Minutes of January 18, 2011
Mayor and Board of Aldermen

Be it remembered that a regular meeting of the Mayor and Board of Aldermen, Long Beach, Mississippi, was begun and held at 5:00 o'clock p.m., Long Beach City Hall, 201 Jeff Davis Avenue, in said City, it being the third Tuesday in January, 2011, and the same being the time, date and place fixed by Laws of the State of Mississippi and ordinance of the City of Long Beach for holding said meeting.

There were present and in attendance on said board and at the meeting the following named persons: Mayor William Skellie, Jr., Aldermen Leonard G. Carrubba, Sr., Gary J. Ponthieux, Bernie Parker, Kaye H. Couvillon, Ronnie Hammons, Jr., Carolyn J. Anderson, City Clerk Rebecca E. Schruff, and James C. Simpson, Jr.

Alderman Mark E. Lishen was absent the meeting.

There being a quorum present sufficient to transact the business of the City, the following proceedings were had and done.

****

The meeting was called to order and Alderman Parker made motion seconded by Alderman Anderson and unanimously carried authorizing advertisement, Request for Qualifications, Project Management Services, Flood Mitigation Assistance.

****

Alderman Anderson expressed her grateful appreciation for the thoughtfulness and sympathy shown by fellow aldermen and city employees at the loss of her father.

****

Alderman Ponthieux made motion seconded by Alderman Anderson to suspend the rules and amend the Municipal Docket to include the following:

Item IX.1.d. DOCKET OF CLAIMS NUMBER(S); 011811; Payment of Invoice, Government Consultants, Inc., in the Amount of $7,000.00, Professional Services Rendered.

****

The Mayor opened the floor for public comments, as follows:

PUBLIC COMMENTS PERTAINING TO MATTERS ON THE AGENDA ONLY

NOTE: All comments **shall** be directed to the Chairman (Mayor).

Comments of a personal nature regarding individual members of the Governing Authority (Mayor and Board of Aldermen), City Staff and/or Personnel, other Citizens, disruptive comments or improper actions **will not** be permitted.

Public Comments will be limited to a total of **ten (10) minutes** and limited to a maximum of **two (2) minutes** per person.

Except as otherwise directed by the Chairman (Mayor), Public Comments will not be permitted before or after the allotted time. Disruption of the regular business meeting will be cause for removal from the public meeting.

	PLEASE PRINT: NAME / ADDRESS / TELEPHONE	AGENDA ITEM NO.	AGENDA ITEM SUBJECT MATTER
1	Diane Donovan 111 Summerlane 228-868-7415	VIII	PC
2			
3			
4			
5			
6			
7			
8			
9			
10			

City of Long Beach, Mississippi
Mayor and Board of Aldermen Meeting
Date:_____

Excel Worksheet: public comments - agenda PUBLIC COMMENTS-AGENDA

* *

Alderman Ponthieux made motion seconded by Alderman Parker and unanimously carried to approve the public hearing and regular meeting minutes of the Mayor and Board of Aldermen dated January 4, 2011, as submitted.

* *

Alderman Anderson made motion seconded by Alderman Hammons and unanimously carried to approve the January 13, 2011, Planning Commission minutes, as submitted.

* *

Alderman Hammons made motion seconded by Alderman Anderson and unanimously carried to approve payment of invoices as listed in Docket of Claims number 011811, inclusive of additional invoices, as follows:

- Invoice #AA-209193 in the amount of $1,727.50, Dean Wilson, Attorney at Law, King versus City of Long Beach;
- Invoice #10589 in the amount of $74,518.20, Bond Paving Company, Inc., Klondyke Road and 28th Street Intersection Improvements MDOT Project, upon receipt of funds;
- Invoice #308 in the amount of $25,417.60, Jordan Crane Service, Inc., Klondyke Road Bridge MDOT Project;
- Financial Advisory Fee & Expenses, Government Consultants, Inc., in the amount of $7,000.00, for professional services rendered in the $921,000 General Obligation Refunding Bonds Series 2010 (Katrina Loan Refunding).

* *

Based upon the recommendation of Assistant Fire Chief Mike Brown and certification by the Civil Service Commission, Alderman Anderson made motion seconded by Alderman Hammons and unanimously carried to approve Fire Department personnel matters, as follows:

- Step Increase, Driver/Operator George Byrd, FS-10-III, effective February 1, 2011;
- Step Increase, Driver/Operator Jake Heinrich, FS-10-VII, effective February 1, 2011.

