

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON MAY 14, 2009**

PRESENT: Thomas L. Jackson, Committee Member
Timothy Doody, Committee Member
Steven Estopinal, Commissioner

ABSENT: George Losonsky, Chairman
Sara Lee St. Vincent, Committee Member

The Finance Committee met on May 14, 2009, in the Second Floor Hall of the Lake Vista Community Center, 6500 Spanish Fort Blvd., New Orleans, Louisiana. Acting Chairman Thomas Jackson called the meeting to order at 11:15 a.m.

Opening Comments: None.

Adoption of Agenda: The agenda was adopted as presented.

Approval of Minutes: The minutes of the April 9, 2009 Finance Committee meeting were approved.

Public Comments: None.

New Business:

A. Discussion of notice to advertise ad valorem millage hearing for Orleans Levee District (O.L.D.).

Gerry Gillen, O.L.D. Executive Director, explained that last year the Board rolled forward the District's the General Tax millage rate to 5.25 mills. The O.L.D. must advertise a public hearing twice before July 15th in accordance with State law in order to consider a possible roll forward of the millage rate to the maximum allowable rate of 5.46 mills in November.

Mr. Doody commented that his understanding was that the current millage collection in Orleans Parish is about 80 percent. Mr. Gillen added that as of last week the O.L.D. had only received approximately 58 percent of the anticipated tax revenues. The O.L.D.'s Comptroller is attempting to find the reason for the delay and the diminished collections.

The Committee approved the O.L.D. proceeding with the advertisement of the public hearing. The O.L.D. was requested to provide a report to the Committee at its next meeting on its findings relative to the ad valorem tax collection.

B. Discussion of East Jefferson Levee District (EJLD) levy of ad valorem taxes for 2009.

Fran Campbell, EJLD Executive Director, advised that as of April the District has collected about 88 percent of its ad valorem tax revenues. The EJLD ad valorem millage rate was rolled forward last year to the maximum rate of 4.01. The Authority is being asked to recertify this millage rate for 2009.

Mr. Jackson pointed out that the EJLD's millage rate was rolled forwarded last year to the maximum rate allowed because of the urgency for safe housing for its employees.

The certification of the EJLD's ad valorem millage tax for 2009 will be placed on the Board's agenda.

C. Discussion of property value and property insurance for the maintenance/police complex. (EJLD)

Ms. Campbell explained that the maintenance/police complex is currently insured for \$399,000, which would be discounted should there be a total loss. The replacement value of the facility is \$732,000 and the estimated cost to rebuild the complex is \$900,000. The actual cash value of the facility in its current condition is \$461,000.

The Committee discussed the options of insuring the complex for replacement cost vs. actual cash value, as well as the option of self-insurance.

The Committee recommended that the complex be insured for actual cash value.

D. Discussion of EJLD change of life insurance carrier from One America Ins. Co. to Prudential Ins. Co.

Ms. Campbell advised that the proposed coverage would provide \$50,000 of coverage for every employee regardless of salary and is less expensive than the current coverage.

Life insurance benefits of the three levee districts were briefly discussed. The Committee asked the EJLD to obtain a quote for coverage of one times earnings up to \$50,000. This item will be brought back to the Committee next month.

Mr. Jackson offered a motion that each levee district provide full detailed information on employee benefits. The Committee adopted the motion.

E. Discussion of renewal of Lake Borgne Basin Levee District (LBBLD) Government Crime and Equipment Floater (Inland Marine) coverage.

Peggy Sembera explained that the LBBLD is attempting to coordinate its insurance coverages so that all coverages will expire either on January 1 or July 19. Therefore, the policies for Government Crime and Inland Marine insurance will be extended for approximately 13 months so that they will expire on July 19. The premiums for these coverages have not increased; however, the cost will be for a 13 month period, in lieu of 12 months. The Government Crime coverage is automatically renewed.

The Committee recommended that the renewal of the insurance coverages as proposed be submitted to the Board for approval.

F. Discussion of amendment of Lake Borgne Basin Levee District FY 2008-2009 Budget.

Copies of the proposed revised budget was distributed and reviewed. Interest income will be reduced to match current rates. The LBBLD received a one-time payment \$1.3 million for oil and gas revenues due a geographic issue that has been resolved.

Mr. Doody reported that he spoke to St. Bernard Parish President Craig Taffaro. Mr. Taffaro is supportive of the LBBLD and its need for additional funding so that it can fulfill its operational responsibilities. He suggested that the LBBLD not confuse the upcoming tax renewal with a request for additional funding. Mr. Jackson commented on the need to educate the public on the LBBLD's responsibilities and needs.

The Committee will recommend the approval of the LBBLD's revised FY 2008-2009 Budget to the Board.

There was no further business; therefore, the meeting was adjourned at 12:00 noon.