

BE IT REMEMBERED THAT THERE WAS BEGUN AND HELD A REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI ON NOVEMBER 4, 2014 AT 6:00 P.M. IN THE BOARDROOM OF SAID CITY.

THOSE PRESENT	MAYOR HAL MARX
ATTORNEY	ROCKY EATON FOR TOM TYNER
ALDERMEN	BRAD AMACKER CRAIG BULLOCK WILLIAM KING CLINT MOORE
OTHERS	ADA MADISON TOMMYE CORLEY VALERIE WILSON AND MANY OTHERS

MAYOR MARX DECLARED A QUORUM PRESENT AND DECLARED THE CITY COUNCIL IN SESSION.

THE INVOCATION WAS OFFERED BY CRAIG BULLOCK

THE PLEDGE OF ALLEGIANCE WAS RECITED.

WHEREAS, MAYOR MARX PRESENTED THE AGENDA WITH THE FOLLOWING AMENDMENTS

GENERAL BUSINESS

REQUEST TO PURCHASE AD IN JUNIOR MISS PROGRAM.

REQUEST TO ACCEPT THE AUDIT FINDINGS AND ANSWERS FOR FYE2013.

REQUEST TO ACCEPT ENGAGEMENT LETTER WITH WRIGHT CPA GROUP, LLC FOR FYE2014 AUDIT SERVICES.

REQUEST TO DISPOSE OF THE FOLLOWING ITEMS IN THE RECREATION DEPT

2 DESKS  
1 CONFERENCE TABLE  
2 CHAIRS  
4 FILE CABINETS

REQUEST TO ACCEPT THE RESIGNATION OF DAVID HUTTO IN THE POLICE DEPT EFFECTIVE NOV. 13, 2014

THEREUPON, ALDERMAN KING MADE A MOTION TO ADOPT THE AGENDA WITH THE FOREGOING AMENDMENTS. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO APPROVE THE MINUTES OF THE PUBLIC HEARING OF OCTOBER 21, 2014 AND THE REGULAR MEETING OF OCTOBER 21, 2014

THEREUPON, ALDERMAN AMACKER MADE A MOTION TO APPROVE THE MINUTES OF THE PUBLIC HEARING OF OCTOBER 21, 2014 AND THE REGULAR MEETING OF OCTOBER 21, 2014 AS WRITTEN. ALDERMAN KING SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX CALLED FOR PUBLIC COMMENT.

THEREUPON, SUZANNE SIKES ADDRESSED THE BOARD REGARDING PROBLEMS WITH A "GROWTH" ON THE INSIDE OF HER TOILET AND COMPLAINTS REGARDING TRUCKS HAULING DIRT ON KELLY ROSE LANE.

THEREUPON, DUDLEY WESTBROOK ADDRESSED THE BOARD AS GOVERNMENT SALES REP FOR JEFF MARTIN AUCTIONEERS.

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING RESOLUTION AUTHORIZING THE EMPLOYMENT OF PROFESSIONALS IN CONNECTION WITH THE CITY'S CONTINUING DISCLOSURE STATEMENT.

EXHIBIT "A"

RESOLUTION

THEREUPON, ALDERMAN KING MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION. ALDERMAN BULLOCK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE SEALED BIDS ON STREET EQUIPMENT

THEREUPON, ALDERMAN AMACKER MADE A MOTION TO TAKE THE BIDS UNDER ADVISEMENT. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE LETTER OF INTENT AUTHORIZING RAYMOND JAMES, LLC AS UNDERWRITER FOR SERIES 2014 REFUNDING BONDS.

EXHIBIT "B"

LETTER OF INTENT

THEREUPON, ALDERMAN KING MADE A MOTION TO APPROVE THE LETTER OF INTENT AUTHORIZING RAYMOND JAMES, LLC AS UNDERWRITER FOR SERIES 2014 REFUNDING BONDS. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE AGREEMENT WITH CGI FOR PROMOTIONAL VIDEOS FOR CITY WEBSITE.

EXHIBIT "C"

AGREEMENT

THEREUPON, ALDERMAN KING MADE A MOTION TO ACCEPT THE AGREEMENT WITH CGI FOR PROMOTIONAL VIDEOS FOR THE CITY WEBSITE. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE POLICIES AND PROCEDURES FOR CONTINUING DISCLOSURE/SEC RULE 15C2-12 COMPLIANCE

EXHIBIT "D"

POLICIES AND PROCEDURES

THEREUPON, ALDERMAN KING MADE A MOTION TO ADOPT THE FOREGOING POLICIES AND PROCEDURES. ALDERMAN BULLOCK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO ACCEPT THE PLANNING COMMISSION RECOMMENDATION TO GRANT A ZONING CHANGE FOR PROPERTY LOCATED AT 111 SMITH ST

EXHIBIT "E"

ORDINANCE 1979 (42-A389)

THEREUPON, ALDERMAN MOORE MADE A MOTION TO ACCEPT THE PLANNING COMMISSION RECOMMENDATION TO GRANT A ZONING CHANGE FOR PROPERTY LOCATED AT 111 SMITH ST ADOPTING THE FOREGOING ORDINANCE. ALDERMAN KING SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO ACCEPT THE PLANNING COMMISSION RECOMMENDATION TO GRANT THE FOLLOWING VARIANCES TO PROPERTY LOCATED AT 106 MCCAULAY DR.

- RELIEF FROM 25' FRONT SETBACK AND THE 20' REAR SETBACK
- RELIEF FROM ADDING A FAÇADE TO THE BUILDING ADDITION WITH THE STIPULATION THAT THE COLOR OF THE METAL MATCH THE EXISTING BUILDING
- RELIEF FROM THE 20' REAR BUFFER AND 6' PRIVACY FENCE WITH THE STIPULATION THAT IF THE LAND AT THE REAR OF THE PROPERTY IS CLEARED THE OWNER MUST INSTALL A 6' PRIVACY FENCE

THEREUPON, ALDERMAN KING MADE A MOTION TO ACCEPT THE PLANNING COMMISSION RECOMMENDATION GRANTING THE FOREGOING VARIANCES TO PROPERTY LOCATED AT 106 MCCAULAY DR. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE MEMORANDUM OF UNDERSTANDING WITH EARTHWORX, LLC FOR WASTEWATER TREATMENT OPTIONS.

EXHIBIT "F"

MOU – EARTHWORX, LLC

THEREUPON, ALDERMAN BULLOCK MADE A MOTION TO APPROVE THE MEMORANDUM OF UNDERSTANDING WITH EARTHWORX, LLC FOR WASTEWATER TREATMENT OPTIONS. ALDERMAN KING SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE MUNICIPAL COMPLIANCE QUESTIONNAIRE FOR FYE 2014.

EXHIBIT "G"

MUNICIPAL COMPLIANCE QUESTIONNAIRE

THEREUPON, ALDERMAN KING MADE A MOTION TO APPROVE THE MUNICIPAL COMPLIANCE QUESTIONNAIRE FOR FYE 2014. ALDERMAN BULLOCK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST FOR AN ADJUSTMENT TO WATER SERVICES BILLED TO 116 WILLARD LANE

THEREUPON, ALDERMAN KING NOTED EVIDENCE OF A REPAIRED LEAK AND MADE A MOTION TO AUTHORIZE AN ADJUSTMENT IN THE AMOUNT OF \$20.50 TO WATER SERVICES BILLED TO 116 WILLARD LANE. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST FOR AN ADJUSTMENT TO WATER SERVICES BILLED TO 136 MEADOWWOOD DR.

THEREUPON, ALDERMAN KING NOTED EVIDENCE OF A REPAIRED LEAK AND MADE A MOTION TO AUTHORIZE AN ADJUSTMENT IN THE AMOUNT OF \$127.00 TO WATER SERVICES BILLED TO 136 MEADOWWOOD DR. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO DISPOSE OF THE FOLLOWING EQUIPMENT IN THE POLICE DEPT

- HP DESKJET 5650 PRINTER, SN: MY37L3K0SZ
- HP DESKJET 5650 PRINTER, SN: MY3491J0JV
- HP DESKJET 5650 PRINTER, SN: MY3491K0KB

THEREUPON, ALDERMAN KING MADE A MOTION TO AUTHORIZE THE DISPOSAL OF THE FOREGOING EQUIPMENT IN THE POLICE DEPT. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO ACCEPT FORFEITED MONIES IN THE AMOUNT OF \$335.94 INTO THE LAW ENFORCEMENT FUND

THEREUPON, ALDERMAN KING MADE A MOTION TO AUTHORIZE THE RECEIPT OF FORFEITED MONIES IN THE AMOUNT OF \$335.94 INTO THE LAW ENFORCEMENT FUND. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO PAY ESTIMATE #2 IN THE AMOUNT OF \$368,419.45 TO DUNN ROADBUILDERS FOR 2014 STREET OVERLAY PER SHOWS. DEARMAN & WAITS RECOMMENDATION

THEREUPON, ALDERMAN KING MADE A MOTION TO AUTHORIZE THE CITY CLERK TO PAY ESTIMATE #2 IN THE AMOUNT OF \$368,419.45 TO DUNN ROADBUILDERS FOR 2014 STREET OVERLAY PER SHOWS, DEARMAN & WAITS RECOMMENDATION. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE RESIGNATION OF CHRISTOPHER PARKER IN THE POLICE DEPT

THEREUPON, ALDERMAN KING MADE A MOTION TO ACCEPT THE RESIGNATION OF CHRISTOPHER PARKER IN THE POLICE DEPT. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE RESIGNATION OF MITCH NOBLES IN THE POLICE DEPT

THEREUPON, ALDERMAN KING MADE A MOTION TO ACCEPT THE RESIGNATION OF MITCH NOBLES IN THE POLICE DEPT EFFECTIVE OCTOBER 20, 2014. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE RESIGNATION OF JOHN TRYNER IN THE POLICE DEPT

THEREUPON, ALDERMAN KING MADE A MOTION TO ACCEPT THE RESIGNATION OF JOHN TRYNER IN THE POLICE DEPT EFFECTIVE OCTOBER 6, 2014. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING

ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE DOCKET OF CLAIMS FOR THE MONTH OF OCTOBER 2014

THEREUPON, ALDERMAN KING MADE A MOTION TO AUTHORIZE THE CITY CLERK TO PAY THE DOCKET OF CLAIMS FOR THE MONTH OF OCTOBER 2014. ALDERMAN BULLOCK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO PURCHASE AN AD IN THE JUNIOR MISS PROGRAM.

THEREUPON, ALDERMAN KING MADE A MOTION TO PURCHASE A QUARTER PAGE AD IN THE AMOUNT OF \$100.00 IN THE JUNIOR MISS PROGRAM. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE AUDIT FINDINGS AND ANSWERS FOR FYE2013

EXHIBIT "II"

AUDIT LETTER

THEREUPON, ALDERMAN KING MADE A MOTION TO ACCEPT THE AUDIT FINDINGS AND ANSWERS FOR FYE2013. ALDERMAN BULLOCK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE ENGAGEMENT LETTER WITH WRIGHT CPA GROUP, LLC FOR FYE2014 AUDIT SERVICES.