* *

Alderman Parker made motion seconded by Alderman Hammons and unanimously carried to extend the Proclamation of Civil Emergency, Hurricane Katrina, to protect and preserve the public health and safety of the community.

* *

Alderman Ponthieux made motion seconded by Alderman Anderson and unanimously carried to spread Change Order #017, New City Hall Project, CDBG, as approved at a regular meeting duly and convened on December 7, 2010. Said Change Order is as follows:

JBHM ARCHITECTS, P.A.
www.jbhm.com

GULF COAST OFFICE
2548 Beach Blvd, Ste. 100
Biloxi, Mississippi 39531

228.594.2200
FAX 228.594.2020
EMAIL info@jbhm.com

January 17, 2011

United States Postal Service

Mayor William Skellie, Jr.
City of Long Beach
201 Jeff Davis Avenue
Long Beach, MS 39560

RE: LONG BEACH NEW CITY HALL – **CHANGE ORDER 017**

Dear Mayor Skellie:

The enclosed Change Order 017 for the new City Hall documents the following changes to the contract:

1) Adding gutters and downspouts to selected portions of the building.
2) Tie the downspouts to new subsurface drain lines to drain out of the planters.
3) Reworking disturbed landscaping and re-prepping the planters.

The total cost to perform this work is documented in the attached PCO-24: a cost increase of $25,000.00 and a requested time extension of forty-five (45) days.

I have reviewed all documentation and find the above requests to be in order and appropriate. Should the changes described above be approved by the Board of Aldermen, the Contract Sum will be increased by a total of $25,000.00. The Certificate of Substantial Completion has been executed and is effective on November 28, 2010; therefore, the Date of Final Completion will need to be extended to allow for this work to be performed. We recommend extending the Date of Substantial Completion by a total of thirty-five days, thereby making the specified date of Final Completion February 16, 2011. If approved, the total Contract Sum for the project will become $4,900,480.00.

Starks is also compiling pricing for a few other miscellaneous owner-requested items; we expect to submit the final Change Order for this project at the next Board meeting. Ann Frazier will then complete a final Budget Modification, to fund the aforementioned items.

Enclosed you will find 4 copies of the above mentioned Change Order. If approved by the Board of Aldermen, please sign all 4 documents and return all copies to our JBHM – Biloxi Office for further processing. We will mail you a fully executed copy. Should you have additional questions concerning this change order, please do not hesitate to contact me.

Sincerely,

Glenn Currie, AIA, Principal

cc: Chris Guttierrez – Starks Contracting Company
Ann Frazier – Jimmy G. Gouras Urban Planning Consultants
Ron Robertson / David Vicknair – Broaddus and Associates
Liston Conrad – HORNE LLP
Ryan Florreich / Carl Bradley – JBHM
JBHM #07123.00.07

ARCHITECTURE
PLANNING
LANDSCAPE ARCHITECTURE
INTERIOR DESIGN
GRAPHIC DESIGN
PROGRAM MANAGEMENT

OFFICES
Biloxi
Columbus
Jackson
Tupelo

PRINCIPALS
JOSEPH S. HENDERSON, AIA
RICHARD H. MCNEEL, AIA
JACK W. BALLARD, AIA
GLENN CURRIE, AIA

AIA® Document G701™ – 2001

Change Order

PROJECT *(Name and address)*: 07123 City of Long Beach City Hall Long Beach, Mississippi	**CHANGE ORDER NUMBER:** 017 **DATE:** January 17, 2011	OWNER: ☒ ARCHITECT: ☒
TO CONTRACTOR *(Name and address)*: Strarks Contracting Co., Inc. 1538 Popps Ferry Road Biloxi, Mississippi 39540	**ARCHITECT'S PROJECT NUMBER:** 07123 **CONTRACT DATE:** January 28, 2009 **CONTRACT FOR:** General Construction	CONTRACTOR: ☒ FIELD: ☐ OTHER: ☐

THE CONTRACT IS CHANGED AS FOLLOWS:
(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)
Furnish and Install Gutters, Downspouts, Subsurface Drainage Pipes, and Fittings at specified areas of the building. Re-work all landscaping and re-prep all landscaping beds disturbed as part of this scope of work. Refer to SD-53 and Proposed Change Order No. 24 for additional information.

