

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

City of Ville Platte  
Ville Platte, Louisiana

January 12, 2000



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***Daniel G. Kyle, Ph.D., CPA, CFE***  
***Legislative Auditor***

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**LEGISLATIVE AUDITOR**

**Daniel G. Kyle, Ph.D., CPA, CFE**

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**CITY OF VILLE PLATTE**

Ville Platte, Louisiana

Dated December 2, 1999

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

January 12, 2000

**City of Ville Platte**  
Ville Platte, Louisiana

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DANIEL G. KYLE, PH.D., CPA, CFE  
LEGISLATIVE AUDITOR

OFFICE OF  
LEGISLATIVE AUDITOR  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (504) 339-3800  
FACSIMILE: (504) 339-3870

December 2, 1999

HONORABLE BENNETT BAQUET, MAYOR,  
AND BOARD OF ALDERMEN  
CITY OF VILLE PLATTE  
Ville Platte, Louisiana

We have performed a limited examination of the City of Ville Platte. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

The accompanying report presents our findings and recommendations as well as responses from management of the City of Ville Platte. We will continue to monitor the findings until the city resolves them. Copies of this report have been delivered to the Louisiana Board of Ethics and other authorities as required by state law.

Respectfully submitted,

A handwritten signature in cursive script that reads "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

ESS:GLM:GCA:sev

**CITY OF VILLE PLATTE**  
Ville Platte, Louisiana

**BACKGROUND AND METHODOLOGY**

The Legislative Auditor received information alleging that certain individuals received pay raises without proper approval. We visited the city on December 2, 1999, to determine the accuracy of this information.

Our procedures consisted of the following: (1) examining selected city records; (2) interviewing certain employees of the city; (3) reviewing applicable Louisiana laws, Attorney General opinions, and ordinances of the City of Ville Platte; and (4) making inquiries of other persons to the extent we considered necessary to achieve our purpose.

**CITY OF VILLE PLATTE**  
Ville Platte, Louisiana

**CONCLUSIONS**

Based on the results of the procedures performed during our visit to the city, we conclude that state laws were violated relating to compensation and pay raises for municipal officers.

As we evaluated the pay-raise allegations, the following matters came to our attention:

1. Controls over payroll need to be improved.
2. The city may have violated the Louisiana Code of Governmental Ethics relating to the construction of the community center.
3. The city's monthly financial statements are not formally presented and discussed at board meetings.

The Findings and Recommendations section of this report provides details for these findings. Management's responses are included in Attachment I.

LEGISLATIVE AUDITOR

CITY OF VILLE PLATTE  
Ville Platte, Louisiana

FINDINGS AND RECOMMENDATIONS

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**State Laws Violated Relating to Compensation  
and Pay Raises for Municipal Officers**

The city violated state laws by not following required ordinance procedures in connection with compensation and pay raises for the mayor, board of aldermen, city clerk, chief of police, and former chief of police. Louisiana Revised Statute (R.S.) 33:404.1 requires the board of aldermen by ordinance to fix the compensation of all municipal officers. In addition, the law provides board of aldermen authorization, by ordinance, to (1) increase their compensation and the compensation of any non-elected municipal officers; and (2) increase the compensation of other elected officials. Also, R.S. 33:406(B) provides certain procedures to be followed, including that (1) the ordinance be in writing and proposed by an alderman at any board meeting with copies provided to all members of the board and mayor; (2) the ordinance title be published once in the municipality's official journal indicating the time and place where the board will consider its adoption; and (3) no ordinance, except in extraordinary emergencies, can be adopted until a public hearing on it has been held.

Required ordinance procedures were not followed regarding fixing the compensation of municipal officers, nor were ordinances adopted for additional compensation/pay raises for the following municipal officers:

1. Effective July 1, 1999, the mayor began receiving additional compensation (auto allowance) of \$500 each month. There is no evidence that ordinance procedures were followed for this increase in compensation. The mayor informed us this was discussed during a budget hearing and is included in the budget. We verified that the approved budget included a \$6,000 line item for the mayor's auto allowance. In addition, instead of treating this as an auto allowance, it is included as an increase in the mayor's salary (this increases the mayor's retirement benefits and increases retirement contributions and payroll taxes paid by the city).
2. The board approved salary increases for the mayor, board of aldermen, and chief of police effective January 1, 1999, without following the ordinance procedures.
3. The city clerk received increases in pay as follows:
  - The city clerk was included in two across the board pay raises for all full-time employees, excluding the police and fire departments. The board approved a \$50 per month raise effective July 1, 1999, and a two-percent salary increase effective



**CITY OF VILLE PLATTE**  
Ville Platte, Louisiana  
Findings and Recommendations (Continued)

July 1, 1998. Because the city clerk is a municipal officer, the ordinance procedures should have been followed.