EXHIBIT "I"

ENGAGEMENT LETTER

THEREUPON, ALDERMAN KING MADE A MOTION TO ACCEPT THE ENGAGEMENT LETTER WITH WRIGHT CPA GROUP, LLC FOR FYE2014 AUDIT SERVICES. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO DISPOSE OF THE FOLLOWING ITEMS IN THE RECREATION DEPT

- 2 - DESKS

- 1 – CONFERENCE TABLE
- 2 – CHAIRS
- 4 – FILE CABINETS

THEREUPON, ALDERMAN MOORE MADE A MOTION TO AUTHORIZER THE DISPOSAL OF THE FOREGOING ITEMS IN THE RECREATION DEPT. ALDERMAN KING SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE RESIGNATION OF DAVID HUTTO IN THE POLICE DEPT

THEREUPON, ALDERMAN KING MADE A MOTION TO ACCEPT THE RESIGNATION OF DAVID HUTTO IN THE POLICE DEPT EFFECTIVE NOVEMBER 13, 2014. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST FOR THE FOLLOWING TO ATTEND A ONE DAY CLASS REGARDING OFFICER INVOLVED SHOOTING IN RIDGELAND, MS

- MATTHEW HIATT
- JASON JAMES
- CRAIG LOCKE

THEREUPON, ALDERMAN KING MADE A MOTION TO AUTHORIZE THE FOREGOING OFFICERS TO ATTEND A ONE DAY CLASS REGARDING OFFICER INVOLVED SHOOTING IN RIDGELAND, MS ON DECEMBER 16, 2014 AT NO COST. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING ORDER TRANSFERRING ROBERT DELPRETE FROM PART TIME TO FULLTIME

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN  
OF THE CITY OF PETAL DEEM IT NECESSARY TO HIRE  
A FULLTIME EMPLOYEE IN THE RECREATION DEPT

IT IS HEREBY ORDERED THAT ROBERT DELPRETE  
BE TRANSFERRED FROM PART TIME TO FULL TIME  
AT A RATE OF \$9.00 PER HOUR EFFECTIVE NOVEMBER 5, 2014

SO ORDERED THIS THE 4<sup>TH</sup> DAY OF NOVEMBER 2014

THEREUPON, ALDERMAN KING MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING ORDER HIRING TERRY MCLAURIN IN THE RECREATION DEPT

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN  
OF THE CITY OF PETAL DEEM IT NECESSARY TO  
HIRE A PART TIME EMPLOYEE IN THE RECREATION DEPT

IT IS HEREBY ORDERED THAT TERRY MCLAURIN BE  
HIRED PART TIME IN THE RECREATION DEPT AT A  
RATE OF \$9.00 PER HOUR PENDING DRUG SCREEN AND  
PHYSICAL RESULTS

SO ORDERED THIS THE 4<sup>TH</sup> DAY OF NOVEMBER 2014

THEREUPON, ALDERMAN KING MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN AMACKER  
SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO CLEAR THE ROOM TO SEE THE NEED FOR EXECUTIVE  
SESSION.

THEREUPON, ALDERMAN AMACKER MADE A MOTION TO CLEAR THE ROOM TO DETERMINE THE NEED FOR  
EXECUTIVE SESSION. ALDERMAN BULLOCK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN AMACKER MADE A MOTION TO ENTER INTO EXECUTIVE SESSION. ALDERMAN  
BULLOCK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN KING MADE A MOTION TO ADJOURN THE EXECUTIVE SESSION. ALDERMAN  
MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

NO OFFICIAL ACTION WAS TAKEN DURING EXECUTIVE SESSION.

THEREUPON, ALDERMAN CLAYTON MADE A MOTION TO ADJOURN THE REGULAR MEETING. ALDERMAN  
MOORE SECONDED THE MOTION.



THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

THOSE PRESENT AND VOTING "NAY"

NONE

THERE BEING NO FURTHER BUSINESS, THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI WAS ADJOURNED ON NOVEMBER 4, 2014.



MAYOR HAL MARX

SEAL

ATTEST



MELISSA MARTIN, CITY CLERK

EXHIBIT "A"

The Mayor and Board of Aldermen (the "Governing Body") of the City of Petal, Mississippi (the "City") took up for consideration the matter of establishing appropriate policies and procedures regarding continuing disclosure obligations and thereupon Alderman King offered and moved for the adoption of the following resolution:

**RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI (THE "CITY") AUTHORIZING THE EMPLOYMENT OF PROFESSIONALS IN CONNECTION WITH THE CITY'S ANNUAL CONTINUING DISCLOSURE FILING REQUIREMENT PURSUANT TO RULE 15C2-12, AS AMENDED FROM TIME TO TIME; AUTHORIZING AND APPROVING THE FORM OF A MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE QUESTIONNAIRE (THE "QUESTIONNAIRE") AND THE FILING OF THE QUESTIONNAIRE WITH THE SECURITIES AND EXCHANGE COMMISSION; AUTHORIZING AND APPROVING THE FORM OF AND ADOPTION OF POLICIES AND PROCEDURES FOR CONTINUING DISCLOSURE/SEC RULE 15C2-12 COMPLIANCE; AND FOR RELATED PURPOSES.**

WHEREAS, pursuant to Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the "Rule"), the City is required to provide on an annual basis certain financial information and operating data to the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system at [www.emma.msrb.org](http://www.emma.msrb.org) ("EMMA"), in the electronic format then prescribed by the Securities and Exchange Commission (the "SEC") (the "Required Electronic Format") pursuant to the Rule (the "Annual Filing");

WHEREAS, the Governing Body finds it is in the best interest of the City to authorize the law firm of Butler Snow LLP, Ridgeland, Mississippi to serve as dissemination agent and to prepare and distribute all necessary documents in connection with the City's Annual Filing and to approve the form of the engagement letter in connection with the City's Annual Filing;

WHEREAS, the Municipalities Continuing Disclosure Cooperation Initiative (the "Initiative") was created by the SEC to encourage self-reporting by issuers of possible violations related to potential misrepresentations in offering documents concerning an issuer's prior compliance with continuing disclosure obligations through the filing of a Municipalities Cooperation Initiative Questionnaire for Self-Reporting Entities (the "Questionnaire");

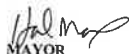
WHEREAS, the Governing Body finds it is in the best interest of the City to participate in the Initiative and to approve the form/forms of the Questionnaire and to authorize the law firm of Butler Snow LLP, Ridgeland, Mississippi as special counsel to the City to submit the Questionnaire to the SEC and to approve the form of the engagement letter in connection with submission of the Questionnaire to the Initiative; and

**SECTION 7. All orders, resolutions or proceedings of the Governing Body in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded and set aside, but only to the extent of such conflict. For cause, this resolution shall become effective upon the adoption hereof.**

Following further discussion of the foregoing Resolution, Alderman Bullock seconded the motion for its adoption and the question being put to a roll call vote, and the result was as follows:

Alderman William King	Voted: <u>Aye</u>
Alderman David Clayton	Voted: <u>n/a</u>
Alderman Steve Stringer	Voted: <u>n/a</u>
Alderman Clint Moore	Voted: <u>Aye</u>
Alderman Brad Amacker	Voted: <u>Aye</u>
Alderman Tony Ducker	Voted: <u>n/a</u>
Alderman Craig Bullock	Voted: <u>Aye</u>

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted, on this the 4th day of November, 2014.

  
MAYOR

ATTEST:

  
CITY CLERK



EXHIBIT A

WHEREAS, the Governing Body finds it is in the best interest of the City to monitor post issuance compliance in connection with the City's outstanding bond obligations and pursuant to the City's continuing disclosure agreements/certificates executed in connection with the City's outstanding bond obligations and to approve the form of and execution of the Policies and Procedures For Continuing Disclosure/SEC Rule 15c2-12 Compliance (the "Policy"), to be dated as of the date of this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Petal, Mississippi, acting for and on behalf of the City, as follows:

SECTION 1. That the Governing Body of the City hereby employs the law firm of Butler Snow LLP to serve as dissemination agent and to compile the necessary information, with the assistance of the City, in connection with the City's Annual Filing, and the Mayor and/or the City Clerk of the City are hereby authorized and directed to execute and deliver the engagement letter, attached hereto as EXHIBIT A.

SECTION 2. The Governing Body of the City hereby approves the participation in the Initiative and the form of the Questionnaire and the Mayor and/or the City Clerk of the City are hereby authorized and directed to execute said Questionnaire on behalf of the City, which said Questionnaire shall be in substantially the form attached hereto as EXHIBIT B, with such completions, changes, insertions and modifications as shall be approved by the officers executing and delivering the same.

SECTION 3. The Governing Body of the City hereby employs the law firm of Butler Snow LLP to serve as special counsel to the City in connection with the participation in the Initiative, and the Mayor and/or the City Clerk of the City are hereby authorized and directed to execute and deliver the engagement letter, attached hereto as EXHIBIT C. The Governing Body of the City hereby authorizes the City Clerk and the City Attorney to assist Butler Snow LLP in connection with the participation in the Initiative.

SECTION 4. Butler Snow, LLP, Ridgeland, Mississippi is hereby approved to submit the Questionnaire for and on behalf of the City on or before December 1, 2014 to the SEC.

SECTION 5. The form of the Policy is hereby approved, and the Mayor and the City Clerk of the City are hereby authorized and directed to execute said Policy on behalf of the City. All provisions of the Policy, when executed as authorized herein, shall be incorporated herein, and shall be deemed to be a part of this Resolution fully and to the same extent as if separately set out verbatim herein, which said Policy shall be in substantially the form attached hereto as EXHIBIT D, with such completions, changes, insertions and modifications as shall be approved by the officers executing and delivering the same.

SECTION 6. The Mayor and/or City Clerk or any other authorized officer of the Governing Body, be, and they are hereby authorized and directed for and on behalf of the City, to take any and all such actions as may be required by the City to carry out and to give effect to the aforesaid documents authorized pursuant to this resolution and to execute all papers.

EXHIBIT A

DISSIMINATION AGENT ENGAGEMENT LETTER

EXHIBIT "A"

BUTLER | SNOW

October 31, 2014

VIA E-MAIL AT MELISSA@CITYOFPETAL.COM

City of Petal, Mississippi  
Attn: Melissa Martin, City Clerk  
19 W. 8<sup>th</sup> Avenue  
Petal, MS 39465

Re: City of Petal, Mississippi 2015 Continuing Disclosure Submission

Dear Ms. Martin:

We served as Bond Counsel in connection with various bond issues of the City. In the past, the City retained our firm to prepare and submit the City's Continuing Disclosure Information Statement in connection with the Bonds. It is once again time to prepare the current year's annual disclosure.

