

**STATE OF MISSISSIPPI
COUNTY OF PEARL RIVER
CITY OF PICAYUNE**

Be It Remembered that the Mayor and City Council of the City of Picayune, Pearl River County, Mississippi, met at City Hall, 203 Goodyear Blvd., in said City, Tuesday, June 3, 2014, at 5:00 p.m. in regular session with the following officials present: Mayor Ed Pinero, Council Members Tammy Valente, Jan Stevens, Larry Breland and Wayne Gouguet, City Manager Jim Luke and City Clerk Amber Hinton. Council Member Lynn Bumpers was absent.

It Being Determined a quorum was present, the following proceedings were held.

Opening prayer was given by Father Jon Filken, followed by the Pledge of Allegiance led by Mayor Ed Pinero.

AT THIS TIME KIM HART WITH MISSISSIPPI TOBACCO FREE COALITION HELD AN EDUCATIONAL FORUM ON COMMUNITY SMOKE FREE POLICIES

ORDER TO APPROVE MINUTES

Motion was made by Council Member Stevens, seconded by Council Member Gouguet to approve the Minutes for the City of Picayune dated May 20, 2014.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACKNOWLEDGE RECEIPT OF MONTHLY BUDGET REPORT

Motion was made by Council Member Stevens, seconded by Council Member Gouguet to acknowledge receipt of monthly budget report for the month of May 2014.

**AF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 5/31/2014**

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Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
351-000-232.14-000-000 FAA-REHABILITATE RUNWAY	600,000	0	0	400,000	(400,000)	0
351-000-341.01-000-000 RENT T-HANGARS	78,660	3,425	70,525	52,440	18,085	90
351-000-341.02-000-000 GROUND LEASES	12,480	2,250	12,480	8,320	4,160	100
351-000-374.00-000-000 FUEL SALES	6,000	364	2,613	4,000	(1,387)	44
Total Revenues	697,140	6,039	85,618	464,760	(379,142)	12
Expenditures						
Airport Expenses						
PERSONNEL	57,519	4,078	34,777	38,346	3,569	60
SUPPLIES	500	0	192	334	142	38
OUTSIDE SERVICES	55,640	2,278	25,767	37,094	11,327	46
CAPITAL OUTLAY	680,000	0	0	440,000	440,000	0
Total Airport Expenses	773,659	6,356	60,736	515,774	455,038	8
Total Expenditures	773,659	6,356	60,736	515,774	455,038	8
Excess Revenue Over (Under) Expenditures	(76,519)	(317)	24,882	(51,014)	(834,180)	33

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**CF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 5/31/2014**

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Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
406-000-211.00-000-000 RECORDING FEES	300	768	1,200	200	1,000	400
406-000-340.00-000-000 INTEREST INCOME	250	0	151	167	(16)	60
406-000-380.01-000-000 TRANSFER FROM GENERAL FUND	68,000	5,750	41,417	46,000	(4,583)	60
406-000-392.00-000-000 SALE OF LOTS	20,000	3,091	20,033	13,333	6,700	100
Total Revenues	89,550	9,609	62,801	59,700	3,101	70
Expenditures						
Cemetery Expenses						
PERSONNEL	69,644	3,747	32,404	46,430	14,026	47
SUPPLIES	7,860	886	3,503	5,254	1,751	44
OUTSIDE SERVICES	3,269	57	1,187	2,180	983	36
CAPITAL OUTLAY	76,300	57,047	77,900	73,900	(4,000)	102
Total Cemetery Expenses	157,093	61,737	114,994	127,764	12,770	73
Total Expenditures	157,093	61,737	114,994	127,764	12,770	73
Excess Revenue Over (Under) Expenditures	(67,543)	(52,128)	(52,193)	(68,064)	(9,669)	(77)

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**ED Statement of Activity - MTD and YTD with Budget
City of Picayune
For 5/31/2014**

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Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
110-043-340.00-000-000 INTEREST INCOME	250	0	530	167	363	212
110-043-340.01-000-000 INTEREST INCOME - FARMER FRESH	0	1,398	11,307	0	11,307	0
110-043-341.00-000-000 RENT	48,790	0	0	32,527	(32,527)	0
110-043-341.02-000-000 MANNA MINISTRIES LEASE	0	0	1	0	1	0
110-043-341.03-000-000 RAIL SPUR LEASE - SHALE SUPPORT SERV	19,085	0	0	12,723	(12,723)	0
110-402-260.00-000-000 SALES TAX-TOURISM	440,000	39,994	273,862	293,333	(19,471)	62
110-402-314.00-000-000 PARK BLDG RENTAL FEES	2,500	245	3,275	1,667	1,608	131
110-402-314.06-000-000 PARK TOURNAMENT FEES	1,000	0	300	667	(367)	30
110-402-314.07-000-000 PARK CONCESSION REVENUE	100	0	0	67	(67)	0
110-402-340.00-000-000 INTEREST INCOME-TOURISM	500	0	173	333	(160)	35
110-402-346.00-000-000 DONATIONS	0	0	1,000	0	1,000	0
110-402-355.00-000-000 MISC INCOME	0	1,000	1,000	0	1,000	0
110-402-380.00-000-000 TRANSFER FROM OTHER FUNDS	45,000	28,000	45,000	35,667	9,333	100
Total Revenues	557,225	70,637	336,448	377,151	(40,703)	60
Expenditures						
Sale of Lots Expenses						
OUTSIDE SERVICES	0	730	4,857	0	(4,857)	0
Total Sale of Lots Expenses	0	730	4,857	0	(4,857)	0
Recreation Expenses						
PERSONNEL	127,352	10,004	76,108	84,901	8,793	60
SUPPLIES	52,500	2,843	40,825	43,533	2,708	78
OUTSIDE SERVICES	115,000	6,177	52,158	77,000	24,842	45
CAPITAL OUTLAY	17,000	0	17,000	17,000	0	100
Total Recreation Expenses	311,852	19,024	186,091	222,434	36,343	60
Retirement Development Expenses						
Total Expenditures	311,852	19,754	190,948	222,434	31,486	61
Excess Revenue Over (Under) Expenditures	245,373	50,883	145,500	154,717	(72,189)	59

**GF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 5/31/2014**

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Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
001-000-200.00-000-000 AD VALOREM TAXES-CURRENT	1,299,183	22,149	1,157,290	866,122	291,168	89
001-000-201.00-000-000 AUTO AND MOBILE HOME	225,871	20,480	152,306	150,581	1,725	67
001-000-202.00-000-000 PERSONAL TAXES	414,947	14,004	353,315	276,631	76,684	85
001-000-203.00-000-000 AD VALOREM-DELINQUENT	1,000	0	1,346	667	679	135
001-000-210.00-000-000 PENALTIES & INTEREST	30,000	2,370	9,207	20,000	(10,793)	31
001-000-214.00-000-000 TAX COLLECTION COSTS	65,300	1,926	56,566	43,533	13,033	87
001-000-220.00-000-000 PRIVILEGE LICENSES	40,000	252	7,308	26,667	(19,359)	18
001-000-220.01-000-000 LIQUOR PRIVILEGE TAX	3,825	900	5,175	2,550	2,625	135
001-000-221.00-000-000 FRANCHISE CHARGES-UTILITIES	645,000	38,836	481,843	410,000	71,843	78
001-000-222.00-000-000 BUILDING PERMITS	46,000	10,702	73,826	30,667	43,159	160
001-000-223.00-000-000 PLANNING/ZONING APPLICATIONS	3,450	200	5,635	2,300	3,335	163
001-000-224.00-000-000 LOT CLEAN UP	20,000	0	588	13,333	(12,745)	3
001-000-225.00-000-000 SPECIAL USE RESORT ZONING PERMITS	0	0	3,300	0	3,300	0
001-000-226.00-000-000 RECYCLED MATERIALS REVENUE	0	0	637	0	637	0
001-000-241.00-000-000 FEDERAL PAYMENT IN LIEU OF	27,500	0	0	18,333	(18,333)	0
001-000-245.01-000-000 STATE WIRELESS FUND	8,657	0	0	5,771	(5,771)	0
001-000-247.02-000-000 BULLET PROOF VEST	8,060	0	1,615	5,373	(3,758)	20
001-000-250.00-000-000 MUNICIPAL-STATE AID	17,500	0	12,856	11,667	1,189	73
001-000-251.00-000-000 HOMESTEAD EXEMPTION REIMB.	140,000	0	73,422	93,333	(19,911)	52
001-000-253.26-000-000 USM PROJECT SAFE	0	0	6,750	0	6,750	0
NEIGHBORHOOD GRANT						
001-000-258.00-000-000 HOMELAND SECURITY GRANT	0	0	20	0	20	0
001-000-260.00-000-000 GENERAL SALES TAX	4,078,000	1,489	2,339,534	2,718,667	(379,133)	57
001-000-262.01-000-000 MUN. FIRE REBATE FUND - FOR LTD	56,136	0	0	37,424	(37,424)	0
001-000-262.02-000-000 1/4 MILL LEVY FIRE PROTECTION CODE	19,987	594	17,554	13,325	4,229	88
001-000-262.03-000-000 MUN. FIRE REBATE FUNDS-FOR CODE	1,831	0	0	1,221	(1,221)	0
001-000-263.00-000-000 POLICE MINIMUM STANDARDS	15,000	0	12,600	10,000	2,600	84
001-000-264.00-000-000 PRC ANIMAL SHELTER	6,500	0	3,831	4,333	(502)	59
001-000-271.00-000-000 ROAD & BRIDGE TAXES	220,000	6,741	193,348	146,667	46,681	88
001-000-276.00-000-000 SCHOOL PATROL	120,696	0	0	80,464	(80,464)	0
001-000-289.00-000-000 MUN COURT WARRANT OFFICER	615	615	7,833	8,667	(834)	60
001-000-330.00-000-000 COURT FINES & FEES	350,000	14,623	171,216	233,333	(62,117)	49
001-000-334.00-000-000 SPECIAL POLICE SERVICE	22,500	2,356	16,466	15,000	1,466	73
001-000-335.00-000-000 POLICE EQUIP ASSESSMENTS	1,200	224	1,554	800	754	130
001-000-336.01-000-000 COURT MAINTENANCE	0	(1)	(1)	0	1	0
001-000-336.02-000-000 COURT EQUIPMENT	0	(6)	(6)	0	(6)	0
001-000-336.05-000-000 COLLECTION FEE	100	61	140	67	73	140
001-000-336.10-000-000 MUNICIPAL COURT EVIDENCE	10,200	599	7,567	6,800	767	74
001-000-340.00-000-000 INTEREST EARNED	20,000	687	11,082	13,333	(2,251)	55
001-000-346.10-000-000 SUMMER YOUTH CAMP DONATION	0	7,050	7,550	0	7,550	0
001-000-348.02-000-000 ADOPT A FLOWERBED	0	0	1,570	0	1,570	0
001-000-355.00-000-000 MISCELLANEOUS INCOME	14,000	67	12,743	9,333	3,410	91
001-000-380.07-000-000 TRANSFER FROM CAPITAL PROJECTS FUND	74,879	0	0	49,919	(49,919)	0

