

Report To

# The Mississippi Legislature



## An Investigation of the Activities of The Mansion Trust and Its Renovation of the Governor's Mansion

June 23, 1992

In 1988, associates of then-Governor Ray Mabus formed The Mansion Trust to renovate the private quarters of the Governor's Mansion. According to Trust bylaws and articles of incorporation, its sole purpose was to benefit the Governor's Mansion. The Trust was insolvent as of May 5, 1992, and in default on debt of \$184,552 held jointly by Trustmark National Bank and Deposit Guaranty National Bank.

PEER also found that:

- Trust officials solicited contributions for the Trust on the premises of the Governor's Mansion in violation of MISS. CODE ANN. Section 29-5-85.
- The Office of General Services, an agency controlled by the Governor, did not supervise the Trust's \$582,958 renovation as required by state law.
- The Trust did not fully inform the Department of Archives and History about bank loans and plans to provide furnishings only during the Mabus term.
- The Trust sold Trust furnishings with an original cost of \$33,420 to Governor Mabus for \$30,963 eight days before the end of the Governor's term.

PEER recommends corrective legislation clarifying authority of the Office of General Services and the Department of Archives and History over renovations of state buildings financed by private funds.

## The PEER Committee

**Joint Committee on Performance Evaluation and Expenditure Review**

**PEER Committee**



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**NEWS RELEASE**

**Governor's Mansion Renovation Lacked Sufficient  
State Oversight--Trust in Default**

JACKSON, Miss. (July 1, 1992)--The Legislative PEER Committee, the Legislature's post-audit group, reported today that The Mansion Trust, a private non-profit corporation created in 1988 by associates of former Governor Ray Mabus, spent \$582,958 renovating the Governor's Mansion but then defaulted on \$184,552 borrowed from two Jackson banks. The renovation of the private quarters of the Mansion, begun in March 1988, was completed in January 1990.

The Mansion Trust was organized in January 1988 with Wilton J. Johnson, III, a Jackson attorney, as the incorporator and Julie H. Mabus as registered agent. Other original Trust board members were Carol Daily and Alan Moore, who is no longer a board member. The Trust was formed to avoid spending tax money and is similar to organizations affiliated with state institutions that raise private money to spend on projects that would otherwise be prohibited by law or questioned by taxpayers.

According to state law, two state agencies must oversee renovations of the Governor's Mansion. The Office of General Services (OGS), which administers repairs or improvements to state buildings, is controlled by the Governor and, according to OGS staff, was "invited not to participate" in the renovation. The Trust also did not fully coordinate with the Department of Archives and History, which is legally responsible for approving major changes in the Mansion.

The Trust raised \$288,210 in private donations through December 31, 1991. Although Trust officials estimated the renovation would cost between \$230,000 and \$290,000, the Trust spent \$582,958, including \$246,554 borrowed from banks. As of May 6, 1992, the Trust was insolvent and in default on \$184,552 owed jointly to Trustmark National Bank and Deposit Guaranty National Bank. According to Trustmark officials, the two Jackson banks have not pursued legal action because of the political nature of the debt, the unsecured nature of the loans, and the absence of any Trust assets.

**For comments:**

**Senator William Canon, Chairman, Columbus, 601-328-3018**

**Representative Ashley Hines, Vice Chairman, Greenville, 601-378-3400**

*Report copies are available at 222 North President Street. For full copy by return mail or executive summary by return FAX, telephone: Ava Welborn, 601-359-1226*

## **PEER: THE MISSISSIPPI LEGISLATURE'S OVERSIGHT AGENCY**

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A standing joint committee, the PEER Committee is composed of five members of the House of Representatives appointed by the Speaker and five members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms with one Senator and one Representative appointed from each of the U. S. Congressional Districts. Committee officers are elected by the membership with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of three Representatives and three Senators voting in the affirmative.

An extension of the Mississippi Legislature's constitutional prerogative to conduct examinations and investigations, PEER is authorized by law to review any entity, including contractors supported in whole or in part by public funds, and to address any issues which may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

As an integral part of the Legislature, PEER provides a variety of services, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, special investigations, briefings to individual legislators, testimony, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, and agency examined.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

**An Investigation of the Activities of The Mansion Trust and  
Its Renovation of the Governor's Mansion**

**June 23, 1992**

**The PEER Committee  
Mississippi Legislature**

The Mississippi Legislature  
**Joint Committee on Performance Evaluation and Expenditure Review**

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HONORABLE KIRK FORDICE, GOVERNOR  
HONORABLE EDDIE BRIGGS, LIEUTENANT GOVERNOR  
HONORABLE TIM FORD, SPEAKER OF THE HOUSE  
MEMBERS OF THE MISSISSIPPI STATE LEGISLATURE

At its meeting of June 23, 1992, the PEER Committee authorized release of the report entitled **An Investigation of the Activities of The Mansion Trust and Its Renovations of the Governor's Mansion.**

  
\_\_\_\_\_  
Senator Bill Canon, Chairman

**This report does not recommend increased  
funding or additional staff.**

**TABLE OF CONTENTS**

LETTER OF TRANSMITTAL.....i

LIST OF EXHIBITS ..... v

EXECUTIVE SUMMARY ..... vii

INTRODUCTION ..... 1

    Authority ..... 1

    Scope and Purpose..... 2

    Methodology ..... 2

    Overview ..... 2

BACKGROUND ..... 4

    Creation of the Mansion Trust ..... 4

    The Mansion Renovation Project..... 6

    Trust Financial Activity ..... 7

    Oversight of Public Buildings..... 7

FINDINGS .....10

    State Officials and Management of  
    The Mansion Trust .....10

    Oversight of Mansion Trust Activities  
    by State Agencies .....12

    Accounting for Mansion Furnishings  
    Provided by The Mansion Trust .....15

CONCLUSION .....18

RECOMMENDATIONS.....19

APPENDIX      A. Bylaws of the Mansion Trust,  
                  a Mississippi Non-Profit Corporation .....21

**TABLE OF CONTENTS (continued)**

APPENDIX	B. The Mansion Trust: Cash Disbursements by Vendor .....	28
	C. Opinion Request and Attorney General's Opinion Regarding Mansion Purchases .....	29
	D. Mansion Trust Directors' Unanimous Consent to Sell Trust Furnishings .....	37
	E. Contract for Sale of Trust Furnishings .....	40
	F. Proposed Legislation: Authority of the Office of General Services and the Department of Archives and History Concerning Public Buildings .....	42

*LIST OF EXHIBITS*

1.	Purpose of the Mansion Trust per Articles of Incorporation .....	5
2.	The Mansion Trust: Cash Receipts and Disbursements, January 1988 through December 1991.....	8



# An Investigation of the Activities of The Mansion Trust and Its Renovation of the Governor's Mansion

June 23, 1992

## Executive Summary

### Introduction

The PEER Committee received a legislative request to investigate the activities of The Mansion Trust, a non-profit corporation formed in 1988 to benefit the State of Mississippi Governor's Mansion. The Mansion Trust (Trust) financed a major renovation of the private quarters (Governor's office and living quarters) of the Governor's Mansion during 1988, 1989, and 1990. The legislative request expressed concerns regarding the expenditures of the trust, the disposition of fixtures purchased for the mansion by the trust, and the degree of state involvement in the management of the trust.

### Authority

The PEER Committee initiated this investigation at its February 3, 1992, meeting, pursuant to MISS. CODE ANN. Section 5-3-57 (1972). Within this CODE section, the law provides PEER with specific authority to:

*investigate any and all salaries, fees, obligations, loans, contracts, or other agreements or other fiscal function or activity of any official or employee thereof (including independent contractors where necessary); and to do any and all things necessary and incidental to the purposes specifically set forth in this section. . . .*

and to

*investigate all laws administered and enforced by any such offices, departments, agencies, institutions and instrumentalities, and the manner and method of the administration and enforcement of such laws. . . .*

The Governor, a state official acting in an official capacity, played a significant role in the operations of the Trust during the Trust's renovation of the Governor's Mansion (a state building). The Trust used the Governor's Mansion for fundraising activi-

ties and listed the mansion address as the principal office of the Trust.

In addition, the Trust entered agreements, written and oral, with the Department of Archives and History (a state agency) relating to the renovation of the Governor's Mansion.

### ***Overview: Trust Officials Conducted a \$582,958 Renovation of the Governor's Mansion with Little State Oversight and Have Since Defaulted on Related Indebtedness***

The Mansion Trust, a non-profit corporation, was created in 1988 by associates of then-Governor Ray Mabus to fund a renovation of the Governor's Mansion's private quarters. According to the Trust's bylaws and articles of incorporation, its sole purpose was to benefit the Governor's Mansion of the State of Mississippi. Governor Mabus, acting in his official capacity as Governor, was directly involved in the management and control of the Trust from 1988 to 1991. Trust officials, including the Governor and Mrs. Mabus, solicited contributions from individuals and businesses from around the state, raising \$288,210 between 1988 and 1991.

The Office of General Services, which is under the direct control of the Governor, did not supervise or monitor the activities of the Trust during the Trust's renovation of the Governor's Mansion as required by state statutes. However, Governor Mabus authorized "emergency" expenditures of \$15,420 in state funds for the mansion renovation project while serving as chairman of the Public Procurement Review Board partly due to "the critical nature of completing work required at the Governor's Mansion."

Trust officials did not fully inform the Department of Archives and History regarding Trust plans to finance the renovation with bank loans and plans to provide furnishings for the Mansion during the Mabus administration only. In direct conflict with the stated intent and purpose of the Trust, Trust

officials sold Trust furnishings with an original cost of \$33,420 to Governor Mabus and Mrs. Mabus for \$30,963 eight days before the end of the Governor's term. Among the items sold by Trust officials were an oriental rug (cost \$15,840) and various antiques (\$8,060).

Due to a 100% cost overrun on the Trust's mansion renovation project, the Trust was insolvent as of May 6, 1992, and in default on debt of \$184,552 held jointly by Trustmark National Bank and Deposit Guaranty National Bank.

### **Background**

On January 3, 1988, Wilton J. Johnson, a Jackson attorney, filed Articles of Incorporation with the Mississippi Secretary of State to create an entity known as The Mansion Trust. According to the Articles of Incorporation, the sole purpose of the Trust is the renovation, restoration, maintenance, and/or improvement of the private quarters of the Governor's Mansion. This action to incorporate the Trust was initiated despite recommendations to the contrary by the director of the Department of Archives and History, who suggested that such an action would create another body expecting to have a voice in determining future changes to be made at the mansion.

The Trust's activities were financed by two primary sources: loans and private contributions. During the period January 1988 through December 1991, the Trust had total cash receipts of \$599,764. The Trust's total expenditures for the same period were \$599,158. Trust officials borrowed \$246,554 to finance a portion of the mansion renovation project with Trustmark National Bank and Deposit Guaranty National Bank participating equally in the financing arrangement. As of December 31, 1991, the due date of the loan, the Trust had repaid only \$16,200 on the principal portion of the debt, leaving an outstanding balance of \$230,354. (The Trust had paid \$50,611 in interest.)

The only significant financial activity of the Trust since January 1, 1992, has been loan payments of \$48,463 on the outstanding debt (\$45,802 principal and \$2,661 interest). PEER interviewed a Trustmark Bank official and determined that the banks had not renewed the loan. As such, the Trust is in default on debt of \$184,552 as of May 6, 1992. According to the Trustmark official, bank officials have not pursued legal action against the Trust at this time because of the political nature of the debt, the fact that the loans were unsecured, and the fact that the Trust did not own any assets.