As you may recall, pursuant to each Continuing Disclosure Agreement executed in connection with the issuance of the Bonds, the City is required to provide on an annual basis certain financial information and operating data to the (i) (a) Municipal Securities Rulemaking Board (the "MSRB") through MSRB's Electronic Municipal Market Access system at [www.emma.msrb.org](http://www.emma.msrb.org) ("EMMA"), in the electronic format then prescribed by the Securities and Exchange Commission (the "SEC") (the "Required Electronic Format") pursuant to Rule 15c2-12, as amended from time to time (the "Rule") of the SEC, together with any identifying information or other information then required to accompany the applicable filing (the "Accompanying Information"), and (b) in the future, any successor repository or repositories prescribed by the SEC for the purpose of serving as repository under the Rule (together (a) and (b) are the "National Repository"); and (ii) any public or private repository or entity designated by the State as a State repository for the purposes of the Rule (the "State Repository" and together with the National Repository, the "Repository"), together with any identifying information or other information then required to accompany the applicable filing (the "Accompanying Information"). This continuing disclosure requirement is set forth in the Rule and requires such updated data be filed with EMMA no later than 180 days after the end of each fiscal year. **This year's filing is due on or before March 31, 2015.** Failure to file timely and to comply with the Rule could result in an Enforcement Action by the SEC where the SEC may attempt to require performance and may allege penalties are owed. Additionally, the City's failure to disclose timely may adversely impact bondholders of the Bonds and could adversely affect the sale of future bonds issued by the City.

If you would like for our firm to again prepare the Continuing Disclosure Information Statement, we will charge legal fees in an amount not to exceed \$2,500.00 (which includes expenses) to compile the necessary information, with the assistance of the City, and submit the same EMMA.

If you would like for us to handle this matter for you, please have this proposal approved and return a signed copy of this letter to us at your earliest convenience. Alternatively, if you do not wish for us to handle this matter for you, please sign the portion of this letter indicating same, and return it to us. If you have any questions or wish to discuss this matter further, please do not hesitate to contact me.

Very truly yours,

BUTLER SNOW LLP

*Elizabeth Lambert Clark*  
Elizabeth Lambert Clark

APPROVED BY:

Name: *Hal May*  
Title: *Mayor*

We do not wish to retain Butler Snow LLP to prepare the Continuing Disclosure Information Statement for the City of Petal.

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

cc: Thomas W. Tyner, Esquire (via e-mail at [tomtyner@yahoo.com](mailto:tomtyner@yahoo.com))

ButlerSnow 23241030v1

Post Office Box 5010  
Ridgeland, MS 39158-0010

Tel: 601.344.3712  
Fax: 601.344.4300  
[www.bsn.com](http://www.bsn.com)

Suite 400  
1830 Highland Colony Parkway  
Ridgeland, MS 39157

Butler Snow LLP



U.S. SECURITIES AND EXCHANGE COMMISSION  
DIVISION OF ENFORCEMENT

MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE  
QUESTIONNAIRE FOR SELF-REPORTING ENTITIES

NOTE: The information being requested in this Questionnaire is subject to the Commission's routine uses. A list of those uses is contained in SEC Form 1662, which also contains other important information.

1. Please provide the official name of the entity that is self-reporting ("Self-Reporting Entity") pursuant to the MCDC Initiative along with contact information for the Self-Reporting Entity:

Individual Contact Name:  
Individual Contact Title:  
Individual Contact telephone:  
Individual Contact Fax number:  
Individual Contact email address:

Full Legal Name of Self-Reporting Entity:  
Mailing Address (number and street):  
Mailing Address (city):  
Mailing Address (state): Mississippi  
Mailing Address (zip):

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: Mississippi  
Full Name of Issuing Entity:  
Full Legal Name of Obligor (if any):  
Full Name of Security Issue:  
Initial Principal Amount of Bond Issuance:  
Date of Offering:  
Date of final Official Statement (format MMDDYYYY):  
Nine Character CUSIP number of last maturity:

EXHIBIT B

FORM OF QUESTIONNAIRE

EXHIBIT "A"

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):
- Issuer
  - Obligor
  - Underwriter
4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):
- Senior Managing Underwriting Firm:  
Primary Individual Contact at Underwriter:
- Financial Advisor:  
Primary Individual Contact at Financial Advisor:
- Bond Counsel Firm:  
Primary Individual Contact at Bond Counsel:
- Law Firm Serving as Underwriter's Counsel:  
Primary Individual Contact at Underwriter's Counsel:
- Law Firm Serving as Disclosure Counsel:  
Primary Individual Contact at Disclosure Counsel:
5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):  
PLEASE SEE ATTACHED EXHITLMAL,DMFPL

On behalf of  
I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MCDC Initiative.

By: Hal Marx  
Name of Duly Authorized Signer: Hal Marx  
Title: Mayor

BUTLER | SNOW

October 31, 2014

VIA E-MAIL AT MELISSA@CITYOFPETAL.COM

City of Petal, Mississippi  
Attn: Melissa Martin, City Clerk  
119 W. 8<sup>th</sup> Avenue  
Petal, MS 39465

Re: City of Petal, Mississippi 2015 Continuing Disclosure Submission

Dear Ms. Martin:

This letter is to confirm our engagement as special counsel to the City of Petal, Mississippi (the "City") in connection with advising the City with regard to possible participation in the Municipalities Continuing Disclosure Cooperation Initiative (the "Initiative") of the Securities and Exchange Commission (the "SEC"). This letter sets forth the role we propose to serve and the responsibilities we propose to assume as special counsel to the City in connection with this engagement. Our engagement hereunder is as special counsel to the City and we are not representing any officer or any individual member of the governing body of the City in connection with these matters.

**Scope of Services**

We understand our employment will include conferences with the City with regard to its past compliance with its continuing disclosure undertakings in connection with prior City financings, reviewing statements made by the City regarding its compliance in Official Statements delivered to investors since 2009, and advising the City about whether to participate in the Initiative. Our services do not include financial advice to the City. Our services as special counsel to the City are limited to those contracted for explicitly herein and the execution of this letter by the City constitutes an acknowledgment of those limitations.

**Attorney-Client Relationship**

In performing our services as special counsel, the City will be our client. We will represent the interests of the City, respectively, rather than the City Council, the Council's individual members, or the City's employees.

**Conflicts of Interest**

Before accepting any new business, the Mississippi Rules of Professional Conduct (the "Rules") require us to evaluate whether there exist any ethical constraints to representing the City. We have completed a conflicts check within our firm and have found no current conflict between the City and our existing clients.

Butler Snow LLP  
Ridgeland, MS 39158-6010 | 7501 948 3711 | 7501 565 4500 | 1670 Highland Colony Parkway | Ridgeland, MS 39117

BUTLER SNOW LLP

EXHIBIT C  
SPECIAL COUNSEL ENGAGEMENT LETTER

EXHIBIT "A"

City of Petal  
October 31, 2014  
Page 2

As we discussed, we have served as bond counsel to the City in connection with bond issuances which we understand have been self-reported by certain underwriters under the Initiative and are included under Exhibit C attached hereto. We have participated in the preparation of official statements and continuing disclosure undertakings subject to our bond counsel representation. We have also assisted the City with certain annual continuing disclosure undertakings related to City bond issuances.

The Initiative may create a tension between the City and its officials, employees and representative advisors. Initiative participation does not protect individuals associated with bond issues from further enforcement action. If the SEC pursues action against City officials as a result of information gleaned from the Initiative questionnaire, representatives of the City may be required to cooperate with the SEC in the ensuing investigation. The information in the MCDC questionnaire may also lead to investigations of and enforcement actions against City advisors such as underwriters, financial advisors or bond lawyers.

At this time, to the best of our knowledge, the SEC has made no allegations against City representatives or advisors as described in the immediately preceding paragraph. It is possible, though, that the interests of the City and Butler Snow may diverge in connection with Butler Snow representation hereunder in the event that the SEC pursues action against other transaction participants (including Butler Snow) as a result of the Initiative. The City and Butler Snow hereby agree that should there ever be any litigation, arbitration or other adversary proceeding, claim or dispute that may result in a conflict of interest between Butler Snow and the City, Butler Snow may be required to either request additional waivers from the City and/or terminate our engagement as special counsel hereunder.

**Financial Arrangements**

This letter authorizes us to incur expenses and make disbursements on behalf of the City, which will include such items as travel costs, photocopying, deliveries and other out-of-pocket costs. Attached as Exhibit A is the Butler Snow billing policy.

**Document Retention**

Butler Snow maintains its client files electronically. We do not keep separate paper files. We will scan documents you or others send to us related to your matter to our electronic file for that matter and will retain only the electronic version while your matter is pending. Unless you instruct us otherwise, once such documents have been scanned to our electronic file, we will destroy all paper documents provided to us. If you send us original documents that need to be maintained as originals while the matter is pending, we ordinarily will scan those to our client file and return the originals to you for safekeeping. Alternatively, you may request that we maintain such originals while the matter is pending. If we agree to do that, we will make appropriate arrangements to maintain those original documents.

Unless you instruct us otherwise, once our work on this matter is completed, we will designate your file as a closed file on our system and will apply our document retention policy then in effect to the materials in your closed file. At that time, we ordinarily will return to you

City of Petal  
October 31, 2014  
Page 3

any original documents we have maintained in accordance with the preceding paragraph while the matter was pending. Otherwise, we will retain the closed file materials for our benefit and subject to our own policies and procedures concerning file retention and destruction. Accordingly, if you desire copies of any documents (including correspondence, e-mails, pleadings, contracts, agreements, etc.) related to this matter or generated while it was pending, you should request such copies at the time our work on this matter is completed. A more complete notice of Butler Snow's Record Retention and Destruction Policy for Client Files, which also will be applicable to this Engagement, is attached as Exhibit B and incorporated herein by reference.

**Termination of Engagement**

Upon completion of our services as outlined in this letter, our responsibilities as special counsel will terminate and our representation of the City and the attorney-client relationship created by this engagement letter will be concluded. Should the City seek other, additional legal services, we would be happy to discuss the nature and extent of our separate engagement at that time.

We are pleased to have the City as our client, and look forward to a mutually satisfactory and beneficial relationship. If the foregoing terms are acceptable to you, please so indicate by returning a copy of this letter signed by the appropriate individual so authorized for the City and keeping a copy for your files. Thank you.

BUTLER SNOW LLP

*Wizobek Penn Clark*

Accepted and Approved:

CITY OF PETAL, MISSISSIPPI

By: *Wizobek Penn Clark*  
Title: *Mayor*  
Date: *11-5-14*

Enclosures  
cc: Thomas W. Tyner, Esquire (via e-mail at [tomtyner@yahoo.com](mailto:tomtyner@yahoo.com))

**Exhibit A  
BUTLER SNOW LLP  
STANDARD BILLING TERMS AND CHARGES FOR EXPENSES  
As of January 1, 2014**

Butler Snow LLP (the "Firm") will bill clients on a monthly basis for legal services, unless another arrangement is agreed to and approved in writing by the Firm and the Client. The Firm typically sends bills for legal services and expenses via the U.S. Postal Service or by e-mail. Electronic billing services may also be used by specific agreement.

It is our goal that our bills are easy to understand, simple, and reflect appropriate charges for the value our services provided. As such, we do not charge for many incidental costs or routine services. We are continually working to ensure that our bills are clear and understandable. Should you have questions about any aspect of your bill, please contact the Firm as soon as possible so that your concerns may be quickly resolved. The chart below spells out the complete details of our expense charges. Our payment terms are payment within 15 days of receipt of the bill, unless other arrangements are agreed to in advance.

Any overpayments or duplicate payments the Firm receives that cannot be posted to an outstanding bill ("unapplied payments") will be deposited into the Firm's operating account upon receipt and posted as unapplied cash to the client's account. These unapplied payments will either be applied to a future bill or refunded to the client, whichever is appropriate.

