

**MINUTES OF THE SLFPA-EAST FINANCE COMMITTEE  
MEETING HELD ON JULY 13, 2007  
at East Jefferson Levee District  
203 Plauche Court, Harahan, LA**

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

ABSENT: George Losonsky, Chairman

FURTHERMORE PRESENT:

Fran Campbell, Interim Regional Director  
Bob Turner, LBBLD Director  
James Bollinger, O.L.D. Comptroller  
Carol Kiefer, O.L.D.  
Clint Romig  
Bennett Powell  
John Whitney  
Jonell Blowers, EJLD  
Gina Dadoub, SLFPA-E  
Glenda Boudreaux, O.L.D.

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**I. Call to Order:** Acting Chair Doody called the meeting to order at 9:50 a.m.

**II. Opening Comments:** Mr. Doody advised newly elected Treasurer George Losonsky is now the Chairman of the Finance Committee; however, since Mr. Losonsky was unable to attend today's meeting, he would Chair the meeting.

**III. Adoption of the Agenda:** There were no changes to the agenda.

A. Discussion of applications received for Insurance Consultant for the East Jefferson Levee District, Orleans Levee District and Lake Borgne Basin Levee District

Mr. Bennett Powell, who had submitted a response to an RFQ, was requested to provide a brief overview. Mr. Powell advised Powell Insurance Agency has been in the business for over 48 years, and he personally had been with the company 46 years. Powell has a number of CPCU's who deal with governmental and other entities.

Mr. Doody discussed the intended services to be provided by the consultant, which include evaluation of the various insurance coverages of the three levee districts (e.g., general liability, health and employee practices liability insurance coverages; employee assistance programs and benefits packages), with recommendations on those coverages and benefits packages and their standardization across the three districts. Mr. Powell responded he could fill that role.

Mr. Doody advised three or four of the submittals would be chosen, interviews arranged, and then a recommendation made to the Board.

B. Discussion General Liability Insurance quotes for the East Jefferson Levee District, Orleans Levee District and Lake Borgne Basin Levee District.

Mr. Clint Romig explained the current carrier for East Jefferson Levee District (EJLD) and Lake Borgne Basin Levee District (LBBLD), American Empire, offered a renewal quote for EJLD and LBBLD and a quote for the Orleans Levee District (O.L.D.). Additionally, 25 different carriers were approached and wholesalers were used to access other markets. Two viable quotes were received. ACE quoted \$270,000 (\$110,000 O.L.D.; \$75,000 EJLD and \$85,000 LBBLD) for \$1 million occurrence / \$2 million aggregate, with a levee failure exclusion and a \$25,000 self-insured retention (deductible). American Empire offered \$2 million occurrence/aggregate for O.L.D., and \$1 million occurrence / \$2 million aggregate for EJLD and LBBLD, for a combined premium of almost \$1.7 million (\$5,000 deductible). Defense costs are now included in policy limits. Prior to Hurricane Katrina, defense costs were outside the policy limits. O.L.D. coverage is for flood and non-flood properties.

General liability loss runs were discussed, along with the advantages of having one carrier across the board. Terrorism coverage (TRIA), which covers an international terrorist

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event, is not included in the quoted coverage. Mr. Romig suggested and was requested to look into coverage for malicious acts as a possible stand alone insurance coverage.

Ms. St. Vincent recommended setting aside savings in a reserve fund to cover the self-insured (deductible) portion.

Mr. Doody advised the ACE proposal would be recommended to the Board. The Committee discussed preparations necessary to bind coverage, if approved by the Board, since the current coverage expires at midnight July 19<sup>th</sup>.

The Committee briefly discussed earthquake insurance coverage, which is a property issue. Mr. Romig advised LBBLD's property coverage expires at the end August and their current carrier will not renew coverage; therefore, he would look into earthquake coverage when going to market and will report to the Committee next month.

C. Discussion of Clint Romig, Arthur Gallagher Risk Management Services Inc., to provide Auto Liability Insurance for the East Jefferson Levee District.

EJLD's current carrier is Progressive, and since coverage can be terminated at any time without penalty, Mr. Romig was requested to find a less costly alternative. The Committee discussed the options of standardizing expiration dates and obtaining a quote for all three districts (priced separately), and combined programs (combining vehicle liability with other liability coverages). A quote of \$165,000 was received from Travelers, which is about \$40,000 cheaper than the current coverage. Should coverage be obtained from Travelers and canceled early, the savings in premium including penalty would be about \$33,000.

