Tuesday
November 20, 2012
Gautier, Mississippi

BE IT REMEMBERED THAT A RECESSED MEETING of the Mayor and Council of the City of Gautier, Mississippi was held November 20, 2012 at 6:30 PM in the City Hall Municipal Building, 3330 Highway 90, Gautier, Mississippi.

Those present were Mayor Fortenberry, Council Members Johnny Jones, Hurley Ray Guillotte, Gordon Gollott, Mary Martin, Scott Macfarland, City Manager Samantha Abell, Interim City Clerk Cynthia Russell, City Attorney Robert Ramsay and other concerned citizens. Councilman Colledge attended via Telephone.

AGENDA
CITY OF GAUTIER, MISSISSIPPI
CITY HALL COUNCIL CHAMBERS
November 20, 2012

I. Call to Order

1 Prayer

2 Pledge of Allegiance

II. Agenda Order Approval

III. Announcements

1 Office closed in observance of Thanksgiving Day Thursday, November 22, 2012 and November 23, 2012

2 Gautier Christmas Parade scheduled for Saturday, December 1, 2012 at 11:00 AM

3 Gautier Christmas Stroll scheduled for Saturday, December 1, 2012 from 9:00 AM – 5:00 PM

IV. Presentation Agenda

1 Presentation of Mullet Festival Art to the City from Susan Parol

V. Public Agenda

1 Agenda Comments

VI. Business Agenda

1 Consider Order authorizing purchase HIDTA Vehicle for City of Gautier Police Department in the amount of $25,197.00

2 **Consider Order approving lowest and best bid from Dan Hensarling in the amount of $747,000.00 to construct Fire Station West**

3 **Consider Order authorizing In-Kind Services for Christmas Stroll**

4 **Consideration of a Narcotics Task Force Inter-Local Agreement with the Cities of Pascagoula, Moss Point and Gautier, Mississippi**

5 **Consider Order authorizing the purchase of land described as Tract 2 with CIAP and Tidelands Funds and receive Tract 1 as donated property**

6 **Consider Order approving Docket of Claims**

VII. Consent Agenda

1 **Consider Order approving Minutes from Council Meeting held November 5, 2012 and November 06, 2012**

2 **Consider Order authorizing the City to scrap sewer pumps and ductile iron pipe from various locations around the City**

3 **Consider Order receiving October 2012 Privilege License Report**

4 **Consider Order authorizing the City to purchase lunch in the amount of $654.07 for Mississippi Development Authority Asset Mapping Team at Shell Landing**

STUDY AGENDA
CITY OF GAUTIER, MISSISSIPPI
November 20, 2012

1 **Discuss Citizen Comments**

2 **Discuss Council Comments**

3 **Discuss City Manager Comments**

4 **Discuss Interim City Clerk Comments**

5 **Discuss City Attorney Comments**

Recess until December 4, 2012 @ 6:30 PM
www.gautier-ms.gov

Motion was made by Councilman Macfarland to add Business Item#7 – Grant Anticipation Note to the agenda and approve the agenda order. Motion was seconded by Councilwoman Martin and unanimously carried.

There came for consideration of the Mayor and Members of the Council of the City of Gautier, Mississippi, the following:

ORDER NUMBER 266-2012

IT IS HEREBY ORDERED by the Mayor and Members of the Council of the City of Gautier, Mississippi, that the City is hereby authorized to process a loan in the amount of $25,197.00 from Hancock Bank. This loan will be three (3) Annual payments of $8769.53 at a rate of 2.19 percent (%) for a 2013 F150 Crew Cab 4x4 SSV. This vehicle is on State Contract.

IT IS FURTHER ORDERED that the City Manager and Interim City Clerk are authorized to execute any and all documents necessary.

Motion was made by Councilman Guillotte, seconded by Councilwoman Martin and the following vote was recorded:

AYES: **Tommy Fortenberry**
Johnny Jones
Hurley Ray Guillotte
Gordon Gollott
Mary Martin
Scott Macfarland
Adam Colledge

NAYS: **None**

_____
MAYOR

ATTEST:

_____
INTERIM CITY CLERK

PASSED AND ADOPTED by the Mayor and Members of the Council of the City of Gautier, Mississippi, at the meeting of November 20, 2012.