<b>Document Reproduction</b>	No charge for routine reproduction (under 50 pages per day) For reproduction in excess of 50 pages per day – Black & White: \$0.10/page Color: \$0.25/page Bates Labeling – Electronic: \$0.05/page Manual: \$0.15/page
<b>Normal sized documents (up to 11 x 17)</b>	Charge for each page – no exclusion Black & white: \$6.00/page Color: \$30.00/page \$75 per hour
<b>Oversize documents (size in excess of 11 x 17)</b>	
<b>Electronic Data Manipulation for reproduction</b>	
<b>Document Scanning</b>	No charge for routine scanning (except evidentiary materials) Bulk scanning of evidentiary documents: \$0.06/page (additional charge for document coding)

<b>Oversize documents (size in excess of 11 x 17)</b>	\$10.00/page
<b>Wire Transfers</b>	Outgoing: International: \$50/wire Domestic: \$25/wire
<b>Data/Audio/Visual Duplication &amp; Reproduction</b>	CD/DVD: \$12.00 for each disc Portable Media Devices: Priced per data storage size
<b>Electronically Stored Information (Litigation Support Services)</b>	Data Filtering/Searching: \$50.00/gb per occurrence Data Processing Native: \$200.00/gb per occurrence Data Processing Full Tiff: \$250.00/gb per occurrence Data Storage: \$15.00/gb per mo.
<b>Computerized Legal Research</b>	No charge for basic research, \$25/search for public records, special treatises, briefs, motions and expert directory databases. Specialized research at actual cost with prior client approval
<b>Electronic retrieval of Court documents</b>	\$0.40 / document
<b>Electronic retrieval of Court documents</b>	No charge for calls or Fax transmissions within the United States. Non-domestic and conference calls charged at actual cost.
<b>Travel (personal vehicle)</b>	Current Standard Mileage Rate as allowed by the IRS
<b>Messenger Delivery and Service of Subpoenas or Summons</b>	Deliveries under 10 miles one way-No charge; 10-25 miles one way - \$25.00; over 25 miles one way - \$10.00/hour plus mileage; Service of Subpoenas/Summons - \$35.00 plus delivery
<b>Overnight Package Delivery</b>	Charged at actual cost per package
<b>Postage</b>	No charge for routine postage (under \$25 per day) Bulk mailing postage: at actual cost

EXHIBIT "A"

**Exhibit B**

**NOTICE TO CLIENTS OF BUTLER SNOW'S  
RECORD RETENTION & DESTRUCTION POLICY FOR CLIENT FILES**

Butler Snow maintains its client files electronically. Ordinarily, we do not keep separate paper files. We will scan documents you or others send to us related to your matter to our electronic file for that matter and will ordinarily retain only the electronic version while your matter is pending. **Unless you instruct us otherwise, once such documents have been scanned to our electronic file, we will destroy all paper documents provided to us.** If you send us original documents that need to be maintained as originals while the matter is pending, we ordinarily will scan those to our client file and return the originals to you for safekeeping. Alternatively, you may request that we maintain such originals while the matter is pending. If we agree to do that, we will make appropriate arrangements to maintain those original documents while the matter is pending.

At all times, records and documents in our possession relating to your representation are subject to Butler Snow's Record Retention and Destruction Policy for Client Files. Compliance with this policy is necessary to fulfill the firm's legal and ethical duties and obligations, and to ensure that information and data relating to you and the legal services we provide are maintained in strict confidence at all times during and after the engagement. All client matter files are subject to these policies and procedures.

At your request, at any time during the representation, you may access or receive copies of any records or documents in our possession relating to the legal services being provided to you, excluding certain firm business or accounting records. We reserve the right to retain originals or copies of any such records or documents as needed during the course of the representation.

Unless you instruct us otherwise, once our work on this matter is completed, we will designate your file as a closed file on our system and will apply our document retention policy then in effect to the materials in your closed files. At that time, we ordinarily will return to you any original documents we have maintained in accordance with the preceding paragraph while the matter was pending. Otherwise, we will retain the closed file materials for our benefit and subject to our own policies and procedures concerning file retention and destruction. Accordingly, if you desire copies of any documents (including correspondence, e-mails, pleadings, contracts, agreements, etc.) related to this matter or generated while it was pending, you should request such copies at the time our work on this matter is completed.

You will be notified and given the opportunity to identify and request copies of such items you would like to have sent to you or someone else designated by you. You will have 30 days from the date our notification is sent to you to advise us of any items you would like to receive. You will be billed for the expense of assimilating, copying and transmitting such records. We reserve the right to retain copies of any such items as we deem appropriate or necessary for our use. Any non-public information, records or documents retained by Butler Snow and its employees will be kept confidential in accordance with applicable rules of professional responsibility.

Any file records and documents or other items not requested within 30 days will become subject to the terms of Butler Snow's Record Retention and Destruction Policy for Client Files and will be subject to final disposition by Butler Snow at its sole discretion. Pursuant to the terms of Butler Snow's Record Retention and Destruction Policy for Client Files, all unnecessary or extraneous items, records or documents may be removed from the file and destroyed. The remainder of the file will be prepared for closing and placed in storage or archived. It will be retained for the period of time established by the policy for files related to this practice area, after which it will be completely destroyed. This includes all records and documents, regardless of format.

While we will use our best efforts to maintain confidentiality and security over all file records and documents placed in storage or archived, to the extent allowed by applicable law, Butler Snow specifically disclaims any responsibility for claimed damages or liability arising from damage or destruction to such records and documents, whether caused by accident; natural disasters such as flood, fire, or wind damage; terrorist attacks; equipment failures; breaches of Butler Snow's network security; or the negligence of third-party providers engaged by our firm to store and retrieve records.

**Exhibit C**

**Bond Issues Reported to SEC**

\$2,155,000 General Obligation Refunding Bonds, Series 2012 dated 9/27/12 (Duncan-Williams, Inc.)

ButlerSnow 23240826v2

**EXHIBIT D**

**POLICY**

ButlerSnow 23240991v1

EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI  
POLICIES AND PROCEDURES  
FOR CONTINUING DISCLOSURE/SEC RULE 15c2-12 COMPLIANCE

**I. Statement of Purpose**

This Policies and Procedures for Continuing Disclosure/SEC Rule 15c2-12 Compliance (this "Policy") designates specific policies of the City of Petal, Mississippi (the "Issuer") to monitor and ensure post-issuance compliance under and pursuant to its continuing disclosure agreements/certificates (the "CDA") in connection with certain bond obligations (the "Obligations") issued by the Issuer with applicable provisions of the Securities and Exchange Commission's ("SEC") Rule 15c2-12 (the "Rule").

This Policy describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the Obligations be, or continue to be, in compliance with the CDA and the Rule. The Issuer recognizes that compliance with the Rule is an on-going process, necessary, during the entire term of the Obligations, and is an integral component of the Issuer's overall debt management policies. Accordingly, the analysis of those facts and implementation of this Policy will require on-going monitoring and may require consultation with bond counsel or other professionals beyond the scope of their initial engagement with respect to the issuance of particular Obligations.

**II. Responsible Parties**

- A. The Mayor shall identify an appropriate officer (currently the City Clerk) to be responsible for monitoring the Issuer's post-issuance compliance issues (the "Staff Designee"). The City Clerk shall be responsible for ensuring an adequate succession plan for transferring post-issuance compliance responsibility when changes in officers and staff occur.
- B. The Staff Designee will coordinate procedures for record retention and review of such records.
- C. The Staff Designee will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually, will keep a log to document such reviews, and will consult as necessary with the Issuer's financial advisor and bond counsel.
- D. The Staff Designee shall maintain originals and copies of all documents and other records relating to the Obligations.
- E. The Staff Designee will review each issue of Obligations for compliance with this Policy on a periodic basis, but not less than annually, and will keep a log to document such reviews.

**III. General Recordkeeping**

The Staff Designee will maintain and store a copy of the following documents on file at all times for the life of the Obligations plus three (3) years:

- 1. Audited Financial Statements;
- 2. Budget for next fiscal year;
- 3. Accounting principles pursuant to which the Audited Financial Statements were prepared; and
- 4. Operating and financial information contained in the official statement in connection with the Obligation.

- G. Confirm that no listed event as required by the Issuer's CDA has occurred. If the Issuer determines that a listed event has occurred, confirm that the Agent causes a notice of such occurrence (the "Material Event Notice") to be filed with the MSRB on or before the time period prescribed by the Rule, through EMMA, together with a cover sheet in substantially the form attached hereto as Exhibit B.

**V. Material Event Notice**

The following policies relate to compliance with regulations regarding the filing of a Material Event Notice.

The Staff Designee will:

- A. Notify Bond Counsel and/or the Agent of any Listed Event (defined below) within ten (10) days after the occurrence of the event.
- B. Confirm that the Material Event Notice of such Listed Event was provided to the MSRB, through EMMA, within ten (10) days after the occurrence of an event.

**Listed Events include:**

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves, if any, reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;

- Financing transcript (may be in CD form);
- Copy of the CDA for each Obligation;
- Copy of the Official Statement for each Obligation;
- Copy of any rating reports or analysis;
- Copy of any defeasance, refunding or redemption notices;
- Copy of any Material Event Notice (as defined below);
- Copy of any Notice of Failure to File Annual Report (as defined below);
- Copy of any Annual Filing (as defined below);
- Copy of Financial Statements of the Issuer; and
- Copy of Current Budget information of the Issuer.

**IV. Annual Filing**

The following relate to compliance with the Rule regarding Annual Filings of Obligations.

The Staff Designee will:

- A. Appoint or engage bond counsel or a dissemination agent (the "Agent") to assist in carrying out its obligations under this Policy, each CDA and the Rule. If the Issuer does not engage an Agent to file its Annual Filing, the Staff Designee shall be responsible for submitting the information required in this Policy directly to the MSRB (as defined below) through EMMA (as defined below) pursuant to each CDA.
- B. Confirm that the Agent has filed with the Municipal Securities Rulemaking Board (the "MSRB") through the EMMA Dataport ("EMMA") at <http://www.emma.msrb.org>; information which is consistent with the requirements under its CDA (the "Annual Filing") no later than the date required for the reporting of each Annual Filing as determined by each CDA (the "Report Date"). The Annual Filing may be submitted as a single document or as separate documents comprising a package, and may be submitted separately from the balance of the Annual Filing.
- C. If the Issuer is unable to provide the Annual Filing or portions of the Annual Filing by the Report Date, confirm that the Agent has filed on the Report Date a notice to the MSRB (the "Notice of Failure to File") in substantially the form attached hereto as Exhibit A.
- D. Confirm that the Agent has filed audited financial statements by the Report Date. If audited financial statements are unavailable by the Report Date, confirm that the Agent has filed a Notice of Failure to File on the Report Date.
- E. Confirm that the Agent has filed the budget for the next fiscal year by the Report Date.
- F. Confirm that the Annual Report contains the appropriate information as required by its CDA. Examples of the following information typically required in an Annual Report are as follows:

- (10) Release, substitution, or sale of property, if any, securing repayment of the Obligations, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and/or
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

**VI. Rating Changes**

The following policies relate to compliance with regulations regarding any rating changes. Rating changes may include, without limitation, any change in rating on the Obligations

The Staff Designee will:

- A. Notify Bond Counsel and/or the Agent of any rating change within ten (10) days after the occurrence of the event.
- B. Confirm that the rating change was provided to the MSRB, through EMMA, within ten (10) days after the rating change in the form of the Material Event Notice.