**GF Statement of Activity - MTD and YTD with Budget
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For 5/31/2014**

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Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
001-000-380.08-000-000 TRANSFER FROM SP POLICE DRUG FUND	0	0	52,348	0	52,348	0
001-000-383.00-000-000 SALE OF PROPERTY	0	0	10	0	10	0
001-082-301.00-000-000 BRICK BY BRICK PROGRAM PROCEEDS	0	0	450	0	450	0
001-082-302.00-000-000 DEPOT BRICK PROGRAM PROCEEDS	0	0	750	0	750	0
001-350-400.60-000-000 FEMA HAZARD MITIGATION	(412,800)	0	0	(275,200)	275,200	0
Total Revenues	7,577,522	146,918	5,261,144	5,051,681	209,463	69
Expenditures						
Municipal Council Expenses						
PERSONNEL	66,113	4,572	41,694	44,075	2,381	63
SUPPLIES	500	0	237	333	96	47
OUTSIDE SERVICES	64,150	2,315	38,358	42,786	4,408	60
CAPITAL OUTLAY	40,000	35,700	184,350	40,000	(144,350)	461
Total Municipal Council Expenses	170,763	42,587	264,639	127,174	(137,465)	155
Municipal Court Expenses						
PERSONNEL	269,077	19,233	162,828	179,385	16,557	61
SUPPLIES	4,000	0	1,473	2,667	1,194	37
OUTSIDE SERVICES	54,750	7,541	55,952	36,500	(19,452)	102
Total Municipal Court Expenses	327,827	26,774	220,253	218,552	(1,701)	67
City Attorney Expenses						
PERSONNEL	9,450	641	5,946	6,300	354	63
OUTSIDE SERVICES	20,000	1,934	13,288	13,333	46	66
Total City Attorney Expenses	29,450	2,575	19,234	19,633	400	65
City Manager Expenses						
PERSONNEL	97,355	7,269	63,816	64,903	1,087	66
SUPPLIES	7,500	162	3,037	4,999	1,962	40
OUTSIDE SERVICES	16,300	618	8,685	10,866	2,181	53
Total City Manager Expenses	121,155	8,049	75,538	80,768	5,230	62
General Services Expenses						
PERSONNEL	16,920	1,226	10,651	11,280	629	63
SUPPLIES	7,700	155	4,966	5,133	167	64
OUTSIDE SERVICES	219,200	2,555	179,395	146,132	(33,263)	82
Total General Services Expenses	243,820	3,936	195,012	162,545	(32,467)	80
Financial Expenses						
PERSONNEL	138,675	10,688	96,834	92,450	(4,384)	70
SUPPLIES	7,500	117	4,679	5,000	321	62
OUTSIDE SERVICES	69,400	1,570	35,307	46,265	10,958	51
Total Financial Expenses	215,575	12,375	136,820	143,715	6,895	63
Code Enforcement Expenses						
PERSONNEL	135,346	11,088	101,921	90,231	(11,690)	75

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	Annual Budget	MT-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Financial Report						
SUPPLIES	4,300	78	4,330	2,867	(1,463)	101
OUTSIDE SERVICES	21,650	1,005	17,268	14,434	(2,834)	80
Total Code Enforcement Expenses	161,296	12,171	123,519	107,532	(15,987)	77
Police Administration Expenses						
PERSONNEL	160,493	11,194	103,455	106,996	3,541	64
SUPPLIES	7,500	135	3,438	5,000	1,562	46
OUTSIDE SERVICES	59,013	940	28,929	39,372	10,443	49
CAPITAL OUTLAY	8,657	0	8,657	5,771	(2,886)	100
Total Police Administration Expenses	235,663	12,269	144,479	157,139	12,660	61
Patrol & Investigations Expenses						
PERSONNEL	1,328,962	108,449	980,977	877,010	(103,967)	74
SUPPLIES	136,730	10,302	101,598	91,334	(10,264)	74
OUTSIDE SERVICES	96,000	2,898	73,630	61,500	(12,130)	77
CAPITAL OUTLAY	7,588	166	1,880	5,045	3,165	25
Total Patrol & Investigations Expenses	1,569,280	121,815	1,158,085	1,034,889	(123,196)	74
Domestic Violence Grant Expenses						
Custody of Prisoners Expenses						
PERSONNEL	133,554	13,821	108,389	89,037	(19,352)	81
SUPPLIES	39,000	3,477	41,695	26,001	(15,694)	107
OUTSIDE SERVICES	14,000	69	6,667	8,833	2,166	48
Total Custody of Prisoners Expenses	186,554	17,367	156,751	123,871	(32,880)	84
Alcohol Countermeasures Grant Expenses						
Records & Communications Expenses						
PERSONNEL	389,410	24,626	235,734	259,606	23,872	61
SUPPLIES	6,500	193	4,776	3,666	(1,110)	73
OUTSIDE SERVICES	20,300	1,716	12,881	13,367	486	63
Total Records & Communications Expenses	416,210	26,535	253,391	276,639	23,248	61
School Patrol Expenses						
PERSONNEL	160,205	13,031	113,536	120,601	7,065	71
SUPPLIES	6,000	706	6,974	3,834	(3,140)	116
OUTSIDE SERVICES	2,250	452	2,149	1,333	(816)	96
Total School Patrol Expenses	168,455	14,189	122,659	125,768	3,109	73
Animal Control Expenses						
PERSONNEL	30,131	2,119	19,233	20,088	855	64
SUPPLIES	2,780	408	2,920	2,354	(566)	105
OUTSIDE SERVICES	47,650	3,443	31,227	31,600	373	66
Total Animal Control Expenses	80,561	5,970	53,380	54,042	662	66
Fire Department Expenses						
PERSONNEL	2,042,241	151,330	1,312,857	1,361,494	48,637	64
SUPPLIES	52,600	2,261	33,563	35,067	1,504	64
OUTSIDE SERVICES	73,063	3,141	66,545	48,709	(17,836)	91

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	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Financial Report						
CAPITAL OUTLAY	24,000	291	24,213	24,000		101
Total Fire Department Expenses	2,191,904	157,023	1,437,178	1,469,270	32,092	66
Streets & Drainage Expenses						
PERSONNEL	441,228	34,269	275,978	294,151	18,173	63
SUPPLIES	142,001	6,845	123,574	95,334	(28,240)	87
OUTSIDE SERVICES	321,200	7,492	245,794	214,134	(31,660)	77
CAPITAL OUTLAY	10,000	0	7,924	10,000	2,076	79
Total Streets & Drainage Expenses	914,429	48,606	653,270	613,619	(39,651)	71
Grounds & Beautification Expenses						
PERSONNEL	386,345	29,030	246,467	257,563	11,096	64
SUPPLIES	101,344	4,804	50,956	67,561	16,606	50
OUTSIDE SERVICES	20,950	119	16,188	13,967	(2,221)	77
Total Grounds & Beautification Expenses	508,639	33,950	313,611	339,091	25,481	62
Equipment Maintenance Expenses						
PERSONNEL	45,987	2,349	20,751	30,659	9,908	45
SUPPLIES	14,110	151	2,137	8,740	6,603	15
OUTSIDE SERVICES	10,300	368	6,309	6,866	557	61
Total Equipment Maintenance Expenses	70,397	2,868	29,197	46,265	17,068	41
Total Expenditures	7,611,978	549,059	5,357,016	5,100,512	(266,502)	70
Excess Revenue Over (Under) Expenditures	(34,456)	(402,141)	(95,872)	(48,831)	465,965	(278)