CITY OF GAUTIER
MEMORANDUM

To:	Samantha Abell, City Manager
From:	Cindy Steen, Purchasing Agent
Through:	Cindy Russell Interim City Clerk
Date:	November 13, 2012
Subject:	HIDTA Vehicle for Police Department

REQUEST:
City Council authorization is requested for the City to process a loan in the amount of 25,197.00 for a 2013 F150 Crew Cab 4x4 SSV. This vehicle is on State Contract.

BACKGROUND
This vehicle will be a reimbursement package purchased under the High Intensity Drug Trafficking Areas (HIDTA), to provide assistance to Federal, state, local and tribal law enforcement agencies operating in areas determined to be critical drug-trafficking regions of the United States. The City of Gautier participates in the Gulf Coast HIDTA initiative.

As part of the HIDTA reimbursement package, the City of Gautier receives an allowance of $25,200.00 to purchase a vehicle to be used exclusively by the officer assigned as the full time HIDTA agent. This allowance is paid quarterly at a rate of $2,100.00 over a three (3) year period. This vehicle is subject to a mileage limitation and must be replaced when that mileage is exceeded. It is now time to replace the current HIDTA vehicle.

DISCUSSION
The replacement of this vehicle was discussed during the budget process. The initial expenditure will be offset by budgeted loan proceeds. The purchase was budgeted this way as a 3-year loan This was done to minimize impact on the General Fund budget. Payments will begin in FY 2014.

RECOMMENDATION:
Based on the interest rates of _____received from _____, City staff recommends that City Council authorize the loan in the amount of $25,197.00.

ATTACHMENT(S):

Hancock Bank.

VIA EMAIL

November 15, 2012

Mayor and City Council
City of Gautier, Mississippi
C/o Cindy Steen-City of Gautier Purchase Agent

Re: Lease Purchase Financing – One (1) New 2013 F 150

Gentlemen:

We understand that the City of Gautier, Mississippi is considering lease–purchase financing for One (1) New 2013 F 150 (hereinafter the "Equipment") under the authority of Sec. 31-7-13(e) of the Miss. Code of 1972, as amended. The Equipment has a total cost of $25,197.00 and 100% of the cost will be lease-purchase financed.

The rates provided below assumes that the debt will be designated as "bank-qualified" tax exempt within the meaning of Sec. 265(b)(3) of the Internal Revenue Code of 1986, as amended. If it is determined that the City is ineligible to issue bank-qualified debt this calendar year, different rates will apply.*

Amount Financed:	Terms**:	Rate:
$25,197.00	**3 Annual payments @ $8,769.53 per Year**	**2.19%**

* *Determination of taxability would be the responsibility of the City's legal counsel.*
** *The City will certify that the Equipment will not be replaced by other equipment, performing the same or similar functions, until the term of the financing option expires.*

Post Office Box 4019 • Gulfport, MS 39502
1-800-522-6542 • hancockbank.com

EQUAL HOUSING LENDER
Member FDIC

This proposal assumes compliance by the City with applicable state and federal law governing borrowings by political subdivisions. In addition, normal Bank credit approval requirements for lending to these types of entities would apply. Credit approval includes approval of both the manufacturer and vendor of the Equipment to be purchased. Necessary documentation would include, but not be limited to, a legal and tax opinion from issuer's legal counsel. Liability and physical damage insurance would be required with Hancock Bank being shown as the additional insured and/or loss payee as its interest may appear.

This proposal is good if accepted within 30 days and the obligation is funded within 60 days of the date of this letter.

Thank you for considering Hancock Bank for your Governmental Leasing needs!

Sincerely,

HANCOCK BANK

Jonathan King
Government Leasing
Public Finance Department

Post Office Box 4019 • Gulfport, MS 39502
1-800-522-6542 • hancockbank.com

EQUAL HOUSING LENDER
Member FDIC

Form **8038-GC**
(Rev. May 2009)
Department of the Treasury
Internal Revenue Service

Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales

► Under Internal Revenue Code section 149(e)

Caution: *If the issue price of the issue is $100,000 or more, use Form 8038-G.*

OMB No. 1545-0720

Part I Reporting Authority

Check box if **Amended Return** ► ☐

1 Issuer's name	2 Issuer's employer identification number	
City of Gautier, MS	64	0732369
3 Number and street (or P.O. box if mail is not delivered to street address)		Room/suite
3330 Hwy 90		
4 City, town, or post office, state, and ZIP code	5 Report number *(For IRS Use Only)*	
Gautier, MS. 39553	5	
6 Name and title of officer or legal representative whom the IRS may call for more information	7 Telephone number of officer or legal representative	
Ms. Cindy Russell-City Clerk	(228)	497-8000

Part II Description of Obligations

Check one: a single issue ☑ **or** a consolidated return ☐.

