

**MINUTES OF  
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST  
FINANCE COMMITTEE MEETING  
HELD ON APRIL 9, 2009**

PRESENT: George Losonsky, Chairman  
Timothy Doody, Committee Member  
Thomas L. Jackson, Committee Member

ABSENT: Sara Lee St. Vincent, Committee Member

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The Finance Committee met on April 9, 2009, in the Second Floor Hall of the Lake Vista Community Center, 6500 Spanish Fort Blvd., New Orleans, Louisiana. Mr. Losonsky called the meeting to order at 11:05 a.m.

**Opening Comments:** None.

**Adoption of Agenda:** The agenda was adopted as presented.

**Approval of Minutes:** The minutes of the March 5, 2009 Finance Committee meeting were approved.

**Public Comments:** None.

**New Business:**

**A. Discussion of Lake Borgne Basin Levee District (LBBLD) certification of millage rates for 2009.**

A copy of the proposed ordinance was distributed to the Committee. Millage rates for the LBBLD were rolled forward last year to the maximum allowable rates. Therefore, the millage rates adopted for 2007 and 2008 will be re-certified for 2009; however, the millage for the recently paid off debt service will be excluded.

Mr. Jackson commented on the LBBLD operating deficit of \$1.5 million per year. This deficit is currently being funded through prior years savings; however, in two years the reserves will be drawn down and the LBBLD will not have money to operate. He pointed out that it takes time to implement tax millage increases. The LBBLD's current millage revenues are insufficient to provide for drainage canals, pump station operations and levee protection. He discussed the costs to operate and maintain both pumping and flood protection and stated that this information should be presented to the voters.

Robert Turner, SLFPA-E Regional Director, pointed out that a resolution is being drafted for presentation at the next Board meeting for the renewal of the 4.27 millage that expires in 2010. It is anticipated that this millage renewal will be placed on the ballot in

October. Should this renewal fail in October, the LBBLD would have another opportunity for passage next year. However, the passage of this millage renewal would not provide sufficient revenues for the LBBLD to operate without a deficit. He recommended that the Board proceed with the millage renewal and suggested that an educational process and strategy is needed to address the LBBLD revenue shortfall.

The Committee discussed the options available to increase revenues, e.g., an additional ad valorem tax or sales tax, and the development of a strategy.

The Committee concurred that a determination would be made of the revenues required for LBBLD operations and that Mr. Doody and Mr. Turner would meet with St. Bernard Parish President Craig Taffarro and Bond Counsel Jarrell Godfrey concerning the development of a strategy to address this issue. A status report will be provided at the next Committee meeting.

**B. Discussion of renewal of Orleans Levee District (O.L.D.) property insurance coverage.**

Carol Kiefer explained that two options were offered for coverage renewal; i.e., a three percent and a five percent deductible per the value of each building. The difference in cost between the three and five percent deductibles is approximately \$5,000. It was pointed out that the additional costs of repairs should a major event occur could far exceed the two percent difference in deductible. Gerry Gillen, O.L.D. Executive Director, recommended that the three percent deductible be selected. Primary coverage is \$5 million and excess coverage is \$10 million. The option for TRIA (foreign terrorist coverage) was declined by the Committee.

Ms. Kiefer advised that two offers were provided for an extra layer of coverage over and above the \$15 million of primary and excess coverage; i.e., \$50,300 for \$5 million of coverage and \$84,000 for \$10 million of coverage. The Committee discussed the design of the warehouse building and decided to decline the extra layer of coverage.

The Committee recommended approval of \$5 million of primary coverage and the first layer of \$10 million of excess coverage.

**C. Discussion of renewal of East Jefferson Levee District (EJLD) flood insurance coverage and renewal of police bond.**

Jonell Blowers advised that the premium for flood insurance coverage for the administration building is \$2,171. Coverage can be increased by five percent for a premium of \$2,272. She advised that Fran Campbell, EJLD Executive Director, recommended that the coverage not be increased. Renewal of coverage for the sandbag building and police and maintenance compound will come up in July. The premium for renewal of the police bond with a \$10,000 coverage limit is \$735.

Mr. Jackson offered a motion, which was adopted by the Committee, to recommend approval of flood coverage with a premium of \$2,171 and renewal of the police bond.

**D. Discussion of renewal of EJLD healthcare coverage.**

Ms. Blowers advised that the agent is still working on quotes for coverage, which should be available by the Board meeting. The EJLD will e-mail the information to Board members when received. The EJLD pays 100 percent of employee and family health insurance coverage.

The Committee discussed looking at renewing some of the benefits that have been reduced in the past within the equivalent of current premiums and the equalization of benefits across the levee districts. This matter will be placed on the next Committee Agenda.

There was no further business, therefore, the meeting was adjourned at 11:50 a.m.