

Public Audit

2015 – 0002

Marrero-Ragusa Volunteer Fire

Company No. 3

OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH



PUBLIC AUDIT

MARRERO-RAGUSA VOLUNTEER FIRE
COMPANY No. 3 AUDIT

2015-0002

REVIEW
ISSUED 11/30/2016



OFFICE OF INSPECTOR GENERAL
JEFFERSON PARISH

DAVID N. MCCLINTOCK
INSPECTOR GENERAL



DATE: 11/28/2016

TO: The Citizens of Jefferson Parish

FROM: David McClintock, Inspector General

REF: Review #2015-002 Marrero Ragusa Volunteer Fire Company ("MRVFC")

The Jefferson Parish Office of Inspector General (JPOIG) performed an audit of expenditures of public funds to the Marrero Ragusa Volunteer Fire Company ("MRVFC") pursuant to a Fire Protection Contract entered into with Jefferson Parish (hereinafter "the Parish"). The sources of the public funds audited were property tax millage funds designated for fire protection services.

The audit results identify several areas where the Parish and the MRVFC can improve upon its obligation to provide effective controls, monitoring, and oversight concerning the expenditure of public funds. The findings, recommendations, and observations concern the questioned millage expenditures for personal meals and food, personal medical deductibles, and personal gifts to employees. The audit resulted in the questioning of \$69,202 of millage funds received over a three-year period by MRVFC.

The Parish President and Parish Council exercise supervisory authority through the terms and conditions as defined by the Fire Protection Contracts that are prepared by the Parish Attorney's Office, presented to the Council, and administered by the Parish President. It is these Fire Protection Contracts that provide the nexus for more meaningful and effective oversight and therefore must be central to any solution. The current contract is expired and as per the terms of this agreement, the Parish and the MRVFC are operating on a month-to-month arrangement until a new contract can be effected.

A Confidential Draft Audit Report was provided on 09/12/2016, to the MRVFC officials, the Parish Council and the Parish Administration for response and comment. The period for response concluded on 10/28/2016, with a response being submitted by the MRVFC President, and the Parish's Chief Operating Officer, Keith Conley, on behalf of the Michael S. Yenni Administration.

The MRVFC response acknowledges the issues raised in the audit and identifies specific "...corrections that we are putting into effect immediately." JPOIG acknowledges that these corrections follow the recommendations cited in the report. The actual response is included as an attachment. In outlining their corrective plan, the Administration and the MRVFC have set forth an oversight-based solution that, if fully implemented, will address any future concerns regarding questionable expenditures.

In doing so, they have committed to instill policy and procedure where none existed and to modify and enforce others. The JPOIG recognizes that well-founded policy and procedure is

essential to assuring and demonstrating compliance with governmental expenditure requirements, as well as demonstrating that parish funds provided to quasi-governmental organizations are administered in a fiscally prudent manner and utilized for the intended outcome.

In their response the Parish Administration cited positive efforts undertaken as a result of prior JPOIG Audits and pledged to:

continue its efforts to put measures in place to better track and ensure that millage money is used correctly. The administration has revised all "Fire Protection Agreement" contracts to track procurements and expenses as well as require quarterly reporting. All companies will execute the same contracts to ensure consistency in monitoring and quality assurance across the board. It is important to note that we have met with all recipient departments in forming this agreement and all agencies have been responsive and cognizant of the need for such consistency and bench marks.

The JPOIG appreciates the commitment to meaningful solutions made by the Administration and the MRVFC.

Please also be advised that a synopsis of the report, the findings, and responses will be made available to the general public in order to enhance transparency and the public's trust.

Respectfully,



David McClintock

cc:

Michael S. Yenni, Parish President
Councilman Chris Roberts, At-Large "A"
Chairwoman Cynthia Lee-Sheng, At-Large "B"
Councilman Ricky J. Templet
Councilman Paul D. Johnston
Councilman Mark D. Spears, Jr.
Councilman Ben Zahn
Councilwoman Jennifer Van Vrancken
Keith A. Conley, Chief Operating Officer
Mark Martin, President, Marerro-Ragusa Volunteer Fire Company
Rickie Eslick, Fire Chief, Marerro-Ragusa Volunteer Fire Company

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY 2015-0002

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OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH

DAVID N. McCLINTOCK
INSPECTOR GENERAL



EXECUTIVE SUMMARY

In accordance with JPCO §2-155.10 (11) (a), the Jefferson Parish Office of Inspector General (“JPOIG”) has completed an audit of the Marrero-Ragusa Volunteer Fire Company No. 3 (“MRVFC”). The JPOIG identified approximately \$69,202 in questioned costs. Of that total, \$56,711 was spent on food-related purchases. The reasons for expending millage funds for food were primarily training and work details. Most MRVFC employees work 24-hour shifts. Work details and training could have been scheduled to conclude at something other than mealtime. The audit period is 01/01/2012, through 12/31/2014.

Objectives

The objectives of this audit were to provide assurance that:

- Property taxes were received and disbursed correctly and were properly accounted for;
- Sufficient internal controls are in place to reduce the risk of fraud, waste, and abuse;
- The MRVFC was in compliance with state law, Parish ordinances, and the terms of the fire protection contract;
- Transactions were accounted for accurately and that irregularities were identified;
- The MRVFC’s inventory was reviewed for completeness and existence, and to assess whether assets were adequately safeguarded.

Audit Results

Based upon the audit objectives, we reached the following conclusions:

The MRVFC spent \$42,936 for groceries and fast food during the audit period in conflict with Article VII § 14(A) of the Louisiana Constitution and Louisiana Revised Statute 39:704.

The MRVFC reimbursed employees’ and dependents’ personal prescription deductible expenses in the amount of \$4,969, resulting in taxpayers’ money being used for unallowable purposes.

Flower purchases totaling \$593 were sent to employees and non-employees who were sick or who had passed away.

The MRVFC spent \$4,000 for gift certificates for members during the audit period. The payment of bonuses is not allowed under Article VII § 14(A) of the Louisiana Constitution.

During the three (3) year audit period, the MRVFC spent \$2,929 for late fees paid to various vendors.

The JPOIG could not verify the accuracy, existence, and completeness of the MRVFC’s 12/31/2014, net asset inventory of \$603,520. The MRVFC relies on their auditing firm to keep track of their inventory. Not all equipment and property is accounted for on the audit firm’s inventory list.

The MRVFC uses the Fuelman system for its vehicles. However, vehicle mileage is either entered incorrectly or not at all which negates this key system control.

The MRVFC does not follow its own Credit Card Policy. The JPOIG auditor noted the following deficiencies, with questioned costs amounting to \$13,775 for restaurant meal charges paid without adequate documentation retained.

1. Detailed receipts are not retained for most restaurant meal charges.
2. For meals and entertainment, the receipts do not document the names of the attendees present.
3. There is not always a business purpose stated on the receipt.

The MRVFC does not currently have a policy to control the maintenance and disbursement of Petty Cash. A shortage of \$20.78 was noted by the JPOIG auditor when an independent count of petty cash was performed.

Recommendations

1. Cease the regular provision of meals to employees and comply with Attorney General Opinions regarding the “reasonableness” of the purchase when meals are provided for training-related purposes.
2. The MRVFC should not use public funds to buy gift certificates (or pay any other type of bonuses) for employees. Millage money must not be used for the purchase of flowers or any other gifts (unless the purchase complies with Louisiana Revised Statute 40:1510).
3. The MRVFC should not use public funds to reimburse employees for their insurance deductibles (out-of-pocket-costs) for prescriptions. The MRVFC should further understand that these payments are a benefit to the employee and could be taxable.
4. Create a written procedure for paying vendors for operational expenditures. See if due dates can be coordinated so that more payments are due on the same day. Give the administrative assistant the authority to pay bills, up to a certain dollar limit, online. Although already paid, those bills would still be approved by the board of directors.
5. The MRVFC should have a complete review and inspection of their inventory items. The inventory items should be tagged and identified and should agree with their inventory list. The cost of each inventory item should be listed and reconciled to the invoice or receipt. The MRVFC should ensure compliance with the inventory provisions in their Fire Protection Contract.
6. The MRVFC should ensure that employees purchasing fuel enter the correct mileage for that vehicle. In addition, supervisory or command staff needs to review and approve the monthly fuel statements.
7. In addition to turning in the credit card receipt for meal purchases, the MRVFC must also submit the detailed receipt showing all items purchased, list the attendees and the public purpose for the meal on the back of the receipt.
8. The MRVFC should create a policy and/or written procedures for the maintenance and replenishment of petty cash. All employees should be notified of these procedures. Additionally, the Fire Chief should perform periodic petty cash counts and retain documentation of these counts and any discrepancies in a petty cash file.

Items are discussed more fully in the Findings and Recommendations sections of this report. Any detected instances of fraud, waste, abuse, or contractual noncompliance were identified and investigated as necessary. Findings, best practices, and recommendations will be communicated to all appropriate individuals. The JPOIG is willing to assist in the development of appropriate corrective action plans as well as suggest process improvements or additional management controls, if requested.



OFFICE OF INSPECTOR GENERAL
JEFFERSON PARISH

DAVID N. MCCLINTOCK
INSPECTOR GENERAL



Date of Report: 11/30/2016	PUBLIC AUDIT	Case # 2015-0002
Audit Period: 01/01/2012 through 12/31/2014	Report By: David Owen	Status: Public Audit
<u>Subject of Audit</u>		
<ul style="list-style-type: none"> • Marrero-Ragusa Volunteer Fire Company No. 3 • Financial/Compliance 		

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with JPCO §2-155.10 (11) (a), the Jefferson Parish Office of Inspector General (“JPOIG”) has completed an audit of the Marrero-Ragusa Volunteer Fire Company No. 3 (hereinafter “MRVFC”).

Objectives

The objectives of this audit were to provide assurance that:

- Property taxes authorized by law were received by Jefferson Parish, transferred to the MRVFC, disbursed correctly and were properly accounted for;
- Sufficient internal controls are in place to reduce the risk of fraud, waste, and abuse;
- The Fire Company was in compliance with state law, Parish ordinances, and the terms of the Fire Protection Contract;
- Transactions were accounted for accurately and irregularities were identified;
- The MRVFC’s inventory was reviewed for completeness to assess whether assets were adequately safeguarded.

Scope and Methodology

The scope of the audit of the MRVFC includes the consideration of relevant financial data, records, systems, personnel, and other information deemed necessary under the circumstances to achieve the audit objectives. This audit focused on a review of the MRVFC’s receipts and disbursements regarding the monthly millage funds received from Jefferson Parish (“the Parish”). No examination of records or transactions was made regarding funds that originated from or flowed through the private donation bank account of the MRVFC.

The audit period was from 01/01/2012, through 12/31/2014. Any instances of fraud, waste, abuse, or contractual noncompliance were identified and investigated as necessary. Findings, best practices, and recommendations will be communicated to all parties involved upon completion of this review.

Our audit procedures included reviewing the following:

- Fire Protection Contract between MRVFC and Jefferson Parish for 06/01/2004, through 05/31/2014, dated 11/12/2008
- MRVFC policies and procedures to assess the effectiveness of internal controls
- MRVFC Financial statements
- Parish Resolutions
- Bank statements
- MRVFC Board Minutes
- MRVFC Vendor files and source documents
- MRVFC Personnel records and payroll
- MRVFC inventory records

MRVFC Source documents examined included, but were not limited to, the following:

- Monthly bank statements and reconciliations for 2012, 2013, and 2014
- Audited financial statements
- General ledger detail
- Vendor files
- Personnel records
- Purchase orders
- Invoices
- Resolutions
- State laws and Parish ordinances
- MRVFC inventory list

Professional Standards

The audit was conducted in accordance with the Institute of Internal Auditor's Principles and Standards (the Red Book).¹ 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 on our 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:

MRVFC = Marrero-Ragusa Volunteer Fire Company No. 3

JPOIG = Jefferson Parish Office of Inspector General

Fire District = Jefferson Parish Fire Protection District No. 8

Parish = Jefferson Parish Government

¹ JPCO 2§155.10(13). Association of Inspectors General, Quality Standards for Audits by Offices of Inspectors General, adopting by reference Standards for the Professional Practice of Internal Auditing (Red Book).

BACKGROUND

The Marrero-Ragusa Volunteer Fire Company No. 3 was incorporated on 10/24/1951.² The purpose of the corporation was in part to, “form a volunteer fire company for the protection of the life and property of its members and the public in general; to organize for the prevention and fighting of fires and for the general protection of the public;...” On 10/28/1977, the Marrero Volunteer Fire Company No. 3 was merged with the Marrero-Ragusa Volunteer Fire Company No. 3.³ The MRVFC is registered with the Louisiana Secretary of State as a non-profit corporation and is in good standing.⁴

The Fire District receives fire prevention and suppression services from three (3) Volunteer Fire Companies:

1. Marrero-Ragusa Volunteer Fire Company No. 3 (Subject of the current audit),
2. Marrero-Harvey Volunteer Fire Company No. 1, and
3. Marrero-Estelle Volunteer Fire Company No. 1.

The MRVFC currently operates three fire stations:

1. Station 86 (Headquarters) located at 1400 Berger Rd., Marrero;
2. Station 87 located at 455 St. Ann St., Marrero; and
3. Station 88 located at 5725 Belle Terre Rd., Marrero.

Additionally, this audit includes only those expenditures from the MRVFC “General Account.” The General Account is where all millage funds are deposited monthly. The MRVFC also maintains a privately funded bank account referred to as the “Social Account.” One of the primary sources of revenue deposited into the “Social Account” is from a Ground Lease Agreement (cell tower lease). The JPOIG saw no instances of comingling between the “Social Account” and governmental funds and therefore did not review or examine the records of that account.⁵ All expenditures examined were millage funds.

Fire District’s Property Taxes

On 11/02/2010, the residents of the District voted on and approved the following proposition:

Shall Fire Protection District No. 8 of the Parish of Jefferson, State of Louisiana (the “District”) be authorized to continue the levy and collection of a tax of twenty-five (25) mills on the dollar on all property subject to taxation in the district, for a period of ten (10) years, beginning with the year 2011, with the estimated amount reasonably expected to be collected from the levy of the tax for one year being \$7,000,000, for the purpose of acquiring, constructing, improving, providing, maintaining or operating the District’s fire protection facilities and equipment?

The Parish collected approximately \$7.66 million in property taxes for fire protection services in the District in 2014. Of these funds, the Parish provides each of the three volunteer fire companies

² Marrero-Ragusa Volunteer Fire Company No. 3, Articles of Incorporation dated 10/24/1951.

³ Merger Agreement between MRVFC and Marrero Volunteer Fire Company No. 3, dated 10/28/1977.

⁴ Louisiana Secretary of State Commercial Search.