Mr. Doody recommended moving coverage for the EJLD to Travelers at this time to achieve savings. He requested that Mr. Romig obtain a listing of all the vehicles for the three levee districts and approach ACE regarding the possibility of including vehicular coverage with general liability coverage, and, if possible, obtain a quote.

Ms. Kiefer outlined the O.L.D.'s current vehicular coverage with Clarendon and noted coverage did not include physical damage. Mr. Turner cautioned that FEMA requires physical damage coverage after replacement for future participation by FEMA. Mr. Romig was requested to price both options (with and without physical damage).

D. Discussion of SLFPA-E funding from the State of Louisiana.

Mr. Doody reported he received an e-mail from Mr. Bob Harper, which was forwarded to Mr. Losonsky, advising the SLFPA-E needed to request one-twelfth of its annual budget, and that the future handling of the Authority's funding would be discussed.

E. Discussion of the contracting of Postlethwaite and Netterville for FY 2007 audit (O.L.D.)

Typically, contracts for auditors are solicited and awarded for a three year period. Postlethwaite and Netterville (P&N) concluded its three year engagement last year; however, due to O.L.D. restructuring issues, the Legislative Auditor suggested retaining P&N for the FY 2007 audit. P&N was informed that the O.L.D. had not fully recovered from Katrina, and about the loss of experienced personnel and questions that still remain pertaining to the restructuring and segregate of flood and non-flood divisions. P&N offered a fee (\$42,500), and the Legislative Auditor has asked whether the O.L.D will accept that fee. The audit will include flood and non-flood sides.

Mr. Doody recommended retaining P&N for the FY 2007 audit; however, he requested that Mr. Bollinger speak to P&N regarding the possibility of lowering its fee.

F. Discussion on search for Financial Management software in order to standardize financial reporting and accounting and to improve efficiency and lower costs for O.L.D. (IFAS), EJLD (Peachtree) and LBBLD

Mr. Bollinger advised the O.L.D. is currently paying \$50,000-\$55,000 annually to maintain its present software package, and \$60,000 for database maintenance (Sun/Unix), plus Microsoft and other licensing fees. Recommendations were sought for software, and the focus was on a mid-level product (\$25,000-\$30,000 to license and approx. 20% annual cost software maintenance cost; e.g. Quickbooks and MIP). A favorable recommendation was received and

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presented from a USACE employee on MIP fund accounting software. Mr. Bollinger felt the O.L.D. needed the capability to do fund accounting, which requires multiple entities in the same database, with automated entries as much as possible.

The advantages, disadvantages and functionality of Peachtree and similar software were discussed. It was pointed out that the SLFPA-West is interested in participating in the O.L.D. software decision. The Committee also discussed standardizing the three levee districts and the individual cost to the districts for the possible conversion process, along with the outsourcing of payroll. A recommendation was made that the districts set up standards that are needed for a transition, provide those standards to the vendors and have the vendors provide solutions, and determine who can best meet those standards.

A goal of October 31st for completion of the evaluation process was recommended; Mr. Bollinger, Mr. Turner and Ms. Campbell, or their representatives will participate in the evaluation process, along with Mr. Losonsky and members of the Committee, should they so desire.

Mr. Doody volunteered to look at the O.L.D.'s method of doing work order and service charges across departments, along with other pertinent O.L.D. operations.

G. Discussion for SLFPAE Regional Director to have signatory authority on bank accounts.

Mr. Doody explained he e-mailed Mr. Losonsky relative to this issue. Two signatures are required, and the officers, who are currently authorized to sign checks, live and work in various locations. Mr. Doody requested a resolution be drafted to allow the Regional Director to sign checks for the Authority.

H. Discussion of direct deposit through ADP for SLFPA-E

The Committee concurred with mandatory direct deposit for the Authority, and that no Board action was required to accomplish this action. Mr. Doody requested an e-mail be sent to the Commissioners advising the Finance Committee is requesting that the necessary information for direct deposit be provided.

I. Discussion of publication of O.L.D. meeting notice, ad valorem taxes, October 2007.

Mr. Bollinger advised the publication of hearing notice regarding the rolling back/rolling forward of millage rates, as required by law before July 15th, has been accomplished for the O.L.D.

**IV. Executive Session**

- A. EJLD - Jonell Blowers personnel matter
- B. LBBLD – Peggy Sembera personnel matter

The Committee convened in Executive Session at 11:10 a.m.

The Committee reconvened in Regular Session at 11:45 a.m. Mr. Doody advised a recommendation would be made to the full Board at the next meeting.

V. **Public Comments:** There was no one in the audience wishing to comment.

VI. **Adjourn:** There being no further business, the meeting was adjourned at 11:47 a.m.