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**UF Statement of Activity - MTD and YTD with Budget
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Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
405-000-340.00-000-000 INTEREST INCOME	7,500	0	5,413	5,000	413	72
405-000-340.04-000-000 2013 REVENUE BOND INTEREST EARNED	0	0	1,458	0	1,458	0
405-000-351.02-000-000 MISC TAP INCOME	20,000	500	25,575	13,333	12,242	128
405-000-352.00-000-000 PRCUA BILLING/AMR PAYMENTS	54,000	4,601	36,597	36,000	597	68
405-000-353.00-000-000 NORWOOD-MAGNOLIA STREET UTILITY RELOCATE PROJECT REIMBURSEMENT	0	62,820	62,820	0	62,820	0
405-000-355.00-000-000 MISC INCOME	112,000	6,488	53,881	74,667	(20,986)	48
405-000-355.01-000-000 MISC INCOME BAGS	4,000	240	2,105	2,667	(562)	53
405-000-355.02-000-000 MISC INCOME TAPS	0	0	(1,500)	0	(1,500)	0
405-000-360.01-000-000 METERED SALES WATER	1,658,138	128,032	1,025,863	1,104,092	(78,229)	62
405-000-360.02-000-000 METERED SALES GAS	1,818,615	129,647	1,690,064	1,212,410	477,654	93
405-000-362.00-000-000 SERVICE CONNECTION CHARGES	2,000	125	1,165	1,333	(168)	58
405-000-364.00-000-000 UTILITY LATE CHARGES	145,000	12,363	100,292	96,667	3,625	69
405-000-365.00-000-000 GARBAGE REVENUE	915,000	81,544	648,003	610,000	38,003	71
405-000-393.02-000-000 SALE OF EQUIPMENT & MACHINERY	0	2,125	45,232	0	45,232	0
Total Revenues	4,734,253	428,485	3,696,768	3,156,169	540,599	78
Expenditures						
Intrafund Transfers Expenses						
TRANSFERS	100,000	8,333	68,750	66,667	(2,083)	69
Total Intrafund Transfers Expenses	100,000	8,333	68,750	66,667	(2,083)	69
Utility Administration Expenses						
PERSONNEL	585,519	43,200	376,674	397,013	20,339	63
SUPPLIES	29,000	1,398	16,784	19,000	2,216	58
OUTSIDE SERVICES	220,250	11,342	143,147	146,834	3,687	65
Total Utility Administration Expenses	844,769	55,940	536,605	562,847	26,242	64
Director of Public Works Expenses						
PERSONNEL	161,840	11,976	105,800	107,960	2,160	65
SUPPLIES	15,930	(2,979)	(56)	10,620	10,676	(0)
OUTSIDE SERVICES	77,483	7,537	64,572	51,655	(12,917)	83
CAPITAL OUTLAY	106,404	793	110,854	105,737	(5,117)	104
Total Director of Public Works Expenses	361,757	17,327	281,170	275,972	(5,198)	78
Water Regulations Expenses						
PERSONNEL	40,780	3,318	30,542	27,187	(3,355)	75
SUPPLIES	23,511	284	5,993	15,673	9,680	25
OUTSIDE SERVICES	6,300	176	2,768	4,200	1,432	44
Total Water Regulations Expenses	70,591	3,778	39,303	47,060	7,757	56
Well and Pump Maintenance Expenses						

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**UF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 5/31/2014**

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	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Financial Report						
SUPPLIES	33,358	112	22,404	22,239	(165)	67
OUTSIDE SERVICES	67,216	64	51,426	44,811	(6,615)	77
Total Well and Pump Maintenance Expenses	100,574	176	73,830	67,050	(6,780)	73
Sewer Construction Expenses						
<u>Utility Construction Expenses</u>						
PERSONNEL	107,276	7,050	55,185	71,516	16,331	51
SUPPLIES	38,831	1,465	23,439	25,887	2,448	60
OUTSIDE SERVICES	34,149	133	17,348	22,766	5,418	51
CAPITAL OUTLAY	0	0	62,820	0	(62,820)	0
Total Utility Construction Expenses	180,256	8,648	158,792	120,169	(38,623)	88
<u>Water Operations Expenses</u>						
PERSONNEL	248,222	21,629	166,872	165,481	(1,391)	67
SUPPLIES	107,381	2,677	95,461	71,587	(23,874)	89
OUTSIDE SERVICES	19,981	4,548	18,957	13,320	(5,637)	95
CAPITAL OUTLAY	54,992	0	(31,952)	36,661	68,613	(58)
Total Water Operations Expenses	430,576	28,854	249,338	287,049	37,711	58
<u>Gas Operations Expenses</u>						
PERSONNEL	219,413	17,816	148,000	146,276	(1,724)	67
SUPPLIES	1,073,079	147,197	950,042	715,385	(234,657)	89
OUTSIDE SERVICES	83,336	905	46,531	55,557	9,026	56
CAPITAL OUTLAY	3,000,000	172,729	198,952	2,000,000	1,801,048	7
Total Gas Operations Expenses	4,375,828	338,647	1,343,525	2,917,218	1,573,693	31
<u>Garbage Expenses</u>						
GARBAGE EXPENSES	810,000	72,414	654,638	540,000	(114,638)	81
Total Garbage Expenses	810,000	72,414	654,638	540,000	(114,638)	81
<u>Loan Interest Expenses</u>						
INTEREST EXPENSE	0	9,526	84,884	0	(84,884)	0
Total Loan Interest Expenses	0	9,526	84,884	0	(84,884)	0
Total Expenditures	7,274,351	543,643	3,490,835	4,884,032	1,393,197	48
Excess Revenue Over (Under) Expenditures	(2,540,098)	(115,158)	205,933	(1,727,863)	(852,598)	8

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ORDER TO APPROVE DOCKET

Motion was made by Council Member Valente, seconded by Council Member Stevens to approve the docket for June 3, 2014 in the amount of \$ 1,961,093.05

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT MDOT AWARD FOR THE GREEN SPACE ON GOODYEAR BLVD

Motion was made by Council Member Valente, seconded by Council Member Stevens to accept the MDOT award in the amount of \$400,000 for the green space on Goodyear Blvd. (old Crosby Hospital site) and proceed with the activation packet authorizing the Mayor to sign all necessary documents.



State of Mississippi
TRANSPORTATION COMMISSION

COMMISSIONER TOM KING
SOUTHERN DISTRICT

April 15, 2014

Ed Pinero, Mayor
City of Picayune
203 Goodyear Boulevard
Picayune, MS 39466

Dear Mayor Pinero,

We are pleased to inform you that the Mississippi Transportation Commission at their meeting on April 8, 2014 approved your request for up to \$400,000.00 in Federal Transportation Alternative Program funds. These funds, along with a required 20% local match, make up the total cost of the project. The project scope, termini, and potential special match opportunities can only be defined and approved ultimately during development of the project. This award letter only approves funding, conceptually, of your request. We look forward to working with you on this project and believe it will be benefit your community.

Please note that this award letter is not authorization to proceed to contract. The project must be activated, designed and constructed according to the *Project Development Manual for Local Public Agencies* which can be located on the MDOT website at <http://sp.mdot.ms.gov/LPA/Manuals/PDM%20Manual.pdf>.

The LPA has 90 days from the date of this letter to activate the project. Once the project has been activated and a project number assigned, a timeline for completing the project will be established. As a next step, please contact your Local Public Agency (LPA) Coordinator, David Seyfarth, P.E., 16499 B Highway 49, Saucier, MS 39574, (228)832-0682.

Sincerely,

A handwritten signature in cursive script that reads "Tom King".

Tom King
Southern District
Mississippi Transportation Commission

CC: Mr. James Williams, Assistant Chief Engineer, Operations
Mr. Jeff Altman, State LPA Engineer
Mr. David Seyfarth, P.E., District 6 LPA Coordinator

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS SERIES 2014, OF THE CITY OF PICAYUNE, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (3,500,000)

Motion was made by Council Member Gouguet, seconded by Council Member Valente to approve the Resolution authorizing and Directing the Issuance of General Obligation Refunding Bonds, Series 2014, of the City of Picayune, Mississippi in the Principal Amount of not to Exceed Three Million Five Hundred Thousand Dollars (\$3,500,000).