## **State Officials and Management of The Mansion Trust**

**The Governor, acting in his official capacity, was directly involved in the management and control of The Mansion Trust from 1988 to 1991, despite Trust officials' insistence that the organization was completely private.**

Governor Mabus was directly involved in the selection of a design consultant and interior decorator for the mansion renovation project and was involved in the design decision process. He played a significant role in the Trust's fundraising activities and hosted a series of luncheons at the Governor's Mansion for potential donors. He has also been involved in discussions with bank officials regarding the Trust's default on its debt of \$184,552 since the expiration of his term as Governor.

**The Governor authorized "emergency" expenditures of \$15,420 in state funds for the mansion renovation project while serving as chairman of the Public Procurement Review Board.**

The Public Procurement Review Board, chaired by Governor Mabus, made "emergency" expenditures of state funds for mansion repair and renovation in 1989 which appear to have been made in accordance with state purchasing statutes and regulations. However, PEER notes that the Governor had previously written a letter to potential contributors to the Trust stating that "public funds" were not available for improvements to the mansion; yet, according to General Services staff, these "emergency" expenditures were incurred in conjunction with the renovation.

**Mansion Trust officials solicited contributions for the Trust on the premises of the Governor's Mansion in violation of MISS. CODE ANN. Section 29-5-85.**

During 1988, the Governor, the First Lady and other Trust officials hosted a series of luncheons at the Governor's Mansion on behalf of the Trust, which produced total contributions of \$288,210 from businesses and individuals through December 31, 1991. However, MISS. CODE ANN. Section 29-5-85 states in reference to grounds of state buildings (including the Governor's Mansion) that:

*It is forbidden to offer or expose any article for sale in or on such grounds: to display any sign, placard, or other form of advertisement*

*therein; or to solicit fares, alms, subscriptions, or contributions therein.* [Emphasis added]

This section of law prevents private concerns from attempting to advertise or sell goods on state property. In addition, it prevents charities from entering state property to solicit contributions or locate on state property to imply that the organization is somehow subject to state oversight and endorsed or operated by the state.

While PEER does not dispute the validity of the stated intent of The Mansion Trust, allowing the use of the Governor's Mansion to solicit funds for the Trust (a self-proclaimed private entity) sets a serious precedent and violates state law.

### **Oversight of Mansion Trust Activities by State Agencies**

**The Governor's Office of General Services failed to monitor the Trust's renovation of the Governor's Mansion, a state building, as authorized by state law.**

MISS. CODE ANN. Section 29-5-2 requires the Office of General Services to "*exercise general supervision and care*" over certain state buildings, including the Governor's Mansion, and Section 31-11-3 states that the Office of General Services "*shall have entire control and supervision of, and determine what, if any, buildings, additions, repairs or improvements are to be made*" to state-owned buildings. However, Office of General Services staff told PEER that they were "invited not to participate in the project" by the Governor's office. Because of this lack of oversight by the Office of General Services, a state-owned public building underwent a \$582,958 renovation with little, if any, state oversight.

**In seeking approval of the renovation project, The Mansion Trust did not fully inform the Board of Trustees of the Mississippi Department of Archives and History regarding the planned financing of the project nor an intent to provide furnishings for the mansion during the Mabus administration only.**

MISS. CODE ANN. Section 39-5-6 (g) provides the Department of Archives and History with the authority:

*To review and approve any major changes in the architecture, furniture, furnishings, deco-*

*ration or landscaping of the grounds of the governor's mansion.*

This section gives the Department of Archives and History complete and final authority relative to significant structural or decorative changes in the mansion. Such authority implies that those planning changes, in this case Trust officials, should fully inform the agency so that it can carry out its statutory responsibilities. Based on a review of minutes of meetings of Archives and History officials, PEER believes that departmental officials would have been hesitant to approve the renovation project had it been fully informed regarding the Trust's plans to borrow funds, understated estimates for the proposed project, or plans to transfer furnishings purchased by the Trust to Governor Mabus at the end of his term.

### **Accounting for Mansion Furnishings Provided by The Mansion Trust**

**In direct conflict with the stated intent and purpose of the Trust, the board of directors of The Mansion Trust sold Trust furnishings with an original cost of \$33,420 to Governor Mabus eight days before the end of the Governor's term for \$30,963.**

The board of directors of the Trust signed a statement of unanimous consent dated January 6, 1992, authorizing the chairman (Wilton J. Johnson) to sell to the Governor and First Lady all personal property purchased by the Trust for the mansion since the inception of the Trust for \$30,963. Although PEER found no record of a corresponding deposit to the Trust bank account, the Committee subpoenaed Trustmark bank records and confirmed payment to the Trust on behalf of the Mabus.

The amount of the payment on behalf of the Mabus was less than the associated costs of the assets when acquired by the Trust. The contract for sale between the Mabus and the Trust did not include the amount of the travel expense (\$2,456.57) paid on behalf of the decorator by the Trust in acquiring the furnishings.

The Trust's transfer of furnishings to the Governor and First Lady represents a direct conflict with the stated intent and purpose of the Trust. According to the Trust's bylaws, articles of incorporation, application for tax exempt status before the Internal Revenue Service, and written solicitations for contributions from the Governor to potential contribu-

tors, the sole purpose of the Trust was to benefit the mansion and the State of Mississippi. The transfer of assets to the Governor and First Lady represents a possible breach of fiduciary duty by the directors of the Trust, as the state is supposed to be the sole beneficiary of the Trust. The actions of Trust officials might also jeopardize the tax exempt status of the Trust.

### **Recommendations**

1. The Office of the Attorney General should further investigate the activities of the Trust and enforce any penalties for violation of state statutes referred to in this report.
2. The Executive Director of the PEER Committee shall forward a copy of this report to the Internal Revenue Service with a recommendation that

the activities of the Trust be reviewed for compliance with applicable federal laws and regulations relating to tax exempt organizations.

3. The Legislature should amend state statutes to strengthen the authority of the Office of General Services and the Department of Archives and History to review and approve architectural or other significant changes in state properties under their respective jurisdictions regardless of the funding source. The Legislature should also provide penalties for failure by anyone to comply with such statutes.
4. The Office of General Services should conduct a thorough inspection of the renovation changes made by the Trust on the private quarters to the Governor's Mansion to insure compliance with applicable standards and codes.

**For More Information or Clarification, Contact:**

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P. O. Box 1204  
Jackson, MS 39215-1204

Senator Bill Canon, Chairman  
Columbus 601-328-3018

Representative Ashley Hines, Vice-Chairman  
Greenville 601-378-3400

John W. Turcotte, Executive Director  
Jackson 601-359-1226

# **An Investigation of the Activities of The Mansion Trust and Its Renovation of the Governor's Mansion**

## **INTRODUCTION**

The PEER Committee received a legislative request to investigate the activities of The Mansion Trust, a non-profit corporation formed in 1988 to benefit the State of Mississippi Governor's Mansion. The Mansion Trust, (Trust) financed a major renovation of the private quarters (governor's office and living quarters) of the Governor's Mansion during 1988, 1989, and 1990. The legislative request expressed concerns regarding the expenditures of the trust, the disposition of fixtures purchased for the Mansion by the trust, and the degree of state involvement in the management of the trust.

### **Authority**

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*investigate any and all salaries, fees, obligations, loans, contracts, or other agreements or other fiscal function or activity of any official or employee thereof (including independent contractors where necessary); and to do any and all things necessary and incidental to the purposes specifically set forth in this section. . . .*

and to

*investigate all laws administered and enforced by any such offices, departments, agencies, institutions and instrumentalities, and the manner and method of the administration and enforcement of such laws. . . .*

The Governor, a state official acting in an official capacity, played a significant role in the operations of the Trust during the Trust's renovation of the Governor's Mansion (a state building). The Trust used the Governor's Mansion for fundraising activities and listed the Mansion address as the principal office of the Trust.

In addition, the Trust entered agreements, written and oral, with the Department of Archives and History (a state agency) relating to the renovation of the Governor's Mansion.

## **Scope and Purpose**

In responding to this legislative request, PEER sought to:

- compile background information relating to the existence of the Trust (date of incorporation, names of incorporators, status and tax-exempt purpose under the Internal Revenue Code);
- identify and analyze revenues and expenditures of the Trust since its creation in 1988;
- analyze the extent to which state officials were involved in the management of the Trust and the related renovation of the Governor's Mansion; and,
- identify and account for all property and fixtures acquired for the Governor's Mansion with Trust funds.

The purpose of this report is to identify and analyze the actions of this Trust in relation to the renovation of the Governor's Mansion (a state building) and not to determine whether the private quarters of the Mansion were in need of renovation or received a quality renovation.

## **Methodology**

While conducting this investigation, PEER performed the following tasks:

- reviewed relevant state statutes and constitutional provisions;
- reviewed by-laws, minutes, correspondence and other corporate records of the Trust;
- reviewed bank account activity, loan documents, and accounting records of the Trust;
- reviewed minutes, correspondence and other applicable records of the Department of Archives and History, the Public Procurement Review Board, and the Office of General Services; and,
- interviewed officials with the Trust, the Department of Archives and History, and the Office of General Services.

## **Overview**

The Mansion Trust, a non-profit corporation, was created in 1988 by associates of then-Governor Ray Mabus to fund a renovation of the

Governor's Mansion's private quarters. According to the Trust's bylaws and articles of incorporation, its sole purpose was to benefit the Governor's Mansion of the State of Mississippi. Governor Mabus, acting in his official capacity as Governor, was directly involved in the management and control of the Trust from 1988 to 1991. Trust officials, including the Governor and First Lady, solicited contributions from individuals and businesses from around the state, raising \$288,210 between 1988 and 1991.

The Office of General Services, which is under the direct control of the Governor, did not supervise or monitor the activities of the Trust during the Trust's renovation of the Governor's Mansion as required by state statutes. However, Governor Mabus authorized "emergency" expenditures of \$15,420 in state funds for the Mansion renovation project while serving as chairman of the Public Procurement Review Board partly due to "*the critical nature of completing work required at the Governor's Mansion.*"

Trust officials did not fully inform the Department of Archives and History regarding Trust plans to finance the renovation with bank loans and plans to provide furnishings for the Mansion only during the Mabus administration. In direct conflict with the stated intent and purpose of the Trust, Trust officials sold Trust furnishings with an original cost of \$33,420 to Governor Mabus and the First Lady for \$30,963 eight days before the end of the Governor's term. Among the items sold by Trust officials were an oriental rug (cost \$15,840) and various antiques (\$8,060).

Due to a 100% cost overrun on the Trust's Mansion renovation project, the Trust was insolvent as of May 6, 1992, and in default on debt of \$184,552 held jointly by Trustmark National Bank and Deposit Guaranty National Bank.

## **BACKGROUND**

### **Creation of The Mansion Trust**

In December 1987, Julie Mabus, wife of then Governor-elect Ray Mabus, informed Elbert Hilliard, Director of the Mississippi Department of Archives and History, of her interest in raising private funds to refurbish the private quarters (offices and living quarters) of the Governor's Mansion. MISS. CODE ANN. Section 39-5-6 authorizes the Board of Trustees of the Department of Archives and History to promote and accept donations of money and property for the purpose of furnishing or decorating the original (historic) portion of the Governor's Mansion; however, state laws make no such provision regarding the private quarters. The Mansion's private quarters were re-constructed in 1975 at a cost of \$2.7 million, and no significant refurbishing or renovation had been done since that time. As such, the idea of privately funded renovation seemed acceptable to the Department of Archives and History.