**VII. Defeasance of Obligations**

The following policies relate to compliance with regulations regarding any defeasance of any Obligations.

The Staff Designee will:

- A. Confirm Bond Counsel and/or the Agent has filed notice of the defeasance in the form of a Material Event Notice and that the Material Event Notice provides explicit disclosure as to whether the Obligations have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

**VIII. Training**

The following policies relate to compliance with regulations regarding training of staff in connection with the Policy.

The Staff Designee will consult with Bond Counsel and/or the Agent on appropriate training of responsible employees and staff in connection with this Policy.

Adopted on November 4, 2014.

EXHIBIT "A"

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Petal, Mississippi  
Date of Issuance: \_\_\_\_\_, 2014  
CUSIP Numbers: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report as required by its continuing disclosure undertakings. The City anticipates that the Annual Report will be filed by \_\_\_\_\_

Dated: \_\_\_\_\_

CITY OF PETAL, MISSISSIPPI

By: Hal May  
Authorized Officer

EXHIBIT B

MATERIAL EVENT NOTICE COVER SHEET

Name of Issuer: City of Petal, Mississippi  
Date of Issuance: \_\_\_\_\_, 2014  
CUSIP Numbers: \_\_\_\_\_

Description of the attached Material Event Notice (Check One):

- 1. \_\_\_\_\_ Principal and interest payment delinquencies
- 2. \_\_\_\_\_ Non-Payment related defaults, if material
- 3. \_\_\_\_\_ Unscheduled draws on debt service reserves, if any, reflecting financial difficulties
- 4. \_\_\_\_\_ Unscheduled draws on credit enhancements reflecting financial difficulties
- 5. \_\_\_\_\_ Substitution of credit or liquidity providers, or their failure to perform
- 6. \_\_\_\_\_ Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (ITS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds
- 7. \_\_\_\_\_ Modifications to rights of Bondholders, if material
- 8. \_\_\_\_\_ Bond calls, if material, and tender offers
- 9. \_\_\_\_\_ Defeasances
- 10. \_\_\_\_\_ Release, substitution, or sale of property, if any, securing repayment of the securities
- 11. \_\_\_\_\_ Rating changes
- 12. \_\_\_\_\_ Bankruptcy, insolvency, receivership or other similar event of the State
- 13. \_\_\_\_\_ The consummation of a merger, consolidation or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- 14. \_\_\_\_\_ Appointment of a successor or additional trustee or the change of name of a trustee, if material
- 15. \_\_\_\_\_ Failure to provide annual financial information as required by the Rule
- 16. \_\_\_\_\_ Other material event notice (specify) \_\_\_\_\_

I hereby represent that I am authorized by the City/Other Obligated Person or its agent to distribute this information publicly:

Signature: \_\_\_\_\_ Title: \_\_\_\_\_  
Name: \_\_\_\_\_  
Employer: \_\_\_\_\_  
Address: \_\_\_\_\_  
Issuer, State, Zip Code: \_\_\_\_\_  
Voice Telephone Number: \_\_\_\_\_



EXHIBIT "B"

RAYMOND JAMES®

RAYMOND JAMES®

October 30, 2014

October 22, 2014

Mayor Hal Marx  
City of Petal, Mississippi  
119 W. Eighth Avenue  
Petal MS, 39465

Mayor Hal Marx  
City of Petal, Mississippi  
119 W. Eighth Avenue  
Petal MS, 39465

Letter of Intent for Underwriting Services

Dear Mayor Marx:

In order for Raymond James & Associates, Inc. ("RJA") to give you advice regarding one or more related transactions, and to document our compliance with an exception to the Municipal Advisor Rule, we ask that you agree, and acknowledge by signing below, to the following:

The City of Petal, Mississippi (the "City") is aware of the "Municipal Advisor Rule" of the Securities and Exchange Commission (effective July 1, 2014) and the underwriter exception from the definition of "municipal advisor" for a firm serving as an underwriter for one or more series of bonds or other municipal securities.

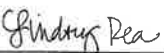
The City wishes to engage RJA as the underwriter for the Series 2014 Refunding Bonds (the "Bonds") that the City currently anticipates possibly issuing. The Bonds may refund, but are not limited to, the Series 2006 General Obligation Bonds, the Series 2006 Mississippi Development Bank Water and Sewer Bonds, and the Series 2007 Mississippi Development Bank Water and Sewer Bonds. As an underwriter, RJA may provide advice to the City on the structure, timing, terms, and other similar matters concerning the Bonds.

It is the City's present intention that RJA will underwrite the Bonds, subject to satisfaction of applicable procurement laws, formal approval by the City, finalizing the structure of the Bonds, and the execution of a mutually agreed upon Bond Purchase Agreement. While the City presently engages RJA as the underwriter for the Bonds, this engagement letter is preliminary and nonbinding, and may be terminated at any time by either the City or RJA without liability or obligation on the part of either party.

Sincerely yours,

Raymond James & Associates, Inc. Corporation

Acknowledged and Agreed to by:  
City of Petal, Mississippi

By:   
Lindsey Rea, Vice President

By:   
Hal Marx, Mayor

Attachment: G-17 Disclosure Letter

Re: Disclosures by Senior Managing Underwriter  
Pursuant to MSRB Rule G-17  
City of Petal General Obligation Refunding Bonds, Series 2014  
City of Petal Water & Sewer Refunding Bonds, Series 2015

Mayor Marx:

We are writing to provide you, as Mayor of the City of Petal, Mississippi (Issuer) with the authority to bind the Issuer by contract, with certain disclosures relating to the captioned bond issue (the "Bonds"), as required by Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2012-25 (May 7, 2012)<sup>1</sup>.

The Issuer has engaged Raymond James & Associates, Inc. ("RJA") to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

As part of our services as senior managing underwriter, RJA may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds. As senior managing underwriter, we are providing this letter on behalf of the underwriters that are members of the underwriting syndicate for the Bonds. You also may receive additional separate disclosure letters pursuant to Rule G-17 from one or more co-managing underwriters for the Bonds.

I. Disclosures Concerning the Underwriters' Role:

(i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.

(ii) The primary role of the underwriters is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriters have financial and other interests that differ from those of the Issuer.

<sup>1</sup> Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective August 2, 2012).

50 Ninth Street, Suite 1900 | Memphis, TN 38103 | T 901.248.5893 | raymondjames.com  
Raymond James & Associates, Inc., member New York Stock Exchange/NYSE

509 N. First St. | Memphis, TN 38104 | T 901.579.2575 | raymondjames.com  
Raymond James & Associates, Inc., member New York Stock Exchange/NYSE

(iii) Unlike a municipal advisor, the underwriters do not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.

(iv) The underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.

(v) The underwriters will review the official statement for the Bonds in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.

II. Disclosures Concerning the Underwriters' Compensation:

The underwriters will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

III. Additional Conflicts and Business Relationships Disclosures:

RJA has identified the following additional potential or actual material conflicts or business relationships we wish to call to your attention:

- In the ordinary course of its various business activities, RJA and its affiliates, officers, directors, and employees may purchase, sell or hold a broad array of investments and may actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer (whether directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer. RJA and its affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.
- In the ordinary course of its business, RJA and its affiliates have engaged, and may in the future engage, in transactions with, and perform services for, the

Issuer and its affiliates for which they received or will receive customary fees and expenses.

- We understand that the Issuer may use a portion of the proceeds from the issuance of the Bonds to refund certain of the Issuer's outstanding securities ("Refunded Bonds"). To the extent that Raymond James or an affiliate thereof owns Refunded Bonds, Raymond James or its affiliate, as the case may be, would receive a portion of the proceeds from the issuance of the Bonds.

IV. Disclosures Concerning Structure of Municipal Securities Financing:

Since RJA has recommended to the Issuer a financing structure that may be considered a "complex municipal securities financing" for purposes of MSRB Rule G-17, attached is a description of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to the underwriter and reasonably foreseeable at this time.

In accordance with the requirements of MSRB Rule G-17, if RJA recommends a "complex municipal securities financing" to the Issuer that is not otherwise described herein, this letter will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to the underwriter and reasonably foreseeable at that time.

If you or any other Issuer official has any questions or concerns about these disclosures, then please make those questions or concerns known immediately to the undersigned. In addition, the Issuer should consult with its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

Under MSRB Rules, we are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect or sign and return the enclosed copy of this letter to me at the address set forth above/below. Depending on the structure of the transaction that the Issuer decides to pursue, or if additional potential or actual material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

EXHIBIT "B"

We look forward to working with you and the Issuer in connection with the issuance of the Bonds. We appreciate your business.

Sincerely,



Lindsey Rea  
Vice President  
RAYMOND JAMES & ASSOCIATES, INC.

Acknowledgement:

Signature:  Date: 11-5-14  
Hal Marx, Mayor  
City of Petal, Mississippi

CC: Melissa Martin, City of Petal, City Clerk  
Elizabeth Clark, Butler Snow, Bond Counsel

**Fixed Rate Structure Disclosure**

The following is a general description of the financial characteristics and security structures of fixed rate municipal bonds ("Fixed Rate Bonds"), as well as a general description of certain financial risks that you should consider before deciding whether to issue Fixed Rate Bonds. If you decide that you would like to pursue this financing alternative, we may provide you with additional information more specific to your particular issue.

**Financial Characteristics**

**Maturity and Interest.** Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities. Maturity dates for Fixed Rate Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Fixed Rate Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

**Redemption.** Fixed Rate Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all of the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds will be subject to optional redemption only after the passage of a specified period of time, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

**Security**

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below.

**General Obligation Bonds**

"General obligation bonds" are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. Ad valorem taxes necessary to pay debt service on general obligation bonds may not be subject to

state constitutional property tax millage limits (an unlimited tax general obligation bond). The term "limited" tax is used when such limits exist.

General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds have certain rights under state law to compel you to impose a tax levy.

**Revenue Bonds**

"Revenue bonds" are debt securities that are payable only from a specific source or sources of revenues. Revenue bonds are not a pledge of your full faith and credit and you are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors.

The description above regarding "Security" is only a brief summary of certain possible security provisions for the bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the bonds.

**Financial Risk Considerations**

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all of the following

**Issuer Default Risk**

You may be in default if the funds pledged to secure your bonds are not sufficient to pay debt service on the bonds when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. For example, if the bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the bonds are revenue bonds, you may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it

necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

**Redemption Risk**

Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. In the event that interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service.

**Refinancing Risk**

If your financing plan contemplates refinancing some or all of the bonds at maturity (for example, if you have term maturities or if you choose a shorter final maturity than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you from refinancing those bonds when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be retired) may restrict your ability to refund the bonds to take advantage of lower interest rates.

**Reinvestment Risk**

You may have proceeds of the bonds to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as "negative arbitrage".

**Tax Compliance Risk**

The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited. This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the bonds.

