9), the Administration respectfully submits this response to JPOIG Confidential Draft Audit 2020-0038. In connection with the above-referenced matter, my staff met with the Office Fire Services and engaged in discussions with your Office to discuss your draft audit. Your draft audit – conducted at the request of Herbert Wallace Volunteer Fire Company (“Herbert Wallace”) – and those meetings demonstrated that policies and procedures implemented by the Office of Fire Services last year will continue to ensure that all Volunteer Fire Companies comply with their contractual obligations to the Parish.

The findings identified in the draft audit are addressed in detail below.

**Finding No. 1: Lack of Segregation of Duties.**

The Administration agrees with this finding and is committed to ensuring that the Office of Fire Services (“OFS”) continues to fulfill its duty to oversee all of the Volunteer Fire Companies (“VFC”). The OFS has developed and implemented Standard Operating Procedures to ensure that all contractual obligations are met as outlined in the contract and regularly monitors each VFC for compliance. The Administration and OFS is committed to coordinating with the VFC to regularly review and continue to refine these Standard Operating Procedures to improve financial management policies and procedures.

**Finding No. 2: Lack of Documented Approval of Invoices for Payment.**

The Administration agrees with this finding. As stated in the response to Finding No. 1, the Director of OFS has developed and implemented Standard Operating Procedures for VFC

compliance and will work with the VFC to continue to refine them to include financial management policies and procedures.

**Finding No. 3: Lack of Adequate Internal Control over Payroll Payments.**

The Administration agrees with this finding. As stated in the response to Finding No. 1, the Director of OFS has developed and implemented Standard Operating Procedures for VFC compliance and will work with the VFC to continue to refine them to include financial management policies and procedures.

**Finding No. 4: Fuel Invoicing Exceptions.**

The Administration agrees with this finding. As stated in the response to Finding No. 1, the Director of OFS has developed and implemented Standard Operating Procedures for VFC compliance and will work with the VFC to continue to refine them to include financial management policies and procedures.

**Finding No. 5: Lack of Compliance with the Parish Contract.**

The Administration agrees with this finding. The OFS has already created and implemented guidelines to ensure that each VFC satisfies all contractual reporting obligations and the Director will continue to require quarterly reports and monitor same for compliance with all contractual reporting requirements.

**Finding No. 6: Lack of Adequate Fiscal Policies.**

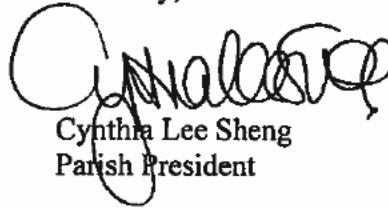
The Administration agrees with this finding. As stated in the response to Finding No. 1, the Director of OFS has developed and implemented Standard Operating Procedures for VFC compliance and will work with the VFC to continue to refine them to include financial management policies and procedures.

In conclusion, the Administration has already taken corrective measures and the Office of Fire Services has developed and implemented policies and procedures and additional corrective measures to address and prevent further deficiencies in its oversight of the Volunteer Fire Companies. The Administration is committed to continued discussion with and input from your Office regarding these measures so that prospective and existing policies and procedures are followed.

Thank you for your assistance, and for providing us an opportunity to respond.

If you have any questions, please contact me at your earliest convenience.

Sincerely,



Cynthia Lee Sheng  
Parish President

cc: Mr. Steve LaChute, Chief Operating Officer  
Ms. Valerie Brodin, Dep. Chief Operating Officer

Honorable Ricky Templet, Councilman at Large, Div. A  
Honorable Scott Walker, Councilman at Large, Div. B  
Honorable Marion Edwards, Councilman, Dist. 1  
Honorable Deano Bonano, Councilman, Dist. 2  
Honorable Byron Lee, Councilman, Dist. 3  
Honorable Dominick Impastato, Councilman, Dist. 4  
Honorable Jennifer Van Vrancken, Councilwoman, Dist. 5  
Ms. Peggy Barton, Parish Attorney  
Mr. David Courcelle, Deputy Parish Attorney  
Chief Bryan Adams, Director Office of Fire Services

JOSEPH S. YENNI BUILDING - 1221 ELMWOOD PARK BLVD - SUITE 1002 - JEFFERSON, LA 70123 - PO BOX 10242 JEFFERSON, LA 70181-0242  
OFFICE 504.736.6400

GENERAL GOVERNMENT BUILDING-200 DERBIGNY ST - SUITE 6100 - GRETNA, LA 70053 - PO BOX 9 - GRETNA - LA 70054  
OFFICE 504.364.2700

[WWW.JEFFPARISH.NET](http://WWW.JEFFPARISH.NET)

Response from the  
HWMVFC



**From:** [hwfdboard76@gmail.com](mailto:hwfdboard76@gmail.com)  
**To:** [Greg Lampard](#)  
**Subject:** Re: Response Due Date Reminder, Audit Report  
**Date:** Tuesday, March 23, 2021 11:05:04 AM

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The OIG's recommendations have been discussed by the board.

QuickBooks has been implemented.

Compliance current per parish contract.

Authorized signatures on bank account has been addressed.

Thank you.

On Monday, March 22, 2021, 01:47:26 PM CDT, Greg Lampard <[glampard@jpoig.net](mailto:glampard@jpoig.net)> wrote:

Dear Mrs. Camp,

I just wanted to send an email to remind the Board that tomorrow, 03/23/2021, is the due date for any written responses to the confidential draft audit report. Feel free to contact me at this email address or the below phone number if you have any questions.

**Greg J. Lampard, JD, CFE**  
Auditor

Office of Inspector General

Jefferson Parish

990 N. Corporate Dr., Suite 300

Jefferson, LA 70123

Office: (504) 736-8962 Ext. 455

Fax: (504) 736-8963

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