⁵ Attorney General Opinion 15-0080, “...A VFD performing a governmental function and receiving public funds is considered a public body subject to the Louisiana Public Records Law (La. R.S. 44:1 et seq.), but only to the extent that its records are connected to the receipt or expenditure of public funds.”

\$200,000 per month or \$2.4 million per year pursuant to the contract.⁶ This is the primary source of income for the MRVFC. The MRVFC uses the funds to operate its three fire stations.

In addition, the MRVFC also receives income from the state fire insurance rebate.

Louisiana Revised Statute 39:704 states: “The proceeds of any special tax shall constitute a trust fund to be used exclusively for the objects and purposes for which the tax was levied. The records of the taxing authority shall clearly reflect the objects and purposes for which the proceeds of the tax are used.”

The Jefferson Parish 2012-2014 annual budgets as a whole, including the Fire District, was approved by the Parish Council. The Fire District Actual vs. Budget figures are shown in Table 1.

Table 1 Fire District No. 8 Actual vs. Budget						
Description	2012 Adopted Budget	2012 Actual Audited	2013 Adopted Budget	2013 Actual Audited	2014 Adopted Budget	2014 Actual Audited
Beginning Fund Balance	\$1,000,817	\$1,064,461	\$1,538,165	\$1,568,688	\$1,884,035	\$1,893,584
Revenues:						
Taxes	7,319,000	7,420,917	7,335,000	7,421,233	7,420,876	7,664,230
Intergovernmental	230,000	233,936	233,952	251,123	251,123	259,435
Interest Income	9,000	14,891	9,000	17,075	12,000	21,179
Other Financing Sources	-	-	-	249,063	-	-
Subtotal Revenues	\$7,558,000	7,669,744	7,577,952	7,938,494	7,683,999	\$7,944,844
Expenditures:						
Operation Expenses	5,925,348	7,131,718	7,377,209	7,613,598	7,404,911	7,399,518
Other Financing Sources	33,800	33,800	33,800	33,800	-	-
Subtotal Expenditures	\$5,959,148	\$7,165,518	\$7,411,009	\$7,647,398	\$7,404,911	\$7,399,518
Ending Fund Balances	\$2,599,669	\$1,568,687	\$1,705,108	\$1,859,784	\$2,163,123	\$2,438,910

Fire Protection Contract

Fire protection services provided by MRVFC are as provided by a contract between the Parish and MRVFC. The time period of the most recent contract commenced on 06/01/2004, and ended 05/31/2014. At the contract termination date, the contract, unless renewed, continues “from month to month unless terminated by thirty (30) days written notice by one party to the other.”⁷ In addition, the provisions permit the District (Jefferson Parish) to terminate this Agreement at any time for a breach.”

Per the Fire Protection Contract, the MRVFC is to provide:

- 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.

⁶ In addition to the \$7.2 million paid to the fire companies, the Sheriff, Assessor, and the Parish also receive administrative fees for processing these funds. Any remaining funds are then put into the Fire Protection District No. 8 fund.

⁷ Fire Protection Contract, page 14.

- b) Rescue operations in connection with “a”. Rescue operations shall include vehicle extrication, elevated rescue and confined space rescues. Nothing herein shall be construed to require COMPANIES to attempt underwater rescue operations or search for and/or dispose of explosive devices or ordinances.
- c) Make available to citizens and taxpayers of the Eighth 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 policies 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 Fire Protection District No. 8 on a 24-hour, 7 day per week schedule.
- f) Maintain training levels consistent with National Fire Protection Association requirements.
- g) Maintain training records of all active COMPANY personnel for a period of not less than three years, said records to be made available to the DISTRICT upon its written request.
- h) Observe all applicable federal laws and Occupational Safety and Health Administration (OSHA) Regulations 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 Fire Protection District No. 8 on a 24 hour, 7 day per week schedule.

DATA REVIEW & ANALYSIS

Accounting, Payroll, and Invoice Processing

The MRVFC uses Chiasson’s Accounting and Tax Service, L.L.C. (Chiasson’s) for the preparation of their payroll and for the payment of federal and state taxes.

Payroll

Scheduled full-time fire personnel sign in to work in a log book and utilize a leave form to take annual or sick leave. Part-time employees cover for vacations and sick leave of full time fire personnel. Both part-time and fire prevention employees fill out a time sheet. The part-time employee’s time sheet is reconciled with the annual/sick leave form of the full-time employee for accuracy.

The secretary enters the time on a pay ledger (spreadsheet) and faxes the sheet to the bookkeeper (Chiasson’s) who completes the payroll. The secretary picks up the payroll from Chiasson’s and enters the information with the bank for direct deposit into each employee’s account. The secretary then prints payroll check stubs, puts the stubs in envelopes, and gives them to the employees.

The JPOIG auditor conducted a payroll observation and personnel validation by comparing payroll register with the driver’s licenses of the twenty-six active full time equivalent employees.⁸ All paid employees were accounted for and no anomalies were found.

⁸ Per the administrative assistant, there were 25 employees at the end of 2014. In April 2015, the MRVFC added another employee. Employee verification occurred in November 2014 and in August 2016.

Salary Increases/Raises

The auditor determined that the MRVFC does not have a written pay plan or related policies in place. However, historically, full time employees receive an annual cost of living pay increase of up to 5% each year on their anniversary date. This increase is based upon the available budget, and is determined by the President annually. In addition to direct compensation from the MRVFC and pursuant to Louisiana law, the state provides state-certified firefighters supplemental pay of \$500 each month (\$6,000 per annum) via direct deposit. This amount is included in their gross salary and taxes are deducted by MRVFC. The MRVFC's net payroll ranges between \$45,000 and \$55,000 every (2) two weeks for an employee base that as of August 2016 included 26 full-time equivalent employees.

Pension

Employees may contribute toward their retirement via an established 401K plan. Chiasson's handles the 401K account calculations for the MRVFC. The MRVFC matches up to 4% of the employee's bi-weekly salary for their 401K contribution. This is paid to RSG Retirement Strategy Group through a First Bank and Trust checking account. Each bi-weekly pay period, Chiasson's prepares a contribution transmittal form that includes the employee name, account number, total bi-weekly salary, employee contribution, employer matching amount, and the total amount paid to RSG Retirement Strategy Group. No issues were noted.

Vendor Payments

The secretary receives vendor invoices via the mail. She enters the invoice into Quickbooks and prints the check. All invoice payments require two (2) signatures on the check. The authorized signatories are the president, vice president, and board secretary. The secretary ensures that the invoice amount and the check agree. The invoice is stamped. The date and check number are written on the invoice. Once the check has been signed, the secretary mails the payment.

Petty Cash

The MRVFC utilizes a \$500 petty cash fund. The fund is used to reimburse employees for small purchases. The secretary has control of the petty cash. Employees are reimbursed based upon submission of receipts for purchases.

On 07/15/2016, the petty cash fund was counted. There was \$252 in cash and \$227.22 in receipts in the box (a total of \$479.22). There was a shortage of \$20.78. MRVFC has since purchased a lock box system to prevent further petty cash shortages.

QUESTIONABLE USE OF MILLAGE FUNDS

As previously stated in this report, La. R.S. 39:704 restricts the uses of millage funds. Specifically, "The proceeds of any special tax shall constitute a trust fund to be used exclusively for the objects and purposes for which the tax was levied. The records of the taxing authority shall clearly reflect the objects and purposes for which the proceeds of the tax are used." Table 2 is a summary of all unallowable expenditures of millage funds.

Expense Item	Amount
Groceries, Fast Food	\$42,936
Prescription Deductibles	4,969
Gift Certificates	4,000
Flowers	593
Late Payments	2,929
Restaurant Credit Card Charges	13,775
TOTAL	\$69,202

Food

During the audit period, the MRVFC spent \$56,711 on groceries, fast food, and meals from various restaurants charged on MRVFC credit cards.

Attorney General Opinion 12-0086 states in part:

Public funds may be spent on food and non-alcoholic beverages to be served to volunteer firefighters during training sessions or workshops when such session or workshop is scheduled during normal mealtime and it is necessary to conduct the training at that time...If training occurs on a regular basis and is part of the firefighters normal working hours, it may be less reasonable to use public funds to provide meals.

Some of the reasons stated for the meals include: (1) Board meetings, (2) Training (even though employees are working a 24-hour shift), (3) Fire prevention meetings, (4) Meetings regarding the District golf outing, and (5) Work details (even though this is conducted during regular work hours).

The auditor was unable to calculate an exact figure for unallowable meals because:

- 1) Approximately 45% of the receipts did not list the attendees;
- 2) More than 50% of the meals purchased had no detailed receipt;
- 3) More than 25% of the receipts had no public purpose for the meeting;
- 4) However, the auditor determined that at least 33 of the meals purchased were related to the District golf outing.

Although the MRVFC had the credit card statements, they only show the name of the establishment and the total amount spent. The validity of the expenditure cannot be determined.

Employee Insurance Deductibles

Employees and their dependents had a \$100 deductible for their prescription coverage. Employees would pay for their prescription, obtain a receipt from the pharmacy, and then give the receipt to the administrative assistant for reimbursement. During the three (3) year audit period, the MRVFC spent \$4,969 reimbursing employees for their personal expenses.

The Proposition approved by voters stated in part that the purpose of the millage was “for the purpose of acquiring, constructing, improving, providing, maintaining or operating the District’s fire protection facilities and equipment.”⁹

Millage money should not be used to reimburse employees for their personal expenses.

Dictionary.com defines “deductible” as “the amount for which the **insured** is liable on each loss, injury, etc., before an insurance company will make payment.” (Emphasis added.)

Purchases of Gift Certificates and Flowers

In November 2012, 2013, and 2014 the MRVFC purchased \$50 gift certificates which were given to the employees. The amount

MARRERO-RAGUSA VFC NO. 3			
GIFT CERTIFICATE PURCHASES			
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>TOTAL</u>
\$1,200	\$1,400	\$1,400	\$4,000

⁹ See also Louisiana Revised Statute 39:704, “The proceeds of any special tax shall constitute a trust fund to be used exclusively for the objects and purposes for which the tax was levied. The records of the taxing authority shall clearly reflect the objects and purposes for which the proceeds of the tax are used.”

spent by year was: \$1,200 in 2012, \$1,400 in 2013 and \$1,400 in 2014; for a total of \$4,000 total during the audit period. See Table 3.

The MRVFC made several purchases of flowers and paid for them out of the general fund. The flowers were sent to employees and non-employees. During the audit period, at least \$593 of millage money was spent on flowers.

Attorney General opinion 03-0157 states in part: “We note for your attention pertinent previous opinions of this office, which determined that public funds cannot be utilized to purchase flowers and gifts for public employees or volunteers, but which also determined that privately funded “flower and gift funds” can be established.”

Late Fees

The review of invoices and bills showed that the MRVFC paid out nearly \$3,000 in late fees during the audit period. Late fees have been paid to Atmos, Entergy, the Jefferson Parish Water Department, Sam’s Club, and others. Neither the taxpayers nor the MRVFC received any benefit from these additional payments. See Table 4 on next page.

MARRERO-RAGUSA VFC NO. 3		
Table 4 PAYMENT OF LATE FEES		
Year	Vendor	Late Fees Paid
2012	Capital One	\$115.52
2012	Entergy	\$657.56
2012	First Bank & Trust	\$7.77
2012	Jefferson Parish Water Department	\$67.41
2012	Lowe’s	\$59.33
2012	Sam’s Club	\$178.78
2012	Louisiana Department of Revenue	\$110.70
2012	TOTAL	\$1,253.22
2013	Louisiana Workforce Commission	\$56.78
2013	Louisiana Labor Law	\$30.00
2013	Sam’s Club	\$159.96
2013	Lowe’s	\$229.54
2013	Jefferson Parish Water Department	\$42.32
2013	First Bank & Trust	\$2.41
2013	Entergy	\$272.21
2013	Atmos	\$1.67
2013	TOTAL	\$794.89
2014	Lowe’s	\$102.90
2014	Sam’s Club	\$148.71
2014	Office Depot	\$112.41
2014	Jefferson Parish Water Department	\$55.35
2014	Atmos	\$34.60
2014	Entergy	\$427.37
2014	TOTAL	\$881.34
TOTAL FOR AUDIT PERIOD		\$2,929.45

RECORD KEEPING

Equipment Inventory

The MRVFC does not keep a current and accurate inventory record of its equipment. They rely on the inventory prepared by their auditing firm. Per the MRVFC's Asset Report, as of 12/31/2014, the value of all buildings and equipment, net of depreciation, was \$603,520.

According to the secretary, an outside contractor is currently working on listing and tagging all of their inventory.

Fuel Purchases

The MRVFC uses the Fuelman system for purchasing gas and diesel fuel. One of the features of this system is the vehicle's mileage is calculated with each fuel purchase. This information could be valuable for the detection of theft of fuel and potential vehicle problems. However, MRVFC employees regularly enter: (1) the same mileage that was used on the previous purchase; (2) fictitious mileage numbers; (3) a mileage number lower than the previous purchase; or (4) no mileage at all. These actions obfuscate internal control benefits of fuelman system.

Credit Card Purchases

The credit card users do not always submit the detailed receipt showing what items were purchased, instead the receipt will only reflect the total amount charged. During 2012, 2013, and 2014, a total of \$13,775 in restaurant credit card charges were paid without adequate supporting documentation. The MRVFC Credit Card Policy states that, "credit cards will be issued to the President and the Fire Chief..." For credit card purchases, the MRVFC should have a detailed receipt and the signed credit card receipt. If the credit card was used to purchase a meal, the names of all attendees and the public purpose of the meal should also be written on the back of the receipt.

JPOIG tested a sample of 186 credit card transactions, and of that sample, 175 or 96% did not have adequate supporting documentation as per the credit card policy requirements. The JPOIG noted that it appears there are at least two (2) people in addition to the President and Fire Chief that are using credit cards.

MRVFC's written credit card procedure as well as the external auditor's recommendations were not followed. Problems with credit card purchases were noted in the 2010, 2011, and 2012 audits. Specifically, receipts for meal purchases did not state the business purpose or identify the attendees.

FINDINGS

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) abuse.

Finding #1 – Millage money spent for an unauthorized purpose (food).

Condition: During the three-year audit period, MRVFC spent approximately \$42,936 on groceries and restaurant meals. Some of the reasons for the food purchases were:

1. Board meetings. Food is purchased for the board members in addition to employees who are working their regular shift. Board meetings generally begin at 7 p.m. and last one (1) hour.
2. For the on-duty shift for “training.” The employees are on-duty for 24-hour shifts.
3. An employee’s regular attendance at a “fire prevention” meeting. The employee works one hundred (100) hours per pay period.
4. To attend meetings regarding the District golf outing.
5. For work details (similar to #2 above) while the employees are working a 24-hour shift.