On January 3, 1988, Wilton J. Johnson, III, a Jackson attorney, filed Articles of Incorporation with the Mississippi Secretary of State to create an entity known as The Mansion Trust (hereafter referred to as Trust). According to the Articles of Incorporation, the sole purpose of the Trust is the renovation, restoration, maintenance, and/or improvement of the private quarters of the Governor's Mansion (see Exhibit 1, page 5). Mr. Johnson was listed as the incorporator and Julie H. Mabus is listed as the registered agent of the Trust. This action to incorporate the Trust was initiated despite recommendations to the contrary by the director of the Department of Archives and History, who suggested that such an action would create another body expecting to have a voice in determining future changes to be made at the Mansion.

The Trust's bylaws (see Appendix A, page 21) provide that it be managed by a board of directors appointed by the Governor of Mississippi with terms that run concurrently with that of the Governor. The Governor also appoints the chair of the board of directors to preside at all meetings. W. J. Johnson, III, has served as chairman since the Trust was created in 1988. Initially the other two board members were Carol Daily and Alan Moore; however, the last recorded action of the board in January 1992 reflected that Mr. Moore was no longer a board member. The principal office of the Trust is listed as 300 Capitol Street, Jackson, Mississippi (the Governor's Mansion).

Trust officials applied for exemption from federal income tax on June 2, 1988. The Internal Revenue Service granted conditional tax-exempt status to the Trust on February 23, 1989, subject to a final review and determination by December 31, 1992. Tax-exempt status for the Trust means that contributions to the Trust are deductible for income tax purposes by donors.



**EXHIBIT 1**

**PURPOSE OF THE MANSION TRUST PER  
ARTICLES OF INCORPORATION**

Articles of Incorporation  
The Mansion Trust  
Question 7, Other provisions

Purpose and Powers:

- I. The Mansion Trust is formed and organized solely for an exempt charitable purpose: the renovation, restoration, maintenance, and/or improvement of the State of Mississippi Governor's Mansion, a public building, excluding that area of the Governor's Mansion designated as the original or historic portion.
- II. The organization's rights and powers are exclusively limited to those reasonably necessary to accomplish the stated purpose of the organization being incorporated and are further subject to the condition that no power or authority shall be exercised by the corporation in any manner or for any purpose whatsoever which may not be exercised by an organization which is tax exempt or by any organization donations to which are deductible from taxable income to the extent allowed by the provisions of the Internal Revenue Code and other applicable legislation and regulations as they now exist or may hereafter be amended.
- III. In the event of dissolution, the residual assets of the organization will be turned over to one or more organizations which themselves are exempt as organizations described in Sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986 or corresponding sections of any prior or future law, or to the Federal, State, or Local government for exclusive public purpose.

## **The Mansion Renovation Project**

After the November 1987 election, Governor-elect and Mrs. Mabus began planning for the renovation of the private quarters of the Governor's Mansion. The Mabuses corresponded with Stephen Perkins, a design consultant in Panama City, Florida, who made a proposal to the Mabuses in December 1987 to design and coordinate the renovation. The Mabuses also corresponded with Kathy Guyton, an interior decorator from Atlanta, Georgia, who made a proposal dated February 16, 1988, to assist them with the selection of furnishings for the Mansion project.

On January 22, 1988, Wilton J. Johnson, III, chairman of the Trust, appeared before the Mansion Committee (a committee appointed by the Board of Trustees of the Department of Archives and History to exercise the board's statutory oversight responsibilities related to the Governor's Mansion) to notify them that he had filed to form a non-profit corporation to raise funds for the renovation of the Mansion's private quarters.

On March 10, 1988, Governor Mabus requested an Attorney General's opinion as to whether contracts let by the Trust were subject to the requirements of state purchasing laws. The Office of the Attorney General responded that contracts that do not involve the expenditure of public funds are not subject to public purchasing laws. Subsequent to the issuance of the Attorney General's opinion, Trust officials accepted the proposals of the design consultant and the interior decorator.

Mr. Johnson, chairman of the Trust, again appeared before the Mansion Committee on July 15, 1988, and the entire Board of Trustees of the Department of Archives and History on July 22, 1988, to inform them that a design team had been assembled and that renovation plans had been developed by the team. Stephen Perkins, design consultant, and Chuck Barlow, project architect, presented the plans for the renovation. The primary changes resulting from the proposed renovation were new wood flooring throughout the private quarters, raised ceilings in certain areas of the private quarters, and renovation of the private bath in the governor's suite. Mr. Johnson stated that the Trust would have funds on hand prior to the start of construction and that the total project cost would be between \$230,000 and \$290,000.

The Board of Trustees of the Department of Archives and History approved the Trust's renovation plans on October 21, 1988, subject to minor conditions regarding an exterior door, partitioning of a foyer, and exterior wall lanterns for an entrance area. The board also expressed reservations about certain craftwork planned by the Trust for the Mansion but did not place any restrictions on the work. The Trust advertised for bids and in November 1988, accepted the proposal of the low bidder, Benchmark Construction Company of Jackson, in the amount of \$383,630.

## **Trust Financial Activity**

The Trust's activities were financed by two primary sources: loans and private contributions. During the period January 1988 through December 1991, the Trust had total cash receipts of \$599,764. Individuals and businesses contributed \$288,210 to the Trust during this period, while the remainder of the receipts originated from loans (\$246,554) and a distribution (\$65,000) from the Governor's inaugural committee (see Exhibit 2, page 8).

The Trust's total disbursements during the period January 1988 through December 1991 were \$599,158. Construction costs represented the largest portion of the Trust's expenditures (\$437,021). Other significant expenditures were made for architects, craftwork, furnishings and interest expense (see Exhibit 2, page 8). Appendix B, page 28, provides detail information for all Trust disbursements during the period.

As stated above, Trust officials borrowed \$246,554 to finance a portion of the Mansion renovation project. Trustmark National Bank and Deposit Guaranty National Bank participated equally in the financing arrangement. As of December 31, 1991, the due date of the loan, the Trust had repaid only \$16,200 on the principal portion of the debt, leaving an outstanding balance of \$230,354. (The Trust had paid \$50,611 in interest.)

The only significant financial activity of the Trust since January 1, 1992, has been loan payments of \$48,463 on the outstanding debt (\$45,802 principal and \$2,661 interest). PEER interviewed a Trustmark Bank official and determined that the banks had not renewed the loan. As such, the Trust is in default on debt of \$184,552 as of May 6, 1992. According to the Trustmark official, bank officials have not pursued legal action against the Trust at this time because of the political nature of the debt, the fact that the loans were unsecured, and fact that the Trust did not own any assets.

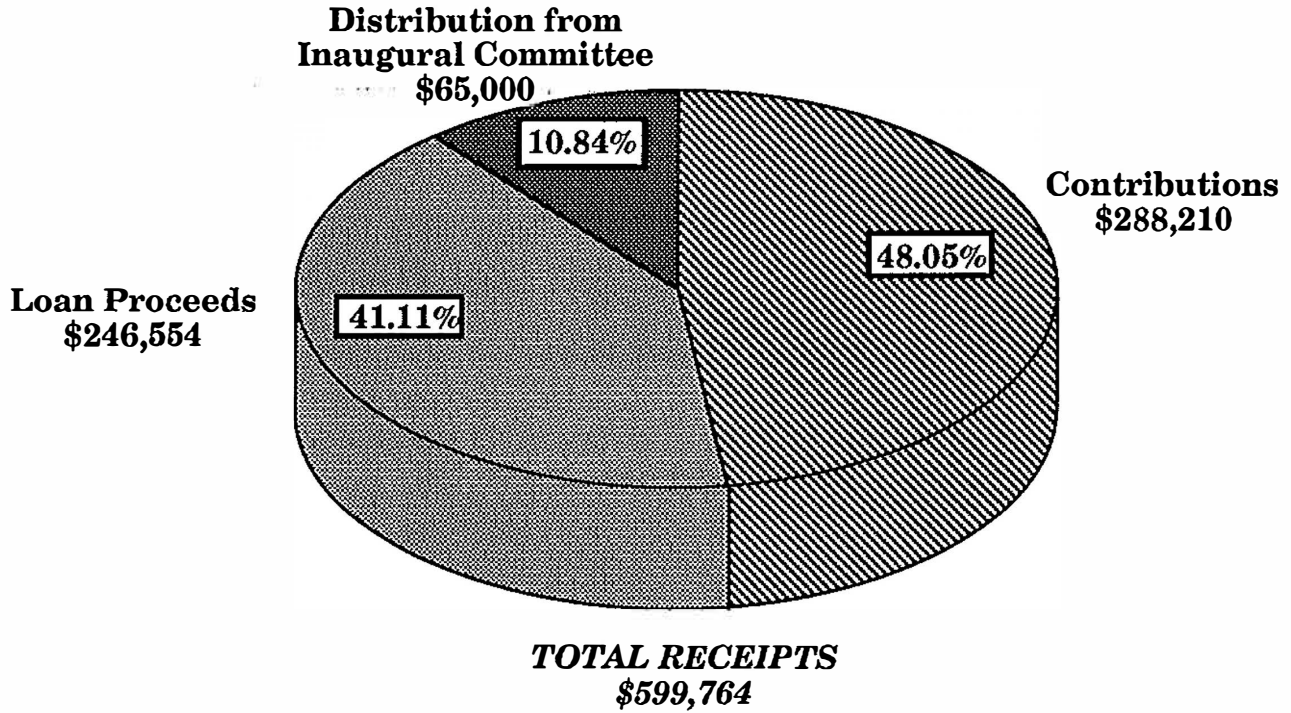
## **Oversight of Public Buildings**

Two Mississippi state agencies, the Office of General Services of the Department of Finance and Administration and the Department of Archives and History, have statutory oversight responsibilities in relation to the Governor's Mansion.

