

**MINUTES OF THE SLFPA-EAST FINANCE COMMITTEE  
MEETING HELD ON OCTOBER 17, 2007  
at East Jefferson Levee District  
203 Plauche Court, Harahan, LA**

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PRESENT: George Losonsky, Chairman  
Timothy Doody, Committee Member  
Sara Lee St. Vincent, Committee Member  
Ricardo Pineda, Non-Committee Member

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

**Opening Comments:** None

**Adoption of the Agenda:** The agenda was amended to include a report on the audits of the levee districts.

**Old Business:**

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

Jim Bollinger, O.L.D. Comptroller, pointed out that the debt service which the State is currently paying for the Orleans Levee District (O.L.D.) and the uncertainty of the forgiveness of the repayment of these monies is a relevant consideration.

A schedule was prepared and reviewed delineating the expenses and revenues of the various funds which was based on assumptions. The O.L.D. no longer has revenues from the agency's non-flood assets. An 85% post Katrina collection rate was used for ad valorem taxes (O.L.D. historical collection rate is 89%). A 3% inflation rate was used for certain expenses. A transfer to the Non-flood Division was recognized to offset projected operating losses while recovery is on-going. No funding for the local cost share for levee improvements was included in the projections. It was noted that a higher revenue requirement is needed for a healthy organization. No consideration was given to depreciation and regeneration of equipment.

Mr. Losonsky commented that it was likely that the O.L.D. would not have the numbers required from the City in order to calculate millage rates to place in the resolutions for the October 18<sup>th</sup> Board Meeting. The O.L.D., however, would be prepared to do whatever calculations necessary should the numbers be received during the course of the October 18<sup>th</sup> Board meeting. In view of the numbers reviewed by the Committee, he noted that a full roll forward of the General and Maintenance Tax millage rates may be required to cover the projected \$3.6 million General Fund deficit.

Ms. St. Vincent offered to go seek the numbers in order to provide reference points and to provide a Power Point presentation for the October 18<sup>th</sup> Public Hearing/Board meeting. This information would be presented to the Board for discussion and consideration when making its decision relative to a roll forward of millage rates. It was

hoped that with goal seeking the numbers that only a mid-point roll forward of millage rates would be required at this point in time.

**New Business:**

**1. Discussion of renewal of O.L.D. Boiler and Machinery Insurance Coverage (expires 11/1/07) with CNA Insurance Company through Morrison Insurance Agency**

Stevan Spencer, O.L.D. Executive Director, explained this insurance covers property damage caused by certain malfunctions or breakdowns of air conditioning units, water heaters, piping, etc., at all flood and non-flood locations. The premium is \$8,800 and would be split 50/50 between the Flood and Non-Flood Divisions.

The O.L.D. was requested to review the need for this insurance coverage and provide the appropriate information at the Board meeting.

**2. Report on Audits of the Levee Districts.**

It was noted that the audits were completed and would be placed on the Authority's web site. Unqualified opinions were received and no material weaknesses were identified.

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