The original Contract Sum was	$	4,396,000.00
The net change by previously authorized Change Orders	$	479,480.00
The Contract Sum prior to this Change Order was	$	4,875,480.00
The Contract Sum will be increased by this Change Order in the amount of	$	25,000.00
The new Contract Sum including this Change Order will be	$	4,900,480.00

The Contract Time will be increased by Thrity-five (35) days.
The date of ~~Substantial~~ Final Completion as of the date of this Change Order therefore is February 16, 2011

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

JBHM Architects, P.A. **ARCHITECT** *(Firm name)*	Strarks Contracting Co., Inc. **CONTRACTOR** *(Firm name)*	City of Long Beach **OWNER** *(Firm name)*
2548 Beach Blvd., Suite 100, Biloxi, Mississippi 39531 **ADDRESS**	1538 Popps Ferry Road, Biloxi, Mississippi 39540 **ADDRESS**	201 Jeff Davis Avenue, Long Beach, MS 39560 **ADDRESS**
BY *(Signature)*	**BY** *(Signature)*	**BY** *(Signature)*
David Glenn Currie, AIA *(Typed name)*	Robert Starks *(Typed name)*	William Skellie, Jr. *(Typed name)*
1-17-11 **DATE**	**DATE**	**DATE**

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User Notes: (844254822)

STARKS CONTRACTING CO., INC.
1538 POPPS FERRY RD/PO BOX 7149, BILOXI, MISSISSIPPI 39540-7149
PHONE (228) 392-4584 FAX (228) 392-4565

TITLE: Gutters and Downspouts

PROJECT: 609
609 Long Beach New City Hall

TO: Attn: Ryan Florreich
JBHM Architects, PA
2548 Beach Boulevard, Suite 100
Biloxi, MS 39531
Phone:228/594-2200 Fax:228/594-2020

PROPOSED CHANGE ORDER
NO. 24
DATE: 12/20/2010
JOB: 609
CONTRACT/PO: 07123
ORIG: Owner Request

DESCRIPTION

We hereby submit specifications and estimates for:

Furnishing all labor and material necessary to install metal gutters and downspouts on the New City Hall Building which work also includes tying in the downspouts to new HDPE subsurface drain lines and spilling out of the face of the planer walls through new lambs tongue drain outlets all in accordance with SD-53 and my discussions with Mr. Ryan Florreich for the sum of TWENTY-FIVE THOUSAND, AND 00/100 DOLLARS.

The time required to complete these changes will be forty-five (45) days from the date of approval. If accepted this will extend the contract time by this time.

Total: $25,000.00

Payment shall be made in accordance with the original contract documents.

If accepted, this proposal shall become a part of the original contract between OWNER and STARKS CONTRACTING CO., INC., as though originally specified therein and, as such, shall be subject to the requirements, conditions, rights and remedies previously agreed to.

This proposal may be withdrawn by us if not accepted within thirty (30) days.

CC: File

APPROVAL

By: _____ By: _____
Christopher P. Gutlierrez

Date: 12/20/2010 Date: _____

ESTIMATE RECAPITULATION

Project: New City Hall - City of Long Beach
Location: Long Beach, MS
Architect/Engineer: JBHM Architects

Estimate #1
Sheet #C-24
Date: 12/20/10

DESCRIPTION	QU.	UNIT	PRICE	MATERIAL/SUB COST	PRICE	LABOR COST	TOTAL COST
(Add)Gutters & Downspouts - CO #24							
General Requirements	1	LS	500.00	500.00	1000.00	1000.00	1500.00
Core CMU/Brick Planter Walls	4	EA	750.00	3000.00	0.00	0.00	3000.00
HDPE Pipe (6")	50	L/F	6.00	300.00	4.00	200.00	500.00
Fittings/Filter Cloth/Etc.	1	LS	350.00	350.00	150.00	150.00	500.00
Lambs Tongue Drain Outlets (4ea.)	4	EA	218.00	872.00	125.00	500.00	1372.00
Concrete Splash Block	1	EA	20.00	20.00	5.00	5.00	25.00
Rework Landscaping @ Planters	1	LS	500.00	500.00	0.00	0.00	500.00
Gutters & Downspouts	1	LS	12905.00	12905.00	0.00	0.00	12905.00
SUB-TOTAL CO #24				18447.00		1855.00	20302.00
LABOR BURDEN		40%				742.00	742.00
						2597.00	21044.00
TAXES, BONDS, & FEES		8%					1683.52
							22727.52
OVERHEAD & PROFIT		10%					2272.75
TOTAL CO #24							25000.27

