

**MINUTES OF THE SLFPA-EAST FINANCE COMMITTEE  
MEETING HELD ON JUNE 15, 2007  
at East Jefferson Levee District  
203 Plauche Court, Harahan, LA**

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PRESENT: Timothy Doody, Chairman  
Sara Lee St. Vincent, Committee Member

FURTHERMORE PRESENT:

Susan Maclay, SLFPA-West  
Fran Campbell, Interim Regional Director  
Stevan Spencer, OLD Director Hurricane and Flood Protection  
Bob Turner, LBBLD Director  
Denise Fitzgerald, Assistant Attorney General  
Tonya Ozene, Assistant Attorney General  
Dionne Brown, OLD  
Carol Kiefer, OLD  
Clint Romig  
Peggy Sembera, LBBLD  
Jonell Blowers, EJLD  
Shannon West, EJLD  
Gina Dadoub, SLFPA-E  
Louis Capo, OLD Director Non-Flood Assets  
James Bollinger, OLD Comptroller  
Gerry Gillen, OLD Chief Engineer  
Glenda Boudreaux, OLD  
Sheila Grissett, Times Picayune  
Wilma Heaton, OLD  
Clay Rebowe

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- I. Call to Order: Chairman Doody called the meeting to order at 9:45 a.m.
- II. Opening Comments – Mr. Doody pointed out the need to comply with the newly approved qualifications based selection process.
- III. Adoption of the Agenda – Agenda adopted by Committee.
  1. Discussion of Emergency Overtime Policy.

A policy is required for salaried employees to be eligible for FEMA reimbursement.

Ms. Tonya Ozene reported on Civil Service and Dept. of Labor requirements for an overtime policy: establishment of a fixed seven day work period with 40 hours of straight time; time over 40 hours is considered overtime and must be compensated by either compensatory time or cash payment and accrues at not less than time and a half. A determination must be made as to whether employees are exempt or non-exempt. The Fair Labor Standards Act covers non-exempt employees. Exempt employees are divided into management, administration and professional.

Emergency overtime situations were discussed. LBBLD Director Bob Turner provided examples of emergency events and shift work that required employees on site and paid for the 24 hour period. Ms. Fitzgerald advise she would check on requirements under these situations. It was brought out that the State may issue a special pay plan that could be followed during catastrophic emergencies. Police and fire personnel are covered under special SFLA rules.

Mr. Doody asked that the levee district directors, Denise Fitzgerald and Tonya Ozene work on an overtime policy for salaried and hourly employees that will comply with FEMA guidelines and standardize the three districts.

2. Discuss EJLD Auto Liability Policy

Mr. Clint Romig advised he shopped the market, as requested, to locate a high deductible retention program for the EJLD, similar to one that was in place before Hurricane Katrina, to replace the current low deductible coverage costing about \$260,000. St. Paul's

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provided a quote of \$165,000, and with a small penalty for cancellation of the current policy, EJLD will save about \$78,000 with a full year of coverage.

The Committee concurred that it would recommend the new coverage for EJLD.

3. Discuss EJLD General Liability Policy.

Mr. Romig advised LBBLD's expiration date has been moved to July 19<sup>th</sup> to coincide with EJLD in order to shop the market for all three districts (OLD is currently without coverage). He explained the difficulty in making underwriters understand the responsibilities of the districts and obtaining quotes. Options were briefly discussed. Final results are anticipated in July.

4. Review Louisiana Compliance Questionnaires for EJLD/LBBLD/OLD

Mr. Doody requested the levee districts e-mail a copy of the annual Compliance Questionnaire to the Committee for review before the Board meeting.

6. Discussion of life insurance coverage for Orleans Levee District employees (quotes received – coverage expires 6/30/07).

Only one quote was received which was minimally less than the quote for renewal of the current coverage, therefore, in consideration of the work involved to change coverages, Mr. Spencer recommended renewal of the current coverage.