EXHIBIT "C"

**The 2014 Community Showcase Video Program**

CGI Communications, Inc.  
130 East Main Street, 5th Floor  
Rochester, NY 14604  
(800) 398-3029 phone  
(866) 429-8611 fax

Name: Hal Marx  
Title: Mayor  
Address: 119 W. Eight Ave.  
City, State, Zip: Petal, MS, 39465  
Phone: 601-545-1776  
Email: Mayor@cityofpetal.com  
Website: www.cityofpetal.com

This agreement is between CGI Communications, Inc. ("CGI") and the City of Petal, MS the "City") and shall remain in effect from the date it is signed by both parties until the third anniversary of the date that the completed and approved Community Video Program is made available for viewing via a link on the [www.cityofpetal.com](http://www.cityofpetal.com) homepage, including any alternate versions of your homepage, for viewer access on different devices. Any termination or modification of this Agreement shall not take effect until the expiration of the current term.

**CGI shall provide a Community Video Program as follows:**

- One Welcome video from your Mayor or other civic leader
- Up to 3 additional videos to showcase various aspects of your community, for a total of four 1 minute community highlight videos
- One Community Organization chapter to promote charities, nonprofits and community development organizations
- Script writing and video content consultation
- A videographer will come to your location to film videos
- We reserve the right to use still images and photos for video production
- All aspects of video production and editing, from raw footage to final video including professional voiceovers and background music
- Final draft of Community Video Showcase content subject to your approval (up to 3 sets of revisions allowed). Any request for approval of revision, including final draft, shall be deemed approved if no response received by us within thirty (30) days of request
- Patented OneClick7 Technology and encoding of all videos into multiple streaming digital formats to play on all computer systems, devices, browsers, and Internet connection speeds; recognized player formats include WindowsMedia and QuickTime
- Store and stream all videos on CGI's dedicated server
- Business sponsors allowed on the perimeter of video panels
- Businesses will be allowed to purchase various digital media products and services from CGI and its affiliates
- Duration of sponsor participation will be one to two years and CGI is solely responsible for sponsorship fulfillment including all related aspects of marketing, production, printing, and distribution
- Viewer access of the Community Video Program from your website shall be facilitated by CGI, providing HTML source code for a graphic link to be prominently displayed on the [www.cityofpetal.com](http://www.cityofpetal.com) website homepage as follows: "Coming Soon" graphic link designed to coordinate with existing website color theme to be provided within 10 business days of execution of this agreement; "Video Tour" graphic link to be provided to replace the "Coming Soon" link upon completion and approval of videos
- CGI will own copyrights of the master Community Video Program
- The City will assume no cost or liability for this project and CGI will honor any request for termination of sales upon 30 day Notice and only if the City continuously provides the Community Video linkage from its Homepage for the duration of this contract

**The City of Petal shall:**

- Provide a letter of introduction for the program on its letterhead
- Assist with the content and script for the Community Video Showcase
- Grant CGI the right to use City's name in connection with the preparation, production, and marketing of the Program
- Display the "Coming Soon" graphic link prominently on the [www.cityofpetal.com](http://www.cityofpetal.com) homepage within 10 business days of receipt of HTML source code
- Display the "Video Tour" link, of no less than 150 by 400 pixels, prominently on its [www.cityofpetal.com](http://www.cityofpetal.com) homepage, including any alternate versions of your home page, for viewer access on different devices for the entire term of this agreement
- Ensure that this agreement remains valid and in force until the agreed upon expiration date, regardless of administration
- Grant full and exclusive streaming video rights for CGI and its subsidiaries, affiliates, successors and assigns to stream all video content on Community Video Program and all related CGI Programs, including but not limited to its "Community Video Network"
- Represent and warrant that any and all photographs, videos, and other content it submits to us for use in any video or other production does not infringe on any third party's copyrighted material, trademark or other intellectual privacy or publicity rights and shall defend and indemnify us from any such claim or action

This Agreement constitutes the entire agreement of the parties and supersedes any and all prior communications, understandings and agreements, whether oral or written. No modification or claimed waiver of any provision shall be valid except by written amendment signed by the parties herein.

We, the undersigned, have read and understand the above information and have full authority to sign this agreement.

The City of Petal, MS

CGI Communications, Inc.

Signature: Hal Marx

Nicole Rongo

Name (printed): Hal Marx

Name (printed): Nicole Rongo

Title: Mayor

Title: Vice President of Marketing

Date: 11-5-14

Date: October 28, 2014

EXHIBIT "D"

CITY OF PETAL, MISSISSIPPI  
POLICIES AND PROCEDURES  
FOR CONTINUING DISCLOSURE/SEC RULE 15c2-12 COMPLIANCE

**I. Statement of Purpose**

This Policies and Procedures for Continuing Disclosure/SEC Rule 15c2-12 Compliance (this "**Policy**") designates specific policies of the City of Petal, Mississippi (the "**Issuer**") to monitor and ensure post issuance compliance under and pursuant to its continuing disclosure agreements/certificates (the "**CDA**") in connection with certain bond obligations (the "**Obligations**") issued by the Issuer with applicable provisions of the Securities and Exchange Commission's ("**SEC**") Rule 15c2-12 (the "**Rule**").

This Policy describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the Obligations be, or continue to be, in compliance with the CDA and the Rule. The Issuer recognizes that compliance with the Rule is an on-going process, necessary, during the entire term of the Obligations, and is an integral component of the Issuer's overall debt management policies. Accordingly, the analysis of those facts and implementation of this Policy will require on-going monitoring and may require consultation with bond counsel or other professionals beyond the scope of their initial engagement with respect to the issuance of particular Obligations.

**II. Responsible Parties**

- A. The Mayor shall identify an appropriate officer (currently the City Clerk) to be responsible for monitoring the Issuer's post-issuance compliance issues (the "**Staff Designee**"). The City Clerk shall be responsible for ensuring an adequate succession plan for transferring post-issuance compliance responsibility when changes in officers and staff occur.
- B. The Staff Designee will coordinate procedures for record retention and review of such records.
- C. The Staff Designee will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually, will keep a log to document such reviews, and will consult as necessary with the Issuer's financial advisor and bond counsel.
- D. The Staff Designee shall maintain originals and copies of all documents and other records relating to the Obligations.
- E. The Staff Designee will review each issue of Obligations for compliance with this Policy on a periodic basis, but not less than annually, and will keep a log to document such reviews.

**III. General Recordkeeping**

The Staff Designee will maintain and store a copy of the following documents on file at all times for the life of the Obligations plus three (3) years:

1. Audited Financial Statements;
2. Budget for next fiscal year;
3. Accounting principles pursuant to which the Audited Financial Statements were prepared; and
4. Operating and financial information contained in the official statement in connection with the Obligation.

- G. Confirm that no listed event as required by the Issuer's CDA has occurred. If the Issuer determines that a listed event has occurred, confirm that the Agent causes a notice of such occurrence (the "**Material Event Notice**") to be filed with the MSRB on or before the time period prescribed by the Rule, through EMMA, together with a cover sheet in substantially the form attached hereto as **Exhibit B**.

**V. Material Event Notice**

The following policies relate to compliance with regulations regarding the filing of a Material Event Notice.

The Staff Designee will:

- A. Notify Bond Counsel and/or the Agent of any Listed Event (defined below) within ten (10) days after the occurrence of the event.
- B. Confirm that the Material Event Notice of such Listed Event was provided to the MSRB, through EMMA, within ten (10) days after the occurrence of an event.

**Listed Events include:**

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves, if any, reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;

- Financing transcript (may be in CD form);
- Copy of the CDA for each Obligation;
- Copy of the Official Statement for each Obligation;
- Copy of any rating reports or analysis;
- Copy of any defeasance, refunding or redemption notices;
- Copy of any Material Event Notice (as defined below);
- Copy of any Notice of Failure to File Annual Report (as defined below);
- Copy of any Annual Filing (as defined below);
- Copy of Financial Statements of the Issuer; and
- Copy of Current Budget information of the Issuer.

**IV. Annual Filing**

The following relate to compliance with the Rule regarding Annual Filings of Obligations.

The Staff Designee will:

- A. Appoint or engage bond counsel or a dissemination agent (the "**Agent**") to assist in carrying out its obligations under this Policy. Each CDA and the Rule. If the Issuer does not engage an Agent to file its Annual Filing, the Staff Designee shall be responsible for submitting the information required in this Policy directly to the MSRB (as defined below) through EMMA (as defined below) pursuant to each CDA.
- B. Confirm that the Agent has filed with the Municipal Securities Rulemaking Board (the "**MSRB**") through the EMMA Dataport ("**EMMA**") at <http://www.emma.msrb.org>; information which is consistent with the requirements under its CDA (the "**Annual Filing**") no later than the date required for the reporting of each Annual Filing as determined by each CDA (the "**Report Date**"). The Annual Filing may be submitted as a single document or as separate documents comprising a package, and may be submitted separately from the balance of the Annual Filing.
- C. If the Issuer is unable to provide the Annual Filing or portions of the Annual Filing by the Report Date, confirm that the Agent has filed on the Report Date a notice to the MSRB (the "**Notice of Failure to File**") in substantially the form attached hereto as **Exhibit A**.
- D. Confirm that the Agent has filed audited financial statements by the Report Date. If audited financial statements are unavailable by the Report Date, confirm that the Agent has filed a Notice of Failure to File on the Report Date.
- E. Confirm that the Agent has filed the budget for the next fiscal year by the Report Date.
- F. Confirm that the Annual Report contains the appropriate information as required by its CDA. Examples of the following information typically required in an Annual Report are as follows:

EXHIBIT "D"

- (10) Release, substitution, or sale of property, if any, securing repayment of the Obligations, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and/or
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

**VI. Rating Changes**

The following policies relate to compliance with regulations regarding any rating changes. Rating changes may include, without limitation, any change in rating on the Obligations

The Staff Designee will:

- A. Notify Bond Counsel and/or the Agent of any rating change within ten (10) days after the occurrence of the event.
- B. Confirm that the rating change was provided to the MSRB, through EMMA, within ten (10) days after the rating change in the form of the Material Event Notice.

**VII. Defeasance of Obligations**

The following policies relate to compliance with regulations regarding any defeasance of any Obligations.

The Staff Designee will:

- A. Confirm Bond Counsel and/or the Agent has filed notice of the defeasance in the form of a Material Event Notice and that the Material Event Notice provides explicit disclosure as to whether the Obligations have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

**VIII. Training**

The following policies relate to compliance with regulations regarding training of staff in connection with the Policy.

The Staff Designee will consult with Bond Counsel and/or the Agent on appropriate training of responsible employees and staff in connection with this Policy.

Adopted on November 4, 2014.