REGULAR MEETING JUNE 3, 2014

The Mayor and City Council of the City of Picayune, Mississippi (the "City"), took up for consideration the matter of adopting this sales parameter resolution and bond resolution in connection with the issuance of General Obligation Refunding Bonds, Series 2014 of the City. After a discussion of the subject, Council Member GOUGUET offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014, OF THE CITY OF PICAYUNE, MISSISSIPPI (THE "CITY"), IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000) TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS FOR (I) (A) (1) THE PREPAYMENT, CURRENT REFUNDING AND REDEMPTION OF A CERTAIN PORTION OF THE CITY'S OUTSTANDING \$3,500,000 PROMISSORY NOTE (PICAYUNE, MISSISSIPPI PUBLIC IMPROVEMENT PROJECT), DATED APRIL 15, 2004 (THE "2004 NOTE"), SECURING THE LOAN BETWEEN THE CITY AND THE MISSISSIPPI DEVELOPMENT BANK (THE "BANK") (THE "LOAN") UNDER THE LOAN AGREEMENT, DATED APRIL 15, 2004 (THE "2004 LOAN AGREEMENT"), BY AND BETWEEN THE CITY AND THE BANK, SAID LOAN BEING FUNDED FROM THE PROCEEDS OF THE BANK'S \$3,500,000 SPECIAL OBLIGATION BONDS, SERIES 2004 (PICAYUNE, MISSISSIPPI PUBLIC IMPROVEMENT PROJECT), DATED APRIL 15, 2004 (THE "2004 BANK BONDS"), AND (2) THE SUBSEQUENT CURRENT REFUNDING AND REDEMPTION OF CERTAIN OUTSTANDING MATURITIES OF THE 2004 BANK BONDS; (B) (1) THE CURRENT REFUNDING OF CERTAIN MATURITIES OF THE CITY'S OUTSTANDING GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2005, DATED AUGUST 15, 2005 (THE "2005 BONDS"), ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$1,500,000, AND (2) THE REDEMPTION OF CERTAIN MATURITIES OF THE OUTSTANDING 2005 BONDS; AND (C) (1) THE CURRENT REFUNDING OF ALL MATURITIES OF THE CITY'S OUTSTANDING GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2004, DATED MARCH 1, 2004 (THE "2004 BONDS"), ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$1,500,000, AND (2) THE REDEMPTION OF ALL MATURITIES OF THE OUTSTANDING 2004 BONDS; AND (II) PAYING THE COSTS OF ISSUANCE IN CONNECTION THEREWITH; AND (III) FOR RELATED PURPOSES.

WHEREAS, the Mayor and City Council of the City of Picayune, Mississippi, acting for and on behalf of said City of Picayune, Mississippi, hereby finds, determines, adjudicates and declares as follows:

1. (a) In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

REGULAR MEETING JUNE 3, 2014

"Act" shall mean Sections 31-27-1 et seq., of the Mississippi Code of 1972, as amended.

"Act of Bankruptcy" shall mean the filing of a petition in bankruptcy or insolvency by or against the City under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

"Agent" shall mean any Paying Agent or Transfer Agent, whether serving in either or both capacities, and herein designated by the Governing Body.

"Authorized Officer" means the Mayor of the City, the Clerk of the City and any other officer designated from time to time as an Authorized Officer by resolution of the City, and when used with reference to any act or document also means any other Person authorized by resolution of the City to perform such act or sign such document.

"Bank" shall mean the Mississippi Development Bank.

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the Beneficial Owner of such Bond by a DTC participant on the records of such DTC participant, or such person's subrogee.

"Bond" or "Bonds" shall mean the not to exceed \$3,500,000 General Obligation Refunding Bonds, Series 2014 of the City authorized and directed to be issued in this Bond Resolution.

"Bond Counsel" shall mean Butler Snow LLP, Ridgeland, Mississippi.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement, by and between the City and the Underwriter, dated the date of sale of the Bonds.

"Bond Resolution" shall mean this resolution, as may be amended from time to time.

"Bondholder" or "Bondholders" or "Holder" or "Holders" or any similar term shall mean the registered owner of any Bond.

"Book-Entry System" means a book-entry system established and operated for the recordation of Beneficial Owners of the Bonds as described in Section 2 herein.

"Callable Bonds" shall mean together, the Callable 2004 Bank Bonds, the Callable 2004 Bonds and the Callable 2005 Bonds.

"Callable 2004 Bank Bonds" shall mean certain maturities of the outstanding the 2004 Bank Bonds maturing on July 1 in the years 2015 through 2024, both inclusive.

"Callable 2004 Bonds" shall mean certain maturities of the outstanding the 2004 Bonds maturing March 1 in the years 2015 through 2019, both inclusive.

"Callable 2005 Bonds" shall mean certain maturities of the outstanding 2005 Bonds maturing on July 1 in the years 2015 through 2020, both inclusive.

REGULAR MEETING JUNE 3, 2014

"City" shall mean the City of Picayune, Mississippi.

"Clerk" shall mean the City Clerk of the City.

"County" shall mean Pearl River County, Mississippi.

"Direct Participant" means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository.

"DTC" means The Depository Trust Company.

"DTC participants" shall mean any participant for whom DTC is a Security Depository Nominee.

"Financial Advisor" shall mean Government Consultants, Inc., Jackson, Mississippi.

"Governing Body" shall mean the Mayor and City Council of the City.

"Indirect Participant" shall mean a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository through a Direct Participant.

"Letter of Representations" shall mean the DTC Blanket Issuer Letter of Representations of the City.

"Mayor" shall mean the Mayor of the City.

"Paying Agent" shall mean Hancock Bank, Jackson, Mississippi.

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization and a government or agency or political subdivision thereof.

"Project" shall mean the Refunding Project and paying the costs of issuance of the Bonds.

"Record Date" shall mean, as to interest payments, the 15th day of the month preceding the dates set for payment of interest on the Bonds and, as to payments of principal, the 15th day of the month preceding the maturity date thereof or the date set for redemption.

"Record Date Registered Owner" shall mean the Registered Owner as of the Record Date.

"Refunded Bonds" shall mean together the Refunded 2004 Bank Bonds, the Refunded 2004 Bonds and the Refunded 2005 Bonds.

"Refunded 2004 Bank Bonds" shall mean the 2004 Bank Bonds maturing on July 1 in the years 2015 through 2024, both inclusive.

"Refunded 2004 Bonds" shall mean the 2004 Bonds maturing on March 1 in the years 2015 through 2019, both inclusive.

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"Refunded 2005 Bond" shall mean the 2005 Bonds maturing on July 1 in the years 2015 through 2020, both inclusive.

"Refunded 2004 Note" shall mean the 2004 Note, securing the 2004 Loan Agreement, maturing on July 1 in the years 2015 through 2024.

"Refunding Project" shall mean providing funds for the prepayment and current refunding of the Refunded Note and the Refunded Bonds.

"Registered Owner" shall mean the Person whose name shall appear in the registration records of the City maintained by the Transfer Agent.

"Securities Depository" means The Depository Trust Company and any substitute for or successor to such securities depository that shall maintain a Book-Entry System with respect to the Bonds.

"Securities Depository Nominee" means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration records the Bonds to be delivered to such Securities Depository during the continuation with such Securities Depository of participation in its Book-Entry System.

"Transfer Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the registration of owners of the Bonds and for the performance of such other duties as may be herein or hereafter specified by the Governing Body, and shall initially be Hancock Bank, Jackson, Mississippi.

"Transferred Proceeds" shall mean the funds transferred from the 2004 Bank Bonds debt service reserve fund to provide a portion of the funds to effectuate the Project.

"Underwriter" shall mean Duncan-Williams, Inc., Memphis, Tennessee.

"2004 Bank Bonds" shall mean the Mississippi Development Bank \$3,500,000 Special Obligation Bonds, Series 2004 (Picayune, Mississippi Public Improvement Project), dated April 15, 2004.

"2004 Bank Indenture" shall mean an Indenture of Trust, dated as of April 15, 2004, by and between the Bank and the 2004 Bank Bonds Trustee, including any amendment and supplements thereto.

"2004 Bank Bonds Trustee" shall mean Hancock Bank, Gulfport, Mississippi.

"2004 Loan Agreement" shall mean the Loan Agreement, dated April 15, 2004, by and between the City and the Bank.

"2004 Note" shall mean the \$3,500,000 Promissory Note (Picayune, Mississippi Public Improvement Project), dated April 15, 2004, issued under the terms and provisions of the 2004 Loan Agreement, which 2004 Note and 2004 Loan Agreement secure a portion of the proceeds

REGULAR MEETING JUNE 3, 2014

of the 2004 Bank Bonds, which 2004 Bank Bonds were issued pursuant to the 2004 Bank Indenture.

“2004 Bonds” shall mean the City’s \$1,500,000 General Obligation Public Improvement Bonds, Series 2004, dated March 1, 2004.

“2004 Bond Resolution” shall mean the bond resolution, adopted by the City, in connection with the 2004 Bonds.

“2004 Paying Agent” shall mean Trustmark National Bank, Jackson, Mississippi.

“2005 Bonds” shall mean the City’s \$1,500,000 General Obligation Public Improvement Bonds, Series 2005, dated August 15, 2005.

“2005 Bond Resolution” shall mean the bond resolution, adopted by the City, in connection with the 2005 Bonds.

“2005 Paying Agent” shall mean Trustmark National Bank, Jackson, Mississippi

"2014 Bond Fund" shall mean the City of Picayune, Mississippi General Obligation Refunding Bonds, Series 2014, 2014 Bond Fund provided for in Section 13 hereof.

"2014 Costs of Issuance Fund" shall mean the City of Picayune, Mississippi General Obligation Refunding Bonds, Series 2014, 2014 Costs of Issuance Fund provided for in Section 14 hereof.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as the singular form of any of such words and terms.

2. The City is authorized under the provisions of the Act to issue its Bonds to fund the Project. It is advisable and in the public interest to issue the Bonds for the purpose stated herein.

3. The estimated cost of the Project is not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000).

4. The Governing Body recognizes that the current low interest rate environment provides an opportunity to refund the Bonds, and the Governing Body further realizes that the Governing Body must move expeditiously to accomplish the greatest savings possible by the issuance of the Bonds.

5. In that the bond market is volatile, the Governing Body needs to authorize the negotiated sale of the Bonds to the Underwriter, subject to the satisfaction of the conditions as hereinafter set forth in Section 25 and authorizes the Mayor and City Clerk to execute the Bond Purchase Agreement, prior to a scheduled meeting of the Governing Body in order to maximize the savings to the City regarding the issuance of the Bonds.