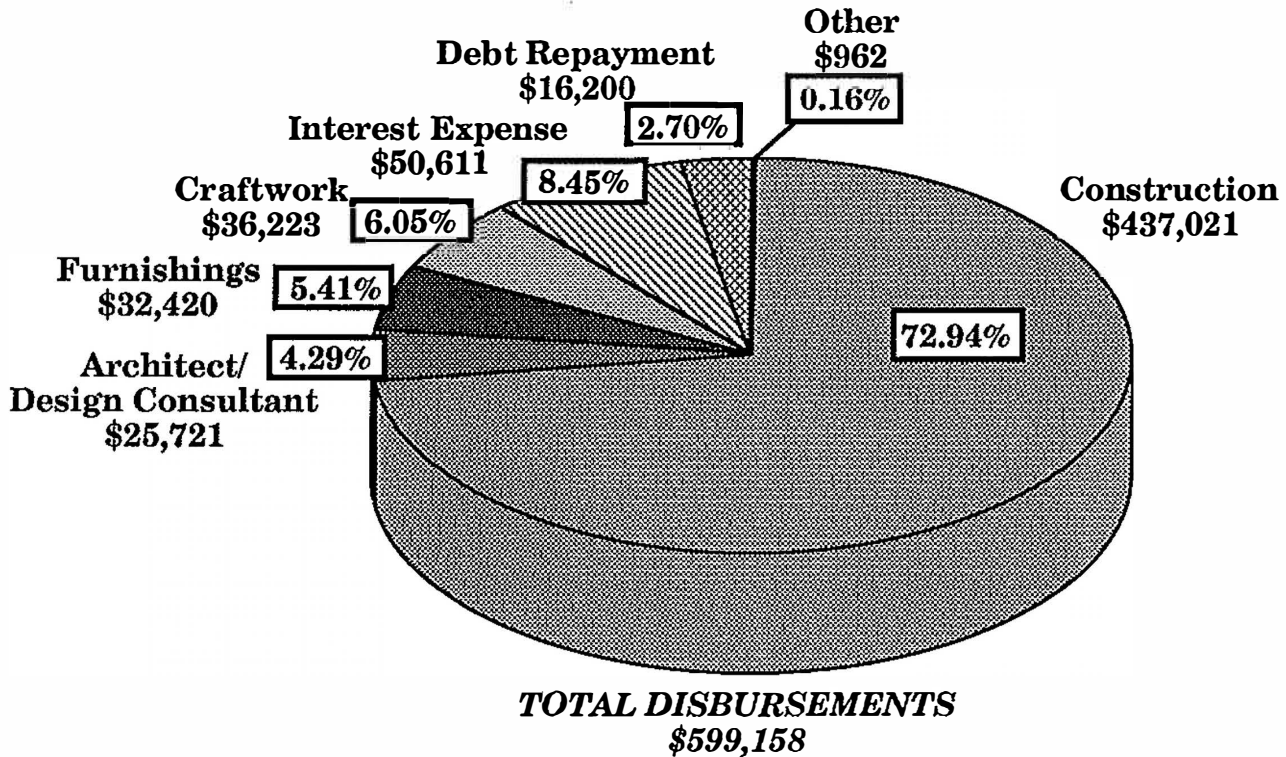
MISS. CODE ANN. Section 29-5-2 requires the Office of General Services to "*exercise general supervision and care*" over certain state buildings, including the Governor's Mansion. In addition, CODE Section 31-11-3 states that the Office of General Services shall "*shall have entire control and supervision of, and determine what, if any, buildings, additions, repairs or improvements are to be made*" to state-owned

**EXHIBIT 2**  
**THE MANSION TRUST**  
**CASH RECEIPTS AND DISBURSEMENTS**  
**JANUARY 1988 THROUGH DECEMBER 1991**

**RECEIPTS**



**DISBURSEMENTS**



SOURCE: PEER analysis of Trust financial records.

buildings. The Office of General Services employs architects and inspectors with expertise in design and construction of buildings to carry out its responsibilities. Legislative intent behind these statutory sections is that the Office of General Services should supervise and exercise control over significant repairs or improvements in public buildings under its supervision regardless of the funding source.

MISS. CODE ANN. Section 39-5-6 (g) provides the Department of Archives and History with the authority:

*To review and approve any major changes in the architecture, furniture, furnishings, decoration or landscaping of the grounds of the governor's mansion.*

This section gives the Department of Archives and History complete and final authority relative to significant structural or decorative changes at the Mansion. Such authority implies that those planning changes, in this case Trust officials, should fully inform the agency so that it can carry out its statutory responsibilities.

## ***FINDINGS***

PEER's primary objectives, other than providing background information on the Trust, were to determine the extent to which state officials were involved in the management of the Trust and the related renovation of the Governor's Mansion and to account for furnishings and fixtures purchased by the Trust for the Mansion. PEER determined that state officials were involved in the management of the Trust but Trust officials limited the extent to which state agencies were allowed to perform their statutory oversight functions with regard to the renovation of the Mansion. Trust officials sold all furnishings that were purchased by the Trust for the Mansion one week prior to the inauguration of Governor Kirk Fordice.

### **State Officials and Management of The Mansion Trust**

**The Governor, acting in his official capacity, was directly involved in the management and control of The Mansion Trust from 1988 to 1991, despite Trust officials' insistence that the organization was completely private.**

As shown in the Trust's bylaws (see Appendix A, page 21), sitting Governors have the authority to appoint or remove Trust directors without cause. Such authority permitted former Governor Mabus to exercise significant influence over the actions of the Trust. The Governor was directly involved in the selection of a design consultant and interior decorator for the Mansion renovation project and was involved in the design decision process. The Governor also played a significant role in the Trust's fundraising activities by writing fundraising letters to potential donors and hosting a series of luncheons at the Governor's Mansion for potential donors.

Former Governor Mabus has also been involved in Trust activities since the expiration of his term as Governor. According to Trust officials, the former governor has been involved in fund raising activities to retire the Trust's remaining debt. The former governor has also been involved in discussions with bank officials regarding the Trust's default on its debt of \$184,552.

**The Governor authorized "emergency" expenditures of \$15,420 in state funds for the Mansion renovation project while serving as chairman of the Public Procurement Review Board.**

On March 23, 1989, the Public Procurement Review Board (a three-member board consisting of Ray Mabus, Melia Peavey, and Dr. Maurice James, with statutory authority for approving construction contracts for

state-owned buildings) declared that an emergency existed regarding the plumbing system at the Mansion and authorized the Office of General Services to enter a contract without advertisement for bids in order to *"restore the Governor's Mansion to a condition of usefulness."* The Office of General Services entered a contract for \$6,956 for the plumbing repairs. Subsequently the Office of General Services executed a change order for an additional \$4,664 with the plumbing contractor, raising the total expenditure of state funds for plumbing renovation to \$11,620.

On May 25, 1989, the Public Procurement Review Board declared another emergency *"because of the critical nature of completing work required at the Governor's Mansion,"* and authorized the Office of General Services to enter a \$3,800 contract to have doors refinished in the Mansion's private quarters. The Office of General Services used its discretionary funds to pay for the "emergency" renovation work. Office of General Services staff confirmed to PEER staff that the contracts referred to above were performed in conjunction with the renovation of the Mansion by the Trust.

The Office of General Services cancelled a \$5,900 contract for additional plumbing work at the Mansion in November 1989 because an unidentified individual, other than a General Services official, authorized the contractor to begin work prior to final authorization from the Office of General Services. Subsequent to discussions between the Attorney General and the Governor regarding the contract, Trust officials paid the contractor.

The "emergency" expenditures of state funds for Mansion repair and renovation appear to have been made in accordance with state purchasing statutes and regulations. However, PEER notes that the Governor had written a letter to potential contributors to the Trust stating that "public funds" were not available for improvements to the Mansion; yet, according to General Services staff, these "emergency" expenditures were incurred in conjunction with the renovation.

**Mansion Trust officials solicited contributions for the Trust on the premises of the Governor's Mansion in violation of MISS. CODE ANN. Section 29-5-85.**

During 1988, the Governor, the First Lady and other Trust officials hosted a series of luncheons at the Governor's Mansion on behalf of the Trust. The Governor and Trust officials sent luncheon invitations to individuals and businesses throughout the state. Trust officials presented renovation plans, conducted tours and requested that guests consider a "substantial contribution to the Mansion Trust." The Trust's fundraising efforts produced total contributions of \$288,210 from businesses and individuals through December 31, 1991.

MISS. CODE ANN. Section 29-5-85 states in reference to grounds of state buildings (including the Governor's Mansion) that:

***It is forbidden to offer or expose any article for sale in or on such grounds: to display any sign, placard, or other form of advertisement therein; or to solicit fares, alms, subscriptions, or contributions therein.*** [Emphasis added]

This section of law prevents private concerns from attempting to advertise or sell goods on state property. In addition, it prevents charities from entering state property to solicit contributions or locate on state property to imply that the organization is somehow subject to state oversight and endorsed or operated by the state.

While PEER does not dispute the validity of the stated intent of The Mansion Trust, allowing the use of the Governor's Mansion to solicit funds for the Trust (a self-proclaimed private entity) sets a serious precedent. Such action might imply to *all* private organizations that state properties and facilities are available for fundraising activities.

#### **Oversight of Mansion Trust Activities by State Agencies**

**The Governor's Office of General Services failed to monitor the Trust's renovation of the Governor's Mansion, a state building, as authorized by state law.**

Despite the Governor's significant involvement in the management and control of the Trust, the Office of General Services, which is also controlled by the Governor, did not supervise or monitor the activities of the Trust in relation to the renovation of the Governor's Mansion. Office of General Services staff told PEER that they were "invited not to participate in the project" by the Governor's office.

As noted on page 7, MISS. CODE ANN. Section 29-5-2 requires the Office of General Services to "*exercise general supervision and care*" over certain state buildings, including the Governor's Mansion, and Section 31-11-3 states that the Office of General Services shall "*shall have entire control and supervision of, and determine what, if any, buildings, additions, repairs or improvements are to be made*" to state-owned buildings. The Office of General Services employs architects and inspectors with expertise in design and construction of buildings to carry out its responsibilities. PEER concludes that a \$582,958 renovation of the Governor's Mansion represents a significant repair and/or improvement that warrants such oversight.

Office of General Services staff were hesitant to involve the agency's inspectors in the Mansion project because the Governor appoints the



director of the office. The Governor had demonstrated a desire to alleviate state oversight of the Trust's activities in a letter to the Attorney General requesting an opinion as to whether Trust contracts for renovation of the Mansion were subject to state purchasing laws (see Appendix C, page 29). In the letter the Governor stated: "*subjecting Trust contracts to the public procurement process will produce inevitable anomalies [sic] and unnecessary expenditures of public funds. The Office of General Services would presumably be required to expend the effort and money necessary to let the contracts and administer performance. . .*"<sup>4</sup> In responding to the Governor's opinion request, the Office of the Attorney General stated that the Trust contracts were not subject to state purchasing laws. However, despite the Governor's contention that precluding Office of General Services oversight of the renovation would save public funds, the Attorney General clearly stated that state statutes provide that the Governor's Mansion is under the general supervision and care of the Office of General Services.

Because of this lack of oversight by the Office of General Services, a state-owned public building underwent a \$582,958 renovation with little, if any, state oversight. Allowing such activities creates a serious precedent under which it can be presumed that any private entity or individual can undertake improvements on a state-owned public building with no state oversight, so long as the funding is generated by the private sector.

**In seeking approval of the renovation project, The Mansion Trust did not fully inform the Board of Trustees of the Mississippi Department of Archives and History regarding the planned financing of the project nor of intent to provide furnishings for the Mansion only during the Mabus administration.**

Trust officials including Mr. Johnson, chairman, and Mrs. Mabus, registered agent, appeared before the Mansion Committee on several occasions and before the entire Board of Archives and History on one occasion to present Trust plans for the renovation project. During these meetings Trust officials made representations that never materialized and did not fully disclose other pertinent information relative to the Mansion renovation project, such as the Trust's intent to borrow funds for the project.

In January 1988, Mr. Johnson and Mrs. Mabus represented to the Mansion Committee that the Trust would work "hand-in-hand" with the Friends of the Mansion (a volunteer group that supports the upkeep of the historic portion of the Mansion) if the historic portion of the Mansion had needs to be met. PEER found no evidence that Trust officials made any attempts to meet with or otherwise offer assistance to the Friends of the Mansion organization.