Criteria: La. R.S. 39:704 states, “The proceeds of any special tax shall constitute a trust fund to be used exclusively for the objects and purposes for which the tax was levied. The records of the taxing authority shall clearly reflect the objects and purposes for which the proceeds of the tax are used.”

On 11/02/2010, residents of the District voted on and approved a proposition to consider whether Fire Protection District 8 of the Parish of Jefferson shall:

be authorized to continue the levy and collection of a tax of twenty-five (25) mills on the dollar on all property subject to taxation in the district, for a period of ten (10) years, beginning with the year 2011, with the estimated amount reasonably expected to be collected from the levy of the tax for one year being \$7,000,000, for the purpose of acquiring, constructing, improving, providing, maintaining or operating the District’s fire protection facilities and equipment?

Attorney General Opinion 12-0086 states in part:

...Public funds may be spent on food and non-alcoholic beverages to be served to volunteer firefighters during training sessions or workshops when such session or workshop is scheduled during normal mealtime hours and it is necessary to conduct the training at that time....If training occurs on a regular basis and is part of the firefighters normal working hours, it may be less reasonable to use public funds to provide meals.

Attorney General Opinion 03-0157 states in part:

Serving meals at brief meetings, particularly meetings that could be scheduled at times other than meal times would appear to be unreasonable.

- Cause:** Use of millage funds for purposes not authorized by taxpayers when approving the MRVFC funding proposition.
- Exposure:** Spending an average of \$14,312 of millage money per year on unauthorized purchases.
- Recommendation:** MRVFC should cease the regular provision of meals to its employees. Taxpayer funds should only be spent on items approved by the voters of the District.
- The MRVFC should comply with Attorney General Opinions regarding the “reasonableness” of the purchase if meals are provided for training-related purposes.

Finding #2 – Millage money spent for an unauthorized purpose (employee insurance deductibles).

Condition: During the three (3) year audit period, the MRVFC has spent \$4,969 reimbursing employees for personal expenses. In addition, these reimbursements appear to be a benefit to the MRVFC’s employees and could be taxable. The MRVFC has Blue Cross Blue Shield insurance for full-time, paid employees. As a part of their health insurance policy, the employees’ and their dependents had a \$100 deductible for prescriptions. Employees would pay for their prescription, obtain a receipt from the store, and then give the receipt to the administrative assistant for reimbursement.

Criteria: La. R.S. 39:704 states: “The proceeds of any special tax shall constitute a trust fund to be used exclusively for the objects and purposes for which the tax was levied. The records of the taxing authority shall clearly reflect the objects and purposes for which the proceeds of the tax are used.”

As stated above, the Proposition approved by voters stated in part that the purpose of the millage was “for the purpose of acquiring, constructing, improving, providing, maintaining or operating the District’s fire protection facilities and equipment?”

Millage money should not be used to reimburse employees for their personal expenses. Dictionary.com defines “deductible” as “the amount for which the **insured** is liable on each loss, injury, etc., before an insurance company will make payment.” (Emphasis added.)

Cause: The MRVFC was not aware that they could not pay this type of expense for its employees.

Exposure: A total of \$4,969 has been spent from millage money to reimburse employees and their dependents for personal expenses.

Recommendation: The MRVFC ceases the practice of paying insurance deductibles and any other personal expenses for employees.

Finding #3 – Millage money spent for unauthorized purpose (gift certificates for employees).

- Condition:** Each November during the audit period, the MRVFC gave each of its employees a \$50 gift certificate. In accordance with Article VII § 14 (A) of the Louisiana Constitution, bonus payments to employees are not allowed.
- Criteria:** La. R.S. 39:704 states: “The proceeds of any special tax shall constitute a trust fund to be used exclusively for the objects and purposes for which the tax was levied. The records of the taxing authority shall clearly reflect the objects and purposes for which the proceeds of the tax are used.”
- Attorney General Opinion 03-0157 states in part: “We note for your attention pertinent previous opinions of this office, which determined that public funds cannot be utilized to purchase flowers and gifts for public employees or volunteers...”
- Cause:** The MRVFC contracted audit for the year ended 12/31/2011, included an auditor’s note that the MRVFC paid a Christmas bonus to its employees and that they cease the practice. The MRVFC response was that they did “not believe (their) employees are public employees.”¹⁰
- While the MRVFC employees are not public employees, the millage funds used to pay them are public funds.¹¹
- Exposure:** The payments are inconsistent with the Louisiana State Constitution and have cost the taxpayers of the District \$1,200 in 2012, \$1,400 in 2013, and \$1,400 in 2014 (\$4,000 total during the audit period).
- Recommendation:** Cease the payment of any type of bonuses. Millage funds must only be spent for purposes authorized in the proposition.

¹⁰ Marrero-Ragusa Volunteer Fire Company No 3 audit report for December 31, 2011 and 2010.

¹¹ Louisiana State Constitution, Article VII, §14 (A) provides, “Prohibited uses, Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private....”

Finding #4 – Millage money spent for unauthorized purpose (flowers).

- Condition:** The MRVFC purchases flowers out of their general fund account for people who are sick or have passed away. Flower purchases have been made for both employees and non-employees.
- Criteria:** Attorney General Opinion 03-0157 states in part: “We note for your attention pertinent previous opinions of this office, which determined that public funds cannot be utilized to purchase flowers and gifts for public employees or volunteers, but which also determined that privately funded “flower and gift funds” can be established.”
- The Proposition approved by voters stated in part that the purpose of the millage was “...for the purpose of acquiring, constructing, improving, providing, maintaining or operating the District’s fire protection facilities and equipment?”
- Cause:** The MRVFC was not aware that the purchase of flowers was an unauthorized expense.
- Exposure:** \$593.18 was spent on flowers for funerals and people who were hospitalized.
- Recommendation:** MRVFC discontinue the practice of purchasing flowers or any other gifts with public funds (millage money). If the MRVFC wants to continue sending flowers, they should establish a privately funded “flower fund.”

Finding #5 - Millage money spent for an unauthorized purpose (payment of late fees).

- Condition:** The payment of late fees for utility bills and credit card statements neither benefits the MRVFC nor the taxpayers of the District. Late fees have been charged to the MRVFC for payments to Atmos, Entergy, Jefferson Parish Water Department, Sam's Club, and others.
- Criteria:** A system for timely approval and payment of invoices should be in place to avoid unnecessary expenditures. Late fees represent waste.
- Cause:** Different due dates on invoices from the same vendor; having to wait to have checks signed by authorized signatories.
- Exposure:** A total of \$2,929 in late fees over all three (3) year period were paid. Neither the MRVFC nor the taxpayers received any benefit.
- Recommendation:**
- 1) Have utility and credit card bill due dates changed so they are due on one date.
 - 2) Set up a calendar reminder so checks can be written and signed seven (7) to ten (10) days before the due date (to allow for any mailing delays).
 - 3) Or, develop a procedure to pay at least the utility bills online.
 - 4) Make any necessary revisions to current practice to ensure that checks are signed by board members in a timely manner.
 - 5) Ensure that there is a written procedure in place so that any authorized employee would be able to perform the bill paying task.

Finding #6 – Failure to keep a current equipment inventory.

Condition: The MRVFC does not keep a current and accurate inventory of its equipment. They rely on the inventory prepared by their auditing firm. As of 12/31/2014, the value of all buildings and equipment, net of depreciation, was \$603,520.

Criteria: MRVFC should keep a complete and accurate inventory of its vehicles and equipment. By having their auditing firm keep the inventory, they (the auditing firm) are checking their own work. The MRVFC should keep the inventory and their auditing firm should be checking the accuracy of the inventory records.

The MRVFC should also ensure compliance with the Fire Protection contract Section VI, Purchase, Maintenance, Repair, and Inspection of Apparatus and Equipment (e) and (f) which states, “After the execution of this agreement, the District and Companies will cooperate with one another to prepare an inventory of each asset and piece of equipment owned by the DISTRICT with a unit value of Five Hundred (\$500.00) dollars or more and utilized by companies. COMPANIES will furnish the DISTRICT with a list of all property it believes meets this description.” and “f) In the event DISTRICT owned property in COMPANIES’ possession with a unit value of over FIFTY (\$50.00) dollars is replaced, becomes obsolete or is no longer in use, that property shall be returned to the DISTRICT.”

Cause: The MRVFC has not compiled their own inventory thus delegating this task to their auditing firm. However, the MRVFC is responsible for the equipment.

Exposure: The MRVFC owns and uses a wide variety of equipment which in some cases is both specialized and expensive. The loss of certain equipment or the unavailability of the equipment could have devastating results.

Recommendation: A complete, detailed, current inventory of all vehicles and equipment should be maintained. The MRVFC should also tag equipment and certain items. For example, the Chief’s portable radio as well as the radio in his vehicle should be inventoried and tagged. Employees should also complete an inventory form acknowledging any and all of the equipment they have in their possession.

All equipment issued to an individual and signed for on an inventory list should also be checked at least annually for accuracy and the actual existence of the equipment.

Finding #7 – Lack of accountability for fuel purchases.

- Condition:** Lack of accountability for fuel purchases using Fuelman. When fuel is purchased, employees are either not entering the vehicle’s correct mileage or else they do not enter any mileage at all.
- Criteria:** Primary reasons for using the Fuelman system are the system’s inherent internal controls, and its accounting and reporting capabilities. If used properly, management would be able to review vehicle mileage and detect fuel theft or other problems.
- Cause:** Failure to have and follow a written procedure on the purchase of fuel along and an approval process when the monthly invoice is received.
- Exposure:** During the audit period, the MRVFC spent \$73,279 on fuel. Without accurate information and proper approval, the MRVFC is exposing itself to potential waste and abuse of millage funds.
- Recommendation:**
1. All employees should be required to enter the correct mileage when purchasing fuel for MRVFC vehicles.
 2. Monthly fuel bills should be reviewed and approved by management.

Finding #8 – Lack of detail on credit card purchases / failure to follow MRVFC Credit Card Policy.

- Condition:** The credit card users do not always submit the detailed receipt for their purchase. They will submit the credit card receipt with the total amount charged without sufficient information written on receipts when credit cards are used. The MRVFC Credit Card Policy states that, “credit cards will be issued to the President and the Fire Chief...” From the credit card statements, there are six (6) credit cards that have been issued to four (4) people.
- Criteria:** For credit card purchases, the MRVFC should have a detailed receipt and the signed credit card receipt. If the credit card was used to purchase a meal, the names of all attendees and the public purpose of the meal should be written on the back of the receipt.
- Cause:** Failure to follow MRVFC’s written Credit Card Policy as well as the external auditor’s recommendation. Problems with credit card purchases were noted in the 2010, 2011, and 2012 audits.
- Exposure:** Without complete and accurate information on the receipt, the validity of the charge cannot be determined. During 2012, 2013, and 2014, a total of \$13,775 in restaurant credit card charges were paid without adequate supporting documentation. As such, the MRVFC is exposing itself to potential waste and abuse of millage funds.
- Recommendation:**
1. MRVFC should update its Credit Card Policy to show how many credit cards have been issued and to whom.
 2. Anyone using a MRVFC credit card should ensure that they turn in a detailed receipt of the purchase as well as the credit card receipt.
 3. All employees should be required to follow the Credit Card Policy for the purchase of meals and enter the names of all persons participating as well as a brief description of the purpose for the meal.

Finding #9 – Petty Cash Shortage/Lack of a Petty Cash Policy

- Condition:** The petty cash fund was found to be short \$20.78 when the JPOIG auditor performed an independent count of the petty cash fund. The petty cash fund of \$500 was counted on 07/15/2016 and there was \$252 in cash on hand and \$227.22 in identified receipts. Additionally, MRVFC has no written policies or procedures for the maintenance and replenishment of the Petty Cash fund.
- Criteria:** Standard practices for internal controls over petty cash include the requirement for a written policy and/or written procedures that detail how the fund is to be maintained, responsibilities of the fund custodian and specific steps for both replenishment of the fund and for the reimbursement of employees that utilize the fund for operational purposes. These procedures should include supervisor approvals for both employee reimbursements from petty cash and for fund replenishments.
- Cause:** No policies and procedures currently exist for petty cash transactions. The fund was found to be short \$20.78 with no explanation of the reason for the shortage.
- Exposure:** MRVFC is at risk for potential fraud, waste and/or abuse to occur for payments made with petty cash funds.
- Recommendation:**
1. MRVFC should create a Petty Cash Policy and/or written petty cash procedures that dictates to the fund custodian and the employees how the funds are to be maintained and disbursed.
 2. The Fire Chief should periodically perform a count of petty cash and document both the count itself, and any shortages identified.
 3. Petty cash shortages should be investigated and the cause of the shortage should be documented and prevented from recurring in the future.
 4. Petty cash count sheets and investigation documents should be retained in a petty cash file.

OBSERVATION

The MRVFC completes purchase orders for larger purchases which are approved by the board. While the board approval is an effective control, the JPOIG recommends that a board member or other authorized member of the company physically sign the purchase order showing that the purchase has been approved. Additionally, it is recommended that the employee receiving the purchased item(s) sign the form to show that the item(s) has been received.

Resolution
No. 115924 and
Proposition



On joint motion of all Councilmembers present, the following resolution was offered:

RESOLUTION NO. 115924

A resolution providing for canvassing the returns and declaring the result of the special election held in Fire Protection District No. 8, Parish of Jefferson, State of Louisiana, on Saturday, November 2, 2010 for authority to authorize the levy and collection of a special tax; and other matters in connection therewith.

BE IT RESOLVED by the Jefferson Parish Council, acting as the governing authority of Fire Protection District No. 8, Parish of Jefferson, State of Louisiana, that:

SECTION 1. That this Council does now proceed in open and public session to examine the official certified tabulations of votes cast at the special election held in Fire Protection District No. 8, Parish of Jefferson, State of Louisiana (the "District") on November 2, 2010, to authorize the levy and collection of a special tax in the District, said tabulations having been prepared and certified by the election officials serving at the designated polling places, and this Council does now further proceed to examine and canvass the returns and declare the result of the special election.

SECTION 2. That a proces verbal of the canvass of the returns of said special election be made and that a certified copy thereof shall be forwarded to the Secretary of State, Baton Rouge, Louisiana, who shall record the same in his office; that another certified copy thereof shall be forwarded to the Clerk of Court and Ex-Officio Recorder of Mortgages in and for the Parish of Jefferson, State of Louisiana, who shall record the same in the Mortgage Records of said Parish; and that another copy thereof shall be retained in the archives of this Council.

SECTION 3. That the result of the said special election shall be promulgated by publication in the manner provided by La. R.S. 18:1292.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: 7

NAYS: None

ABSENT: None

The resolution was declared to be adopted on this the 8th day of December, 2010.