6. The City recognizes that in order to prepare the necessary offering documents it is in the best interest of the City to authorize Bond Counsel to prepare and distribute all necessary documents and to do all things required in order to negotiate the sale of the Bonds to the Underwriter and effectuate the issuance of such Bonds.

7. It is necessary to approve the execution of the Preliminary Official Statement, to be dated the date of distribution thereof (the "Preliminary Official Statement") for the sale of the Bonds and the distribution thereof to prospective purchasers of the Bonds.

8. It is necessary to approve the form of and execution of the Bond Purchase Agreement with regard to the sale of the Bonds.

9. It is necessary to approve the form of, execution and distribution of an Official Statement, to be dated the date of execution of the Bond Purchase Agreement (the "Official Statement") for the Bonds.

10. It has now become necessary to make provision for the preparation, execution and issuance of said Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY, ACTING FOR AND ON BEHALF OF THE CITY, AS FOLLOWS:

SECTION 1. In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same from time to time, this Bond Resolution shall constitute a contract between the City and the Registered Owners from time to time of the Bonds. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the City for the benefit of the Registered Owners shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

SECTION 2. (a) The Bonds shall initially be issued pursuant to a Book-Entry System administered by the Securities Depository with no physical distribution of Bond certificates to be made except as provided in this Section 2. Any provision of this Bond Resolution or the Bonds requiring physical delivery of the Bonds shall, with respect to any Bonds held under the Book-Entry System, be deemed to be satisfied by a notation on the Registration Records maintained by the Paying Agent that such Bonds are subject to the Book-Entry System.

(b) So long as a Book-Entry System is being used, one Bond in the aggregate principal amount of the Bonds and registered in the name of the Securities Depository, the Securities Depository Nominee and the Participants and Indirect Participants will evidence beneficial ownership of the Bonds in authorized denominations, with transfers of ownership effected on the records of the Securities Depository, the Participants and the Indirect Participants pursuant to rules and procedures established by the Securities Depository, the Participants and the Indirect Participants. The principal of and any premium on each Bond shall be payable to the Securities Depository Nominee or any other person appearing on the Registration Records as the Registered Holder of such Bond or its registered assigns or legal representative at the principal

REGULAR MEETING JUNE 3, 2014

office of the Paying Agent. So long as the Book-Entry System is in effect, the Securities Depository will be recognized as the Holder of the Bonds for all purposes. Transfer of principal, interest and any premium payments or notices to Participants and Indirect Participants will be the responsibility of the Securities Depository and transfer of principal, interest and any premium payments or notices to Beneficial Owners will be the responsibility of the Participants and Indirect Participants. No other party will be responsible or liable for such transfers of payments or notices or for maintaining, supervising or reviewing such records maintained by the Securities Depository, the Participants or the Indirect Participants. While the Securities Depository Nominee or the Securities Depository, as the case may be, is the registered owner of the Bonds, notwithstanding any other provisions set forth herein, payments of principal of, redemption premium, if any, and interest on the Bonds shall be made to the Securities Depository Nominee or the Securities Depository, as the case may be, by wire transfer in immediately available funds to the account of such Holder, without notice to or the consent of the Beneficial Owners, the Paying Agent, with the consent of the City, and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set out herein. In such event, the Paying Agent shall make payments with respect to the Bonds in such manner as if set forth herein.

(c) The City may at any time elect (i) to provide for the replacement of any Securities Depository as the depository for the Bonds with another qualified Securities Depository, or (ii) to discontinue the maintenance of the Bonds under a Book-Entry System. In such event, and upon being notified by the City of such election, the Paying Agent shall give 30 days' prior notice of such election to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository).

(d) Upon the discontinuance of the maintenance of the Bonds under a Book-Entry System, the City will cause Bonds to be issued directly to the Beneficial Owners of Bonds, or their designees, as further described below. In such event, the Paying Agent shall make provisions to notify Participants and the Beneficial Owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the Paying Agent in its discretion, that Bonds will be directly issued to the Beneficial Owners of Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

(e) In the event that Bonds are to be issued to the Beneficial Owners of the Bonds, or their designees, the City shall promptly have prepared Bonds in certificated form registered in the names of the Beneficial Owners of Bonds shown on the records of the Participants provided to the Paying Agent, as of the date set forth in the notice described above. Bonds issued to the Beneficial Owners, or their designees, shall be in fully registered form substantially in the form set forth in Section 8 hereof.

(f) If any Securities Depository is replaced as the depository for the Bonds with another qualified Securities Depository, the City will issue to the replacement Securities Depository Bonds substantially in the form set forth herein, registered in the name of such replacement Securities Depository.

(g) Each Securities Depository and the Participants, the Indirect Participants and the Beneficial Owners of the Bonds, by their acceptance of the Bonds, agree that the City and the Paying Agent shall have no liability for the failure of any Securities Depository to perform its obligation to any Participant, Indirect Participant or other nominee of any Beneficial Owner of any Bonds to perform any obligation that such Participant, Indirect Participant or other nominee may incur to any Beneficial Owner of the Bonds.

(h) Notwithstanding any other provision of this Bond Resolution, on or prior to the date of issuance of the Bonds, the Paying Agent shall have executed and delivered to the initial Securities Depository a Letter of Representations governing various matters relating to the Securities Depository and its activities pertaining to the Bonds. The terms and provisions of such Letter of Representations are incorporated herein by reference and in the event there shall exist any inconsistency between the substantive provisions of the said Letter of Representations and any provisions of this Bond Resolution, then, for as long as the initial Securities Depository shall serve with respect to the Bonds, the terms of the Letter of Representations shall govern.

(i) Notwithstanding any provision in this Bond Resolution to the contrary, at all times in which the Book-Entry System is in effect, any references to physical delivery of a Bond shall not be required.

SECTION 3. The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) to raise money for the Project as authorized by the Act.

SECTION 4. (a) Payments of interest on the Bonds shall be made to the Record Date Registered Owner, and payments of principal shall be made upon presentation and surrender thereof at the principal office of the Paying Agent to the Record Date Registered Owner in lawful money of the United States of America.

(b) The Bonds shall be registered as to both principal and interest; shall be dated the date of delivery thereof; shall be issued in the principal denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity; shall be numbered from one upward in the order of issuance; shall bear interest from the date thereof at the rate or rates specified by further order of the Governing Body, payable on January 1 and July 1 of each year (each an "Interest Payment Date") until maturity, such interest rate to be in compliance with the Act, commencing January 1, 2015, unless otherwise specified in the Bond Purchase Agreement; and shall mature and become due and payable on July 1 in the years and in the amounts as determined in the Bond Purchase Agreement, with such completions, changes, insertions and modifications to the Bond Purchase Agreement as shall be approved by the officers executing and delivering the same (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications).

(c) The Bonds may be subject to optional or mandatory sinking fund redemption prior to their stated dates of maturity as set forth in the Bond Purchase Agreement (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications)..

REGULAR MEETING JUNE 3, 2014

(d) If notice of redemption is required in the Bond Purchase Agreement, notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

(e) The Bonds, for which the payment of sufficient moneys or, to the extent permitted by the laws of the State of Mississippi, (a) direct obligations of, or obligations for the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations"), (b) certificates of deposit or municipal obligations fully secured by Government Obligations or (c) evidences of ownership of proportionate interests in future interest or principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated, (d) State and Local Government Series ("SLGS") Securities, or (e) municipal obligations, the payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by Government Obligations and which Government Obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations (all of which collectively, with Government Obligations, "Defeasance Securities"), shall have been deposited with an escrow agent appointed for such purpose, which may be the Paying and Transfer Agent, shall be deemed to have been paid, shall cease to be entitled to any lien, benefit or security under this Bond Resolution and shall no longer be deemed to be outstanding hereunder, and the Registered Owners shall have no rights in respect thereof except to receive payment of the principal of and interest on such Bonds from the funds held for that purpose. Defeasance Securities shall be considered sufficient under this Bond Resolution if said investments, with interest, mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due on such Bonds.

SECTION 5. (a) When the Bonds shall have been validated and executed as herein provided, they shall be registered as an obligation of the City in the office of the Clerk in a record maintained for that purpose, and the Clerk shall cause to be imprinted upon the reverse

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side of each of the Bonds, over his manual or facsimile signature and manual or facsimile seal, his certificate in substantially the form set out in **EXHIBIT A**.

(b) The Bonds shall be executed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the Clerk, with the seal of the City imprinted or affixed thereto; provided, however all signatures and seals appearing on the Bonds, other than the signature of an authorized officer of the Transfer Agent hereafter provided for, may be facsimile and shall have the same force and effect as if manually signed or impressed. In case any official of the City whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such official before the delivery or reissuance thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery or reissuance.

(c) The Bonds shall be delivered to the Underwriter upon payment of the purchase price therefor in accordance with the terms and conditions of their sale and award, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale and validation of the Bonds, and the final, unqualified approving opinion of Bond Counsel.

(d) Prior to or simultaneously with the delivery by the Transfer Agent of any of the Bonds, the City shall file with the Transfer Agent:

(i) a copy, certified by the Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale and validation of the Bonds; and

(ii) an authorization to the Transfer Agent, signed by the Mayor or Clerk, to authenticate and deliver the Bonds to the Underwriter.