*Underestimation of Costs*--On July 15, 1988, Mr. Johnson appeared before the Mansion Committee, along with the Trust's design consultant and architect, to present the Trust's plans for the renovation of the Mansion. During this meeting, Mr. Johnson represented to the Mansion Committee that the Mansion renovation would cost between \$200,000 and \$250,000 and the crafts would cost \$30,000 to \$40,000. As previously noted, the actual renovation cost was \$582,958, which was twice as much as the estimate provided to the Mansion Committee by Trust officials.

*No Mention of Renovation Loans*--At the same Mansion Committee meeting, Mr. Johnson represented that the Trust would not begin the renovation until it had "funds on hand." Department of Archives and History officials stated in interviews with PEER that they understood from Mr. Johnson that renovation would not begin until sufficient contributions had been collected to fund the renovation and that Mr. Johnson never mentioned borrowing funds from banks to finance the project. Mr. Johnson told PEER staff that he could not recall if he had mentioned the Trust's intent to borrow funds for interim financing of the construction. He said, however, that he assumed Department of Archives and History officials knew that "interim" financing would be involved. As shown on page 8, the Trust borrowed \$246,554 during the project and had only repaid \$16,200 as of December 31, 1991, leaving an outstanding balance of \$230,354.

*Implication that Furnishings were Permanent*--On July 15, 1988, Mr. Johnson told the Mansion Committee that the Trust was set up in perpetuity to insure that changes do not arise with each change in administration. Prior to that, Trust officials had provided the Department of Archives and History with copies of the Trust's bylaws (see Appendix A, page 21) and other corporate documents stating that the Trust was "organized solely for an exempt charitable purpose: the renovation, restoration, maintenance, and/or improvement of the State of Mississippi Governor's Mansion. . ." As such, Department of Archives and History officials were led to believe the Mansion would be the sole beneficiary of Trust expenditures. However, Trust officials sold all Mansion furnishings, purchased by the Trust for the Mansion, to Governor Mabus on January 6, 1992, without consulting the Department of Archives and History or the new governor's staff to determine whether there was an interest in allowing the furnishings to remain in the Mansion. According to Mr. Johnson, no one was consulted because Trust officials had always intended to transfer the furnishings to the Governor at the end of his term in office.

*No Departmental Monitoring or Inspection of Project*---In a letter to the President of the Board of Trustees of the Department of Archives and History dated July 22, 1988 (prior to approval to the plans by the agency), Mr. Johnson indicated that Trust officials intended to "work closely with the Mississippi Department of Archives and History in completing the

*planned renovation.*" Subsequent to the final approval of the renovation plans by the Department of Archives and History, Trust officials ceased significant contact with the Department of Archives and History. Trust officials invited neither the Mansion Committee nor the Board of Trustees to review the completed project. As a result, Department of Archives and History officials were not able to inspect the completed renovation project until Governor Mabus vacated the Mansion in January 1992.

As stated earlier, MISS. CODE ANN. Section 39-5-6 (g) provides the Department of Archives and History with the authority:

*To review and approve any major changes in the architecture, furniture, furnishings, decoration or landscaping of the grounds of the governor's mansion.*

This section gives the Department of Archives and History complete and final authority relative to significant structural or decorative changes in the Mansion. Such authority implies that those planning changes, in this case Trust officials, should fully inform the agency so that it can carry out its statutory responsibilities. Based on a review of minutes of meetings of Archives and History officials, PEER believes that departmental officials would have been hesitant to approve the renovation project had it been fully informed regarding the failure to work with the Friends of the Mansion, the Trust's plans to borrow funds, and the understated budget estimates for the proposed project.

Department of Archives and History officials admit that they were somewhat hesitant to exert their full authority over the project because the Governor was involved and the planned changes involved the private quarters of the Governor's Mansion. As such, PEER noted at least five instances in which the director of Archives and History made written or oral recommendations to Trust officials that the Office of General Services be involved in the project. As noted in a previous finding, the Office of General Services did not provide any oversight of the project. As a result, the Mansion received a \$582,958 renovation with little state oversight to insure that the work was performed in the best interest of the state.

#### **Accounting for Mansion Furnishings Provided by The Mansion Trust**

**In direct conflict with the stated intent and purpose of the Trust, the board of directors of The Mansion Trust sold Trust furnishings with an original cost of \$33,420 to Governor Mabus eight days before the end of the Governor's term for \$30,963.**

The board of directors of the Trust signed a statement of unanimous consent dated January 6, 1992, authorizing the chairman (Mr. Johnson) to sell certain Trust assets to the Governor and Mrs. Mabus (see Appendix D,

page 37). Mr. Johnson and the Mabuses signed a contract dated January 7, 1992, for the sale of the assets from the Trust to the Mabuses for \$30,963 (see Appendix E, page 40). The Trust assets transferred to the Mabuses represented all personal property purchased by the Trust for the Mansion since the inception of the Trust.

PEER sought to confirm that the Trust received payment from the Mabuses, but found no record of a corresponding deposit to the Trust bank account. Mr. Johnson told PEER staff that a check was delivered directly to Trustmark National Bank and applied directly to the Trust indebtedness without going through the Trust bank account. Trust officials initially refused to provide PEER with access to the cancelled check received as payment for the Trust assets. PEER subpoenaed Trustmark National Bank for a copy of the check and confirmed payment to the Trust on behalf of the Mabuses.

The amount of the payment on behalf of the Mabuses was less than the associated costs of the assets when acquired by the Trust. The mahogany linen press (\$3,950), chest of drawers (\$1,160), and brandy board (\$2,950) along with an oriental rug (\$15,840) were purchased in 1988 by the Trust from Kathy Guyton Interiors of Atlanta, Georgia for \$24,438 (including freight charges of \$538). According to an agreement between the Trust and Kathy Guyton, the Trust agreed to pay Guyton's travel expenses relating to her work in selecting the furnishings for the Mansion. The Trust paid \$2,456.57 in travel expenses for Guyton relating to selection of the antiques and oriental rug referred to above. The contract for sale between the Mabuses and the Trust did not include the amount of the travel expense paid on behalf of Kathy Guyton by the Trust in acquiring the furnishings.

The Trust's transfer of furnishings to the Governor and First Lady represents a direct conflict with the stated intent and purpose of the Trust. According to the Trust's bylaws, articles of incorporation, application for tax-exempt status before the Internal Revenue Service, and written solicitations for contributions from the Governor to potential contributors, the sole purpose of the Trust was to benefit the Mansion and the State of Mississippi. As stated earlier, Trust officials assured Department of Archives and History officials that the Trust was interested in insuring that "changes do not arise with each change of administration." In addition, Trust officials had purchased the furnishings specifically for the Mansion under the advice of a professional decorator.

As mentioned earlier, Trust officials had always intended to transfer the furnishings to the Governor and Mrs. Mabus and did in fact transfer the items at the end of Governor Mabus' administration. The transfer of assets represents a possible breach of fiduciary duty by the directors of the Trust, as the state is supposed to be the sole beneficiary of the Trust. The actions of Trust officials might also jeopardize the tax-exempt status of the Trust. The Trust's bylaws state specifically that:

*No part of the receipts or assets shall ever inure to the benefit of any individual or private organization except for such organization which qualifies for income tax exemption under Section 501 (c) of the Internal Revenue Code of 1986.*

## *CONCLUSION*

As stated at the beginning of this report, the purpose of this report was not to determine whether the private quarters of the Mansion were in need of renovation nor to determine the extent or type of renovation that was needed. PEER sought only to review the actions of The Mansion Trust to see that all activities undertaken by the Trust were in best interest of the state since the state is supposed to be the sole beneficiary of Trust activities.

Department of Archives and History officials informed PEER that the private quarters of Mansion were in fact in need of renovation at the time of the Trust's activities, and that most of the work performed by the Trust on the Mansion was beneficial to the state. On the other hand, Archives and History officials also acknowledged that the Trust operated in an independent manner with little state oversight.

The Trust operated much like a person with a split personality, invoking the name of the state in its fundraising activities but claiming private status when the question of state oversight arose. In the final analysis, the Mansion benefited from the renovation, but the Trust remains as an insolvent entity plagued by poor financial management and possible violations of state and federal laws and regulations.

## ***RECOMMENDATIONS***

1. The Office of the Attorney General should further investigate the activities of the Trust and enforce any penalties for violation of state statutes referred to in this report.
2. The Executive Director of the PEER Committee shall forward a copy of this report to the Internal Revenue Service with a recommendation that the activities of the Trust be reviewed for compliance with applicable federal laws and regulations relating to tax-exempt organizations.
3. The Legislature should amend state statutes to strengthen the authority of the Office of General Services and the Department of Archives and History to review and approve architectural or other significant changes in state properties under their respective jurisdictions regardless of the funding source. The Legislature should also provide penalties for failure by anyone to comply with such statutes. (See Appendix F, page 42, for proposed legislation concerning the authority of these state agencies over public buildings.)
4. The Office of General Services should conduct a thorough inspection of the renovation changes made by the Trust on the private quarters to the Governor's Mansion to insure compliance with applicable standards and codes.

**APPENDIX A**  
BYLAWS  
OF  
THE MANSION TRUST  
A MISSISSIPPI NON-PROFIT CORPORATION

ARTICLE I.

NAME

The name of this corporation is The Mansion Trust. It is a Mississippi non-profit corporation.

ARTICLE II.

PURPOSES AND POWERS

Section 1. Purpose. The Mansion Trust is formed and organized solely for an exempt charitable purpose: the renovation, restoration, maintenance, and/or improvement of the State of Mississippi Governor's Mansion, a public building, excluding that area of the Governor's Mansion designated as the original or historic portion.

Section 2. Powers. The organization's rights and powers are exclusively limited to those reasonably necessary to accomplish the stated purpose of the organization being incorporated and are further subject to the condition that no power or authority shall be exercised by the corporation in any manner or for any purpose whatsoever which may not be exercised by an organization which is tax exempt or by any organization donations to which are deductible from taxable income to the extent allowed by the provisions of the Internal Revenue Code and other applicable legislation and regulations as they now exist or may hereafter be amended.

ARTICLE III.

OFFICES

Section 1. Principal Office. The principal office of the corporation shall be 300 Capitol Street, Jackson, Mississippi 39201, or such other place as the directors from time to time may select.

Section 2. Additional Offices. In addition to the principal office, the corporation may have such other offices as may be helpful or convenient to the corporation's operations.

Section 3. Registered Office and Registered Agent. The address of the initial registered office is 300 Capitol Street, Jackson, Mississippi 39201. The name of the initial registered agent of this corporation is Julie H. Mabus.

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ARTICLE IV.

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors.

Section 2. Number and Tenure. The number of directors of the corporation shall be three (3). Each director shall be appointed by the current Governor of the State of Mississippi and shall hold office for a term of four (4) years, unless appointed to fill a vacancy. The Governor shall appoint the Board of Directors, and the Directors shall so assume their office, on the first Tuesday of January, beginning in the year 1992 and every four (4) years thereafter. Directors may be appointed for successive terms.

Section 3. Vacancies. Vacancies on the Board of Directors shall be filled by vote of the directors remaining in office. Each Director so selected shall serve until his/her successor is appointed at the next scheduled gubernatorial appointment as set forth in Section 2 of this Article.