PROCES VERBAL OF THE CANVASS OF THE VOTES CAST AT THE SPECIAL ELECTION HELD IN FIRE PROTECTION DISTRICT NO. 8, PARISH OF JEFFERSON, STATE OF LOUISIANA, ON NOVEMBER 2, 2010.

BE IT KNOW AND REMEMBERED, that on Wednesday, December 8, 2010 at ten (10:00) o'clock a.m., at its regular meeting place, Jefferson Parish West Bank Council Chambers, Second floor, New Courthouse Building, Gretna, Louisiana the Jefferson Parish Council of the Parish of Jefferson, State of Louisiana, being the authority ordering and calling the special election held in Fire Protection District No. 8, Parish of Jefferson, State of Louisiana on Saturday, November 2, 2010 with the following members present:

Thomas J. Capella; Chris Roberts; Elton M. Lagasse; Byron L. Lee; Diane Hollis; Louis J. Congemi; Cynthia Lee-Sheng;

there being absent: None

did in public session, examine and canvass the returns of the election, there having been submitted at said election the following proposition, to-wit:

PROPOSITION

FIRE PROTECTION DISTRICT NO. 8

SUMMARY: TO AUTHORIZE THE CONTINUATION OF THE LEVY AND COLLECTION OF TWENTY-FIVE (25) MILLS PROPERTY TAX FOR 10 YEARS, BEGINNING IN 2011, FOR ACQUIRING, CONSTRUCTING, IMPROVING, PROVIDING, MAINTAINING OR OPERATING FIRE PROTECTION FACILITIES AND EQUIPMENT FOR THE DISTRICT, WITH THE ESTIMATED AMOUNT REASONABLY EXPECTED TO BE COLLECTED FROM THE LEVY OF THE TAX FOR ONE YEAR BEING \$7,000,000.

Shall Fire Protection District No. 8 of the Parish of Jefferson, State of Louisiana (the "District") be authorized to continue the levy and collection of a tax of twenty-five (25) mills on the dollar on all property subject to taxation in the District, for a period of ten (10) years, beginning with the year 2011, with the estimated amount reasonably expected to be collected from the levy of the tax for one year being \$7,000,000 , for the purpose of acquiring, constructing, improving, providing, maintaining or operating the District's fire protection facilities and equipment?

There was found by said examination that, according to the tabulations prepared and certified by the Clerk of Court for the Parish of Jefferson, a copy of which is attached as Exhibit A, the following votes had been cast in the Parish at the election FOR and AGAINST, respectively, the above Proposition, to-wit:

	Votes For	Votes Against
Polling Places	10,172	558

Absentee	1135	558
Totals	11307	4385

The polling places above specified being the only polling places designated at which to hold the said special election, it was therefore shown that there was a majority of 6,922 votes cast FOR the Proposition.

NOW, THEREFORE, the Jefferson Parish Council, acting as the governing authority the Parish of Jefferson State of Louisiana, **DOES HEREBY DECLARE AND PROCLAIM** in open and public session that the Proposition, as hereinabove set forth, was CARRIED by a majority of the votes cast by the qualified electors voting at the election held in Fire Protection District No. 8, Parish of Jefferson, State of Louisiana on Saturday, November 2, 2010, and that the result of said election be promulgated by the Secretary of State for the State of Louisiana and by the Clerk of the Jefferson Parish Council in the manner required by law.

THUS DONE AND SIGNED at Gretna, Louisiana, on this, the 8th day of December, 2010.

/s/ Eula A. Lopez
Parish Clerk
Jefferson Parish Council

/s/Thomas J. Capella,
Chairman, Jefferson Parish Council

JEFFERSON PARISH COUNCIL

/s/Chris Roberts, Council District 1

/s/Elton M. Lagasse, Council District 2

/s/Byron L. Lee, Council District 3

/s/Louis J. Congemi, Council District 4

/s/Cynthia Lee-Sheng, Council District 5

/s/ Diane Hollis, At-Large, Div. A

Fire Protection
Contract





JEFFERSON PARISH LOUISIANA

OFFICE OF THE COUNCIL

November 12, 2008

PARISH COUNCIL

JOHN F. YOUNG, JR.
Chairman

THOMAS J. CAPELLA
At Large

CHRIS ROBERTS
District 1

ELTON M. LAGASSE
District 2

BYRON L. LEE
District 3

LOUIS J. CONGEMI
District 4

JENNIFER SNEED
District 5

WESTBANK
POST OFFICE BOX 6
GRETNIA, LA 70354
(504) 364-2500

EASTBANK
POST OFFICE BOX 10242
JEFFERSON, LA 70121
(504) 736-6000

SONNY BURMASTER
Chief of Staff

EULA A. LOPEZ
Parish Clerk
OFFICE OF THE CLERK
GRETNIA, LA 70354
(504) 264-2626

Mr. Jeremy Floyd, President
Marrero-Estelle Vol. Fire Co. No. 1
2243 Baratavia Blvd.
Marrero, LA 70072

Dear Mr. Floyd:

Enclosed for your records is a contract with Marrero-Estelle Volunteer Fire Company No. 1, Marrero-Harvey Volunteer Fire Company No. 1 Inc. and Marrero-Ragusa Volunteer Fire Company No. 3 dated November 12, 2008 to provide fire protection services and equipment to Fire Protection District No. 8, for the Parish President's Office, as authorized by Resolution No. 1C3561 adopted by the Council on Wednesday, May 25, 2005.

SMP/LS

Yours truly,

Eula A. Lopez
Eula A. Lopez, Parish Clerk
Jefferson Parish Council

EAL/ag

Enclosure

FIRE PROTECTION CONTRACT

THIS CONTRACT made and entered into this 12th day of November, 2008, by and between:

I. PARTIES

MARRERO-ESTELLE VOLUNTEER FIRE COMPANY NO. 1, 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 Jeremy Floyd, its President, as per resolution adopted by its membership on the 28 day of _____, 2005, a copy of which is attached hereto (hereinafter referred to as "COMPANY" and/or "COMPANIES"); and

MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1, Inc., 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 Charles Hudson, its President, as per resolution adopted by its membership on the ____ day of _____, 2005, a copy of which is attached hereto (hereinafter referred to as "COMPANY and/or "COMPANIES"); and

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3, 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 Mark D. Martin, its President, as per resolution adopted by its membership on the ____ day of _____, 2005, a copy of which is attached hereto (hereinafter referred to as "COMPANY" and/or "COMPANIES"); and

Jefferson Parish Fire Protection District No. 8, a political subdivision of the State of Louisiana, appearing herein through Tom J. Capella., Council Chairman of the Jefferson Parish Council, its governing authority, who acts herein by virtue of resolution 10.3561 adopted by the Council of Jefferson Parish on the 25th day of May, 2005, a certified copy of which is attached hereto (hereinafter referred to as "DISTRICT").

II. PREAMBLE

WITNESSETH THAT:

1. WHEREAS, COMPANIES are private, non-profit corporations which have traditionally provided certain fire protection and suppression services for the good of the public within the geographical boundary of an area now delineated as Jefferson Parish Fire Protection District No. 8; and

2. WHEREAS, the DISTRICT was formed for the purpose of providing the citizens and taxpayers of Fire Protection District No. 8 with fire suppression services and fire prevention services; and
3. WHEREAS, the DISTRICT has theretofore contracted with COMPANIES for the performance of fire suppression and fire prevention services; and
4. WHEREAS, COMPANIES have performed such services effectively and have honored all of their commitments to the DISTRICT and to the citizens of the DISTRICT; and
5. 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
6. WHEREAS, COMPANIES have available to it the equipment and manpower to effectively deliver fire suppression and fire prevention services to the citizens and taxpayers of Fire Protection District No. 8.

NOW THEREFORE, considering the foregoing, the parties do agree as follows:

III. GENERAL OBLIGATIONS OF COMPANIES

COMPANIES agree to provide fire suppression services and fire prevention services within the geographical boundaries of Fire Protection District No. 8. Said geographical boundaries shall be considered COMPANIES' primary coverage area.

IV. SPECIFIC OBLIGATIONS OF COMPANIES AND SERVICES TO BE PROVIDED

COMPANIES shall use their skills to meet those standards of the National Fire Protection Association 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.
- b) Rescue operations in connection with "a". Rescue operations shall include vehicle extrication, elevated rescue and confined space rescues. Nothing herein shall be construed to require COMPANIES to attempt underwater rescue operations or search for and/or dispose of explosive devices or ordinances.
- c) Make available to citizens and taxpayers of the Eighth 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 Fire Protection District No. 8 on a 24-hour, 7 day per week schedule.
- f) Maintain training levels consistent with National Fire Protection Association requirements.
- g) Maintain training records of all active COMPANY personnel for a period of not less than three years, said records to be made available to the DISTRICT upon its written request.
- h) Observe all applicable federal laws and Occupational Safety and Health Administration (OSHA) Regulations 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 Fire Protection District No. 8 on a 24 hour, 7 day per week schedule.

**V. FACILITIES AND EQUIPMENT MAINTENANCE, CONSTRUCTION,
ACQUISITION, OWNERSHIP AND INSPECTION**

a) COMPANIES agree to maintain any and all facilities which are purchased with funds derived from this Agreement in good condition and further agree to permit examination of such facilities upon reasonable notice by the DISTRICT and by the Property Insurance Association of Louisiana.

b) COMPANIES agree not to construct any new fire station within the DISTRICT without first receiving the approval of the DISTRICT.

c) COMPANIES and the DISTRICT further understand and agree that any acquisitions of depreciable equipment, land or buildings by COMPANIES with public funds generated through bond issues shall be titled in the DISTRICT's name and not in the name of COMPANIES.

d) COMPANIES agree 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.

e) In the event COMPANIES 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, millage, general funds or contract consideration shall become (or remain if already titled in DISTRICT) the property of DISTRICT.

f) After expiration of this Agreement, in the event the DISTRICT decides not to renew or renegotiate COMPANIES' contract, and provided COMPANIES are at that time able and willing to continue to perform the services which are the subject of this Agreement, all assets, including buildings, equipment and land purchased with the "contract consideration" herein set forth shall remain the sole property of COMPANIES as it is understood that the consideration hereinafter set forth is primarily for personal services rendered in the form of fire protection services, and the maintenance and operation of fire protection equipment and buildings. However, any assets acquired or constructed from the proceeds of the Parish or from fire district bond issues or from any public funds other than the consideration stated in this contract, shall be and shall remain the property of the DISTRICT.

VI. PURCHASE, MAINTENANCE, REPAIR AND INSPECTION OF APPARATUS AND EQUIPMENT

a) The parties agree that any apparatus and/or equipment purchased by COMPANIES shall meet National Fire Protection Association standards.

b) COMPANIES shall provide, purchase and maintain the needed emergency communications for all apparatus and equipment.

c) In the event COMPANIES should purchase any apparatus prior to receiving the DISTRICT's approval, it is understood by the parties that the DISTRICT will not be obligated to pay for all or any part of the apparatus.

d) COMPANIES 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.

e) After the execution of this Agreement, the DISTRICT and COMPANIES will cooperate with one another to prepare an inventory of each asset and piece of equipment owned by the DISTRICT with a unit value of FIVE HUNDRED (\$500.00) DOLLARS or more and utilized by COMPANIES. COMPANIES will furnish the DISTRICT with a list of all property it believes meets this description. Thereafter the DISTRICT will have access to COMPANIES' premises and records to make whatever verification it feels may be required.

f) In the event DISTRICT owned property in COMPANIES' possession with a unit value of over FIFTY (\$50.00) DOLLARS is replaced, becomes obsolete or is no longer in use, that property shall be returned to the DISTRICT.

g) In the event this Agreement is terminated, all DISTRICT owned property will be immediately returned to the DISTRICT.

VII. INSURANCE PROVISIONS

1. COMPANY agrees to maintain reasonable and adequate insurance coverage, either by directly contracting with an insurance carrier of its choice or through insurance made available by the DISTRICT or by the Parish of Jefferson, incidental and necessary for its operations, as follows:
 - a) Fire and contents insurance sufficient to cover the appraised value of all fire fighting 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 COMPANIES' premises. Such insurance shall be made available to COMPANIES by the DISTRICT or by the Parish of Jefferson. COMPANIES' contribution toward the premium paid by the Parish or the DISTRICT for coverage of DISTRICT's property shall be derived on a *pro rata* basis in accordance with present practice.
 - b) During the first year of this contract, public liability insurance on all vehicles with limits of FIVE HUNDRED THOUSAND (\$500,000) DOLLARS per each occurrence, and for all subsequent years of

this contract public liability insurance on all vehicles with limits of ONE MILLION (\$1,000,000) DOLLARS for each occurrence and collision insurance with a maximum of FIVE THOUSAND (\$5,000) DOLLARS deductible for each occurrence. This insurance shall be made available to COMPANIES by the DISTRICT or by the Parish on all vehicles. COMPANIES' contribution toward the premium paid by the Parish for coverage of the Parish's vehicular fleet shall be derived on a *pro rata* basis in accordance with present practice.

- c) Workmen's compensation;
 - d) Extended coverage insurance for DISTRICT owned premises including comprehensive general liability and premises liability insurance. This insurance shall be made available to COMPANIES by the DISTRICT or by the Parish of Jefferson. COMPANIES' contribution toward the premium paid by the Parish for such insurance shall be derived on a *pro rata* basis in accordance with present practice; and
 - e) Comprehensive general liability insurance covering COMPANIES' operations and risks associated with such operations in the amount of \$2,000,000. COMPANIES will furnish DISTRICT with a certificate of insurance reflecting the placement of this coverage.
2. COMPANIES' automobile and comprehensive general liability insurance shall be primary and the DISTRICT shall be named as an additional insured on said policies.

VIII. GENERAL PROVISIONS

1.

The parties agree that each, in making this Agreement, depends 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.

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:

COMPANIES

Marrero Estelle Volunteer Fire Company No. 1

2248 Barataria Blvd.

Marrero, LA 70072

Marrero Harvey Volunteer Fire Company No.1 Inc.

531 Avenue C

Marrero, LA 70072

Marrero Ragussa Volunteer Fire Company No. 3

1400 Berger Road

Marrero, LA 70072

3.

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.

This Agreement shall be governed, construed and controlled according to the laws of the State of Louisiana and COMPANIES agree to be subject to the jurisdiction of the 24th Judicial District Court.

5.

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.

7

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.

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.

Fire Protection District Number 8 of Jefferson Parish is bounded by:

Commencing at the point of intersection of the centerline of the Mississippi River and the eastern corporate limits of the city of Westwego, as such limits are presently constituted. Proceeding in a south and westerly direction contiguous with the corporate limits of Westwego to the point of intersection of the southwest corner of the Westwego corporate limits and the center line of Bayou Segnette. Thence, in a southerly direction along the centerline of Bayou Segnette to its point of intersection with the centerline of Bayou Bardeaux, thence along the centerline of the Bayou to its intersection with the dividing line between T14S and T15S, Range 23 East, and Range 24 East. Thence, east along said township line to the parish line dividing the Parishes of Jefferson and Plaquemines; thence northeasterly along the parish line to the centerline of the Harvey Canal. Thence, north and west along the centerline of the Harvey Canal to the point of intersection with the centerline of the Mississippi River. Thence, westerly along the centerline of the Mississippi River to the point of beginning.