(e) At delivery, the Transfer Agent shall authenticate the Bonds and deliver them to the Underwriter thereof upon payment of the purchase price of the Bonds to the City.

(f) Bonds, blank as to denomination, rate of interest, date of maturity and CUSIP number and sufficient in quantity in the judgment of the City to meet the reasonable transfer and reissuance needs on the Bonds, shall be printed and delivered to the Transfer Agent in generally-accepted format, and held by the Transfer Agent until needed for transfer or reissuance, whereupon the Transfer Agent shall imprint the appropriate information as to denomination, rate of interest, date of maturity and CUSIP number prior to the registration, authentication and delivery thereof to the transferee holder. The Transfer Agent is hereby authorized upon the approval of the Governing Body to have printed from time to time as necessary additional Bonds bearing the facsimile seal of the City and facsimile signatures of the persons who were the officials of the Governing Body as of the date of original issue of the Bonds.

SECTION 6. (a) The City hereby appoints the Paying and Transfer Agent for the Bonds. The Paying and Transfer Agent shall be a bank or trust company located within the State of Mississippi. The City specifically reserves the right to hereafter designate a separate Transfer Agent and/or Paying Agent in its discretion in the manner hereinafter provided.

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(b) So long as any of the Bonds shall remain outstanding, the City shall maintain with the Transfer Agent records for the registration and transfer of the Bonds. The Transfer Agent is hereby appointed registrar for the Bonds, in which capacity the Transfer Agent shall register in such records and permit to be transferred thereon, under such reasonable regulations as may be prescribed, any Bond entitled to registration or transfer.

(c) The City shall pay or reimburse the Agent for reasonable fees for the performance of the services normally rendered and the incurring of normal expenses reasonably and necessarily paid as are customarily paid to paying agents, transfer agents and bond registrars, subject to agreement between the City and the Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct or willful default of the Agent, shall be made by the City on a case-by-case basis, subject, where not prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

(d) (i) An Agent may at any time resign and be discharged of the duties and obligations of either the function of the Paying Agent or Transfer Agent, or both, by giving at least sixty (60) days' written notice to the City, and may be removed from either or both of said functions at any time by resolution of the Governing Body delivered to the Agent. The resolution shall specify the date on which such removal shall take effect and the name and address of the successor Agent, and shall be transmitted to the Agent being removed within a reasonable time prior to the effective date thereof. Provided, however, that no resignation or removal of an Agent shall become effective until a successor Agent has been appointed pursuant to the Bond Resolution.

(ii) Upon receiving notice of the resignation of an Agent, the City shall promptly appoint a successor Agent by resolution of the Governing Body. Any appointment of a successor Agent shall become effective upon acceptance of appointment by the successor Agent. If no successor Agent shall have been so appointed and have accepted appointment within thirty (30) days after the notice of resignation, the resigning Agent may petition any court of competent jurisdiction for the appointment of a successor Agent, which court may thereupon, after such notice as it may deem appropriate, appoint a successor Agent.

(iii) In the event of a change of Agents, the predecessor Agent shall cease to be custodian of any funds held pursuant to this Bond Resolution in connection with its role as such Agent, and the successor Agent shall become such custodian; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Agent shall be fully paid. Every predecessor Agent shall deliver to its successor Agent all records of account, registration records, lists of Registered Owners and all other records, documents and instruments relating to its duties as such Agent.

(iv) Any successor Agent appointed under the provisions hereof shall be a bank, trust company or national banking association having Federal Deposit Insurance Corporation insurance of its accounts, duly authorized to exercise corporate trust powers

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and subject to examination by and in good standing with the federal and/or state regulatory authorities under the jurisdiction of which it falls.

(v) Every successor Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor Agent and to the City an instrument in writing accepting such appointment hereunder, and thereupon such successor Agent, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor.

(vi) Should any transfer, assignment or instrument in writing be required by any successor Agent from the City to more fully and certainly vest in such successor Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Agent, any such transfer, assignment and written instruments shall, on request, be executed, acknowledged and delivered by the City.

(vii) The City will provide any successor Agent with certified copies of all resolutions, orders and other proceedings adopted by the Governing Body relating to the Bonds.

(viii) All duties and obligations imposed hereby on an Agent or successor Agent shall terminate upon the accomplishment of all duties, obligations and responsibilities imposed by law or required to be performed by this Bond Resolution.

(e) Any corporation or association into which an Agent may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Agent hereunder and vested with all the powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of either the City or the successor Agent, anything herein to the contrary notwithstanding, provided only that such successor Agent shall be satisfactory to the City and eligible under the provisions of Section 7(d)(iv) hereof.

SECTION 7. The Bonds shall be in substantially the form attached hereto as **EXHIBIT A**, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Resolution.

SECTION 8. In case any Bond shall become mutilated or be stolen, destroyed or lost, the City shall, if not then prohibited by law, cause to be authenticated and delivered a new Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the City in connection therewith, and in case of a Bond stolen, destroyed or lost, his filing with the City or Transfer Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of his ownership thereof, and furnishing the City or Transfer Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote. The provision of this Section 8 shall not apply if the Book-Entry System is in effect.

SECTION 9. For the purpose of effectuating and providing for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue, there shall be and is hereby levied a direct, continuing special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of and the interest on the Bonds; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2014 Bond Fund of the Bonds, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the City, in accordance with the provisions of the Bond Resolution. When necessary, said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this section, such failure shall not impair the right of the Registered Owners of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds, both as to principal and interest.

SECTION 10. Only such of the Bonds as shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Transfer Agent, shall be entitled to the rights, benefits and security of this Bond Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Transfer Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Transfer Agent's certificate of registration and authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Transfer Agent, but it shall not be necessary that the same officer sign said certificate on all of the Bonds that may be issued hereunder at any one time.

SECTION 11. (a) In the event the Underwriter shall fail to designate the names, addresses and social security or tax identification numbers of the Registered Owners of the Bonds within thirty (30) days of the date of sale, or at such other later date as may be designated by the City, one Bond registered in the name of the Underwriter may be issued in the full amount for each maturity. Ownership of the Bonds shall be in the Underwriter until the initial Registered Owner has made timely payment and, upon request of the Underwriter within a reasonable time of the initial delivery of the Bonds, the Transfer Agent shall re-register any such Bond upon its records in the name of the Registered Owner to be designated by the Underwriter in the event timely payment has not been made by the initial Registered Owner.

(b) Except as hereinabove provided, the Person in whose name any Bond shall be registered in the records of the City maintained by the Transfer Agent may be deemed the absolute owner thereof for all purposes, and payment of or on account of the principal of or interest on any Bond shall be made only to or upon the order of the Registered Owner thereof, or his legal representative, but such registration may be changed as hereinafter provided. All such

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payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

SECTION 12. (a) Each Bond shall be transferable only in the records of the City, upon surrender thereof at the office of the Transfer Agent, together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the transfer of any Bond, the City, acting through its Transfer Agent, shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond or Bonds.

(b) In all cases in which the privilege of transferring Bonds is exercised, the Transfer Agent shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution.

SECTION 13. (a) The City hereby establishes the 2014 Bond Fund which shall be maintained with a qualified depository in its name for the payment of the principal of and interest on the Bonds, and the payment of Agents' fees in connection therewith. There shall be deposited into the 2014 Bond Fund as and when received:

- (i) The accrued interest, if any, received upon delivery of the Bonds;
- (ii) The avails of any of the ad valorem taxes levied and collected pursuant to Section 9 hereof;
- (iii) Any income received from investment of monies in the 2014 Bond Fund;
and
- (iv) Any other funds available to the City which may be lawfully used for payment of the principal of and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the 2014 Bond Fund.

(b) As long as any principal of and interest on the Bonds remains outstanding, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2014 Bond Fund sufficient monies to make the payments herein provided for and to transfer same to the account of the Paying Agent in time to reach said Paying Agent at least five (5) days prior to the date on which said interest or principal and interest shall become due.

SECTION 14. The City hereby establishes the 2014 Costs of Issuance Fund which shall be held by the Paying Agent, acting for and on behalf of the City. A certain portion of the proceeds received upon the sale of the Bonds shall be deposited in the 2014 Costs of Issuance Fund. Any income received from investment of monies in the 2014 Costs of Issuance Fund shall be deposited in the 2014 Costs of Issuance Fund. Funds in the 2014 Costs of Issuance Fund shall be used to pay the costs, fees and expenses incurred by the City in connection with the authorization, issuance, sale, validation and delivery of the Bonds. Any amounts which remain in the 2014 Costs of Issuance Fund after the payment of the costs of issuance for the Bonds shall be transferred by the Paying Agent to the City for deposit in the 2014 Bond Fund and used as permitted under State law.

SECTION 15. A certain portion of the Bonds, together with Transferred Proceeds, will be remitted directly to (a) the 2004 Bank Bonds Trustee for the prepayment and current refunding of the Refunded 2004 Note, and the subsequent refunding of the Refunded 2004 Bank Bonds, pursuant to the 2004 Bank Indenture for the 2004 Bank Bonds, which amount will be sufficient to effectuate the current refunding of the Refunded 2004 Bank Bonds and the redemption price of the Callable 2004 Bank Bonds on August 1, 2014; (b) the 2004 Paying Agent for the prepayment and current refunding of the Refunded 2004 Bonds, which amount will be sufficient to effectuate the current refunding of the Refunded 2004 Bonds and the redemption price of the Callable 2004 Bonds on September 1, 2014; (c) the 2005 Paying Agent for the prepayment and current refunding of the Refunded 2005 Bonds, which amount will be sufficient to effectuate the current refunding of the Refunded 2005 Bonds and the redemption price of the Callable 2005 Bonds on July 1, 2014; and (d) the Paying Agent, acting for and on behalf of the City, to pay the costs of issuance of the Bonds.