Section 4. Meetings. The Board of Directors may hold regular or special meetings in or out of this state. An annual meeting of the Board of Directors shall be held on the first Tuesday of each year. The Board of Directors may, by resolution, set the time and place for holding regular meetings and no other notice of the meeting shall be required than the resolution. The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board or any Director. The person or persons authorized to call the special meeting shall fix the time and place for holding any special meeting called by them.

Section 6. Notice. Notice of regular meetings of the Board of Directors need not be given, except to the extent as set forth in Section 4 of this Article. Written notice of each special meeting, setting forth the date, time, and place of the meeting shall be given to each Director at least two (2) days before the meeting. The notice may be given either personally, or by sending a copy of the notice through the United States mail, or by telegram, charges prepaid, to the address of each Director appearing on the books of the corporation. If mailed, such notice shall be deemed delivered when deposited in the United States mail or delivered to the telegraph company for dispatch.

Section 7. Quorum. A majority of the directors appointed and then serving shall constitute a quorum for the transaction of business at any regular or special meeting.

Section 8. Adjournment. Any regular or special meeting of the Board of Directors may be adjourned. Notice of the adjourned meeting or of the business to be transacted there, other than by announcement at the meeting at which the adjournment is taken, shall not be necessary. At an adjourned meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting originally called.

Section 9. Informal Action by Board. Any action required or permitted to be taken at a meeting of the Board may be taken with like effect without a meeting if one or more written consents setting forth the action so taken shall be signed by each Board member.

Section 10. Waivers. A director may waive any notice required by law, the articles of incorporation, or the bylaws before or after the date and time stated in the notice. Except as set forth hereafter, such waiver must be in writing, signed by the director entitled to notice, and filed with the minutes or corporate records. The attendance of a director at any meeting shall be deemed a waiver of notice unless his appearance at such meeting is made for the sole purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened, and provided the director does not thereafter vote for or assent to action taken at the meeting.

Section 11. Committees. As deemed appropriate, the Board of Directors may create one or more committees to advise the Board in matters which come before it, and/or to assist the Board in implementing and carrying out its decisions, and appoint members to serve on such committees. Such committees shall act only in accordance with the directives of the Board of Directors, and all decision-making authority shall at all times remain solely and exclusively in the Board of Directors, except to the extent delegated to officers as set forth in Article V hereafter or as otherwise expressly delegated by the Board.

Section 12. Removal of Directors. Directors may be removed from office in accordance with the provisions of Miss. Code Ann. Section 79-11-247 (Supp. 1987) or as may be hereafter provided by law.

Section 13. Chairman of the Board. The Chairman of the Board shall be named by the Governor of the State of Mississippi in conjunction with the appointment of all directors to the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors.

## ARTICLE V.

### OFFICERS

Section 1. Officers. The officers of The Mansion Trust shall be a President and a Secretary/Treasurer, each of whom shall be elected by the Board of Directors. Such other officers, assistant officers, agents and employees as may be deemed necessary may be elected or appointed by the Board of Directors. One person may hold more than one office.

Section 2. Election and Term of Office. The officers of the corporation shall be elected by the directors at the annual meeting of the Board. Each officer shall hold office for one (1) year or until his successor shall have been duly elected and qualified or until his death or until he shall resign or shall have been removed from office as provided in these Bylaws or by the laws of the State of Mississippi.

Section 3. Vacancies. A vacancy in any office for any reason shall be filled by a vote of the directors for the unexpired portion of the term.

Section 4. President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall have general supervision and control of the business and affairs of the corporation. He may sign, with the Secretary/Treasurer or any other proper officer of the corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5. Secretary/Treasurer. In his role as Secretary, the Secretary/Treasurer shall attend all meetings of the Board of Directors and keep a true and complete record of the meetings of the directors in one or more books provided for that purpose; give or cause to be given all notices required by these Bylaws or by law; be custodian of the corporate records and the seal, if any, of the corporation; and, in general, perform all duties incident to the office of Secretary. In his role as Treasurer, the Secretary/Treasurer shall have charge and custody and be responsible for all funds and securities of the corporation; keep full and accurate accounts of receipts and disbursements and maintain control over the depositing and disbursement of all corporate monies and other valuable effects in the name

and to the credit of the corporation in a depository or depositories designated by the Board of Directors; render to the President or Board of Directors, whenever they may require it, an account of his transactions as Treasurer and of the financial condition of the corporation; and, in general, shall perform all duties incident to the office of Treasurer and such other duties as may be prescribed by the Board of Directors from time to time.

## ARTICLE VI.

### FINANCES

Section 1. Contracts. The Chairman and/or President are authorized, with prior approval of the Board, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and to institute, join in, or become a party to any suit at law or in equity in which the corporation may have an interest. The Secretary/Treasurer of the corporation may attest the signatures of such offices and affix the corporate seal, if any, to any such instrument; however, the presence of such attesting signature or corporate seal shall not be required for the validity of such instrument unless required by law. Other officers or employees may be empowered by the Board of Directors to execute such contracts or instruments as the Board directs.

Section 2. Loans. No loan shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific incidents.

Section 3. Banking Transactions. All checks, drafts, or other orders for the payment of money issued in the name of the corporation shall be signed by the Secretary/Treasurer, or such other officer or employee of the corporation and in such manner as shall be, from time to time, determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be, from time to time, deposited to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 5. Property. All property owned by the corporation, including any property placed in the Governor's Mansion for use and/or display, shall remain property of The Mansion Trust until such time as the Board of Directors agrees to sell, lease, exchange or otherwise dispose of the asset.

Section 6. Fiscal Year. The fiscal year of the corporation shall commence on January 1 of each year and end on the 31st day of December in each year.

Section 7. No Private Benefit. No part of the receipts or assets of the corporation shall ever inure to the benefit of any individual or private organization except for such organization which qualifies for income tax exemption under Section 501(c) of the Internal Revenue Code of 1986.

Section 8. Corporate Seal. The Board of Directors may provide a suitable corporate seal for use by the corporation, but no seal shall be necessary for the validity of any transaction except as may be required by law.

#### ARTICLE VII.

##### DISSOLUTION

In the event of dissolution, the residual assets of the organization will be turned over to one or more organizations which themselves are exempt as organizations described in Sections 501(c)(3) and 170(c)(2) of the Internal Revenue code of 1986 or corresponding sections of any prior or future law, or to the Federal, State, or Local government for exclusive public purpose.

#### ARTICLE VIII.

##### AMENDMENTS

These Bylaws can be amended or repealed and new Bylaws may be adopted by a vote of the majority of the directors of this corporation at any annual meeting, regular meeting or special meeting of the Board of Directors, provided such amendment is not inconsistent with the laws of the State of Mississippi. Advance notice of any meeting of directors at which the proposed amendment is to be voted upon must be given in accordance with these Bylaws and the provisions of Miss. Code Ann. Sections 79-11-313 and 259.

00571

AMENDMENT TO THE BYLAWS  
OF THE MANSION TRUST

Article V Section 5 of the Bylaws is stricken and, in its place, the following provisions are added:

Section 5. Secretary. The Secretary shall attend all meetings of the Board of Directors and keep a true and complete record of the meetings of the directors in one or more books provided for that purpose; give or cause to be given all notices required by these Bylaws or by law; be custodian of the corporate records and the seal, if any, of the corporation; and, in general, perform all duties incident to the office of Secretary.

Section 6. Treasurer. The Treasurer shall have charge and custody and be responsible for all funds and securities of the corporation; keep full and accurate accounts of receipts and disbursements and maintain control over the depositing and disbursement of all corporate monies and other valuable effects in the name and to the credit of the corporation in a depository or depositories designated by the Board of Directors; render to the President or Board of Directors, whenever they may require it, an account of his transactions as Treasurer and of the financial condition of the corporation; and, in general, shall perform all duties incident to the office of Treasurer and such other duties as may be prescribed by the Board of Directors from time to time.

50572

**APPENDIX B**  
**THE MANSION TRUST**  
**CASH DISBURSEMENTS BY VENDOR**  
**1988-1991**

<b>Loan payments</b>		
Trustmark National Bank	\$10,000	
Deposit Guaranty National Bank	5,000	
Other	<u>1,200</u>	\$16,200
<b>Construction</b>		
Benchmark Construction	431,121	
Tommy Warren	<u>5,900</u>	437,021
<b>Architects</b>		
Stephen Perkins	23,441	
Barlow & Plunkett	1,030	
MS Architectural Graphics	<u>1,250</u>	25,721
<b>Furniture and Furnishings</b>		
Kathy Guyton Interiors	26,895	
Tinnin Carpets	4,800	
Replogle Globes	375	
Birney Imes	<u>350</u>	32,420
<b>Craftwork</b>		
Fletcher Cox	9,895	
Pearl River Glass	13,078	
Chester Mixon	5,550	
Bob Willis	3,200	
Blanche Batson	3,000	
Diane Dixon	<u>1,500</u>	36,223
<b>Other</b>		
The Clarion-Ledger	507	
Bank Charges	120	
Interest expense - Banks	50,611	
U. S. Postmaster	10	
Federal Express	11	
Secretary of State	50	
Graphic Reproductions	<u>264</u>	<u>51,573</u>
<b>TOTAL CASH DISBURSEMENTS</b>		<u><u>\$599,158</u></u>

OPINION REQUEST AND ATTORNEY GENERAL'S OPINION  
REGARDING MANSION PURCHASES



MIKE MOORE  
ATTORNEY GENERAL

OFFICE OF THE ATTORNEY GENERAL

OFFICIAL ATTORNEY GENERAL'S OPINION

MAR 18 1988

The Honorable Ray Mabus  
Governor  
Post Office Box 139  
Jackson, Mississippi 39205

Dear Governor Mabus:

Attorney General Mike Moore received your request for an opinion and assigned it to me for research and reply.

A copy of your letter of request is attached hereto and incorporated herein by reference.

In summary, you ask whether contracts let by the Mansion Trust, for the purpose of renovating, restoring, maintaining and improving the portion of the Governor's Mansion that is exclusive of the original or historic portion, are subject to the statutory requirements relating to public purchases and public works contracts.

Our opinion to Richard L. Yoder, Esquire, dated December 14, 1987, a copy of which is enclosed, is responsive to your inquiry. In that opinion we stated that a contract, which does not involve the expenditure of public funds and does not include a public authority as a party, is not subject to the statutory provisions relating to public works contracts and public purchases. This same rule would apply to the facts and circumstances contained in your letter of request.

In Yoder, we also noted that there is no prohibition against a donation of construction to a school district. Similarly, there is no prohibition against a donation of construction in the instant case. Section 7-1-7 of the Mississippi Code of 1972, Annotated, authorizes the Governor to receive gifts for the State of Mississippi for public purposes on behalf of state agencies and institutions and such gifts may be in the form of construction. Of course, the Governor may make his acceptance of such donations contingent upon the donor meeting such requirements as the Governor may wish to impose.



The Honorable Ray Mabus  
Page 2

MAR 18 1988

We note that while the Governor's Mansion is under the general supervision and care of the Office of General Services, the Board of Trustees of the Department of Archives and History has specific duties and powers which, in some instances, apply to the Governor's Mansion as a whole and in other instances, relate solely to the original or historic portion of the Governor's Mansion. Miss. Code Ann. §§29-5-2, 39-5-6 (Supp. 1987).