EXHIBIT A

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Petal, Mississippi

Date of Issuance: \_\_\_\_\_, 2014

CUSIP Numbers: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report as required by its continuing disclosure undertakings. The City anticipates that the Annual Report will be filed by \_\_\_\_\_

Dated: \_\_\_\_\_

CITY OF PETAL, MISSISSIPPI

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT B

**MATERIAL EVENT NOTICE COVER SHEET**

Name of Issuer: City of Petal, Mississippi

Date of Issuance: \_\_\_\_\_, 2014

CUSIP Numbers: \_\_\_\_\_

Description of the attached Material Event Notice (Check One):

- 1. \_\_\_\_\_ Principal and interest payment delinquencies
- 2. \_\_\_\_\_ Non-Payment related defaults, if material
- 3. \_\_\_\_\_ Unscheduled draws on debt service reserves, if any, reflecting financial difficulties
- 4. \_\_\_\_\_ Unscheduled draws on credit enhancements reflecting financial difficulties
- 5. \_\_\_\_\_ Substitution of credit or liquidity providers, or their failure to perform
- 6. \_\_\_\_\_ Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (ITS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds
- 7. \_\_\_\_\_ Modifications to rights of Bondholders, if material
- 8. \_\_\_\_\_ Bond calls, if material, and tender offers
- 9. \_\_\_\_\_ Defeasances
- 10. \_\_\_\_\_ Release, substitution, or sale of property, if any, securing repayment of the securities
- 11. \_\_\_\_\_ Rating changes
- 12. \_\_\_\_\_ Bankruptcy, insolvency, receivership or other similar event of the State
- 13. \_\_\_\_\_ The consummation of a merger, consolidation or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- 14. \_\_\_\_\_ Appointment of a successor or additional trustee or the change of name of a trustee, if material
- 15. \_\_\_\_\_ Failure to provide annual financial information as required by the Rule
- 16. \_\_\_\_\_ Other material event notice (specify)

I hereby represent that I am authorized by the City/Other Obligated Person or its agent to distribute this information publicly:

Signature: \_\_\_\_\_ Title: \_\_\_\_\_  
Employer: \_\_\_\_\_  
Address: \_\_\_\_\_  
Issuer, State, Zip Code: \_\_\_\_\_  
Voice Telephone Number: \_\_\_\_\_

~~EXHIBIT~~  
CITY OF PETAL  
ORDINANCE BOOK 4

ORDINANCE NUMBER 1979 (42-A389)

**AN ORDINANCE CHANGING AND AMENDING THE COMPREHENSIVE ZONING ORDINANCE NO. 1979 (42) OF THE CITY OF PETAL, MISSISSIPPI, AS AMENDED BY ORDINANCE NUMBERS 1979 (42-1) THROUGH 1979 (42-A388) SO AS TO CHANGE THE ZONING CLASSIFICATION OF PROPERTY LOCATED AT 111 SMITH FROM R-2 (LOW-MEDIUM DENSITY RESIDENTIAL TO R-3 (MEDIUM DENSITY RESIDENTIAL)**

BE IT ORDAINED BY THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL,  
MISSISSIPPI:

SECTION 1. That the Comprehensive Zoning District Map, adopted as part of the Comprehensive Zoning Ordinance Number 1979 (42) of the City of Petal, Mississippi, as amended by Ordinance Numbers 1979 (42-1) through 1979 (42-A388) and the same is hereby changed and amended as per petition filed in connection therewith so that the land described as listed below. Change of current zoning from R-2 (Low-Medium Density Residential) to R-3 (Medium Density Residential).

Said land being more particularly described as follows, to wit:

COMM NWC OF SE 1/4 OF NE 1/4 E 16FT S 16.7FT POB E 144FT S 132.8FT W 144FT N 132.8FT  
POB; PARCEL #3-030B-01-266.00, ALL IN FORREST COUNTY, MS

as per map or plat thereof on file in the office of the Chancery Clerk of Forrest County, Mississippi, is hereby classified and placed in the R-3 (Medium Density Residential) zoning.

SECTION 2. Except as hereby expressly changed and amended, the aforesaid Comprehensive Zoning Ordinance No. 1979 (42) of the City of Petal, Mississippi, as amended by Ordinance Numbers 1979 (42-1) through 1979 (42-A388) shall be and remain in full force and form as adopted on November 4, 2014.

SECTION 3. That this Ordinance shall take effect and be in full force within thirty (30) days from and after its passage as provided by law. The foregoing Ordinance having been reduced to writing, the same was introduced and read, and a vote was taken thereon, first section by section and then upon the Ordinance as a whole with the following results:

Those present and voting "AYE" and in favor of the passage, adoption and approval of Sections 1, 2 and 3 of the foregoing Ordinance:

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN DAVID CLAYTON  
ALDERMAN TONY DUCKER  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE  
ALDERMAN STEVE STRINGER

Those present and voting "NAY" or against the adoption of any section of the foregoing Ordinance:

NONE

Those present and voting "AYE" and in favor of the adoption of the foregoing Ordinance as a whole:

ALDERMAN BRAD AMACKER  
ALDERMAN CRAIG BULLOCK  
ALDERMAN DAVID CLAYTON  
ALDERMAN TONY DUCKER  
ALDERMAN WILLIAM KING  
ALDERMAN CLINT MOORE

ALDERMAN ~~STEVE~~ STRINGER

Those present and voting "NAY" or against the adoption of the foregoing Ordinance as a whole:

NONE

WHEREUPON, the foregoing Ordinance be, and the same is hereby passed, adopted and approved on this the 4<sup>TH</sup> day of November 2014.

  
\_\_\_\_\_  
HAL MARX, MAYOR

(SEAL)

ATTEST: 

  
\_\_\_\_\_  
MELISSA MARTIN, CITY CLERK

EXHIBIT "F"

MEMORANDUM OF UNDERSTANDING

The City of Petal is a municipal corporation seeking methods and alternatives to the treatment of the wastewater effluent generated by the City and the citizens.

Earthworx, LLC is a limited liability corporation created pursuant to the laws of the State of Mississippi with the capacity and ability to design, construct, and operate a system to provide adequate and appropriate wastewater treatment.

For and in consideration of the sum of \$20,000.00, Earthworx will study appropriate means and methods of treating Petal's wastewater effluent using a "Land Treatment System" (LTS). As a part of this study, Earthworx will provide a schematic layout and map of at least one possible Land Treatment System option, subject to all permitting and final site surveys necessary for design and construction. Earthworx will also provide a preliminary engineer's cost estimate for the LTS to include estimated construction costs for the raw sewage transmission pipeline, pretreatment/storage lagoons and land treatment components. It will also include anticipated land acquisition costs, engineering and other soft costs associated with the initial development of the LTS.

It is understood that the information being provided by Earthworx is in good faith based upon readily available effluent flow records provided by the City, preliminary site data (soil surveys, soil maps, topographic maps, tax maps) as well as market prices at the time of the estimate. This information is solely for the purpose of assisting the City of Petal in establishing

It is understood that information provided by Earthworx will be non-binding on either party and that, given the preliminary nature of this study, no effort will be made at this stage by Earthworx to determine any projected operation and maintenance costs nor any other on-going financial requirements which may be included in a future operational agreement.

The City of Petal agrees to provide to Earthworx all information concerning Petal's current sewer effluent flow records as well as projections for future growth.

WITNESS THE SIGNATURES of the parties by their authorized representatives on this, the 11<sup>th</sup> day of November, 2014.

CITY OF PETAL

By: Hal Marx  
Hal Marx, Mayor

Earthworx, LLC  
a Mississippi limited liability company

By: \_\_\_\_\_  
Bennett V. York, Manager

By: \_\_\_\_\_



EXHIBIT "G"

**Municipal Compliance Questionnaire**

As part of the municipality's audit, the governing authorities of the municipality must make certain assertions with regard to legal compliance. The municipal compliance questionnaire was developed for this purpose.

The following questionnaire and related certification must be completed at the end of the municipality's fiscal year and entered into the official minutes of the governing authorities at their next regular meeting.

The governing authorities should take care to answer these questions accurately. Incorrect answers could reduce the auditor's reliance on the questionnaire responses, resulting in the need to perform additional audit procedures at added cost.

**Information**

Note: Due to the size of some municipalities, some of the questions may not be applicable. If so, mark N/A in answer blanks. Answers to other questions may require more than "yes" or "no," and, as a result, more information on this questionnaire may be required and/or separate work papers may be needed.

- Name and address of municipality: City of Petal, P.O. Box 564, Petal, MS 39116
- List the date and population of the latest official U.S. Census or most recent official census: 2010 - 10,454
- Names, addresses and telephone numbers of officials (include elected officials, chief administrative officer, and attorney): see attached
- Period of time covered by this questionnaire:  
From: Oct. 1, 2013 To: Sept. 30, 2014
- Expiration date of current elected officials' term: June 30, 2017

IV-B0

- Has the municipality published a synopsis or notice of the annual audit within 30 days of acceptance? (Section 21-35-31 or 21-17-19) Y

**PART II - Cash and Related Records**

- Where required, is a claims docket maintained? (Section 21-39-7) Y
  - Are all claims paid in the order of their entry in the claims docket? (Section 21-39-9) Y
  - Does the claims docket identify the claimant, claim number, amount and fund from which each warrant will be issued? (Section 21-39-7) Y
  - Are all warrants approved by the board, signed by the mayor or majority of the board, attested to by the clerk, and bearing the municipal seal? (Section 21-39-13) Y
  - Are warrants for approved claims held until sufficient cash is available in the fund from which it is drawn? (Section 21-39-13) Y
  - Has the municipality adopted and entered on its minutes a budget in the format prescribed by the Office of the State Auditor? (Sections 21-35-5, 21-35-7 and 21-35-9) Y
  - Does the municipality operate on a cash basis budget, except for expenditures paid within 30 days of fiscal year end or for construction in progress? (Section 21-35-23) Y
  - Has the municipality held a public hearing and published its adopted budget? (Sections 21-35-5, 27-39-203, & 27-39-205) Y
  - Has the municipality complied with legal publication requirements when budgetary changes of 10% or more are made to a department's budget? (Section 21-35-25) Y
- If revenues are less than estimated and a deficit is anticipated, did the board revise the budget by its regular July meeting? (Section 21-35-25) n/a

IV-B2

**MUNICIPAL COMPLIANCE QUESTIONNAIRE**  
Year Ended September 30, 20\_\_

Answer All Questions: Y - YES, N - NO, N/A - NOT APPLICABLE

**PART I - General**

- Have all ordinances been entered into the ordinance book and included in the minutes? (Section 21-13-13) Y
- Do all municipal vehicles have public license plates and proper markings? (Sections 25-1-87 and 27-19-27) Y
- Are municipal records open to the public? (Section 25-61-5) Y
- Are meetings of the board open to the public? (Section 25-41-5) Y
- Are notices of special or recess meetings posted? (Section 25-41-13) Y
- Are all required personnel covered by appropriate surety bonds?  
  - Board or council members (Sec. 21-17-5) Y
  - Appointed officers and those handling money, see statutes governing the form of government (i.e., Section 21-3-5 for Code Charter) Y
  - Municipal clerk (Section 21-15-38) Y
  - Deputy clerk (Section 21-15-23) Y
  - Chief of police (Section 21-21-1) n/a
  - Deputy police (Section 45-5-9) (if hired under this law) n/a
- Are minutes of board meetings prepared to properly reflect the actions of the board? (Sections 21-15-17 and 21-15-19) Y
- Are minutes of board meetings signed by the mayor or majority of the board within 30 days of the meeting? (Section 21-15-33) Y
- Has the municipality complied with the nepotism law in its employment practices? (Section 25-1-53) Y
- Did all officers, employees of the municipality, or their relatives avoid any personal interest in any contracts with the municipality during their term or within one year after their terms of office or employment? (Section 25-4-105) Y
- Does the municipality contract with a Certified Public Accountant or an auditor approved by the State Auditor for its annual audit within twelve months of the end of each fiscal year? (Section 21-35-31) Y

