

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

PRESENT: George Losonsky, Chairman
Timothy Doody, Committee Member

Call to Order: The meeting was called to order and a quorum was present.

Opening Comments: None.

Adoption of the Agenda

Old Business:

1. Discussion of parameters for single signature checks for the SLFPAE. and levee districts and addition of Regional Director as signatory for levee districts.

The Committee discussed the need for a single signature policy on SLFPA-E and levee district checks under a limited amount and the number of signatories authorized for each entity. The Legislative Auditor's Office had indicated that it would feel more comfortable with two signatures on checks under the limited dollar amount; however, there is no prohibition against having a single signature. After discussion of the dollar limit, the Committee concurred that the single signature policy should be established for checks in an amount under \$500.00.

2. Discussion of O.L.D. employment (recruitment and retention) issues.

Stevan Spencer, Orleans Levee District (O.L.D.) Executive Director, stated that at a prior meeting the Committee indicated that an across the board review of health insurance issues would be done, which would include cost participation by employees and benefits, and a policy would be developed for conformity. He pointed out that the O.L.D. could pay a greater share of the insurance costs for its employees to aid in retention and recruitment.

It was noted that O.L.D. and Lake Borgne Basin Levee District (LBBLD) employees pay a portion of the healthcare premium, while the East Jefferson Levee District pays 100 percent of the premium for its employees.

Mr. Doody requested that action be delayed on this matter until a definitive answer is received from the insurance consultant.

3. Approval of Emergency Overtime Compensation Policy.

Denise Fitzgerald, Assistant Attorney General, advised that she and Tonya Ozene participated in a lengthy telephone conference with staff of the levee districts (Bob

Turner, Steve Spencer, Fran Campbell and Peggy Sembera) concerning this matter. An Emergency Overtime Compensation Policy is needed for reimbursement of overtime from FEMA. Ms. Fitzgerald stated that her understanding of the Board's intent was to abide by the Fair Labor Standards Act, which is the basis of the policy.

Ms. Fitzgerald reviewed the policy and issues. She explained that the Emergency Overtime Policy is uniform and applies to all employees of the Authority and levee districts. She pointed out that there are two different types of overtime; i.e., Fair Labor Standards Overtime and Special State Overtime, which is greater than the Fair Labor Standards minimum. The only instance in the draft policy where compensation was not in accordance with the Fair Labor Standards minimum was in dealing with holidays. All of the levee districts in their policy provisions relative to holidays allowed use of the State's special provisions for compensation. She noted that this policy would supersede any existing emergency overtime compensation policy, whether said policy is written or in use by custom or practice. Ms. Fitzgerald stated that the Board must decide whether it would allow this exception for holiday compensation.

Ms. Fitzgerald further explained that the policy is based on a declared state of emergency as described therein. An "essential" employee was defined as an employee whose service is required as indicated by the Executive Director during a declared emergency.

In accordance with the Fair Labor Standards Act, the draft policy supplied by Ms. Fitzgerald provided for compensation of non-exempt employees for the first forty hours of work at their regular rate of pay and for any hours worked over forty hours at one and one-half times their regular rate. It was pointed out that under this provision essential employees who work during an office closure would receive the same compensation as employees who do not work during the closure. Pre-Katrina and Post-Katrina levee district policies were discussed. The levee district policies to compensate essential employees who work during office closures included paying double time or double time and a half for the first forty hours and time and a half over forty hours.

The Committee concluded that essential non-exempt employees who work during an office closure during a declared emergency should receive double time for the first eight hours of the work day and time and one-half thereafter. This compensation would include any time or pay provision declared by the Governor. The work day would be eight hours across the board for all employees for the purpose of the emergency.

Exempt employees were then discussed. The Committee concurred that exempt employees, excluding Executive Directors, should receive the same compensation as non-exempt employees during office closures during declared emergencies.

Emergencies occurring during weekends were discussed. Ms. Fitzgerald pointed out that every hour worked after forty hours is considered overtime under the Fair Labor Standards Act. Mr. Losonsky requested that Ms. Fitzgerald include a cover statement in the policy that assures employees receive such compensation after their fortieth hour worked.

Ms. Fitzgerald stated that the Board must decide how many consecutive days employees would be paid for a 24 hour time period. She pointed out that after a minimal amount of time, the 24 hour time period must be restricted in order to require a period of down time. Should an employee be required to work during his/her down time, he/she would be paid for the period worked. The hazardous conditions under which essential personnel must work were discussed. The Committee concurred that the payment period could extend to two consecutive 24 hour days and then go to 18 hours periods with six hour down time periods. This would equal up to 66 hours of paid time before the first time down time period is required (two 24 hour days plus 18 hours on third day).

The article in the draft policy dealing with Special Pay Provisions was deleted since it was addressed under the compensation provisions.

New Business:

1. Discussion of ad valorem tax collection. (O.L.D.)

Mr. Doody recommended that an estimate be obtained of the potential revenue that may be received by the O.L.D. based upon the reassessment.

Relative to future expenses, Jim Bollinger, O.L.D. Comptroller, advised that two uncertainties exist concerning (1) the repayment of the GoZone monies used to pay the O.L.D.'s debt service and (2) future levee project costs. A decision by the Board would be needed in October on the roll forward of the ad valorem tax rates. Mr. Bollinger advised he could develop cash flow scenarios with several options to deal with the debt service issue; however, there is insufficient information to deal with future levee project costs.

Mr. Spencer pointed out that the levee district must be able to maintain its levees at the level required for certification by the U.S. Army Corps of Engineers. If levees are not maintained at that required level and levee certification is lost, FEMA flood insurance would be jeopardized.

Mr. Losonsky advised that the financial information developed by the O.L.D. would be reviewed at the next Finance Committee meeting.

2. Discussion of FY 2008-2009 Louisiana Capital Outlay Program funding requests.

The procedure for submitting Capital Outlay requests, which are due by November 1st, was discussed.

Mr. Doody stated that he wanted a coordinated effort and requested Wilma Heaton to obtain copies of the Capital Outlay Requests in their proper form from all three levee districts, including the O.L.D. Non-Flood Division, in order to meet with local legislators. He added that the Board would have to prioritize the levee districts' requests for submittal as an Authority.

The Committee deferred this item to its next meeting. The Executive Directors were requested to meet concerning the prioritization of requests before the next meeting.

3. Discussion of Operational Audit.

Mr. Doody advised that at a CPRA meeting Mr. Scott Angelle, Secretary of the Department of Natural Resources, indicated he would make their consultant available to do an operational audit for the Authority at no cost.

The Committee concurred that this item would be placed on the Board's agenda if the additional information required for its approval is obtained.

4. Discussion of purchase of ten new radios for East Jefferson Levee District Police Department.

Fran Campbell advised that 15 radios had been previously purchased and that 10 additional radios are required in order for all of the East Jefferson Levee District's radios to be interoperable.

The Committee recommended that the request to purchase 10 new interoperable radios be forwarded to the Board for approval.

Mr. Losonsky announced that the next Finance Committee meeting would be held on September 27, 2008 at 2:00 p.m.

There was a brief discussion concerning a Sage software demonstration scheduled for September 18, which would be available to the levee districts' staffs.

Public Comments: None.

There was no further business, therefore, the meeting was adjourned.