



FISCAL REVIEW COMMITTEE

MINUTES

August 15, 2013

1:30 p.m.

House Committee Room 2

State Capitol Building

The items listed on the Agenda are incorporated and considered to be a part of the minutes herein.

MEMBERS PRESENT:

Mr. Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor (LLA)

The Honorable John Kennedy, State Treasurer
Louisiana State Treasurer

Mr. Rick McGimsey, Assistant Attorney General
Designee for Attorney General Buddy Caldwell

Mr. Purpera called the meeting to order at 1:34 p.m. with all members represented. A motion by Mr. McGimsey to approve the minutes of the October 12, 2012, meeting was approved.

TOWN OF GIBSLAND

Mr. Allen Brown, Assistant Legislative Auditor for Local Government Audit Services, reviewed the current fiscal situation for the Town of Gibsland (Gibsland), outlining their accounts payables, USDA debt, cash position, audit status. Since Gibsland's administration took office in January 2011, they have not adopted a budget so they are in violation of the law and working blindly.

Mr. Marketris Jones, Town Mayor Pro-Tem, explained the battle with Mayor Odis Key to follow the rules and agree on a budget. He believes that the mayor is overspending and has to get under control.

Mr. Kennedy made a motion to ask the court to appoint a fiscal administrator for Gibsland. Mr. McGimsey seconded the motion based on law and testimony, and inadequate revenue to meet expenses. Mr. Purpera also approved the motion and stated he would contact David Greer who offered to serve if the committee agreed necessary to appoint a fiscal administrator.

TOWN OF RICHWOOD

Mr. Brown presented the current fiscal situation for the Town of Richwood (Richwood) including their accounts payable, long-term debt, cash flow and payroll problems. Fiscal year end (FYE) 06-30-2010 and 06-30-2011 audits were unqualified opinions, and highly likely that their

FYE 06-30-2012 will have a disclaimer of opinion. Mr. Purpera stated that if Richwood received a disclaimer on their audit, they would remain on the non-compliance list and not receive state funding.

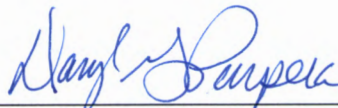
Mr. Brown and Mayor Alvin Jackson discussed the hiring of a patrol officer when they are already unable to fund payroll. Mayor Jackson explained why their revenues are so declined in the recent years and said he would not object to a fiscal administrator being appointed.

Mr. Kennedy made the motion to appoint a fiscal administrator for the Town of Richwood. Mr. McGimsey seconded the motion and Mr. Purpera agreed with the motion, so the motion passed unanimously. Mr. Purpera asked the Attorney General's office to file in court to appoint a fiscal administrator and commented that he would contact Jonald Walker to serve as fiscal administrator.

Mr. McGimsey explained that the Attorney General's office will file the necessary court documents for the appointment of a fiscal administrator for the Town of Richwood and the Town of Gibsland. The fiscal administrator would become the chief executive office for the towns and would require complete cooperation from the council members and staffs. He said that the authority of the fiscal administrator is outlined in law and that cooperation is critical.

Mr. McGimsey made a motion to adjourn, and with no objections the meeting of the Fiscal Review Committee adjourned at 2:08 p.m.

APPROVED BY:



DARYL G. PURPERA, LEGISLATIVE AUDITOR
CHAIRMAN

3/26/14

DATE