MISSISSIPPI COAST SUPPLY CO., INC
241 CAILLAVET STREET
BILOXI MS 39530
228-432-2617 Fax 228-432-2400

Quotation

QUOTE DATE	QUOTE NUMBER
12/20/10	S1099480

ORDER TO:
MISSISSIPPI COAST SUPPLY CO.,
241 CAILLAVET STREET
BILOXI MS 39530
228-432-2617 Fax 228-432-2400

PAGE NO: 1

QUOTE TO:
STARKS CONTRACTING CO. INC.
P. O. BOX 7149
D'Iberville, MS 39540

SHIP TO:
STARKS CONTRACTING CO. INC.
P. O. BOX 7149
D'Iberville, MS 39540

CUSTOMER NUMBER	CUSTOMER ORDER NUMBER	RELEASE NUMBER	SALESPERSON
624	L.B. CITY HALL		

SITE	SHIP VIA	TERMS	QUOTE DATE	TAXES ALLOWED
Billy Frommeyer	UPS GROUND	2% 10th Net 30th	12/20/10	No

ORDER QTY	PART NO	DESCRIPTION	UNIT PRICE	EXT
lea	32545	1770-NB 6" SMITH DOWNSPOUT NOZZLE *** Special Order Item *** TAXES NOT INCLUDED	218.000	218.00

Subtotal	218.00
S&H CHGS	0.00
Amount Due	218.00

This is a Quotation.

Prices are subject to change without notice.
Applicable taxes extra.

Chris Guttierrez

From: Clemmie Saucier [csaucier@saucierroofing.com]
Sent: Wednesday, December 01, 2010 8:16 AM
To: Chris Guttierrez
Subject: RE: LBCH - Roof Drainage Additions

The drawing shows the drip edge much smaller than is the case. It had a 6" face and is cleated, so we cannot get in behind it much. That is going to put the gutter lower than the drawings. There is nothing else that can be done, just wanted all to be aware of this. We can install the gutter and downspout in locations shown on the drawing for $12,905.00.

Clement B. Saucier, III
President
Saucier Bros. Roofing, Inc
200 Lameuse St.
Biloxi, MS 39530
Office: 228-436-3563
Fax: 228-435-0539
Cell: 228-518-6106

From: Chris Guttierrez [mailto:cpguttierrez@starkscontracting.com]
Sent: Wednesday, December 01, 2010 7:48 AM
To: Clemmie Saucier
Subject: FW: LBCH - Roof Drainage Additions
Importance: High

Clemie

Attached please find the proposed gutter and downspout layout for the above-referenced project. We would appreciate it if you would review the sketch and provide us with a quote to install the gutters and downspouts as indicated as soon as possible. Thank you for your prompt attention to this matter and please feel free to call if you have any questions or need additional information.