The Committee discussed the cost of premium for life insurance coverage for retirees and options that could be offered in lieu of continuing coverage for those retirees currently covered. Mr. Doody requested that Ms. Campbell, along with Ms. Fitzgerald and Ms. Ozene, develop a policy for the three districts, which could be incorporated into a policy and procedures manual, to address this situation. He suggested that for future employees life insurance coverage could be terminated upon retirement with the ability to convert to an individual policy should that person so choose and that current employees be grandfathered in, with coverage amounts as ages increase that are consistent with the insurance industry; current retirees with coverage could be offered a cash payment in lieu of coverage or the option to continue coverage. Several inconsistencies in the contract were pointed out that needed correction.

The Committee concurred that renewal of the current coverage should be recommended to the Board, and instructed that a policy be developed as discussed to be presented at the next Finance Committee meeting.

5. Discussion Executive Directors Contracts

The Civil Service details of Stevan Spencer and Gerry Gillen to the positions of Executive Director and Chief Engineer, respectively, expire at the end of June. The Committee recommended that the President sign an additional ninety day extension of the Civil Service details, which is cancellable at any time.

Mr. Doody requested Ms. Campbell work with Ms. Fitzgerald and Ms. Ozene on an Executive Director contract for the July meeting.

7. Discussion of retaining services of Mark S. Roloff and C. Philip Bein on an "as needed" basis for an Orleans Levee District Employees Assistance Program.

Mark S. Roloff and C. Philip Bein have been the providers of an Employees Assistance Program for the OLD for over 13 years. The services provided were described, which included supervisor's referral for problems, mediation and employee seminars. Mr. Doody requested Ms. Campbell determine the difference in services provided in the EAP contract and under health insurance, and to look at this program for an across the board benefit.

The Committee concurred that renewal of the EAP services for the O.L.D. would be recommended to the Board.

8. Discussion of retaining services of Internal Medicine Associates on an "as needed" basis for Orleans Levee District pre-employment physicals and other medical services.

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The types of services utilized were discussed. For the present time, the Committee approved the continued use of Internal Medicine Associations on an as needed individual basis, in lieu of execution of a contract.

9. Discussion of RFQ for prescriptive safety eyewear program for all employees and/or the continuation of the Orleans Levee District program.

The OLD's vision program was described which historically for safety reasons paid for examinations and prescriptive safety eyewear. The LBBLD and EJLD described the safety goggles or glasses issued by those districts. The Committee concurred that the OLD's current vision program be discontinued, and that safety eyewear (glasses or goggles worn over prescriptive eyewear) provided employees be standardized for the three districts.

10. Renewal of Orleans Levee District Flood Insurance coverage for flood assets.

Three buildings are allocated to the flood division; i.e., Franklin Administration Building and warehouse and West Bank field office, at a premium cost of \$3,566, with coverage purchased from the National flood insurance program. Building and content coverage were described.

The Committee concurred that approval of this coverage should be recommended.

17. Discussion of Orleans Levee District Financial Management Software.

Due to the high cost of maintenance of the O.L.D.'s current software, Mr. Jim Bollinger was requested to look into alternatives. Mr. Bollinger pointed out that QuickBooks Enterprise Non-Profit does not provide for multiple balance sheets within same database, requiring the creation of a different database for each fund, and does not provide encumbrance accounting; therefore, he did not feel QuickBooks would meet the O.L.D.'s needs.

Encumbrance accounting and other software requirements, along with OSRAP requirements, were discussed. Mr. Doody indicated he was informed that each levee district will continue to report individually; however, the levee districts will be listed on a single piece of paper, which is a reason he wanted the levee districts to discuss standardization of individual accounts.

Ms. Susan Maclay advised the SLFPA-West Finance Committee is concerned about the software that will be used by the O.L.D., since, as legislation currently stood, it would affect the West Authority, and requested the Authorities work as a team on this acquisition. The West Authority would need to know what is going on concerning the West Bank facility and Algiers levees, and Ms. Maclay felt this could easily be done through a fund using software specifically designed for governmental accounting.

Mr. Doody concluded that he would work with Ms. Maclay and Mr. Bollinger on this matter.