One of the specific powers held by the Board of Trustees of the Department of Archives and History is the authority:

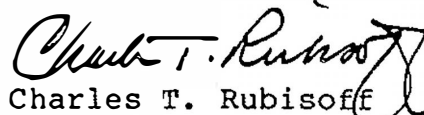
...[t]o review and approve any major changes in the architecture, furniture, furnishings, decoration or landscaping of the grounds of the Governor's Mansion. Miss. Code Ann. §39-5-6 (g)  
(Supp. 1987).

Therefore, even though the contracts that you describe would not be subject to the statutory provisions relating to public purchases and public works contracts, any major changes contemplated in the architecture, furniture, furnishings, decoration or landscaping of the grounds of the Governor's Mansion must be reviewed and approved by the Board of Trustees of the Department of Archives and History.

Very truly yours,

MIKE MOORE  
ATTORNEY GENERAL

BY:



Charles T. Rubisoff  
Special Assistant Attorney General



Kulisoff  
88-193

STATE OF MISSISSIPPI

RAY MABUS  
GOVERNOR

March 10, 1988

RECEIVED

MAR 10 1988

ATTORNEY GENERAL'S OFFICE  
OPINIONS

HAND DELIVERED

The Honorable Mike Moore  
Attorney General  
State of Mississippi  
Carroll Gartin Justice Building  
Post Office Box 220  
Jackson, Mississippi 39205

Dear General Moore:

In accordance with Section 7-5-25 of the Mississippi Code Annotated, as amended, this letter requests your written opinion on a question of law, as outlined below. On January 25, 1988, The Mansion Trust ("the Trust") was incorporated as a nonprofit, nonshare, perpetual Mississippi corporation. The Trust exists for a single purpose. Quoting from its Articles of Incorporation:

The Mansion Trust is formed and organized solely for an exempt charitable purpose: the renovation, restoration, maintenance, and/or improvement of the State of Mississippi Governor's Mansion, a public building, excluding that area of the Governor's Mansion designated as the original or historic portion.

The "original" or "historic" portion of the Mansion was constructed between 1839 and 1842. It is recognized by the United States Department of Interior as a National Historic Landmark. That portion of the Mansion where the Trust hopes to work comprises a 1973 addition to the rear of the original structure: a first floor working area including offices, conference room, and kitchen, together with the family quarters located on the second floor of the Mansion.

The Trust plans to enter into contracts with architects, design consultants, construction contractors, suppliers of fixtures and furnishings, and other concerns as necessary to accomplish its goals. This letter asks whether contracts let by the Trust in furtherance of its corporate purpose fall within the

ambit of those "public purchases" subject to the requirements of Section 31-7-1 et sequitur of the Mississippi Code Annotated, as amended.

The answer appears to be self-explanatory. By their terms, the cited statutes reach only those contracts awarded by "Agencies," which Section 31-7-1 defines as: "any state board, commission, committee, counsel, department, or unit thereof created by the Constitution or statute...." The Trust is a private, not a public, body. Likewise, statutory requirements appear to trigger only upon the expenditure of "Public funds," which the same statute states "shall mean and include any appropriated funds, special funds, fees, or other emoluments received by any agency...." Again, the Trust will neither seek nor spend any monies unless raised from private donors.

Moreover, subjecting Trust contracts to the public procurement process will produce inevitable anomalies and unnecessary expenditures of public funds. The Office of General Services would presumably be required to expend the effort and money necessary to let the contracts and administer performance and payment, even though the Trust, and not the State, will be the second party to the contracts. The Trust plans to solicit in-kind contributions of design and construction services as well as materials and furnishings. These efforts would be hobbled by imposing competitive bid requirements on potential donors to the Trust.

My request for an opinion therefore is made out of an abundance of caution. Both legal and practical considerations strongly suggest that the Trust's work falls outside the statutory framework set up by Mississippi law for public procurements.

The single conceivable counterargument would run as follows. Section 31-7-13 of the Mississippi Code Annotated, as amended, extends competitive bid requirements to "contract[s] for public construction." Section 29-5-81 of the Mississippi Code Annotated, as amended, defines the Governor's Mansion, where the Trust's work will be accomplished, as a "public building." Thus, the argument runs, any contract for construction or construction-related services to be performed in any part of the Governor's Mansion is a public procurement.

As discussed above, the short answer is that the Trust will rely on private funds to do its work. It has no call on the fisc. Even if this response is insufficient, however, the argument rests on a faulty premise. Of course the entire Mansion belongs to the people of Mississippi, and Julie and I are privileged to live there only because the electorate saw fit to elect me Governor. But the designation "public building" connotes not only public ownership but also public responsibility for the upkeep of the structure. That is certainly true for the original Mansion. As will be seen, the Legislature has spoken in detail

The Honorable Mike Moore  
March 10, 1988  
Page 3

to its maintenance and use. But that portion of the Mansion where the Trust plans to do its work, which I will call "the Trust premises," stands on different legal footing. Most fundamentally, a gap exists in statutory coverage, and the Trust premises exists in a sort of legal limbo.

The Legislature has officially designated the original structure as "historic" and empowered the Board of Trustees of the Department of Archives and History ("the Department") to oversee its operation and furnishing. Specifically, Section 39-5-6 of the Mississippi Code Annotated, as amended, grants the Department jurisdiction over: (i) the use of the historic portion of the Mansion; (ii) the acquisition of furniture and furnishings for the historic portion of the Mansion; and (iii) the right to raise funds and solicit donations of property for the historic portion of the Mansion. The Department's work has produced dramatic results. Because of its efforts, the original Mansion structure is a showpiece, of which all Mississippians can be justifiably proud.

In contrast, the Trust premises falls totally outside the statutes. No analogous regulatory legislation is on the books. As a consequence, the Department lacks authority to seek funds for any use in the Trust premises. The Legislature makes no appropriation for repairing, maintaining, or furnishing the Trust premises.

The Trust proposes to complement the excellent work of the Department by extending fundraising efforts to the Trust premises. It stands ready itself to fund the refurbishing and renovation of the Mansion addition. The Trust's goal is to bring the overall appearance of the Trust premises up to the level of the original Mansion structure. We await only your opinion to proceed. Your prompt attention to this request will be greatly appreciated.

Si ca rely

  
RAY MABUS  
Governor

RM/ldh

STATE OF MISSISSIPPI



EDWIN LLOYD PITTMAN  
ATTORNEY GENERAL

OFFICE OF THE ATTORNEY GENERAL

OFFICIAL ATTORNEY GENERAL'S OPINION

DEC 14 1987

Richard L. Yoder, Esquire  
Gilchrist, Sumrall, Thaxton & Yoder  
Post Office Box 106  
Laurel, Mississippi 39441-0106

Dear Mr. Yoder:

Attorney General Edwin Lloyd Pittman received your request for an opinion and assigned it to me for research and reply.

In your letter you state, in part:

We are attorneys for Laurel School District, City of Laurel, Mississippi, and have been authorized by the Board of Trustees to request that you render an official opinion on the following question:

The district is being offered a donation in the form of the construction of improvements on school property at an estimated cost of \$55,000. The donor intends to enter into a contract for the construction of these improvements and to pay directly the total costs of construction including architect's and engineer's fees for preparation of plans and specifications. The improvements consist of an addition to an existing building owned by the school district. The improvements to be constructed will be owned by the district as they are constructed and when finally completed. The improvements proposed to be constructed will not interfere with the operation of the

DEC 14 1987

schools and will be an asset upon completion. This donation will not be a cash donation to the district nor will any public funds be expended by the district to finance any part of the construction.

As a minimum, the district intends to require the donor to include in the applicable contract requirements that the contractor carry liability insurance and property damage insurance naming the school district as an additional insured and also to furnish the donor and/or the district performance and payment bonds as well as bonds for payment of all taxes and license fees that may be required.

Based upon this factual scenario, we submit the following questions, to wit:

- (A) Can the district accept an in kind donation of this type and in the manner contemplated herein; and
- (B) In view of the fact that no public funds will be expended, is the construction contract governed or not governed by the bidding requirements of the Public Works Contracts and Public Purchases statutes.

First, there is no statutory prohibition against a donation of this kind and we are of the opinion the same may lawfully be accepted by the board of trustees of the school district. Of course, the improvements

Richard L. Yoder, Esquire  
Page 3

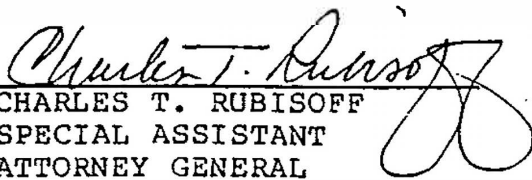
DEC 14 1987

would become public property and be subject to the same restrictions and requirements as other property of its class.

Second, since the construction contract will not require the expenditure of public funds and, since neither the district nor any other public authority will be a party to the contract, we are of the opinion that the statutory provisions relating to public works contracts and public purchases, i.e. Code sections 31-5-3 et seq. and 31-7-1 et seq., do not apply. We would note, however, that some of the statutory requirements relating to public works contracts are for the protection of the public owner and, as suggested in your letter of request, the board of trustees may wish to make its acceptance of the donation conditioned upon similar safeguards being provided by the donor.

Very truly yours,

EDWIN LLOYD PITTMAN  
ATTORNEY GENERAL

BY:   
CHARLES T. RUBISOFF  
SPECIAL ASSISTANT  
ATTORNEY GENERAL

CTR:mp

APPENDIX D

**MANSION TRUST DIRECTORS' UNANIMOUS CONSENT  
TO SELL TRUST FURNISHINGS**

UNANIMOUS CONSENT TO ACTION BY THE  
BOARD OF DIRECTORS  
OF THE MANSION TRUST

---

Sale of Goods

The undersigned, constituting all of the Directors of The Mansion Trust (the "Trust"), do hereby consent to the following resolution adopted in the name of and on behalf of the Board of Directors of the Trust, without the necessity of a meeting:

WHEREAS, pursuant to Article IV, Section 1 of the Bylaws, the business and affairs of the Trust shall be managed by its Board of Directors; and

WHEREAS, pursuant to Article VI, Section 5 of the Bylaws, the Board of Directors may agree to sell property owned by the Trust; and

WHEREAS, there has been a change in administration in the State of Mississippi, and Governor and Mrs. Mabus are leaving the Governor's Mansion; and

WHEREAS, the goods listed in Attachment "A" to this Resolution represent furniture and accessories purchased by the Trust specifically for the offices of the Governor and First Lady during the administration of Governor Mabus; and

WHEREAS, Governor-elect Fordice and Mrs. Fordice will wish to furnish the office of the Governor and the office of the First Lady with goods and accessories chosen by them; and


WHEREAS, the Board of Directors deems it in the best interest of the Trust to sell to Governor Mabus and Mrs. Julie Mabus the goods listed in Attachment "A", at the prices paid by the Trust for those goods, together with the associated cost of those goods;

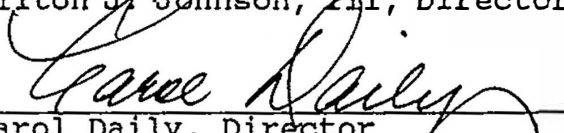
NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Trust undertakes to sell and convey the goods listed in Attachment "A" at their original cost, together with associated costs, to Governor and Mrs. Mabus.

BE IT FURTHER RESOLVED, that Wilton J. Johnson, III, Chairman of the Trust, is hereby authorized to enter into the contract for the sale of goods attached to this Resolution as Attachment "B".