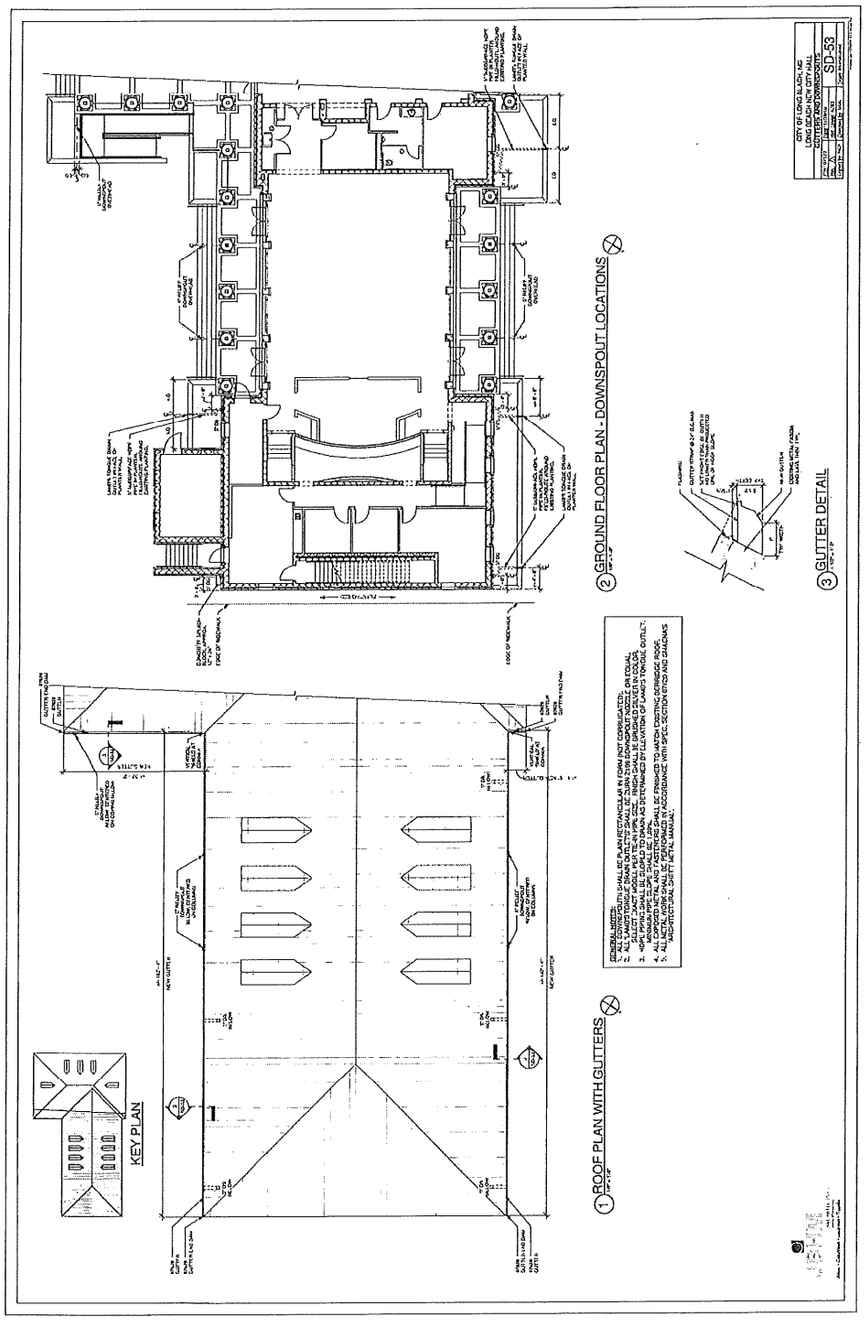
Christopher P. Guttierrez
Starks Contracting Company, Inc.
1538 Popps Ferry R. (39532-2203)
P.O. Box 7149, Biloxi, MS 39540-7101
Ph: 228/392-4584 Fx: 228/392-4565

From: Ryan Florreich [mailto:rflorreich@JBHM.com]
Sent: Tuesday, November 30, 2010 11:38 PM
To: cpguttierrez@starkscontracting.com
Subject: LBCH - Roof Drainage Additions

Chris:

Please see the attached 'final' SD-53, per our conversation earlier today. I would appreciate you doing what you can do expedite pricing on this, such that this work can proceed ASAP.

12/20/2010



NOT TO SCALE [REDUCED FROM ORIGINAL 24"x36"]

* *

Based upon the recommendation of Police Chief Wayne McDowell and certification by the Civil Service Commission, Alderman Carrubba made motion seconded by Alderman Parker and unanimously carried to approve Police Department personnel matters, as follows:

- Police Officer 1st Class Shawn Johnson, PS-9-I, effective February 16, 2011;
- Police Officer 1st Class Patrick Klis, PS-9-II, effective February 1, 2011;

- Police Officer 1st Class Aloysius Neff, PS-9-V, effective February 16, 2011;
- Police Officer 1st Class Marvin White, PS-9-I, effective February 16, 2011.

* *

Alderman Carrubba made motion seconded by Alderman Hammons and unanimously carried acknowledging receipt of Revenue/Expense Budget Reports for December, 2010.

* *

Alderman Ponthieux made motion seconded by Alderman Anderson and unanimously carried to engage the professional services of Alexander, Van Loon, Sloan, Levens, and Favre, PLLC, Certified Public Accountants, for the September 30, 2010 audit, as follows:

Alexander | Van Loon | Sloan | Levens | Favre, PLLC

Hand Delivered

January 13, 2011

Mrs. Becky Schruff
City Clerk
City of Long Beach, Mississippi
201 Jeff Davis Avenue
Long Beach, MS 39560

Re: City of Long Beach September 30, 2010 audit proposal

Dear Becky:

Please find enclosed our engagement letter for the City's September 30, 2010 single audit. Pages 6 and 7 of the engagement letter outline our proposed fee and delivery time line. Upon receiving the signed engagement letter, we will work with Mrs. Kini Gonsoulin, comptroller, on getting the schedules prepared for audit and assign a staff member to begin documenting the City's internal controls as required by generally accepted auditing standards.