SECTION 16. (a) Payment of principal on the Bonds shall be made, upon presentation and surrender of the Bonds at the principal office of the Paying Agent, to the Record Date Registered Owner thereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date.

(b) Payment of each installment of interest on the Bonds shall be made to the Record Date Registered Owner thereof whose name shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date. Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such Bond subsequent to the Record Date and prior to the due date of the interest.

(c) Principal of and interest on the Bonds shall be paid by check or draft mailed on the Interest Payment Date to Registered Owners at the addresses appearing in the registration records of the Transfer Agent. Any such address may be changed by written notice from the Registered Owner to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent not later than the 15th day of the calendar month preceding the applicable principal or Interest Payment Date to be effective as of such date.

SECTION 17. The Bonds may be submitted to validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, and to that end, if requested, the Clerk is hereby directed to make up a transcript of all legal papers and proceedings relating to the Bonds and to certify and forward the same to the State's bond attorney for the institution of validation proceedings.

SECTION 18. The City hereby covenants that it will not make any use of the proceeds of the Bonds or do or suffer any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Internal Revenue Code of 1986, as amended ("Code"), and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the Registered Owners thereof for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

SECTION 19. The City hereby covenants as follows:

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(a) it has not abandoned, sold or otherwise disposed of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the 2004 Note, the 2004 Bonds, the 2005 Bonds;

(b) it does not intend to, during the term that any of the Bonds allocable to the Refunding Project are outstanding, abandon, sell or otherwise dispose of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the 2004 Note, the 2004 Bonds, the 2005 Bonds;

(c) it shall timely file with the Ogden, Utah Service Center of the Internal Revenue Service, such information report or reports as may be required by Section 148(f) and 149(e) of the Code;

(d) it shall take no action that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(e) it will not employ an abusive arbitrage device in connection with the issuance by it of the Bonds which will enable it to obtain a material financial advantage (based on arbitrage) apart from the savings that may be realized as a result of the lower interest rates on the Bonds than on the Refunded Notes and overburden the tax-exempt bond market; and

(f) it shall make, or cause to be made, the rebate required by Section 148(f) of the Code in the manner described in Regulation § 1.148-0 through 1.148-11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1, 1.150-2, as such regulations and statutory provisions may be modified insofar as they apply to the Bonds.

SECTION 20. The City hereby agrees for the benefit of the holders and beneficial owners of the Bonds for so long as it remains obligated to advance funds to pay the Bonds to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board ("MSRB") through MSRB's Electronic Municipal Market Access system at 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"). This information will be available free to securities brokers and others through EMMA.

The City will provide certain updated financial information and operating data to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in APPENDIX A under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION" and "DEBT INFORMATION" and other financial information set forth in APPENDICES B and C of the Official Statement. The City will update and provide this information within twelve months after the end of each fiscal year of the City ending in or after 2014.

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The City may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements, if the City's audit is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by such time, if available and audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles promulgated by the State of Mississippi or such other accounting principles as the City may be required to employ from time to time pursuant to law or regulation.

The City's current fiscal year end is September 30. If the City changes its fiscal year, it will notify the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information.

Anyone requesting information under the continuing disclosure requirements of SEC Rule 15c2-12 should contact the City Clerk, City Hall, 815 north Beech Street, Picayune, Mississippi 39466 Telephone Number: (601) 798-9770.

The City will also provide notice to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information, in a timely manner not in excess of ten business days after the occurrence of certain events. The City will provide notice of any of the following events with respect to the Bonds, in a timely manner not in excess of ten business days after the occurrence of such event: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves, reflecting financial difficulties; (3) unscheduled draws on credit enhancements, reflecting financial difficulties; (4) substitution of credit or liquidity providers for the Bonds; or their failure to perform; (5) adverse tax opinions, IRS notices or events affecting the tax status of the Bonds; (6) defeasances; (7) rating changes; (8) tender offers; and (9) bankruptcy, insolvency receivership, or a similar proceeding by the obligated person. The City will provide to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information, notice of an occurrence of the following events, if such event is material to a decision to purchase or sell Bonds, in a timely manner not in excess of ten business days after the occurrence of an event: (1) non-payment related defaults; (2) modifications to the rights of bond holders; (3) bond calls or redemption; (4) release, substitution, or sale of property securing repayment of the Bonds; (5) the consummation of a merger, consolidation, acquisition involving an obligated person, other than in the ordinary course of business, or the sale of all or substantially all the assets of an obligated person, other than in the ordinary course of business, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms; and (6) appointment of a successor or additional trustee, or the change in the name of the trustee. In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under paragraphs 2, 3 and 4 of this Section.

The City has agreed to update information and to provide notices of material events only as described in this Section. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described herein. The

City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although Holders or Beneficial Owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement only if (1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature, or status of the City, (2) the agreement, as amended, would have complied with the Rule at the date of sale of the Bonds, taking into account any amendments or interpretations of the Rule as well as any change in circumstance, and (3) the City receives an opinion of nationally recognized bond counsel to the effect that the amendment does not materially impair the interests of the Holders and Beneficial Owners of the Bonds. If any such amendment is made, the City will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

SECTION 21. The Paying Agent, acting for and on behalf of the City, is hereby authorized to pay costs of issuance expenses on the closing date for the Bonds from the proceeds of the Bonds deposited with the Paying Agent in the 2014 Costs of Issuance Fund; provided, however, total costs of issuance for said Bonds shall not exceed 5.00% of the par amount of the Bonds, which amount excludes Underwriter's discount and the premium for municipal bond insurance, if any. The Mayor, Clerk or any other Authorized Officer is authorized to sign requisitions for the payment of costs of issuance for the Bonds for such costs to be requisitioned from the 2014 Costs of Issuance Fund by the Paying Agent as provided above.

SECTION 22. The City hereby designates the Bonds as "qualified tax-exempt obligations" as defined in and for the purposes of Section 265(b)(3) of the Code. For purposes of this designation, the City hereby represents that:

(a) the City reasonably anticipates that the amount of tax-exempt obligations to be issued by it during the period from January 1, 2014, to December 31, 2014, and the amount of obligations designated as "qualified tax-exempt obligations" by it, will not exceed \$10,000,000 when added to the aggregate principal amount of the Bonds;

(b) for purposes of this Section 22, the following obligations are not taken into account in determining the aggregate principal amount of tax-exempt obligations issued by the City: (i) a private activity bond as defined in Section 141 of the Code (other than a qualified 501(c)(3) bond, as defined in Section 145 of the Code); and (ii) any obligation issued to refund any other tax-exempt obligation (other than to advance refund within the meaning of Section 149(d)(5) of the Code) as provided in Section 265(b)(3)(c) of the Code; and

(c) Neither the 2004 Note, the 2004 Bank Bonds, the 2004 Bonds, the 2005 Bonds nor the Bonds is an issue, the face amount of which exceeds \$10,000,000.

SECTION 23. That the Governing Body of the City hereby approves, adopts and ratifies the Preliminary Official Statement for the sale of the Bonds in substantially the form attached hereto as **EXHIBIT B**. The City hereby deems the Preliminary Official Statement to be "final" as required by Rule 15c2-12(b)(1) of the Securities and Exchange Commission.

SECTION 24. That the distribution of copies of said Preliminary Official Statement to prospective purchasers of the Bonds is hereby authorized and ratified.

SECTION 25. That the Governing Body of the City hereby authorizes the negotiation of the sale of the Bonds to the Underwriter and authorizes the execution by the Mayor and City Clerk of the Governing Body of the Bond Purchase Agreement in substantially the same form attached hereto as **EXHIBIT C** for and on behalf of the City, with such completions, changes, insertions and modifications as shall be approved by the officers executing and delivering the same (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications), based on the recommendation of Financial Advisor and provided that the following parameters are met: (1) the par amount of the Bonds will not exceed \$3,500,000; (2) the net interest cost of the Bonds will not exceed 5.00%; (3) the term of the Bonds will not exceed 20 years; and (4) terms and provisions of the Bonds in compliance with the Act.

SECTION 26. Upon the execution of the Bond Purchase Agreement, the Mayor and Clerk are hereby authorized and directed to cause to be prepared and to execute a final Official Statement in connection with the Bonds in substantially the form of the Preliminary Official Statement, subject to minor amendments and supplement as approved by the Mayor and Clerk executing same (the execution thereof shall constitute approval of any such completions, changes, insertions and modifications).

SECTION 27. The Governing Body recognizes and acknowledges that due to uncertain conditions in the municipal bond marketplace from time to time, that it may or may not be determined to be advisable to refund any, all or a portion of the Refunded Bonds at any given time. Therefore the Governing Body does hereby grant authority to the Mayor, upon advice from the Financial Advisor, to provide for the final selection and approval of the obligations, amounts, and maturities of the Refunded Bonds to be refunded with the Bonds.