9.

It is understood by the parties that COMPANIES are private, nonprofit corporations each with its own board of directors and management. COMPANIES are an independent contractors, not an agents or alter egos of the Parish of Jefferson or of the DISTRICT.

10.

DESIGNATED AREAS OF COMPANIES:

A. MARRERO-ESTELLE VOLUNTEER FIRE COMPANY NO. 1

Commencing at the point of the intersection of the centerline of Barataria Boulevard with Lapalco Boulevard thence in a westerly direction along the centerline of Lapalco Boulevard to its intersection with the Gulizo Canal. Thence in a southerly direction along the centerline of said canal to its intersection with the Ames Canal No. 1. Thence in a westerly direction along the centerline of said canal to its intersection with Ames Boulevard. Thence in a southerly direction along the centerline of Ames Boulevard to its intersection with the Ehret Road Canal. Thence in a westerly direction along the centerline of said canal to its intersection with the Outer Millaudon Canal. Thence southerly and westerly along the centerline of said canal to its intersection with Bayou Segnette. Thence in a southerly direction along the centerline of Bayou Segnette to its point of intersection with the centerline of Bayou Bardeaux. Thence along the centerline of said bayou in a southwesterly direction to its intersection with the dividing line between Tp. 14S and Tp. 15S, Range 23 East, and Range 24 East. Thence east along said Tp. Line to the parish line dividing the Parishes of Jefferson and Plaquemines; thence northeasterly along said parish line to the centerline of the Harvey Canal. Thence north and west along the centerline of the Harvey Canal to the point of intersection with the projected centerline of Lapalco. Thence west and north along the centerline of Lapalco Boulevard to its intersection with Barataria Boulevard, the point of beginning.

B. MARRERO-HARVEY VOLUNTEER FIRE COMPANY NO. 1, Inc.

Commencing at the point of intersection of the centerlines of the Mississippi River and the Harvey Canal. Proceeding in a westerly direction along the centerline of the Mississippi River to its intersection with the projected centerline of Marrero Road. Thence in a southerly direction along the centerline of Marrero Road to its intersection with the centerline of the Westbank Expressway. Thence in an easterly direction along the centerline of the Westbank Expressway to its intersection with the Oil Company Canal (formerly Douglas Canal). Thence in a southerly, then westerly, and then southerly direction along the centerline of said canal to its intersection with the Two Mile Canal. Thence in an easterly direction along the centerline to its projected intersection with Barataria Boulevard approximately two hundred feet (200') south of Warwick Drive. Thence south along the centerline of Barataria Boulevard to its intersection with the projected center of Lapalco Boulevard. Thence east and south along the centerline of Lapalco Boulevard to its projected centerline of the Harvey

Canal. Thence north and west along the centerline of the Harvey Canal to its intersection with the centerline of the Mississippi River, the point of beginning.

C. MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3

Commencing at the point of intersection of the centerline of the Mississippi River and the projected centerline of Marrero Road. Proceeding in a southerly direction along the centerline of Marrero Road to its intersection with the centerline of the Westbank Expressway. Thence in an easterly direction along the centerline of the Westbank Expressway to its intersection with the Oil Company Canal (formerly Douglas Canal). Thence in a southerly, westerly, and then southerly direction along the centerline of said canal to its intersection with the Two Mile Canal. Thence in an easterly direction along said canal to its intersection with Barataria Boulevard. Thence in a southerly direction along the centerline of Barataria Boulevard to its intersection with Lapalco Boulevard. Thence in a westerly direction along the centerline of Lapalco Boulevard to its intersection of the Gulizo Canal. Thence in a southerly direction along the centerline of said canal to its intersection with the Ames Canal No. 1. Thence in a westerly direction along the centerline of said canal to its intersection with Ames Boulevard. Thence in a southerly direction along the centerline of Ames Boulevard to its intersection with the Ehret Road Canal. Thence in a westerly direction along the centerline of said canal to its intersection with the Outer Millaudon Canal. Thence southerly and westerly along the centerline of said canal to its intersection with Bayou Segnette. Thence in a northerly direction along the centerline of said bayou to the point of intersection with the southwest corner of the Westwego corporate limits as presently defined. Thence proceeding in an east and northerly direction continuous with the corporate limits of the City of Westwego to its intersection with the centerline of the Mississippi River. Thence easterly along the centerline of said river to its intersection with the projected centerline of Marrero Road, the point of beginning.

IX. REPORTS AND RECORDS

COMPANIES agree to submit the following reports:

1. To the Finance Director of the Parish of Jefferson on an annual basis of each year an audited financial statement showing the disbursement of all public funds received for the previous year, specifically excluding (if desired) funds raised through COMPANIES' private fund-raising activities.

2. To submit to the Parish for each year in advance where significant increases are anticipated and the cost of providing said services, facilities, and/or equipment so that the parish may reasonably anticipate increased costs for budgetary purposes.
3. 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.

X. CONSIDERATION DUE COMPANIES

1.

For and in consideration of COMPANIES providing fire suppression and fire protection services as required herein, and in further consideration of the obligations undertaken by COMPANIES hereunder, the DISTRICT agrees to pay to each COMPANY which is a party to this Agreement, a sum of money in monthly installments, which will represent one third (a) of the net proceeds of the present millage or the proceeds of any future millage which may be used for maintenance and operations, net of Sheriff's fees and net of any sums dedicated for payment of insurance premiums for policies made available or provided to COMPANIES through the DISTRICT or through the Parish, and excluding any millage monies collected for capital improvements or future bond issues, levied annually on the assessed valuation of property in said fire protection district.

2.

The DISTRICT also agrees to pass any and all resolutions and ordinances needed, and impose any and all necessary *ad valorem* taxes, in order to obtain the "contract consideration" due COMPANIES under this Agreement. The DISTRICT further agrees to pass any and all necessary resolutions and ordinances to collect required taxes and disburse them to COMPANIES as "contract consideration." The DISTRICT further agrees to allow COMPANIES, 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."

3.

Parties understand and agree that the term "contract consideration" funds refers to millage money and service charges. "Contract Consideration" shall also include supplemental payments or benefits from any governmental source earmarked

or designated for fire protection and suppression within the DISTRICT which benefits and payments shall be passed on to COMPANIES.

4.

COMPANIES agree to employ all public funds, facilities and equipment entrusted to its care only for providing said fire protection services necessary and incidental for the operation of their respective areas in accordance with applicable laws.

XI. 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 proceeding paragraph herein, in the event COMPANIES fail to carry out the following obligations and duties contained in the Agreement, the DISTRICT shall notify COMPANIES and COMPANIES 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 COMPANIES to respond to a fire alarm, except one known to be a false alarm shall be deemed to be a default of this Agreement.
- 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. COMPANIES 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 COMPANIES from any liability for any losses occurring during such time as COMPANIES have ceased service on account of the failure or inability of the DISTRICT to pay the "contract consideration due under this Agreement and shall indemnify COMPANIES against any liability incurred after COMPANIES cease services. This Agreement to indemnify shall include reimbursement for any and all legal fees and costs incurred by COMPANIES 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 COMPANIES' 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 COMPANIES to perform under this Agreement, COMPANIES shall have the right to cancel this Agreement upon sixty (60) days written notice to DISTRICT. During the sixty (60) day notice period, COMPANIES shall make their 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 COMPANIES of any liability or losses as may occur as a result of such limited or reduced services and shall defend and indemnify COMPANIES and pay all legal fees and costs incurred by COMPANIES 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.

XII. INDEMNIFICATION

a) As to any loss, damage or claim covered by insurance placed hereunder, COMPANIES agree to appear, defend, indemnify and hold harmless the DISTRICT, 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 COMPANIES' negligent acts or omissions in the performance of their obligations under the terms of this Agreement.

b) As to any losses, damages or claims not covered by insurance placed hereunder and made by any employee of COMPANIES against the DISTRICT, the Parish, or against any of their officers, agents or employees, COMPANIES will fully defend and indemnify such parties or individuals, irrespective of whether or not Parish or DISTRICT or its officers, agents or employees were negligent, solely negligent or strictly liable, provided said claims, losses or damages arise out of the services COMPANIES will perform for DISTRICT under this Agreement. Conversely, Parish will fully defend and indemnify COMPANIES for and against all losses, claims and damages, not covered by the insurance placed hereunder, which are brought against COMPANIES and/or their officers, agents, members and employees by any parish employee, parish agency or parish contract which said claims arise out of the services COMPANIES will perform for DISTRICT under this Agreement, irrespective of whether COMPANIES are negligent, solely negligent or strictly liable.

XIII. TERM OF AGREEMENT

The term of this Agreement shall be for ten years commencing on the 1st day of June, 2004 and ending on May 31, 2014. Thereafter, this Agreement shall continue from month to month unless terminated by thirty (30) days written notice by one party to the other; but the District may terminate this Agreement at any time on breach of any of the provisions hereof and in accordance with Section XI "Default" of this Agreement or upon the effective date of the creation of a consolidated special service fire protection district encompassing the territorial boundaries of existing Fire Protection District No. 8.

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.

WITNESSES:

JEFFERSON PARISH COUNCIL,
GOVERNING AUTHORITY OF FIRE
PROTECTION DISTRICT NO. 8
OF JEFFERSON PARISH
LOUISIANA

BY: JOHN F. YOUNG, JR., CHAIRMAN
JEFFERSON PARISH COUNCIL

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

MARRERO-ESTELLE VOLUNTEER
FIRE COMPANY NO. 1

[Signature]

MARRERO-HARVEY VOLUNTEER
FIRE COMPANY NO. 1, Inc.

[Signature]

MARRERO-RAGUSA VOLUNTEER
FIRE COMPANY NO. 3

[Signature]

On motion of Mr. Lee, seconded by Mr. Capella, the following resolution was offered:

RESOLUTION NO. 103561

A resolution authorizing the extension of the contract with **Marrero-Estelle Volunteer Fire Company No. 1, Marrero-Harvey Volunteer Fire Company No. 1, Inc. and Marrero-Ragusa Volunteer Fire Company No. 3** to provide fire protection services and equipment to Fire Protection District No. 8 and shall also provide for certain mandatory safeguards and standards and other matters relating thereto.

WHEREAS, Marrero-Estelle Volunteer Fire Company No. 1, Marrero-Harvey Volunteer Fire Company No. 1, Inc. and Marrero-Ragusa Volunteer Fire Company No. 3 currently provide fire protection services under contract to Fire Protection District No. 8; and

WHEREAS, the proposed contract needs to be submitted to and approved by this Council to ensure that the vital services performed by these companies for the Fire Protection No. 8 and their inhabitants are current; and

WHEREAS, the Administration has submitted a proposed contract which has been approved; and

WHEREAS, fire protection services must be provided in Fire Protection District No. 8.

NOW THEREFORE BE IT RESOLVED BY THE JEFFERSON PARISH COUNCIL, Jefferson Parish, Louisiana, acting as governing authority for said Parish:

SECTION 1. The contract between Fire Protection District No. 8 and Marrero-Estelle Volunteer Fire Company No. 1, Marrero-Harvey Volunteer Fire Company No. 1, Inc. and Marrero-Ragusa Volunteer Fire Company No. 3, relative to providing fire protection services and equipment to Fire Protection District No. 8 be and is hereby approved for ten years commencing on the 1st day of June, 2004 and ending on the 31st day of May, 2014.

SECTION 2. The Council Chairman, or in his absence the Vice-Chairman, is hereby authorized to execute any and all documents necessary to execute the above and foregoing.

The foregoing resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: 7 NAYS: None ABSENT: None

This resolution was declared to be adopted on this the 25th day of May, 2005.

THE FOREGOING IS CERTIFIED
TO BE A TRUE & CORRECT COPY



EULA A. LOPEZ
PARISH CLERK
JEFFERSON PARISH COUNCIL

Resolution 117162
Amending Fire
Protection Contract



On motion of **Mr. Roberts**, seconded by **Mr. Lagasse**, the following resolution was offered:

RESOLUTION NO. 117162

A resolution amending fire protection contracts (collectively referred to as "Contracts") with Third District Volunteer Fire Department, Inc.; Lafitte-Barataria-Crown Point Volunteer Fire Company; Terrytown Fifth District Volunteer Fire Department, Inc.; Harvey Volunteer Fire Company No. 2, Sixth District; Nine Mile Point Volunteer Fire Company No. 1; Live Oak Manor Volunteer Fire Department, Inc.; Bridge City Volunteer Fire Company No. 1; Avondale Volunteer Fire Company; Herbert-Wallace Memorial Volunteer Fire Company; Marrero-Estelle Volunteer Fire Company No. 1; Marrero-Harvey Volunteer Fire Company No. 1; Marrero-Ragusa Volunteer Fire Company No. 3; Grand Isle Volunteer Fire Company No. 1 (hereinafter "Companies") to include restrictions and guidelines on the expenditure of the Contract consideration, and to provide for related matters. (Parishwide)

WHEREAS, The Parish of Jefferson recognizes that the Fire Protection District Number 3, 4, 5, 6, 7, 8, and 9 of the Parish of Jefferson, State of Louisiana ("Districts") pay the Companies the net proceeds of the present millage levied annually on the assessed valuation of property in each District, respectively and other funds as set forth in the Contracts as "Contract Consideration" for fire suppression and fire prevention services; and

WHEREAS, the Districts and the Companies further recognize the need to more clearly set forth the types of expenditures necessary to and incidental to the performance of the Companies' obligations under the Contracts desire to implement restrictions and guidelines on the Companies' use of the Contract Consideration; and

WHEREAS, the Districts and the Companies desire to amend the Contracts in an effort to perform their respective obligations in the most fiscally prudent manner.