- The city clerk was hired in April 1997, and received an increase in salary on July 1, 1998, that was retroactive to July 1, 1997. The mayor informed us the city clerk was hired with the understanding that she would get an increase in salary July 1, 1997. The mayor informed us this was discussed at a board meeting; however, we found no documentation evidencing board approval or that the city followed the ordinance procedures.
4. Effective January 1, 1997, the former chief of police received a salary increase of \$100 per month. The mayor approved this increase; however, there is no evidence that ordinance procedures were followed.

The city should strictly follow the ordinance procedures required by state laws and adopt ordinances (1) that set forth all municipal officers compensation; and (2) for any increase in compensation of board of aldermen, other non-elected municipal officers, and other elected officials.

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**Controls Over Payroll Need  
to Be Improved**

**The city needs to improve payroll procedures.** Our review of payroll and personnel records revealed the following:

- There is no documentation on file of approved salary/wage amounts paid to employees.
- The city clerk and fire chief do not complete time reports.
- All time sheets do not evidence supervisory approval.
- Overtime requests do not evidence supervisory approval.

The city should (1) include the approved salary or hourly rate of pay amount in each employee's personnel file; (2) require that all employees complete simple time reports to document hours worked; and (3) require that time sheets and overtime requests be approved by the appropriate supervisor.

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**Failure to Comply With Code of Ethics**

**The city may have violated the Louisiana Code of Governmental Ethics by awarding a construction contract to a company whose owners include immediate family members of the city clerk.** R.S. 42:1113(A) prohibits the city clerk or a member of her immediate family from bidding on or entering into any contract that is under the supervision or jurisdiction of the city.

**CITY OF VILLE PLATTE**  
Ville Platte, Louisiana  
*Findings and Recommendations (Concluded)*

On September 8, 1998, the city awarded a \$477,000 public works contract for the construction of a new multi-purpose community center at Southside Park to F. Phillips General Contractors, Inc. City Clerk Gwen Phillips informed us that her husband owned less than 25% of F. Phillips General Contractors, Inc., and that her father-in-law owned the majority of the company. Construction began September 30, 1998, and was completed on June 29, 1999, for a total cost, after change orders, of \$488,800.

The city clerk informed us that because her husband's interest in F. Phillips General Contractors, Inc., was less than 25%, R.S. 42:1112(B)(5) applies, which makes the transaction permissible. However, R.S. 42:1112(B)(5) only applies in situations where there is an existing contract when the city clerk started her employment. Because F. Phillips General Contractors, Inc., did not have an existing contract with the city, this statute does not apply. In addition, immediate family includes the city clerk's husband and father-in-law.

The city should strictly comply with the Louisiana Code of Governmental Ethics.

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**Financial Statements Should Be Presented  
at Board Meetings**

**Financial statements are not presented to the board monthly.** R.S. 33:425 requires the treasurer to keep accurate records of all receipts and disbursements and report the finances of the municipality in writing to the mayor and board of aldermen at each regular meeting.

During our review of certain board minutes, we found no reference to financial statements being discussed. We were informed that the financial statements are not formally presented at the monthly board meetings for review and discussion.

The city should ensure that the treasurer presents to the board monthly financial statements that report the operations of the city compared to the budgeted amounts.

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# Attachment I

## Management's Response

C. J. DARDEAU  
DISTRICT A  
CAROL ALFRED  
DISTRICT B  
PHIL LEMOINE  
DISTRICT C  
FREDDIE JACK  
DISTRICT D



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EARL EDWARD  
DISTRICT E  
BILL JEANMARD  
DISTRICT F  
GILBERT W. AUCOIN  
CITY ATTORNEY  
GWEN PHILLIPS  
CITY CLERK  
DONNA B. VEILLON  
CITY TREASURER

## CITY OF VILLE PLATTE

BENNETT BAQUET, MAYOR

P. O. BOX 390  
VILLE PLATTE, LA 70586  
PHONE 1-318-363-2939  
FAX 1-318-363-1121  
E-MAIL villeplattel@hotmail.com  
WEBSITE www.vpla.com

December 28, 1999

Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
State of Louisiana  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Re: Examination of City of Ville Platte  
performed December 2, 1999

Dear Mr. Kyle:

I received and reviewed the Preliminary Draft of your December 2, 1999 examination which was sent to me.

In particular, I reviewed your conclusions (Page 4), and findings and recommendations (Page 5, 6 and 7), and would like to respond.