SECTION 28. Each of the following constitutes an event of default under this Bond Resolution:

- (a) failure by the City to pay any installment of principal or interest on any Bond at the time required;
- (b) failure by the City to perform or observe any other covenant, agreement or condition on its part contained in this Bond Resolution or in the Bonds, and the continuance thereof for a period of thirty (30) days after written notice thereof to the City by the Registered Owners of not less than ten percent (10%) in principal amount of the then outstanding Bonds; or
- (c) an Act of Bankruptcy occurs.

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SECTION 29. The Mayor and Clerk and any other Authorized Officer of the Governing Body are authorized to execute and deliver such resolutions, certificates and other documents as are required for the sale, issuance and delivery of the Bonds.

SECTION 30. 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 Bond Resolution shall become effective upon the adoption hereof.

Council Member VALENTE seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Mayor Ed Pinero	Voted: <u>YAY</u>
Council Member Tammy Valente	Voted: <u>YAY</u>
Council Member Lynn Bogan Bumpers	Voted: <u>ABSENT</u>
Council Member Jan Stevens	Voted: <u>YAY</u>
Council Member Larry Breland	Voted: <u>YAY</u>
Council Member Wayne Gouquet	Voted: <u>YAY</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 3rd day of June, 2014.



MAYOR

ATTEST:


CITY CLERK



EXHIBIT A

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

CITY OF PICAYUNE

GENERAL OBLIGATION REFUNDING BOND,

SERIES 2014

NO. R- _____ \$ _____

<u>Rate of Interest</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____ %	_____	_____, 2014	_____

Registered Owner: Cede & Co.

Principal Amount: _____ DOLLARS

The City of Picayune, State of Mississippi (the "City"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender of this Bond, at the principal office of Hancock Bank, Jackson, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Refunding Bonds, Series 2014, of the City (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the Registered Owner hereof who shall appear in the registration records of the City maintained by Hancock Bank, Jackson, Mississippi, or its successor, as transfer agent for the Bonds (the "Transfer Agent"), as of the 15th day of the calendar month preceding the maturity date hereof.

The City further promises to pay interest on such principal amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth above, on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing January 1, 2015, until said principal sum is paid, to the Registered Owner hereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the 15th day of the calendar month preceding the applicable Interest Payment Date.

Payments of principal of and interest on this Bond shall be made by check or draft mailed on the Interest Payment Date to such Registered Owner at his address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent not later than the 15th day of the calendar month preceding the applicable principal or Interest Payment Date.

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This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of not to exceed _____ Dollars (\$_____,000) to raise money for the purpose of prepaying and current refunding the outstanding maturities of the City's _____.

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 31-27-1 et seq., Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Mayor and City Council of the City, including resolution adopted June 3, 2014 (the "Bond Resolution").

INSERT REDEMPTION IF APPLICABLE.

Notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

The Bonds are registered as to both principal and interest. The Bonds are to be issued or reissued in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity.

This Bond may be transferred or exchanged by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Transfer Agent, but only in the manner, subject to the limitations in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer or exchange, a new Bond or Bonds of like aggregate principal amount in authorized denominations of the same maturity will be issued.

The City and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds are and will continue to be payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred

REGULAR MEETING JUNE 3, 2014

money to the 2014 Bond Fund of the Bonds, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the City, in accordance with the provisions of the Bond Resolution. The City, when necessary, will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certificate of registration and authentication hereon shall have been signed by the Transfer Agent.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, in order to make the same legal and binding General obligations of the City, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this Bond, both principal and interest, the full faith and credit of the City are hereby irrevocably pledged.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Clerk of the City, under the manual or facsimile seal of the City, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, as of the ____ day of ____, 2014.

CITY OF PICAYUNE, MISSISSIPPI

BY: _____
Mayor

COUNTERSIGNED:

City Clerk

(Seal)

REGULAR MEETING JUNE 3, 2014

There shall be printed in the lower left portion of the face of the Bonds a registration and authentication certificate in substantially the following form:

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Refunding Bonds, Series 2014, of the City of Picayune, Mississippi.

HANCOCK BANK
JACKSON, MISSISSIPPI,
as Transfer Agent

BY: _____
Authorized Officer

Date of Registration and Authentication: _____

There shall be printed on the reverse of the Bonds a registration and validation certificate and an assignment form in substantially the following form:

REGISTRATION AND VALIDATION CERTIFICATE

STATE OF MISSISSIPPI
COUNTY OF PEARL RIVER
CITY OF PICAYUNE

I, the undersigned City Clerk of the City of Picayune, Mississippi, do hereby certify that the within Bond has been duly registered by me as an obligation of said City pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of Pearl River County, Mississippi, rendered on the ____ day of ____, 2014.

City Clerk

(Seal)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____, _____, Mississippi, as Transfer Agent to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

NOTICE: The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular manner, without any alteration whatever.

Signatures guaranteed:

NOTICE: Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution that is a participant in a Securities Transfer Association recognized signature guarantee program.

(Authorized Officer)

Date of Assignment: _____

Insert Social Security Number or Other
Tax Identification Number of Assignee: _____

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EXHIBIT B
FORM OF PRELIMINARY OFFICIAL STATEMENT

REGULAR MEETING JUNE 3, 2014

EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

21278385v1

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE REQUEST TO EXECUTE LETTER TO MS OFFICE OF HOMELAND SECURITY REQUESTING FUNDING TO PURCHASE AN ELECTRIC GATE SYSTEM FOR FRIENDSHIP PARK

Motion was made by Council Member Stevens, seconded by Council Member Valente to approve execution of letter to MS Office of Homeland Security requesting funding to purchase an electric gate system for Friendship Park and authorize Mayor's signature on the same.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPOINT MEMBERS TO PLANNING COMMISSION FOR A TERM TO END NOVEMBER 30, 2016

Motion was made by Council Member Valente, seconded by Council Member Gouguet to appoint members following members to the Planning Commission for a term to end November 30, 2016: Martha Shephard, Martha Ford, Dennis Collier, Bryan Cooper, Luddia Williams, Patricia Barnett and David Mooneyham.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens and Gouguet

VOTING NAY: Council Member Breland

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO OPEN PUBLIC HEARING ON PROPERTY CLEAN UP

Motion was made by Council Member Gouguet, seconded by Council Member Valente to open Public Hearing on property clean up.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO DELCARE 960 SHIRLEY DRIVE A PUBLIC NUISANCE

Motion was made by Council Member Stevens, seconded by Council Member Gouguet to declare 960 Shirley Drive ppin 25080 a public nuisance.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO DECLARE 715 GLENWOOD A PUBLIC NUISANCE

Motion was made by Council Member Stevens, seconded by Council Member Gouguet to declare 715 Glenwood ppin 23055 a public nuisance.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO DECLARE 509 COUNTY CLUB DRIVE A PUBLIC NUISANCE

Motion was made by Council Member Stevens, seconded by Council Member Gouguet to declare 509 Country Club Drive ppin 21649 a public nuisance.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO DECLARE 1423 S BEECH ST A PUBLIC NUISANCE

Motion was made by Council Member Gouguet, seconded by Council Member Valente to declare 1423 S. Beech St. ppin 25640 a public nuisance.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO DELCARE 207 SOUTH BOLEY A PUBLIC NUISANCE

Motion was made by Council Member Gouquet, seconded by Council Member Stevens to declare 207 South Boley ppin 22235 a public nuisance.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

SET A DATE FOR PUBLIC HEARING ON PROPERTY CLEAN UP

Motion was made by Council Member Stevens, seconded by Council Member Valente to set a date of July 1, 2014 for a public hearing on property clean-up for the following properties:

719 and 721 Telly Road (duplex) Parcel- 6176230020401300 pin 027268
1911 DANIELS St. Pin-022087
185 Westchester Drive Pin-022830
191 Westchester Drive Pin-022831
722 Idlewild Lane Pin 023258
1215 Stemwood Drive Pin-021747
1409 Holly Court Pin- 022378
514 Third Street-Pin-026451
709 (Duplex) Telly Road Pin-027267

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE OUT OF STATE TRAVEL FOR RAYMOND WOOD AND ZACK MALLEY

Motion was made by Council Member Breland, seconded by Council Member Gouguet to approve out of state travel for Raymond Wood and Zack Malley to attend the 36th Annual MNGA Conference in Orange Beach, AL, July 16-18, 2014.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT DONATION OF (1) ANTIQUE LIGHT FROM MR. GLENN SEAL

Motion was made by Council Member Breland, seconded by Council Member Gouguet to accept donation of (1) antique light from Mr. Glenn Seal. Donor has requested that if the light is installed that it will have a designation of some sort which reads: This light is part of the R. H. Crosby Estate. It came to America from England in about 1950 and is donated by the Charles B. Manberg Estate.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE OUT OF STATE TRAVEL FOR CHIEF KEITH BROWN

Motion was made by Council Member Breland, seconded by Council Member Valente to authorize out of state travel for Chief Keith Brown to Knoxville, TN, June 16-21, 2014 to attend "Southeastern Association of Fire Chief's Conference" at no cost to the City.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO RECESS

Motion was made by Council Member Valente, seconded by Council Member Stevens to recess until Tuesday, June 17 2014 at 5:00 pm.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: Council Member Bumpers.

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

Ed Pinero, Mayor

ATTEST:

Amber Hinton, City Clerk