NOW, THEREFORE, the Jefferson Parish Council, acting as the governing authority of the Parish of Jefferson, State of Louisiana, and Fire Protection District Numbers 3, 4, 5, 6, 7, 8, and 9 of the Parish of Jefferson, State of Louisiana ("Districts"), hereby resolves that:

SECTION 1. Section X – Consideration Due Companies, of all Contracts between the Districts and Third District Volunteer Fire Department, Inc.; Lafitte-Barataria-Crown Point Volunteer Fire Company; Terrytown Fifth District Volunteer Fire Department, Inc.; Harvey Volunteer Fire Company No. 2, Sixth District; Nine Mile Point Volunteer Fire Company No. 1; Live Oak Manor Volunteer Fire Department, Inc.; Bridge City Volunteer Fire Company No. 1; Avondale Volunteer Fire Company; Herbert-Wallace Memorial Volunteer Fire Company; Marrero-Estelle Volunteer Fire Company No. 1; Marrero-Harvey Volunteer Fire Company No. 1; Marrero-Ragusa Volunteer Fire Company No. 3; Grand Isle Volunteer Fire Company No. 1 (hereinafter "Companies") is hereby amended to add the following provisions:

(5) COMPANIES acknowledge and agree to utilize the Contract Consideration in connection with satisfying its obligations under the Contract 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, 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 the Contract;

(ii) to hire, train, compensate and equip firefighters, operators and officers as approved by the Companies' duly elected Board(s) of Directors;

(iii) to recruit, train, equip and retain volunteer firefighters in accordance with the Companies' directives and by-laws;

(iv) 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 the Contract; and

(v) to provide for health and physical fitness expenses including gym memberships and wellness programs for all paid and volunteer firefighters in accordance with National Fire Protection Association standards.

(6) The Companies acknowledge and agree that each shall not use the Contract Consideration for the purchase of any of the following:

- (i) Alcoholic beverages;
- (ii) training, travel gifts or supplies for non-firefighting personnel;
- (iii) awards or gifts in excess of **Fifty and 00/100 Dollars (\$50.00)** per twelve (12) month period for paid or volunteer members of the Company;
- (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 or emergency management.

(7) All travel or training and related items procured by the Companies 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 Companies' firefighting members.
- (ii) Individuals eligible for travel shall be limited to one (1) out-of-state trip per calendar year, unless otherwise authorized by a majority vote of the Jefferson Parish Council, provided however, that this limitation on travel shall not be applicable to travel necessary for inspection and acceptance of new fire trucks prior to delivery.

(iii)(a) Meals

(1) 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.

(2) Per diem for meals shall be reimbursed in accordance with the following schedule:

BREAKFAST: Departure-before 6:00 a.m.
 Return-after 9:00 a.m.

LUNCH: Departure-before 10:00 a.m.
 Return-after 2:00 p.m.

DINNER: Departure-before 4:00 p.m.
 Return-after 8:00 p.m.

(3) No per diem shall be reimbursed to individuals attending a seminar/training event wherein meals are included. For breakfast, this shall include any coffee and continental breakfast (e.g., biscuits, croissants Danish or other similar items). Individuals are expected to participate in any lunch or dinner functions provided by the seminar or training since it is the duty of the individual to participate fully in all training activities paid for by the Companies.

(b) Hotel

(1) In an effort to obtain the most reasonable and cost effective rates, the Companies shall choose sites within a reasonable vicinity of the location where the Company business is being conducted.

(2) Individuals staying with relatives or friend shall not be eligible for hotel reimbursement.

(3) Miscellaneous hotel room expenses shall not be reimbursed except for business related phone calls and internet access charges.

(c) Automobile Rentals-Individuals who anticipate the need for automobile rental must document the need, in writing, prior to out of town travel. The Company's Board of Directors shall approve all such items by resolution.

(d) 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 the Board of Directors when proposing to use a personal vehicle instead of air travel. The Company shall reimburse for the more cost effective mode of transportation.

(e) 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 individual shall be eligible for mileage reimbursement.

SECTION 2. These amendments shall be effective upon execution by both parties.

SECTION 3. The Council Chairman, or in his absence the Vice-Chairman, is hereby authorized to sign any and all documents necessary to execute the above and foregoing amendments.

The foregoing resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: 7

NAYS: None

ABSENT: None

The resolution was declared to be adopted on this the 27th day of July, 2011.

La. R.S. : 39:704



RS 39:704

§704. Proceeds of special tax

The proceeds of any special tax shall constitute a trust fund to be used exclusively for the objects and purposes for which the tax was levied. The records of the taxing authority shall clearly reflect the objects and purposes for which the proceeds of the tax are used.

Acts 1986, No. 687, §1.

La. R.S. : 40:1510



RS 40:1510

§1510. Expenditure of public funds for awards, recognition, and meals

A. Notwithstanding any provision of law to the contrary, a fire protection district, municipal fire department, or volunteer fire department may expend public funds in connection with the following activities:

(1) The purchase of a plaque, trophy, certificate, medal, or similar memento to acknowledge outstanding achievement or valiant act of personnel not to exceed one hundred dollars.

(2) Meals, snacks, or refreshments for firefighters involved in fire department related meetings, workshops, training programs, or performing of emergency services not to exceed twenty-five dollars per person.

(3) The implementation and execution of a length of service awards program. For the purposes of this Paragraph, a length of service awards program shall mean a program established by the fire protection district, municipal fire department, or volunteer fire department that provides a monetary benefit, based upon service, to eligible volunteer firefighters as determined by the fire protection district, municipal fire department, or volunteer fire department. The length of service awards program shall not be considered a vested right nor entitle the recipient to any other benefit not directly related to the program's monetary benefit. The length of service award shall not be considered permanent and may be discontinued at any time.

B. The provisions of this Section shall not be construed to prohibit or restrict the use of public funds to pay or defray the reasonable expenses of travel and lodging required for attendance at any conference or convention for the purpose of educating or training fire department personnel with regard to their public duties and responsibilities.

Acts 2012, No. 349, §1; Acts 2013, No. 262, §1.

La. Attorney General
Opinion 03-0157



July 11, 2003
Opinion Number 03-0157

Ms. Donna L. Vicknair
Administrative Specialist
St. John the Baptist Parish
Department of Public Safety
1801 West Airline Highway
LaPlace, Louisiana 70068-3334

47-A-1 FIRE PROTECTION DISTRICTS
90-A-2 PUBLIC FUNDS – Loan, Pledge or Grants

Regards the expenditure of the proceeds of a ¼ cent sales and use tax collected by the parish of St. John the Baptist Parish for fire protection for a variety of explicit purposes on behalf of volunteer firemen, including meals, awards and travel.

Dear Ms. Vicknair:

Reference is made to your request for an opinion of this office regarding the expenditure of the proceeds of a ¼ cent sales and use tax (the "Tax") collected by the parish of St. John the Baptist Parish for fire protection. You have kindly provided the undersigned with a copy of the proposition approved by the electors with regard to the Tax, which you advise was adopted in October of 1984. As set forth in that proposition, the Tax is levied and collected for use as follows:

"...the proceeds of the Tax (after paying reasonable and necessary costs and expenses of collecting and administering the Tax) to be used for providing fire protection throughout the Parish through the acquisition of fire fighting equipment, lands, buildings and machinery, as may be necessary, and to pay the operation and maintenance cost of firefighting personnel, including salaries, with said funds to be dedicated for expenditure by the Parish Governing Authority in each of the seven Councilmantic Districts of the Parish in proportion that the population of each Councilmantic District bears to the population of the entire Parish pursuant to an agreement with the [various volunteer fire departments]...funds allocated to each area served by the designated fire departments shall be kept in a special account for expenditure only in that area of service..." (Emphasis added).

Specifically, you seek an opinion of this office regarding the expenditure of the revenues generated by the Tax (presumably by or on behalf of, and from the funds segregated for each individual volunteer fire department, in accordance with the proposition) for a variety of explicit purposes, as follows:

1. Meals at Volunteer Fire Department meetings, workshops or training programs.
2. Food and awards for a Firemen's banquet.

3. Flowers for a hospitalized fireman.
4. Expenses associated with conferences/conventions held at a location 50 miles/one hour from home, and in out of state locations.

Before addressing each of the above listed purposes, we note for your attention that the laws of the State of Louisiana provide that the use of the proceeds of a sales and use tax adopted at an election in the State of Louisiana is dictated solely by the proposition approved by the voters. **R.S. 33:2723; R.S. 33:2714; R.S. 39:704.** In accord: Attorney General's Opinion Nos. 01-269, 98-421, 98-287, 96-246, 95-145, 94-540, 94-346, 93-424, 93-47 and 92-50.

We also note for your attention the provisions of **La. Const. (1974) Art. VII, Sec. 14**, which contains the constitutional standard for the lawful use of public funds and property. **La. Const. Art. VII, Sec. 14(A)** generally prohibits the state and its political subdivisions from loaning, pledging or donating public funds, assets or property to persons, associations or corporations, public or private.

This office has long recognized the caution which must be exercised in the expenditure of public funds. Historically, the Attorney General has followed the Louisiana Supreme Court's interpretation of **La. Const. Art. VII, Sec. 14**, as set forth in *City of Port Allen v. Louisiana Mun. Risk*, 439 So.2d 399 (La. 1983), wherein the Court states: "...this Section is violated whenever the state or a political subdivision seeks to give up something of value when it is under no legal obligation to do so."

The previous opinions of this office recognize that the requirement of a legal obligation to expend public funds or use public property is the threshold, but not the only predicate for the constitutionality of the expenditure or use. **The expenditure must also be for a public purpose and create a public benefit proportionate to its cost.** Attorney General's Opinion No. 90-63. See also: 02-0125; 01-0389.

1. Meals at Volunteer Fire Department meetings, workshops or training programs.

Applying the analysis of Attorney General's Opinion No. 90-63, the first issue to be addressed is whether the volunteer fire departments have a legal obligation to conduct meetings, workshops and training programs. Clearly, in order for any fire department, and indeed many organizations, to properly conduct business and communicate with and train personnel, necessary and proper meetings, workshops and training programs are appropriate. Such meetings, workshops and training sessions also clearly serve the public purpose and create a public benefit of promoting proper and efficient fire protection by the various volunteer fire departments.

The only remaining issue to be examined is whether the provision of meals at such meetings, workshops and training sessions, as well as the cost thereof, is proportionate to the public benefit the particular meeting, workshop or training session serves.

In Attorney General's Opinion No. 02-0125, with regard to the expenditures at business lunches or dinners hosted by a Port Commission for its clients and customers, this office stated:

"The primary concern is the reasonableness of the expenditure under the circumstances.

Under the strictest interpretation of La. Const. Art. VII, Sec. 14 (1974), providing even 'coffee, soft drinks and donuts' is a prohibited gratuitous alienation of public funds. Thus, this office has developed the three-pronged reasonableness test examining the legal obligation of the public officials combined with the public purpose and public benefit of the event."

In other words, it is the reasonableness of the expenditure under the circumstances, which controls. Thus, serving coffee or soft drinks, and perhaps a moderately priced lunch or snacks, to firemen attending an all day workshop would appear reasonable. Serving reasonable meals to volunteer firemen attending lunch time meetings scheduled to accommodate them at a time when they are not otherwise required to be in attendance at their places of regular employment would also seem reasonable. - Serving meals at brief meetings, particularly meetings that could be scheduled at times other than meal times would appear to be unreasonable.

2. Food and awards for a Firemen's banquet

As previously noted, in *City of Port Allen v. Louisiana Mun. Risk*, 439 So.2d 399 (La. 1983), the Court stated that La. Const. Art 14 is violated whenever "...a political subdivision seeks to give up something of value when it is under no legal obligation to do so." This office is unaware of any legal obligation or authority that has been placed upon political subdivisions such as fire districts which would require the fire district to utilize public funds to defray the costs associated with a firemen's banquet.

- The Office of the Attorney General has historically opined that the payment or reimbursement for food, drink, or the expenses associated with parties and other types of celebratory functions, from public funds, is improper under La. Const. Art. VII, Sec. 14. Pertinently, Attorney General's Opinion No. 94-115 determined that the Parish of St. Charles could not fund a Civil Service Awards luncheon. Also pertinent are Opinion Nos. 91-589-A and 76-1680, both of which determined that public funds can not be utilized to defray the cost of Christmas parties for public employees. We also direct

your attention to Opinion No. 76-1680, which provides that public funds cannot be utilized for payment of expenses associated with a banquet to honor public retirees. Accordingly, we are constrained to advise that public funds cannot be utilized to purchase food for, or defray the cost of, a firemen's banquet.

In spite of our opinion with regard to the costs associated with a banquet, this office has opined that awards in the nature of certificates, pins, plaques, trophies and the like, of moderate cost, are acceptable expenditures of public funds for recognition of public employees. Attorney General's Opinion Nos. 95-210; 92-737; 85-700; 76-1766. Thus, it is our opinion that such moderately priced awards for recognition of long term service, or outstanding service to a fire department, would be permissible.

3. Flowers for a hospitalized fireman.

- This office is unaware of any legal obligation or authority that has been placed upon political subdivisions such as fire districts which would authorize the utilization of public funds to purchase or defray the cost of flowers for a hospitalized fireman. *City of Port Allen v. Louisiana Mun. Risk*, 439 So.2d 399 (La. 1983).

We note for your attention pertinent previous opinions of this office, which determined that public funds cannot be utilized to purchase flowers and gifts for public employees or volunteers, but which also determined that privately funded 'flower and gift funds' can be established. Attorney General's Opinion No. 92-314, addressed to the Houma-Terrebonne Tourist Commission, provides that the public funds of the Commission can not be utilized to purchase Christmas plants or memorial flowers for volunteers. Attorney General's Opinion No. 99-268 determined that a Sheriff could establish a flower and gift fund composed of strictly voluntarily contributed private funds from employees, as long as the funds were not commingled with any public funds. Most pertinently, Opinion No. 91-421 determined that the Bienville Fire Protection District, Wards 4 & 5, could establish a flower and gift fund for the purchase of flowers and gifts for deaths, birthdays and the like, as long as no public funds were placed in the fund or commingled with the fund, and as long as each donor was made aware that the purpose of the fund was flowers and gifts, as opposed to fire protection.

In our opinion, public funds cannot be used to purchase flowers for a hospitalized fireman. It is also our opinion, however, that flowers could be purchased for a hospitalized fireman a properly established flower and gift fund, as long as no public funds were placed in the fund or commingled with the fund, and as long as each donor was made aware that the purpose of the fund was flowers and gifts, as opposed to fire protection.

4. Expenses associated with conferences/conventions held at a location 50 miles/one hour from home, and in out of state locations.

As with the previous items addressed at your request, the expenditure of public funds for expenses associated with conferences and conventions must be examined with regard to the "legal obligation or authority" requirement imposed by La. Const. Art. VII, Sec. 14. *City of Port Allen v. Louisiana Mun. Risk*, 439 So.2d 399 (La. 1983). As previously noted, the expenditure must also be for a public purpose and create a public benefit proportionate to its cost. Attorney General's Opinion No. 90-63. See also: 02-0125; 01-0389.

Attorney General's Opinion No. 90-63, cited previously herein, addressed the propriety of the use of public funds for professional development and maintenance of skills by public officers and employees. Pertinently, that opinion concludes:

"A public official's legal obligation to provide continuing professional education and training for himself and his staff, using public funds, is a function of the nature of the duties and obligations of his office which he and his staff are required to perform...Implicit in the constitution and laws granting a public official or employee duties to perform, and powers to fulfill those duties, is a strong public policy that public funds may legitimately be used to assist such a public official to acquire, cultivate, or improve the professional skills and scope of knowledge necessary for him or her to exercise those powers and duties wisely, competently, efficiently, and above all, for the public good."