1. Controls over payroll need to be improved.

Response - See response on Page Three.

2. The City may have violated the Louisiana Code of Government Ethics relating to the construction of the community center.

Response- The Ville Platte City Clerk, Mrs. Gwen Phillips, was concerned about this same matter before the bid had been awarded to F. Phillips Construction Company of Ville Platte, Louisiana. On several occasions she inquired with several city consultants and the Louisiana Municipal Association (LMA) Staff, as to the legality of her husband bidding on this work. She was always asked as to what percentage she and her husband owned in this business. Her response was less than 25% and their answer was that it was not a conflict of interest for her husband to bid on the city project. No one pointed out the requirement of an existing contract. The City is now aware of all the provisions of R.S. 42:112(B) (5) and the possible violation of the Louisiana Code of Governmental Ethics. Mrs. Phillips, nor her husband, nor her father-in-law, will bid on or do any work for the City of Ville Platte.

3. The city's monthly financial statements are not formally presented and discussed at board meetings.

Response- Beginning with the next regular meeting on January 11, 2000, monthly financial statements and financial conditions of the city will be an item on the agenda for the review and discussion by the Mayor and Board of Aldermen.

Answers to questions on Page 5 of the Legislative Auditors Finding and Recommendations.

1. Action will be taken to have the payroll clerk (see copy of letter attached) notify the appropriate taxing and retirement departments that the Mayor's \$500 per month additional compensation awarded July 1, 1999 should not have been handled as an increase in salary but as an auto allowance. The payroll clerk will begin issuing a \$500 per month check to the Mayor for his auto allowance and he will be issued a 1099 at the end of the tax year. Any monies put into the retirement system as a result of the supposed salary increase shall be retrieved and/or refunded to the city..
2. The practice of approving pay increases for elected officials, non-elected officers and municipal officers, shall be done by ordinance in the future. The City of Ville Platte, to my knowledge, has always followed the resolution procedure to give raises in the past. This practice will stop!



Mr. Daniel G. Kyle

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December 28, 1999

3. The City Clerk was hired in April of 1997 and was to receive the same salary as the previous clerk, less \$50 per month, until the beginning of the new budget year three months later on July 1, 1997. The council members at that time were C. J. Dardeau, Bill Jeanmard, Larry Vidrine, Dr. J.S. Fontenot, Curley Dossman, and Gloria Frank. As I recall, Larry Vidrine made the motion and Bill Jeanmard made the second. For some reason, this motion does not appear in the minutes for that council meeting. The payroll clerk had been told on numerous occasions what had transpired, until at some point I submitted a formal request to pay the clerk the amount agreed upon by the board of aldermen. In the future, the City will follow the ordinance procedure in giving pay raises to the City Clerk.
4. The chief was given a \$100 per month raise effective January 1, 1997 and it was not by ordinance. The City shall follow the ordinance procedure whenever an elective or appointed city officer will be given a raise in the future.

#### Controls Over Payroll Need To Be Improved.

No written documentation has been maintained concerning the pay of city employees. From this point on, all salaries and pay raises will be documented and made part of the employees file.

The Police Department and Fire Department will adhere to Fair Labor Act, Title 29 United States Code and will maintain time reports.

All employees, full or part-time, will maintain and turn into the Mayor's office time reports to document their hours worked (see letter attached). All department heads will review the time reports of their respective employees for accuracy. Department heads will then sign these time reports and forward them to the City Clerk. The City Clerk will review the time reports, and should a discrepancy appear, the City Clerk will request that the department head, the employee involved, and the Mayor review the time report in question. No employee will be exempt from the requirement of filling out a time sheet. The City Clerk will sign the time reports after all discrepancies are resolved.

Mr. Daniel G. Kyle  
Page 4  
December 28, 1999

All department head time reports will be reviewed by the Mayor. Overtime and K-time will be approved by the department heads with the permissions of the Mayor. The Mayor will inform the department heads as to when Overtime or K-time are to be utilized.

The Mayor will recommend to the board of aldermen at the regular scheduled meeting of January 11, 2000 that the city hire an outside firm to review the payroll procedures and other areas of which the city has concerns, both legally and regarding accounting control practices.

Additionally, the Mayor will discuss with the City Council the possibility of utilizing an outside service to contract for the performance of payroll processing functions.

#### Failure to Comply with Code of Ethics

The Mayor, City Clerk, Auditor, Louisiana Board of Ethics and many other persons involved with the bid process had assured the City that there was no violation of law and or ethics in the bid process in which F. Phillips General Contractors, Inc., was awarded the bid on the multi-purpose building. However, the City Clerk, Gwen Phillips, nor her husband, nor her father-in-law, will bid or do any work for the City of Ville Platte, Louisiana.