As outlined on page 6 of the engagement letter, there are areas of the engagement that can be performed by the comptroller on the current or future audits resulting in a reduced audit fee.

Please let me know if you have any questions or concerns regarding this proposal. We look forward to serving the City.

Sincerely,

Jerry W Favre

Jerry Favre, CPA

Enclosure

jf/km

9490 Three Rivers Road | Gulfport, MS 39503 | (228) 863-0411 | Fax (228) 863-1165 | E-Mail: info@avlcpa.com | www.avlcpa.com
304 N. Vardaman Street | P.O. Box 749 | Wiggins, MS 39577 | (601) 928-4416 | Fax (601) 928-4417 | E-Mail: info@avlcpa.com | www.avlcpa.com

Members: American Institute of CPA's, Mississippi Society of CPA's, The AICPA Alliance for CPA Firms-
Partnering for CPA Practice Success, National Association of Certified Valuation Analysts

Alexander | Van Loon | Sloan | Levens | Favre, PLLC

January 13, 2011

Board of Aldermen
City of Long Beach, Mississippi
Long Beach, MS 39560

We are pleased to confirm our understanding of the services we are to provide the City of Long Beach, Mississippi for the year ended September 30, 2010. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of City of Long Beach, Mississippi as of and for the year ended September 30, 2010. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Long Beach, Mississippi's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Long Beach, Mississippi's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.
2) Budgetary Comparison Schedule

Supplementary information other than RSI also accompanies the City of Long Beach, Mississippi's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1) Schedule of expenditures of federal awards.
2) Schedule of Surety Bonds for City Officials

9490 Three Rivers Road | Gulfport, MS 39503 | (228) 863-0411 | Fax (228) 863-1165 | E-Mail: info@avlcpa.com | www.avlcpa.com
304 N. Vardaman Street | P.O. Box 749 | Wiggins, MS 39577 | (601) 928-4416 | Fax (601) 928-4417 | E-Mail: info@avlcpa.com | www.avlcpa.com

Members: American Institute of CPA's, Mississippi Society of CPA's, The AICPA Alliance for CPA Firms-Partnering for CPA Practice Success, National Association of Certified Valuation Analysts

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements or the Single Audit compliance opinions are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and the schedule of expenditures of federal

awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide including preparation of the City's annual W-2s and 1099s and maintenance of the City's depreciation schedules and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the City of Long Beach, Mississippi and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on April 1, 2011. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud

that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Long Beach, Mississippi's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* and related addenda for the types of compliance requirements that could have a direct and material effect on each of the City of Long Beach, Mississippi's major programs. The purpose of these procedures will be to express an opinion on the City of Long Beach, Mississippi's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

Our fee proposal noted below itemizes the services we will perform as part of the audit.

	September 30,					
	2010		2011		2012	
	Hours	Amount	Hours	Amount	Hours	Amount
Basic Audit Engagement Fee	380	$ 32,500	380	$ 32,500	380	$ 32,500
Preparation of Financial Statements *	70	$ 6,000	70	$ 6,000	70	$ 6,000
Assistance with MD&A *	8	$ 750	8	$ 750	8	$ 750
Single Audit Fee $5,400 per program (Assumes two major programs)	120	$ 10,800	120	$ 10,800	120	$ 10,800
Cash to Accrual conversion *	24	$ 2,200	24	$ 2,200	24	$ 2,200
Initial Year Audit Fee	40	3,400	-	-	-	-
Total Audit Engagement Fee at Standard Rates	**642**	**$ 55,650**	**602**	**$ 52,250**	**602**	**$ 52,250**
Composite hourly rate		$ 86.68		$ 86.79		$ 86.79

* These services could be performed by the City's comptroller.

The basic audit fee is estimated with the expectation that your staff will provide needed account reconciliations, City-prepared detailed account activity schedules requested by AVL, documents, etc., to facilitate the completion of the audit in a timely and efficient manner. Accordingly, our proposed time requirement and fees are based on maximum cooperation from your staff. Government Auditing Standards prohibit auditors from performing bookkeeping services for clients. Bookkeeping services include reconciling accounts and posting adjusting entries. Some services, such as technical services, are permitted but would be billed as accounting services if performed by the auditors.