The undersigned, constituting all the directors of The Mansion Trust, hereby execute this Resolution of the Board of Directors of The Mansion Trust as of the 6th day of January, 1992.

  
\_\_\_\_\_  
Wilton J. Johnson, III, Director

  
\_\_\_\_\_  
Carol Dailly, Director

00553

ATTACHMENT "A"

<u>List of Goods</u>	<u>Cost</u>
1. Mahol Rug .....	\$ 15,840.00
2. Linen Press .....	3,950.00
3. Chest .....	1,160.00
4. Brandy Board .....	2,950.00
5. Photo .....	350.00
6. Globe .....	375.00
7. Turkish Rug .....	4,800.00
<u>Additional Costs of Goods</u>	
1. Freight and Storage .....	538.49
2. Payment in Respect of Security Desk..	<u>1,000.00</u>
Total Cost of Goods	<u>\$ 30,963.49</u>

APPENDIX E

CONTRACT FOR SALE OF TRUST FURNISHINGS

CONTRACT FOR SALE OF GOODS

THIS AGREEMENT, made the 7~~4~~ day of January, 1992, between The Mansion Trust, a Mississippi non-profit corporation (the "Seller"), and Ray and Julie Mabus (the "Buyers").

1. **Sale.** Seller shall sell to Buyers and Buyers shall purchase from Seller certain goods (listed in Attachment "A" to this Agreement) for total consideration of \$30,963.49.

2. **Delivery.** The Buyers being in possession of the goods, no further delivery is to be made.

3. **Payment.** Payment for the goods to be made at the time of execution of this contract.

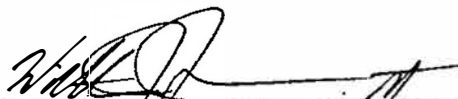
4. **Notices.** For the purpose of any notice required to be given by this agreement, the Seller represents that its principal place of business is 200 South Lamar, Suite 1100, Jackson, Mississippi 39201, Attention: Wilton J. Johnson, III.

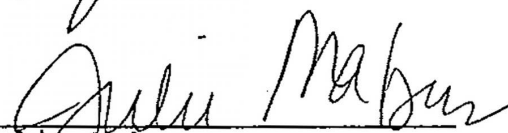
BUYERS:

SELLER:

The Mansion Trust

  
\_\_\_\_\_  
Ray Mabus

By:   
\_\_\_\_\_  
Wilton J. Johnson, III  
Chairman of the Board

  
\_\_\_\_\_  
Julie Mabus

ATTACHMENT "A"

<u>List of Goods</u>	<u>Cost</u>
1. Mahol Rug .....	\$ 15,840.00
2. Linen Press .....	3,950.00
3. Chest .....	1,160.00
4. Brandy Board .....	2,950.00
5. Photo .....	350.00
6. Globe .....	375.00
7. Turkish Rug .....	4,800.00
<u>Additional Costs of Goods</u>	
1. Freight and Storage .....	538.49
2. Payment in Respect of Security Desk..	<u>1,000.00</u>
Total Cost of Goods	<u>\$ 30,963.49</u>

00551

**PROPOSED LEGISLATION: AUTHORITY OF THE OFFICE OF GENERAL SERVICES AND THE DEPARTMENT OF ARCHIVES AND HISTORY CONCERNING PUBLIC BUILDINGS**

**§ 31-11-3. Powers and duties.**

The Office of General Services, for the purposes of carrying out the provisions of this chapter, in addition to all other rights and powers granted by law, shall have full power and authority to employ and compensate such architects or other employees necessary for the purpose of making inspections, preparing plans and specifications, supervising the erection of any buildings, and making any repairs or additions as may be determined by the Office of General Services to be necessary, pursuant to the rules and regulations of the State Personnel Board. Said Office of General Services shall have entire control and supervision of, and determine what, if any, buildings, additions, repairs or improvements are to be made under the provisions of this chapter, subject to the approval of the Public Procurement

Review Board, regardless of the source of funding, public or private, for such buildings, additions, repairs or improvements. Said Office of General Services shall monitor and inspect all construction of buildings, additions, repairs or improvements to buildings and properties under its general supervision regardless of the source of funding, public or private, for such construction.

- (a) The Office of General Services shall have full power to erect buildings, make repairs, additions or improvements, and buy materials, supplies and equipment for any of the institutions or departments of the state subject to the approval of the Public Procurement Review Board. In addition to other powers conferred, the Office of General Services shall have full power and authority as and when directed by the Legislature, or when funds have been appropriated for its use for such purposes, to:
- (1) Build a state office building;
  - (2) Build suitable plants or buildings for the use and housing of any state schools or institutions, including the building of plants or buildings for new state schools or institutions, as provided for by the Legislature;
  - (3) Provide state aid for the construction of school buildings;
  - (4) Promote and develop the training of returned veterans of the United States in all sorts of educational and vocational learning to be supplied by the proper educational institution of the State of Mississippi, and in so doing allocate monies appropriated to it for such purposes to the Governor for use by him in setting up, maintaining and operating an office and employing a state director of on-the-job training for veterans and the personnel necessary in carrying out Public Law No. 346 of the United States;
  - (5) Build and equip a hospital and administration building at the Mississippi State Penitentiary;
  - (6) Build and equip additional buildings and wards at the Mississippi state sanatorium;
  - (7) Construct a sewage disposal and treatment plant at the state insane hospital, and in so doing acquire such additional land as may be necessary, and to exercise the right of eminent domain in the acquisition of such land;
  - (8) Build and equip the Mississippi central market and purchase or acquire by eminent domain, if necessary, any lands needed for such purpose;
  - (9) Build and equip suitable facilities for a training and employing center for the blind;
  - (10) Build and equip a gymnasium at Columbia Training School;
  - (11) Approve or disapprove the expenditure of any money appropriated by the Legislature when authorized by the bill making the appropriation;

- (12) Expend monies appropriated to it in paying the state's part of the cost of any street paving;
- (13) Sell and convey state lands when authorized by the Legislature, cause said lands to be properly surveyed and platted, execute all deeds or other legal instruments, and do any and all other things required to effectively carry out the purpose and intent of the Legislature;
- (14) Collect and receive from educational institutions of the State of Mississippi monies required to be paid by such institutions to the state in carrying out any veterans' educational programs; and
- (15) Purchase lands for building sites, or as additions to building sites, for the erection of buildings and other facilities which the Office of General Services is authorized to erect, and demolish and dispose of old buildings, when necessary for the proper construction of new buildings.

(b) Pursuant to the gubernatorial order establishing the Governor's Office of Handicapped Services, upon notification by the executive agencies of this state of the need for architectural alterations in order to comply with Section 504 of the Federal Rehabilitation Act of 1973, as amended, the Office of General Services shall survey the affected state-owned and state-utilized buildings to establish an estimate of the costs of such architectural alterations. The Office of General Services shall establish priorities for making the identified architectural alterations and shall make known to the Legislative Budget Office and to the Legislature the required cost to effectuate such alterations. To meet the requirements of this section, the Office of General Services shall use standards of accessibility that are at least as stringent as any applicable federal requirements and may consider for such:

- (1) Federal minimum guidelines and requirements issued by the U.S. Architectural and Transportation Barriers Compliance Board and standards issued by other federal agencies;
- (2) The criteria contained in the American Standard Specifications for Making Buildings Accessible and Usable by the Physically Handicapped and any amendments thereto as approved by the American Standards Association, Incorporated (ANSI Standards);
- (3) Design manuals;
- (4) Applicable federal guidelines;
- (5) Current literature in the field;
- (6) Applicable safety standards; and
- (7) Any applicable environmental impact statements.

(c) The Office of General Services shall observe the provisions of Section 31-5-23, in letting contracts and shall use Mississippi products, including paint, varnish and lacquer which contain as vehicles tung oil and either ester gum or modified resin (with rosin as the principal base of constituents), and turpentine shall be used as a solvent or thinner, where the same is available at a cost not to exceed the cost of products grown, produced, prepared, made, or manufactured outside of the State of Mississippi.

(d) The Office of General Services shall have authority to accept grants, loans or donations from the U.S. Government or from any other sources for the purpose of matching funds in carrying out the provisions of this chapter.

(e) The Office of General Services shall build a wheelchair ramp at the War Memorial Building which complies with all applicable federal laws, regulations and specifications regarding wheelchair ramps.

SOURCES: Laws, 1991, ch. 411, § 1, eff from and after July 1, 1991.

**§ 39-5-6. Governor's mansion.**

The duties and powers of the board of trustees of the department of archives and history shall include, in addition to other duties and powers granted or prescribed by law, the following:

- (a) To promulgate rules and regulations governing the use of the historic portion of the governor's mansion;
- (b) To promulgate rules and regulations governing the acquisition of furniture and furnishings, including but not limited to carpets, rugs, paintings, draperies and objects of art, for the original or historic portion of the governor's mansion;
- (c) To employ a curator of the mansion who shall maintain a descriptive inventory of all furniture and furnishings in the governor's mansion, including flat silver and silver hollow ware, who shall be responsible for the care and custody of the furniture and furnishings of the mansion, and who shall conduct an educational training program for staff and volunteer guides who may conduct tours of the mansion when it is open to the public at specified times agreed upon by the governor;
- (d) To promote the donation or loaning of money or property, real or personal, from any agency of the United States, state or local government, any person, firm, corporation, association or group, for the purpose of furnishing or decorating the original or historic portion of the governor's mansion;
- (e) To accept such donations of money or property, real or personal, from any agency of the United States, state or local government, any person, firm, corporation, association or group, for the purpose of furnishing or decorating the original or historic portion of the governor's mansion, provided that the board of trustees shall not be required to accept any donation of furniture or furnishings without its consent;
- (f) To sell, donate or otherwise dispose of unused surplus property of the governor's mansion, excluding any property located in the mansion which belongs to the governor's office, and to deposit the proceeds of such sales in the governor's mansion fund of the board of trustees of the department of archives and history for use, in the board's discretion, in acquiring furniture or furnishings, including but not limited to carpets, rugs, paintings, draperies and objects of art, for the original or historic portion of the governor's mansion; and
- (g) to review, approve, and monitor any changes in the architecture, furniture, furnishings, decoration or landscaping of the grounds of the governor's mansion, regardless of the source of funding, public or private, for such changes.

SOURCES: Laws, 1974, ch. 337; 1979, ch. 438, § 14 1980, ch. 349, § 1, eff from and after passage (approved April 23, 1980).

**Cross references—**

Board of trustees, generally, see §§ 39-5-3, 39-5-5.

Prohibition on removal of property from governor's mansion and penalty for violations, see § 39-5-21.

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## PEER Staff

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### Director

John W. Turcotte  
Janet Moore, Administrative  
Assistant

### Administrative Division

Steve Miller, General Counsel  
and Controller

Betty Heggy  
Ann Hutcherson  
Debbie Woods

### Planning and Support Division

Max Arinder, Chief  
Analyst

Sam Dawkins  
Patty Hassinger  
Larry Landrum  
Kathleen Sullivan  
Linda Triplett  
Ava Welborn

### Operations Division

James Barber, Chief  
Analyst

Aurora Baugh  
Ted Booth  
Barbara Hamilton  
Susan Harris  
Kelly Lockhart  
Joyce McCants  
Danny Miller  
Katherine Stark  
Larry Whiting

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