Sincerely,



BENNETT BAQUET  
MAYOR, CITY OF VILLE PLATTE

Enclosure

C. J. DARDEAU  
DISTRICT A  
CAROL ALFRED  
DISTRICT B  
PHIL LEMOINE  
DISTRICT C  
FREDDIE JACK  
DISTRICT D



## CITY OF VILLE PLATTE

BENNETT BAQUET, MAYOR

P. O. BOX 390  
VILLE PLATTE, LA 70586  
PHONE 1-318-363-2939  
FAX 1-318-363-1121  
E-MAIL villeplattel@hotmail.com  
WEBSITE www.vpla.com

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CITY ATTORNEY  
GWEN PHILLIPS  
CITY CLERK  
DONNA B. VEILLON  
CITY TREASURER

December, 28, 1999

Payroll Department

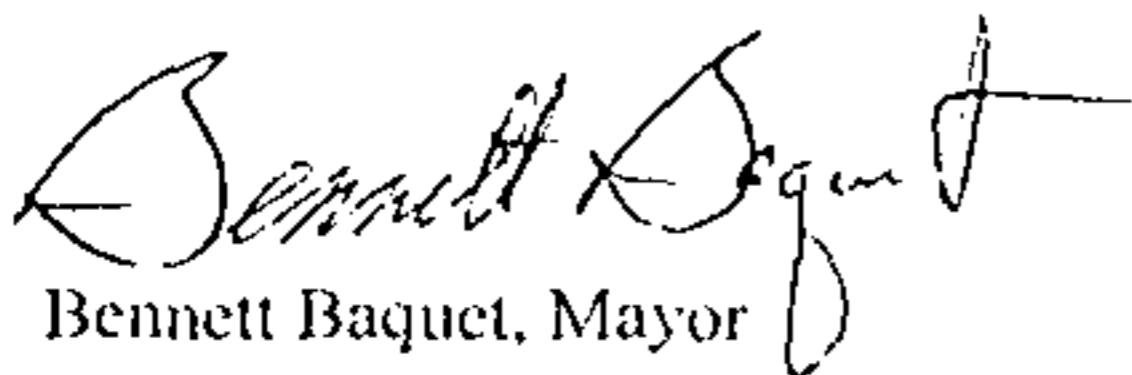
Joann Bordelon;

Effective the first of January 2000, you will issue to the Mayor a check in the amount of \$500 that is to be taken out of my present salary. It is to be issued once a month, which will total \$6000 per year. No taxes, retirement, and or any other deductions will be made. At the end of ever calendar, year along with my W-2 form, a 1099 will be issued to the Mayor.

For the month of July 1999, you issued the Mayor a check for \$500, this should also require a 1099. For the months of August, September, October, November, and December this \$500 per month auto allowance was put into the Mayors salary. Law states that it should have been issued separated. I wish to correct my mistake if possible. Try to retrieve the moneys put into the retirement system, and pair into payroll taxes. Repay the city these moneys and also whatever amount retrieved from the retirement system that represents the Mayors share to the respective persons.

If possible, have all these transaction reflect in the year 1999.

Joann, if you know and or suspect any other person(s) on the city payroll may also have a situation similar to the one described above, please advise me in writing.

  
Bennett Baquet, Mayor



C. J. DARDEAU  
DISTRICT A  
CAROL ALFRED  
DISTRICT B  
PHIL LEMOINE  
DISTRICT C  
FREDDIE JACK  
DISTRICT D



## CITY OF VILLE PLATTE

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GWEN PHILLIPS  
CITY CLERK  
DONNA B. VEILLON  
CITY TREASURER

December 28, 1999

ALL DEPARTMENT HEADS: Subject, time sheets.

All department heads are expected to fill in time sheets along with each employee under your supervision. All time sheets of each of your employees will be reviewed by yourself as to the accuracy of the information. After reviewing each time sheet, you will then sign each employees time sheet verifying that it is an accurate account of the employees work time. These time sheets will then be turned into the city clerk for her review. After that process, the mayor will then review the time sheets.

It must be remembered that any leave time can not be used to earn overtime. All overtime and K-time earned by each employee must first, be approved by the department head in writing. The mayor and or city clerk will from time to time review the overtime each department uses.

Police and fire department personnel will adhere to the Fair Labor Standards Act, Title 29 United States Code. That is 106 hours of work in a 14-day work cycle for fire personnel. For police it is 86 hours of work in a 14-day work cycle.

Incorrect or inaccurate time sheets will be considered a violation of law and dealt with accordingly.

Bennett Baquet