8a	Issue price of obligation(s) (see instructions)	8a	$25,197 00
b	Issue date (single issue) **or** calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ► ___/___/___		
9	Amount of the reported obligation(s) on line 8a that is:		
a	For leases for vehicles	9a	$25,197 00
b	For leases for office equipment	9b	
c	For leases for real property	9c	
d	For leases for other (see instructions)	9d	
e	For bank loans for vehicles	9e	
f	For bank loans for office equipment	9f	
g	For bank loans for real property	9g	
h	For bank loans for other (see instructions)	9h	
i	Used to refund prior issue(s)	9i	
j	Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j	
k	Other	9k	

10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box ► ☑

11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) ► ☐

12 Vendor's or bank's name:

13 Vendor's or bank's employer identification number:

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Issuer's authorized representative — Date — Ms. Cindy Russell-City Clerk (Type or print name and title)

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code		EIN	
		Phone no. ( )	

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than $100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of $100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than $100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than $100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under Section 3 of Rev. Proc. 2002-48, 2002-2 C.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form,"Request for Relief under Section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* below.

Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

Form 8038-GC Receipt Acknowledgement

If you wish to request an acknowledgement receipt of this return by the IRS you must provide the following:

- A cover letter specifically requesting the acknowledgement of this return.
- A copy (or copies, if multiple acknowledgements are requested) of the return being filed, with "Acknowledgement Copy" written across the top of the first page of each copy. For multiple requests, the copies must be stapled together.
- A self-addressed stamped envelope for each acknowledgement receipt recipient.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions

Obligations. This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

Tax-exempt obligation. This is a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or $5 million.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and

2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1½ % of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date of issue. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the "*Amended Return*" box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new corrected information. Attach an explanation of the reason for the amended return.

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at *www.irs.gov* or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Lines 3 and 4. Enter the issuer's address. If the issuer receives its mail in care of a third party authorized representative (such as an accountant or attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the issuer has a P.O. box, show the box number instead of the street address. If a change in address occurs after the return is filed, use Form 8822, Change of Address, to notify the IRS of the new address.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Part II—Description of Obligations

Check the appropriate box designating this as a return on a single issue basis or a consolidated return basis.

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue (for example, 03/15/2008 for a single issue issued on March 15, 2008), generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the first day of the calendar year during which the obligations were issued (for example, for calendar year 2008, enter 01/01/2008).

Lines 9a through 9h. Complete this section if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also complete this section if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal. For lines 9a through 9d, enter the amount on the appropriate line that represents a lease or installment purchase. For line 9d, enter the type of item that is leased. For lines 9e through 9h, enter the amount on the appropriate line that represents a bank loan. For line 9h, enter the type of bank loan.

Lines 9i and 9j. For line 9i, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Several lines may apply to a particular obligation. For example, report on lines 9i and 9j obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 9k. Enter on line 9k the amount on line 8a that does not represent an obligation described on lines 9a through 9j.

Line 10. Check this box if the issuer has designated any issue as a "small issuer exception" under section 265(b)(3)(B)(i)(III).

Line 11. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Line 12. Enter the name of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple issuers or banks, issuers should attach a schedule.

Line 13. Enter the employer identification number of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple issuers or banks, issuers should attach a schedule.

Signature

An authorized representative of the issuer must sign Form 8038-GC and any applicable certification. Also print the name and title of the person signing Form 8038-GC.

Paid Preparer

If an authorized representative of the issuer filled in its return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer's Use Only* area of the return.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature,
- Enter the preparer information, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Learning about the law or the form	4 hr., 46 min.
Preparing the form	2 hr., 22 min.
Copying, assembling, and sending the form to the IRS	2 hr., 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File* on page 1.

EXHIBIT "F"
ACCEPTANCE CERTIFICATE

The undersigned, **CITY OF GAUTIER, MS** as Lessee under the Governmental Lease Purchase Agreement (the "Agreement") dated _____, **2012** with HANCOCK BANK ("Lessor"), acknowledges receipt in good condition of all of the Equipment described in the Agreement and Exhibit "D" thereto this _____, **2012** and certifies that Lessor has fully and satisfactorily performed all of its covenants and obligations required under the Agreement to date.

CITY OF GAUTIER, MS

By:_____
Samantha Abell
City Manager

By:_____
Cindy Russell
City Clerk