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- Have financial records been maintained in accordance with the chart of accounts prescribed by the State Auditor? (Section 21-35-11) Y
- Does the municipal clerk submit to the board a monthly report of expenditures against each budget item for the preceding month and fiscal year to date and the unexpended balances of each budget item? (Section 21-35-13) Y
- Does the board avoid approving claims and the city clerk not issue any warrants which would be in excess of budgeted amounts, except for court-ordered or emergency expenditures? (Section 21-35-17) Y
- Has the municipality commissioned municipal depositories? (Sections 27-105-353 and 27-105-363) Y
- Have investments of funds been restricted to those instruments authorized by law? (Section 21-33-323) Y
- Are donations restricted to those specifically authorized by law? [Section 21-17-5 (Section 66, Miss. Constitution) -- Sections 21-19-45 through 21-19-59, etc.] Y
- Are fixed assets properly tagged and accounted for? (Section II - Municipal Audit and Accounting Guide) Y
- Is all travel authorized in advance and reimbursements made in accordance with Section 25-3-41? Y
- Are all travel advances made in accordance with the State Auditor's regulations? (Section 25-3-41) Y

**PART III - Purchasing and Receiving**

- Are bids solicited for purchases, when required by law (written bids and advertising)? [Section 31-7-13(b) and (c)] Y
- Are all lowest and best bid decisions properly documented? [Section 31-7-13(d)] Y
- Are all one-source item and emergency purchases documented on the board's minutes? [Section 31-7-13(m) and (k)] Y
- Do all officers and employees understand and refrain from accepting gifts or kickbacks from suppliers? (Section 31-7-23) Y

IV-B3

EXHIBIT "G"

**PART IV - Bonds and Other Debt**

1. Has the municipality complied with the percentage of taxable property limitation on bonds and other debt issued during the year? (Section 21-33-303) Y
2. Has the municipality levied and collected taxes, in a sufficient amount for the retirement of general obligation debt principal and interest? (Section 21-33-87) Y
3. Have the required trust funds been established for utility revenue bonds? (Section 21-27-65) Y
4. Have expenditures of bond proceeds been strictly limited to the purposes for which the bonds were issued? (Section 21-33-317) Y
5. Has the municipality refrained from borrowing, except where it had specific authority? (Section 21-17-5) Y

**PART V - Taxes and Other Receipts**

1. Has the municipality adopted the county ad valorem tax rolls? (Section 27-35-167) Y
2. Are interest and penalties being collected on delinquent ad valorem taxes? (Section 21-33-53) Y (County)
3. Has the municipality conducted an annual land sale for delinquent ad valorem taxes? (Section 21-33-63) Y (County)
4. Have the various ad valorem tax collections been deposited into the appropriate funds? (Separate Funds for Each Tax Levy) (Section 21-33-53) Y
5. Has the increase in ad valorem taxes, if any, been limited to amounts allowed by law? (Sections 27-39-320 and 27-39-321) Y
6. Are local privilege taxes collected from all businesses located within the municipality, except those exempted? (Section 27-17-5) Y
7. Are transient vendor taxes collected from all transient vendors within the municipality, except those exempted? (Section 75-85-1) Y
8. Is money received from the state's "Municipal Fire Protection Fund" spent only to improve municipal fire departments? (Section 83-1-37) Y

IV-B4

9. Has the municipality levied or appropriated not less than 1/4 mill for fire protection and certified to the county it provides its own fire protection or allowed the county to levy such tax? (Sections 83-1-37 and 83-1-39) Y
10. Are state-imposed court assessments collected and settled monthly? (Section 99-19-73, 83-39-31, etc.) Y
11. Are all fines and forfeitures collected when due and settled immediately to the municipal treasury? (Section 21-15-21) Y
12. Are bids solicited by advertisement or, under special circumstances, three appraisals obtained when real property is sold? (Section 21-17-1) n/a
13. Has the municipality determined the full and complete cost for solid waste for the previous fiscal year? (Section 17-17-347) n/a
14. Has the municipality published an itemized report of all revenues, costs and expenses incurred by the municipality during the immediately preceding fiscal year in operating the garbage or rubbish collection or disposal system? (Section 17-17-348) n/a
15. Has the municipality conducted an annual inventory of its assets in accordance with guidelines established by the Office of the State Auditor? (MMAAG) Y

IV-B5

(MUNICIPAL NAME)

**Certification to Municipal Compliance Questionnaire**

Year Ended September 30, 2014

We have reviewed all questions and responses as contained in this Municipal Compliance Questionnaire for the Municipality of Petal, and, to the best of our knowledge and belief, all responses are accurate.

Maria Math  
(City Clerk's Signature)

Hal Mox  
(Mayor's Signature)

11/5/14  
(Date)

11-5-14  
(Date)

Minute Book References:

Book Number 34

Page \_\_\_\_\_

(Clerk is to enter minute book references when questionnaire is accepted by board.)

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IV-B7

EXHIBIT "H"

WRIGHT CPA GROUP, PLLC



American Institute of Certified Public Accountants • Mississippi Society of Certified Public Accountants

#10 Plaza Drive • P.O. Box 16433 • Hattiesburg, MS 39404-6433  
Phone 601.268.3135 • Fax 601.261.3922  
[www.wrightcpagroup.com](http://www.wrightcpagroup.com)

October 2, 2014

Honorable Mayor, Members of the Board of Aldermen  
City of Petal, Mississippi

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Petal as of and for the year ended September 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered City of Petal's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Petal's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Petal's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We

consider the following deficiencies in the City's internal control to be material weaknesses:

1. The records supporting addition and deletion of fixed assets for the year ended on September 30, 2013 were not sufficient to provide complete and reliable information for reconciliation to assets ledgers. Not all current year sales of fixed assets were removed from depreciation schedule. This may lead to misstatements in financial reporting. We recommend that the City reconcile department inventories of fixed assets to depreciation schedule and maintain complete records of changes in fixed assets.
2. The City converted to a new accounting software in August 2012. Due to this software design, it is more difficult to keep track of internal balances of funds. This may lead both to misstatement in financial reporting and noncompliance with laws, regulations and grant agreements. We recommend that accounting personnel reconciles internal balances and transfers monthly.
3. The Board of Aldermen does not have an audit committee or a finance committee. There is no oversight of audit from the Board, and the Aldermen do not consistently review invoices for payment of monthly expenses. This may lead to fraud in expenditures. We recommend that the Board elect a committee to oversee the audit process and to review invoices on the docket prior to payment.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in City of Petal's internal control to be significant deficiencies:

1. During our testing of customer accounts receivables for utility funds, we noted a number of accounts that should have been inactive, but instead were charged late fees every month. This may lead to misstatements in financial reporting. We recommend that management review customer accounts receivable monthly to ensure that charges are correct.

During our audit, certain issues came to our attention that are not material weaknesses or significant deficiencies, but still merit communication to those charged with governance.

1. The City publishes board minutes on the City website. However, the link to Ordinances does not work. We believe it is important to make Ordinances available for residents on the City's website.
2. The accounting personnel does not stamp invoices as "paid" or otherwise identifies them as paid. This may lead to error and fraud. We recommend that invoices are clearly identified as paid and show the fund and department to which expenditure was charged.
3. During review of credit card transactions, personnel were not able to locate all receipts for expenses charged to the credit card. Although amounts were not material, credit card charges are susceptible to fraud and should be monitored by management. We recommend that credit card transactions and underlying receipts and invoices are reviewed by the management prior to payment.

City of Petal  
FYE 9/30/13

**Response to Financial Statement Findings**

**2013-1 Finding (Repeated from 2011 audit findings)  
Significant Deficiency – Material Weakness  
Response**

The City is continuing to improve its accounting for fixed assets. They have assigned fixed assets responsibility to the payables clerk in effort to connect the purchase of assets with additions to asset inventory. We are still working on system to remove assets which are sold or junked. Also we are continuing to review and strengthen our procedures for inventorying and reconciling physical inventory with computerized inventory.

**2013-2 Finding  
Significant Deficiency – Material Weakness  
Response**

We will implement monthly procedures for reviewing and reconciling inter-fund transactions. We will perform these procedures along with monthly bank reconciliations and maintain appropriate documentation.

**2013-3 Finding  
Significant Deficiency – Material Weakness  
Response**

The Board will consider establishing a process for improving oversight of the audit process and reviewing invoices prior to payment. The board currently reviews the monthly expense docket but agrees the procedures could be strengthened.

**2013-1 Finding  
Significant Deficiency  
Response**

The City has made significant progress in managing its utility billings and collections with personnel changes along with changes in procedures. The sewer only customers present a special challenge in that the City has no method to cutoff services for nonpayment. However the City is aware of the issues and is working to improve procedures to provide timely and accurate utility billings and collections.

This communication is intended solely for the information and use of management and the Board of Aldermen, and others within the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Wright CPA Group, PLLC*

Wright CPA Group, PLLC

EXHIBIT "H"

**2013-1 Finding**  
**Communication Items**  
**Response**

The City has contracted with a provider to codify its ordinances which will improve the accessibility of the ordinances on the website.

**2013-2 Finding**  
**Communication Items**  
**Response**

The City considers its current procedure of attaching a check stub to the paid invoices as sufficient. However consideration will be given to methods to improve its procedures over paid invoices.

**2013-3 Finding**  
**Communication Items**  
**Response**

The City has implemented a procedure of attaching all travel related documentation to the credit card statements. The City has always attached all non-travel invoices but filed the travel invoices separately.

EXHIBIT "I"

WRIGHT CPA GROUP, PLLC



American Institute of Certified Public Accountants • Mississippi Society of Certified Public Accountants

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November 3, 2014

Honorable Mayor, Members of the Board of Aldermen  
City of Petal, Mississippi

We are pleased to confirm our understanding of the services we are to provide The City of Petal for the year ended September 30, 2014. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of The City of Petal as of and for the year ended September 30, 2014. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement The City of Petal'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 Petal'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.

We have also been engaged to report on supplementary information other than RSI that accompanies The City of Petal'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 (if applicable).
- 2) Supplemental data required by Mississippi State Auditor's Municipal Audit Guide.

to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles for the preparation and fair presentation of the financial statements 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 the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

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 conforming to us in the management 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 affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud 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 government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. 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.

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 include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR 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. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

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 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 financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal awards received and understanding and complying with the compliance requirements; and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) 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. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes 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 agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for (a) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities,

relating to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other 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

EXHIBIT "I"

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 Petal'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* for the types of compliance requirements that could have a direct and material effect on each of The City of Petal's major programs. The purpose of these procedures will be to express an opinion on The City of Petal'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 may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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.

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.

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. 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 December 1, 2014 and to issue our reports no later than June 30, 2015. Willoughby Wright is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. We do not expect our fee to exceed \$27,500. 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.

*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 2009 peer review is available for review at our website, [Wrightcpagroup.com](http://Wrightcpagroup.com).

We appreciate the opportunity to be of service to The City of Petal 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.

Very truly yours,



Wright CPA Group, PLLC

RESPONSE:

This letter correctly sets forth the understanding of The City of Petal.

By: Hal May

Title: Mayor

Date: 11-5-14