We continue to adhere to the conclusion that public funds may be utilized to educate, enlighten and train public officials and personnel with regard to their public duties and responsibilities. Appropriate education and training provided by a fire department clearly serves a public purpose and creates a public benefit of promoting proper and efficient fire protection by the department and its personnel.

It is the further opinion of this office that if travel is required in order that officials and personnel can attend conferences or conventions that enhance training and/or the ability to provide public service, public funds may also be utilized to pay or defray the reasonable expenses of the travel required for attendance at the conference or convention. The issue which must be addressed, however, is whether the expenditure for travel associated with such conferences and conventions, as well as the cost thereof, is proportionate to the public benefit the particular conference or convention session serves.

In other words, as with the provision of food or meals at firemen's meetings, it is the reasonableness of the expenditure under the circumstances, which controls. Thus, providing for a fireman's reasonable and necessary lodging and expenses at conventions and conferences, either within or without of the state, when attendance at the conference or convention will enhance his ability and/or his department's ability to serve the public would appear reasonable. Providing exclusive or luxurious accommodations for attendance at a conference, when safe, reasonably priced accommodations could instead be provided, would be unreasonable. Providing any lodging at all, when attendance at a conference or convention could reasonably be accomplished by travel back and forth to one's home, at reasonable hours of the day and evening, would appear to be unreasonable.

We trust the foregoing to be of assistance.

Yours very truly,

RICHARD P. IEYOUB
Attorney General

BY: _____
JEANNE-MARIE ZERINGUE BARHAM
Assistant Attorney General

RPI/JMZB/dam

Opinion Number 03-0157
Syllabus

47-A-1 FIRE PROTECTION DISTRICTS
90-A-2 PUBLIC FUNDS – Loan, Pledge or Grants

Regards the expenditure of the proceeds of a ¼ cent sales and use tax collected by the parish of St. John the Baptist Parish for fire protection for a variety of explicit purposes on behalf of volunteer firemen, including meals, awards and travel.

Ms. Donna L. Vicknair
Administrative Specialist
St. John the Baptist Parish
Department of Public Safety
1801 West Airline Highway
LaPlace, Louisiana 70068-3334

Date Received:

Date Released: July 11, 2003

Jeanne-Marie Zeringue Barham
Assistant Attorney General

La. Attorney General
Opinion 12-0086



August 7, 2013
Opinion 12-0086

Craig P. Petit, Fire Chief
Luling Volunteer Fire Department
67 Anthony Street
Luling, Louisiana 70070

90-A-1 PUBLIC FUNDS & CONTRACTS
La. Const. art. VII, Sec. 14

Public funds may be spent to provide food and non-alcoholic beverages to volunteer firefighters during training sessions or workshops and during the response to an emergency or attending a public relations event, provided the cost of the meal and beverages are reasonable under the circumstances and proportionate to the benefit received by the public.

Dear Chief Petit:

You have requested an opinion of this office regarding whether public funds may be spent to provide meals and non-alcoholic beverages to volunteer firefighters in any of the following circumstances:

- (a) When volunteer firefighters attend local fire service related training lasting three or more hours when the training occurs in the evenings or on weekends;
- (b) When volunteer firefighters participate in a scheduled departmental work event and/or workshop that is local and lasts three or more hours, most likely taking place on weekends;
- (c) When volunteer firefighters respond to an emergency incident that lasts for three or more hours, starting with the time that the incident is dispatched and ending when the apparatus and other equipment are placed back in service; or
- (d) When volunteer firefighters participate in fire prevention and/or public relations events (such as fire prevention visits to local schools) that last four or more hours.

By way of background, the public funds in question are proceeds from a 1/8 cent sales and use tax levied in St. Charles Parish "to be dedicated and used to provide funds for the purpose of giving fire protection to the property in said Parish, including but not limited to constructing, maintaining and operating said Parish's fire protection facilities and paying the costs of obtaining water for fire protection purposes" . . . and "for the purpose of acquiring buildings, machinery and equipment, including both real and personal property in said Parish and for funding appropriate reserve funds in connection therewith . . ." These funds are collected by the Parish and are transferred to the St. Charles Firemen's Association ("Association") by contract between the two entities. In

exchange for the tax dollars, the Association agrees to provide fire protection to St. Charles Parish.

Louisiana law provides that the proceeds of any special tax shall constitute a trust fund to be used exclusively for the objects and purposes for which the tax was levied. La. R.S. 39:704. Additionally, Louisiana jurisprudence provides that special tax authorizations must be strictly construed. *Police Jury of the Parish of Acadia v. All Taxpayers, et al.*, 95-145 (La. App. 3 Cir. 3/29/95), 653 So.2d 94, *rehearing denied*; *Hemler v. Richland Parish School Board*, 76 So. 585 (La. 1917); *Watkins v. Ouachita Parish School Board*, 136 So. 591 (La. 1931); *Hodnett v. Monroe City School Board*, 277 So.2d 598 (La. App. 2 Cir. 1972) and *Brock v. St. James Parish Council*, 407 So.2d 1265 (La. App. 4 Cir. 1981), *writ denied*. It has consistently been the opinion of this office that sales and use tax proceeds must be used solely for the purposes approved by the voters. La. Atty. Gen. Op. Nos. 12-0089, 09-0150. You have not asked, and we offer no opinion on, whether the particular tax proceeds in question may be used to purchase food and beverages for volunteer firefighters. The opinion below focuses on the use of public funds in general and is not specific to the tax proposition approved by the voters.

Because your questions involve the expenditure of public funds, our response is provided in light of La. Const. art. VII, Sec. 14, which generally prohibits public funds from being gratuitously alienated, and provides as follows:

Section 14(A) Prohibited Uses. Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private ...

In order for an expenditure to be permissible under this constitutional provision, the public entity spending the funds must have the legal authority to make the expenditure and must show: (i) a public purpose for the expenditure or transfer that comports with the governmental purpose for which the public entity has legal authority to pursue; (ii) that the expenditure or transfer, taken as a whole, does not appear to be gratuitous; and (iii) that the public entity has a demonstrable, objective, and reasonable expectation of receiving at least equivalent value in exchange for the expenditure or transfer of public funds. *See Board of Directors of the Industrial Development Board of the City of Gonzales, Louisiana, Inc. v. All Taxpayers, Property Owners, Citizens of the City of Gonzales, et al.*, 2005-2298 (La. 9/6/06), 938 So.2d 11.

Our office has previously opined on the circumstances in which public funds may be used to purchase food and beverages during work related training. In La. Atty. Gen. Op. No. 03-0157, this office addressed whether public funds collected in St. John the Baptist Parish could be used to provide volunteer firefighters meals, awards, and travel

expenses. With regard to whether meals could be provided for volunteer firefighters at training programs or workshops, our office stated the following:

Clearly, in order for any fire department, and indeed many organizations, to properly conduct business and communicate with and train personnel, necessary and proper meetings, workshops and training programs are appropriate. Such meetings, workshops and training sessions also clearly serve the public purpose and create a public benefit of promoting proper and efficient fire protection by the various volunteer fire departments. The only remaining issue to be examined is whether the provision of meals at such meetings, workshops and training sessions, as well as the cost thereof, is proportionate to the public benefit the particular meeting, workshop or training session serves.

La. Atty. Gen. Op. No. 03-0157.

The opinion ultimately concluded that it is the reasonableness of the expenditure under the circumstances which controls. Thus, serving coffee or soft drinks, and perhaps a moderately priced lunch or snacks, to firemen attending an all day workshop would appear reasonable. The opinion further provides that serving reasonable meals to volunteer firemen attending lunch time meetings scheduled to accommodate them at a time when they are not otherwise required to be in attendance at their places of regular employment would also seem reasonable. *Id.* Serving meals at brief meetings, particularly meetings that could be scheduled at times other than meal times would appear to be unreasonable. *Id.*

It remains our opinion that public funds may be utilized to educate and train public officials and personnel with regard to their duties and responsibilities, including, in some instances, providing meals during the training. Appropriate education and training provided to a volunteer fire department clearly serves a public purpose and creates a public benefit of promoting proper and efficient fire protection by the department and its personnel. Public funds may be spent on food and non-alcoholic beverages to be served to volunteer firefighters during training sessions or workshops when such session or workshop is scheduled during normal mealtime and it is necessary to conduct the training at that time. The cost of the meal must be reasonable under the circumstances and must be proportionate to the benefit that the public receives. The question of what type of food or drink is reasonable is a factual determination that our office cannot make. We also caution you to consider the frequency of the training sessions when determining whether to provide participants a meal. If training occurs on a regular basis and is part of the firefighters normal working hours, it may be less reasonable to use public funds to provide meals.

Your third scenario asks whether public funds may be spent to provide a meal to volunteer firefighters who respond to an emergency incident that lasts for three or more hours, starting with the time that the incident is dispatched and ending when the apparatus and other equipment are placed back in service. Although responding to emergency situations is part of a volunteer firefighters' position, such events are unscheduled and may occur at normal mealtimes, thereby not giving the firefighter the option to make alternate plans. If responding to an emergency incident causes the firefighter to miss what would otherwise be his mealtime, it may be reasonable and therefore permissible to provide that firefighter with food. Although your question asks about an emergency incident lasting three or more hours, we note that it is not the length of the emergency that is determinative; rather, the totality of the circumstances must be considered. Because of the number of different scenarios possible under this question, we cannot provide you with a definite answer. You must review the facts on a case-by-case basis in order to determine whether providing a meal would violate La. Const. art. VII, Sec. 14.

The same holds true for your final scenario, where you ask whether meals can be provided to volunteer firefighters when they must participate in fire prevention and/or public relations events (such as fire prevention visits to local schools) that last four or more hours. As stated above, you must review the facts on a case-by-case basis in order to determine whether providing a meal would violate La. Const. art. VII, Sec. 14.

In conclusion, it is the opinion of this office that public funds may be spent on food and non-alcoholic beverages to be served to volunteer firefighters during training sessions or workshops when such session or workshop is scheduled during normal mealtime hours and it is necessary to conduct the training at that time. The cost of the meal must be reasonable under the circumstances and must be proportionate to the benefit received by the public. Public funds may also be spent to provide food and beverage to a volunteer firefighter who has to work through mealtime due to responding to an emergency or attending a public relations event. Consideration should be given to the reasonableness of the expenditure and whether it is proportionate to the public benefit it provides.

We trust this adequately responds to your request. If you should have any questions about the response contained herein, please feel free to contact our office.

Yours very truly,

JAMES D. "BUDDY" CALDWELL
ATTORNEY GENERAL

BY:

MICHAEL J. VALLAN
Assistant Attorney General

JDC/MJV/chb

**Opinion 12-0086
Syllabus**

90-A-1 PUBLIC FUNDS & CONTRACTS
La. Const. art. VII, Sec. 14

Public funds may be spent to provide food and non-alcoholic beverages to volunteer firefighters during training sessions or workshops and during the response to an emergency or attending a public relations event provided the cost of the meal and beverages are reasonable under the circumstances and proportionate to the benefit received by the public.

Craig P. Petit, Fire Chief
Luling Volunteer Fire Department
67 Anthony Street
Luling, Louisiana 70070

Date Received:

Date Released: August 7, 2013

Michael J. Vallan
Assistant Attorney General

MRVFC Asset Report
as of 12/31/2014



ASSET DEPRECIATION SHORT REPORT
MARRERO-RAGUSA FIRE CO. No 3 - Dec. 31, 2014

Assets: 82 of 82 Included
Includes: All Assets
Method: BOOK - Six Conventions Applied