11. Renewal of Orleans Levee District Employment Practices Liability Insurance.

Ms. Carol Kiefer advised a quote had not yet been received, since numerous questions had resulted from the flood/non-flood division. The premium for coverage is anticipated to be allocated approx. 50/50 between flood and non-flood, based on number of employees and type of exposure. The O.L.D. had one claim last year, which was the first in many years. Deductible is \$50,000. Mr. Doody pointed out self insurance may potentially be a business decision that should be looked into in the future. Ms. Kiefer recommended that coverage be renewed at this time, and should an insurance consultant be engaged that he review this coverage. She pointed out legal fees and defense costs, along with possibility of award, should be considered.

Mr. Doody concurred with the recommendation to renew coverage at this time, adding after review should a consultant advise otherwise, the coverage could be canceled.

12. Renewal of Orleans Levee District Workers Compensation Coverage.

The O.L.D. issued a Request for Proposals in 2005, and a three-year retrospective Workers Compensation Program was secured with a maximum and minimum premium. This is the last year of the retrospective program. The projected premium is allocated at \$120,851 for

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flood and \$109,352 for non-flood and is subject to annual audit. Ms. Kiefer described the retrospective plan, reviewed recent loss ratios, and suggested review by an insurance consultant to determine whether self-insurance should be considered in the future. Mr. Doody commented on possible potential exposure under Workers Comp.

The Committee agreed with the recommendation to the Board to renew coverage.

13. Discussion of approval to publish notification of intent to consider a roll forward of Ad Valorem Tax Millage by the Orleans Levee District.

The O.L.D. is legally required to publish notice of a hearing twice prior to July 15<sup>th</sup> in order to roll its tax millage forward. Data will not be available until October. Authority was requested from the Committee to publish notice of a hearing on October 18<sup>th</sup> (date of regular Board meeting). The Committee concurred with the publication of the hearing notice.

14. Discussion of Orleans Levee District Special Levee Improvement Fund Revised Budget.

Mr. Bollinger explained the revisions that resulted from the GoZone credit for payment of the SLIP bonds' debt service and relating to design work on Lakeshore Drive. Mr. Doody advised the Committee would recommend approval of the budget revisions.

15. Discussion of second revision to Orleans Levee District FY 2007 Flood Control Operating Budget.

Mr. Bollinger explained the revisions that resulted from the collection of additional ad valorem taxes and interest, and the reflection of the Community Disaster Loan (CDL), GoZone credit relating to the Public Improvement Bonds, and the transfer to non-flood operations.

16. Discussion of proposal from Rebowe & Fontenot for actuarial services for the Orleans Levee District necessary for implementation of GASB 45 (accounting or post employment benefits other than Pensions).

The subject implementation must be done for FY 2008. Mr. Doody pointed out the Competitive Selection Policy should be followed, and that the districts may be able to piggyback on the State's plan; therefore, the item was deferred.

18. Finance status of Orleans Levee District FY 2007 Audit.

Mr. Bollinger reported there was a delay in the Legislative Auditor making the offer to Postlewaithe & Netterville (P&N). The offer has now been made and P&N will provide a proposed fee. Mr. Doody asked Mr. Capo to assist with the audit.

19. Discuss entering into an Interagency Agreement between the SLFPA-E and the East Jefferson Levee District to set forth the terms of rental and use of the EJLD offices located at 203 Plaque Court.

The rental rate of \$12.00/sq.ft. for 600 sq. ft. and a share of the overall operating expenses (approx. \$500 per month) was discussed, and Mr. Doody advised this would be recommended to the Board. Staffing needs and the inadequacy of the SLFPA-E's budget to provide proper staffing were also discussed.

20. Discuss entering into an Interagency Agreement between the SLFPA-E and the East Jefferson Levee District to set forth the terms of the services and allocation of costs and salary for Fran Campbell as Interim Regional Director for the SLFPA-E.

Ms. St. Vincent proposed that the EJLD pay one-third of Ms. Campbell's salary as the EJLD Executive Director (24% of the total salary) and the Authority pay the remaining amount to the Interim Regional Director salary. The agreement would be drafted by Ms. Fitzgerald.

There was no further business, therefore the meeting was adjourned at 12:50 p.m.