The above fees are also based on the assumption that there will be no issues of noncompliance with laws and regulations identified by our audit procedures or other unexpected circumstances that would significantly increase the scope of our work.

In the event that new professional literature is issued over the contract period (i.e., three years) that affects the accounting requirements and/or audit procedures relative to the City's audit, we will bill separately for those procedures based on actual time spent at 90% of our standard hourly rates then in effect.

Additional accounting services may be provided and will be billed on a per hour basis at our standard hourly rates then in effect. Our current rates are as follows:

Staff Level	Standard Hourly Rates
Partner	$185
Manager	$125 - $155
Senior	$ 85 - $125
Staff	$ 70 - $ 80
Clerical	$ 25 - $ 55

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Alexander, Van Loon, Sloan, Levens & Favre, PLLC and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to your oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Alexander, Van Loon, Sloan, Levens & Favre, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by your oversight agency for audit, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately April 15, 2011 and to issue our reports no later than June 30, 2011. Jerry Favre, CPA is your client relations partner and Kim Marmalich, CPA is your client relations manager. Jerry Levens, CPA, CFE is the firm's audit and assurance engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Board of Aldermen
City of Long Beach, Mississippi
January 13, 2011
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The parties agree that any legal or equitable claims or disputes arising out of this agreement will be settled by binding arbitration, to be conducted in Harrison County, Mississippi, in accordance with the National Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association (AAA) in effect at the time a demand for arbitration is made. The decision and award shall be exclusive, final and binding. The cost and expense of the arbitration shall be shared equally unless determined by the arbitrator otherwise. The parties each understand that, by signing this Agreement, they are agreeing to substitute one legitimate forum (arbitration) for another (litigation), and thereby are waiving their right to have their disputes resolved in court by a jury. This substitution involves no surrender, by either party, of any substantive statutory or common law benefit, protection or defense.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2008 peer review accompanies this letter. There was no letter of comment.

We appreciate the opportunity to be of service to the City of Long Beach, Mississippi and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Alexander, Van Loon, Sloan, Levens & Favre

ALEXANDER, VAN LOON, SLOAN, LEVENS & FAVRE, PLLC
Certified Public Accountants
Gulfport, Mississippi

ACKNOWLEDGED:

This letter correctly sets forth the understanding of The City of Long Beach, Mississippi.

By: _____
Title: City Clerk
Date: January 19, 2011

* *

Upon discussion of derelict properties it was the consensus of the Mayor and Board of Aldermen for Building Official Earl Levens to meet with Chuck Ryan regarding plans for construction and request that Mr. Ryan attend the next meeting of the Mayor and Board of Aldermen, February 1, 2011, to provide additional information; it was noted for the record that the Mayor and Board of Aldermen requested spreadsheets of derelict properties be provided at the second meeting of each month; on

behalf of herself and her constituents, Alderman Couvillon commended Zoning Enforcement Officer Claire Leatherwood for a job well done.

* *

Alderman Ponthieux made motion seconded by Alderman Couvillon and unanimously carried to schedule public hearings, Tuesday, February 15, 2011, 5:00 o'clock p.m., Long Beach City Hall, 201 Jeff Davis Avenue, to determine whether or not three (3) parcels of property are in such a state of uncleanliness as to be a menace to the public health and safety of the community. Said properties are as follows:

- 117 Markham Drive, assessed to Central Progressive Bank;
- 5 Michael Court, assessed to Byron C. and Kathryn A. Koby;
- 1110 Iris Street, assessed to Madeline P. Hosford, II, et al.

* *

There came on for consideration the position of Economic Development Director. The City Attorney reported that he is awaiting an Attorney General's Opinion regarding the legality of funding that position. After considerable discussion, the Clerk was directed to research to minutes of October 5, 2010, forward, to determine additional action taken, if any, regarding the hours, salary and expense account of the Economic Development Director position; the matter was taken under advisement until the next regular meeting, February 1, 2010.

* *

There came on for consideration funding of drainage projects; after considerable discussion, official action was taken, as follows:

RESOLUTION OF THE MAYOR AND THE BOARD OF ALDERMEN OF THE CITY OF LONG BEACH, MISSISSIPPI RETAINING LEGAL COUNSEL TO ASSIST WITH PROPOSED CAPITAL IMPROVEMENT FINANCING.