Sort #1: Asset A/C#

Date Acq	Description	Method	Cost	Salvage Value	Depr Basis	Includes Section 179	End A/Depr
						Dep A/Depr	
Asset A/C# 250 - AUTOMOBILES & TRUCKS							
10/22/99	1999 FERRARA INFERNO CUSTOM	SL / 12	281,389.00	0.00	281,389.00	281,389.00	0.00
01/08/02	CHEVY TRUCK	SLP / 5	25,854.03	0.00	25,854.03	25,854.03	0.00
06/03/02	CHEVY TRUCK	SLP / 5	35,753.30	0.00	35,753.30	35,753.30	0.00
11/21/05	2004 Chevrolet Suburban	SLP / 5	24,729.00	0.00	24,729.00	24,729.00	0.00
11/09/07	2008 Chevy Suburban	SLP / 5	31,787.35	0.00	31,787.35	31,787.35	0.00
05/18/08	2008 Ford F250	SLP / 7	28,872.00	0.00	28,872.00	21,753.54	3,838.88
01/05/11	2011 Ford Expedition	SLP / 5	44,507.00	0.00	44,507.00	28,704.20	8,901.40
05/01/13	2013 FERRARA Apparatus Inc.	SLP / 12	480,946.00	0.00	480,946.00	26,719.22	40,078.83
12/18/13	2014 Ford F-150, V1FTFW1EF1EKD12450	SLP / 5	28,444.00	0.00	28,444.00	474.07	5,888.80
Totals: 250 - AUTOMOBILES & TRUCKS (9 assets)			960,061.68	0.00	960,061.68	454,943.71	58,507.89
Asset A/C# 271 - BUILDINGS							
03/01/75	STATION # 88 BUILDING	SL / 35	214,890.00	0.00	214,890.00	214,890.00	0.00
01/01/82	STATION # 87 BUILDING	SL / 39	80,000.00	0.00	80,000.00	71,898.04	2,285.71
03/08/98	CC POCHE INC	SLP / 35	3,950.00	0.00	3,950.00	2,012.67	112.88
07/08/98	POYVELS ASSOCIATES	SLP / 35	1,200.00	0.00	1,200.00	600.07	34.29
08/07/98	ERNEST BECK INC	SLP / 35	10,000.00	0.00	10,000.00	4,878.12	285.71
09/17/98	GEORGE BECK BLDG	SLP / 35	23,405.00	0.00	23,405.00	11,590.97	688.71
10/04/98	NU LITE	SLP / 35	3,893.19	0.00	3,893.19	1,820.22	185.52
10/11/98	A-1 ELECTRICAL	SLP / 35	5,009.28	0.00	5,009.28	2,468.82	143.12
10/11/98	ERNEST BECK INC	SLP / 35	2,750.00	0.00	2,750.00	1,355.33	78.57
10/11/98	ERNEST BECK	SLP / 35	12,000.00	0.00	12,000.00	5,914.33	342.89
10/22/98	ERNEST BECK INC	SLP / 35	350.00	0.00	350.00	172.50	10.00
09/15/97	ROOF ADDITION	SLP / 35	8,550.00	0.00	8,550.00	3,058.82	187.14
11/18/98	JULIUS LPS - NEW DOOR	SLP / 15	2,081.85	0.00	2,081.85	1,988.85	115.80
Totals: 271 - BUILDINGS (13 assets)			385,879.12	0.00	385,879.12	322,619.74	4,370.09
Asset A/C# 272 - FURNITURE & FIXTURES							
12/31/95	SIDAIGLE CO	SLP / 5	418.00	0.00	418.00	418.00	0.00
12/31/95	AIR CONDITIONER	SLP / 10	7,450.00	0.00	7,450.00	7,450.00	0.00
01/15/96	AIR CONDITIONER	SLP / 10	1,450.00	0.00	1,450.00	1,450.00	0.00
12/07/99	FIREHOUSE SOFTWARE	SLP / 3	2,395.00	0.00	2,395.00	2,395.00	0.00
02/15/00	15 MITY LITE FOLDING TABLES	SLP / 5	2,351.25	0.00	2,351.25	2,351.25	0.00
04/05/02	FOLDING TABLES	SLP / 5	1,500.78	0.00	1,500.78	1,500.78	0.00
03/05/13	Power Edge T420 Computer	SLP / 5	5,338.01	0.00	5,338.01	889.33	1,087.20
Totals: 272 - FURNITURE & FIXTURES (7 assets)			20,899.04	0.00	20,899.04	16,452.38	1,087.20
Asset A/C# 273 - EQUIPMENT							
07/01/87	FIRE FIGHTING EQUIPMENT	SL / 5	8,949.58	0.00	8,949.58	8,949.58	0.00
08/01/90	FIRE FIGHTING EQUIPMENT	SL / 5	18,381.00	0.00	18,381.00	18,381.00	0.00
12/31/91	FIRE FIGHTING EQUIPMENT	SL / 5	2,209.00	0.00	2,209.00	2,209.00	0.00
06/30/94	FIRE FIGHTING EQUIPMENT	SLP / 10	3,850.00	0.00	3,850.00	3,850.00	0.00
12/31/95	CASCO FIREFIGHTING EQUIPMENT	SLP / 10	9,300.00	0.00	9,300.00	9,300.00	0.00
05/15/98	FERRARA FIRE FIGHTING	SLP / 10	11,110.82	0.00	11,110.82	11,110.82	0.00
08/24/97	AMKUS C-15 COMBO TOOL	SLP / 10	3,732.38	0.00	3,732.38	3,732.38	0.00
10/01/99	FERRARA FIRE APPARATUS	SLP / 10	3,085.81	0.00	3,085.81	3,085.81	0.00
11/04/99	FERRARA FIRE APPARATUS	SLP / 10	3,748.00	0.00	3,748.00	3,748.00	0.00
11/04/99	CASCO INDUSTRIES	SLP / 10	4,390.00	0.00	4,390.00	4,390.00	0.00
11/30/99	CASCO INDUSTRIES	SLP / 5	4,800.00	0.00	4,800.00	4,800.00	0.00
12/01/99	FERRARA - GENERATOR PACKS	SLP / 10	7,544.24	0.00	7,544.24	7,544.24	0.00
12/08/99	CASCO INDUSTRIES	SLP / 10	20,080.00	0.00	20,080.00	20,080.00	0.00
12/13/99	CASCO INDUSTRIES	SLP / 5	2,020.00	0.00	2,020.00	2,020.00	0.00
03/13/00	CHAIN SAW	SLP / 5	837.05	0.00	837.05	837.05	0.00
03/13/00	CUT OFF MACHINE & CASE	SLP / 5	1,228.80	0.00	1,228.80	1,228.80	0.00
08/01/00	WOODS 8215 MOW N MACHINE	SLP / 5	9,800.00	0.00	9,800.00	9,800.00	0.00
09/29/00	LAWN MOWER	SLP / 5	223.97	0.00	223.97	223.97	0.00
11/13/00	DIGITAL CAMERA	SLP / 5	723.94	0.00	723.94	723.94	0.00
12/01/00	SAFE	SLP / 10	540.00	0.00	540.00	540.00	0.00
05/04/01	SHARP COPIER	SLP / 5	3,095.00	0.00	3,095.00	3,095.00	0.00
08/05/01	SHREDDER	SLP / 7	99.88	0.00	99.88	99.88	0.00
10/15/01	PRINTER	SLP / 5	129.99	0.00	129.99	129.99	0.00
11/28/01	SHARP AR-160 DIGITAL COPIER	SLP / 5	2,250.00	0.00	2,250.00	2,250.00	0.00
12/06/01	PRINTER	SLP / 5	194.41	0.00	194.41	194.41	0.00
12/05/01	SHOP VAC	SLP / 7	102.23	0.00	102.23	102.23	0.00
05/07/02	COMPUTER & ACCESSORIES	SLP / 5	2,254.88	0.00	2,254.88	2,254.88	0.00

ASSET DEPRECIATION SHORT REPORT
MARRERO-RAGUSA FIRE CO. No 3 - Dec. 31, 2014

Assets: 82 of 82 Included
Include: All Assets
Method: BOOK - Std Conventions Applied

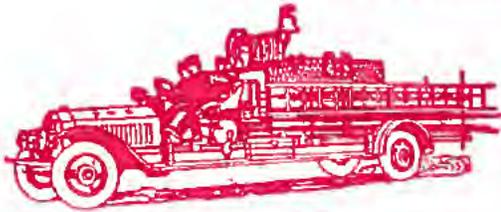
Sort #1 Asset A/C#

Date Acq	Description	Meth/Life	Cost	Salvage Value	Depr Basis	Includes Section 179				
						Beq A/Depr	Curr Depr	End A/Depr		
Asset A/C# 273 - EQUIPMENT										
05/07/02	CANOPIES	SLP / 7	199.98	0.00	199.98	199.98	0.00	199.98		
05/07/02	CANOPIE	SLP / 7	199.98	0.00	199.98	199.98	0.00	199.98		
05/07/02	5 COOLERS	SLP / 7	224.70	0.00	224.70	224.70	0.00	224.70		
05/28/02	FIRE ALARM APPARATUS	SLP / 10	5,000.00	0.00	5,000.00	5,000.00	0.00	5,000.00		
07/26/02	5 ALARM	SLP / 10	3,900.00	0.00	3,900.00	1,390.00	390.00	1,780.00		
07/23/03	Breathing Air Compressor System (Casco)	SLP / 7	95,340.00	0.00	95,340.00	95,340.00	0.00	95,340.00		
10/31/03	Hush Air 15HP Breathing Air Compressor...	SLP / 7	35,375.00	0.00	35,375.00	25,375.00	0.00	35,375.00		
08/02/07	Generator	SLP / 10	38,958.00	0.00	38,958.00	23,713.43	3,665.60	27,409.03		
09/22/07	Security camera system	SLP / 7	11,184.00	0.00	11,184.00	10,116.83	1,065.17	11,184.00		
09/10/09	Ice Maker	SLP / 7	5,599.00	0.00	5,599.00	3,668.02	799.89	4,465.88		
10/04/11	Evolution Thermal Camera System	SLP / 5	9,710.00	0.00	9,710.00	4,369.50	1,942.00	8,311.50		
10/04/11	Evolution Thermal Camera System	SLP / 5	8,985.00	0.00	8,985.00	4,047.75	1,799.00	5,846.75		
10/28/11	Beast 10,500 PSI with Cutter & Spreader...	SLP / 7	5,880.00	0.00	5,880.00	1,890.00	840.00	2,730.00		
04/18/12	Alarm and camera system	SLP / 5	10,127.00	0.00	10,127.00	3,544.45	2,025.40	5,569.85		
06/27/13	57KW Kohler Diesel generator	SLP / 5	17,700.00	0.00	17,700.00	2,085.00	3,540.00	5,805.00		
11/07/13	Ambius AMK-22 Cutter, C.O.T. Rotating...	SLP / 5	5,728.00	0.00	5,728.00	190.83	1,145.60	1,336.53		
Totals: 273 - EQUIPMENT (43 assets)			374,777.50	0.00	374,777.50	313,984.41	17,242.63	331,237.04		
Asset A/C# 274 - COMMUNICATION EQUIPMENT										
09/01/08	Motorola Radios	SLP / 10	130,245.70	0.00	130,245.70	95,513.51	13,024.57	108,538.08		
Totals: 274 - COMMUNICATION EQUIPMENT (1 asset)			130,245.70	0.00	130,245.70	95,513.51	13,024.57	108,538.08		
Asset A/C# 275 - STATION IMPROVEMENTS										
12/31/05	STATION IMPROVEMENTS	SLP / 15	9,432.00	0.00	9,432.00	9,432.00	0.00	9,432.00		
06/28/08	EVERCOAT ACRYLIC COATING SYSTEM	SLP / 15	13,838.00	0.00	13,838.00	13,838.00	0.00	13,838.00		
12/19/01	WOODEN FENCE	SLP / 10	1,745.00	0.00	1,745.00	1,745.00	0.00	1,745.00		
12/11/07	Generator	SLP / 10	5,458.00	0.00	5,458.00	3,319.07	545.60	3,864.87		
04/28/08	New A/C Unit for Station #88	SLP / 7	7,595.00	0.00	7,595.00	8,258.75	1,085.00	7,323.75		
08/04/10	New Roof on Station #3	SLP / 15	40,700.00	0.00	40,700.00	9,270.55	2,713.33	11,983.88		
12/08/10	Renovations to Station #7	SLP / 7	33,425.00	0.00	33,425.00	14,722.93	4,775.00	19,487.92		
Totals: 275 - STATION IMPROVEMENTS (7 assets)			112,191.00	0.00	112,191.00	58,588.29	9,118.93	67,885.22		
Asset A/C# 280 - PARKING LOT										
08/31/03	Asphalt Parking Lot	SL / 7	24,200.00	0.00	24,200.00	24,200.00	0.00	24,200.00		
02/19/04	Concrete Parking Lot	SL / 20	11,200.00	0.00	11,200.00	5,553.33	560.00	6,113.33		
Totals: 280 - PARKING LOT (2 assets)			35,400.00	0.00	35,400.00	29,753.33	560.00	30,313.33		
Grand totals for all accounts: (82 assets)			1,999,254.04	0.00	1,999,254.04	1,291,843.35	103,881.31	1,395,734.68		
Codes that may appear next to the data acquired include: A - Addition, D - Disposal, T - Traded, I - Inactive, C - Construction In Progress, MQ - Mid Quarter Applied										
Additional Summary Statistics:			Cost	Cum Yr Salv	Prior Yr Salv	Depr Basis	Beq A/Depr	Curr A/Depr	End A/Depr	Net Book Val
Grand Totals for All Assets			1,999,254.04	0.00	0.00	1,999,254.04	1,291,843.35	103,881.31	1,395,734.68	603,518.38
Inactive Assets			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Disposed Assets			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Traded Assets			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Totals (Active & Inactive Assets)			1,999,254.04	0.00	0.00	1,999,254.04	1,291,843.35	103,881.31	1,395,734.68	603,518.38

MRVFC Audit
Response Dated
10/24/2016



MARRERO - RAGUSA VOLUNTEER FIRE CO. No. 3



Help Prevent Fires

**STATION 86 - 1400 BERGER ROAD
STATION 87 - 455 ST. ANN STREET
STATION 88 - 5725 BELLE TERRE RD.
MARRERO, LA 70072**

**Member
LOUISIANA STATE FIREMEN'S
ASSOCIATION**

October 24, 2016

Office of Inspector General
Jefferson Parish

After our meeting that was held on October 12, 2016 with Susan Andrews and David Owen here are our corrections that we are putting in effect immediately:

FOOD

According to the IG Report we have a new policy for meal purchases. We will only purchase meals for training that is done 3 times a month with LSU. For meals that are for the Board Meetings that will come out of our Social Account. Also for any training that the Fire Chief or Asst. Fire Chief deem necessary will be paid out of the Social Account. We will do this until we receive and read the new contract and it is sign.

EMPLOYEE INSURANCE DEDUCTIBLES

That was done for the year 2013 only. We no longer repay employee's insurance deductibles.

FLOWER

For any flowers that were purchase, they were for only our volunteer member or employees. We will pay for this out of our Social Account.

LATE FEES

This has be corrected by have all utility bill automatic drafted from our checking account and any bill that can be paid on line. This will help to avoid any more late fees.

EQUIPMENT INVENTORY

The company of Full Service Technology Solutions is recording all of our equipment and will provide tags.

FUEL

We now have in place a policy that every employee must input the mileage of the vehicle that is getting fuel and sign the receipt and turn it in.

CREDIT CARD PURCHASES

We have corrected the policy on the credit cards. The following positions are the ones that have credit cards: President, Vice President, Fire Chief, and Asst. Fire Chief. Any one that has a card knows that a detailed receipt must be turned in at the time of purchase.

There are 6 Sam's charge cards and they are held by the following: President, Vice President, Fire Chief, Asst. Fire Chief, Secretary, and Fire Prevention. Any one that uses this card also has to turn in a detailed receipt at the time of the purchase.

If there is more information that you need please contact me at 504-349-5586.

Parish Administration
Audit Response Dated
10/31/2016





PARISH OF JEFFERSON OFFICE OF THE PRESIDENT

MICHAEL S. YENNI
PARISH PRESIDENT

KEITH A. CONLEY, ESQ.
CHIEF OPERATING OFFICER

October 31, 2016

Mr. David McClintock
Jefferson Parish Inspector General
5401 Jefferson Highway, Ste. C
Jefferson, LA 70123

Re: Administrative Response to IG Report 2015-0002 Marrero- Ragusa Volunteer Fire Company

Mr. McClintock:

The Yenni Administration is in receipt of your Report 2015-0002 Marrero- Ragusa Volunteer Fire Company. We have also been forwarded Marrero- Ragusa Volunteer Fire Company's response and are pleased that they have taken steps to remedy any concerns raised by the report.

RESPONSES TO JPOIG FINDINGS:

The administration pledges to continue its efforts to put measures in place to better track and ensure that millage money is used correctly. The administration has revised all "Fire Protection Agreement" contracts to track procurements and expenses as well as require quarterly reporting. All companies will execute the same contracts to ensure consistency in monitoring and quality assurance across the board. It is important to note that we have met with all recipient departments in forming this agreement and all agencies have been responsive and cognizant of the need for such consistency and bench marks. It is important to note that many of the concerns listed in your report are addressed in the new agreements.

In conclusion, the Yenni administration thanks you for your input, and looks forward to working with your office on behalf of the citizens of Jefferson Parish. If you have any comments or questions, please don't hesitate to call me either in the office or on my cell phone.

Sincerely,

Handwritten signature of Keith A. Conley in black ink, including a stylized 'K' and 'C'.

Keith A. Conley

Chief Operating Officer