WHEREAS, the Board of Aldermen (the "Governing Authority") of the City of Long Beach, Mississippi (the "City"), acting for and on behalf of the City does hereby find, determine, adjudicate, and declare as follows:

1. It is in the City's best interests to issue general obligation bonds to finance capital improvement projects within the City (the "Bonds").

2. It is necessary and in the public interest to retain Issuer's Counsel and Bond Counsel to assist the City in issuing the Bonds.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Aldermen of the City of Long Beach, Mississippi:

SECTION 1. The Governing Authority hereby retains James C. Simpson with Wise Carter Child & Caraway, P.A., Biloxi, Mississippi as Issuer's Counsel to assist the City with issuing the Bonds. Issuer's Counsel will be responsible for assisting the City and Bond Counsel with the following matters regarding the Bonds: (1) reviewing and assisting in the preparation of the resolutions and documents approved by the Governing Authority to issue the Bonds, (2) validating and closing on the Bonds, and (3) providing other services necessary or desirable in connection with the Bonds. In exchange for his services, Issuer's Counsel shall be paid a usual and customary fee to be agreed upon by the parties at a later date. Issuer's Counsel shall also be reimbursed for all reasonable, itemized expenses incurred on the City's behalf in the course of assisting with the Bonds.

SECTION 2. The Governing Authority hereby retains the firm of Watkins & Young, PLLC, Jackson, Mississippi ("Watkins & Young") as Bond Counsel in connection with the Bonds. As Bond Counsel, Watkins & Young will be responsible for assisting the City with the following matters regarding the Bonds: (1) preparing the resolutions and documents approved by the Governing Authority to issue the Bonds, (2) preparing any offering documents necessary to sell the debt and assisting with such sale, (3) assisting in obtaining any credit enhancement selected by the Governing Authority, (4) coordinating the validation and closing of the Bonds, and (5) providing other services typically provided by Bond Counsel in similar tax-exempt finance transactions. In exchange for its services in connection with the issuance of the Bonds, Watkins & Young shall be paid a usual and customary fee to be agreed upon by the parties at a later date. Watkins & Young shall also be reimbursed for

all reasonable, itemized expenses incurred on the City's behalf in the course of assisting with the Bonds.

Following the reading of the foregoing resolution, Alderman Anderson made motion seconded by Alderman Ponthieux to formally adopt the above and foregoing resolution. The question being to a roll call vote by the Mayor, the result was as follows:

Alderman Bernie Parker	voted	Aye
Alderman Gary J. Ponthieux	voted	Aye
Alderman Kaye H. Couvillon	voted	Aye
Alderman Carolyn Anderson	voted	Aye
Alderman Leonard G. Carrubba, Sr.	voted	Aye
Alderman Mark E. Lishen	voted	Absent, Not Voting
Alderman Ronnie Hammons, Jr.	voted	Aye

The motion having received the affirmative vote of all the Aldermen present and voting, the Mayor of the City of Long Beach, Mississippi, declared the motion carried and the resolution adopted on this the 18th day of January, 2011.

THE CITY OF LONG BEACH, MISSISSIPPI

Honorable William Skellie, Jr.,
Mayor of the City of Long Beach

ATTEST:

Rebecca E. Schruff,
City Clerk of the City of Long Beach

* *

The Industrial Park friendly annexation ordinance was taken under advisement for consideration at the next regular meeting, February 1, 2011.

* *

Appointments to the Hazard Mitigation Council were taken under advisement for further consideration at the next regular meeting, February 1, 2011.

* *

Minutes of January 18, 2011
Mayor and Board of Aldermen

Brief discussion was held regarding school board appointment; no official action was required or taken at this time.

* *

There were no public comments regarding items not appearing on the agenda.

* *

There being no further business to come before the Mayor and Board of Aldermen at this time, Alderman Carrubba made motion seconded by Alderman Anderson and unanimously carried to adjourn until the next regular meeting in due course.

* *

APPROVED:

_____
Alderman Leonard G. Carrubba, Sr., At-Large

_____
Alderman Gary J. Ponthieux, Ward 1

_____
Alderman Bernie Parker, Ward 2

_____
Alderman Kaye H. Couvillon, Ward 3

_____
Alderman Ronnie Hammons, Jr., Ward 4

_____
Alderman Mark E. Lishen, Ward 5

_____
Alderman Carolyn J. Anderson, Ward 6

_____
Date

ATTEST:

_____
Rebecca E. Schruff, City Clerk