

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON JUNE 4, 2009**

PRESENT: Timothy Doody, Committee Member
Thomas L. Jackson, Committee Member

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

The Finance Committee met on June 4, 2009, in the Second Floor Hall of the Lake Vista Community Center, 6500 Spanish Fort Blvd., New Orleans, Louisiana. Mr. Jackson, acting as Chair, 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 May 14, 2009 Finance Committee meeting were approved.

Public Comments: None.

Old Business:

A. Discussion of East Jefferson Levee District (EJLD) life insurance coverage.

Fran Campbell, EJLD Executive Director, provided a quote for life insurance coverage of “one times earnings” up to \$40,000 for the EJLD. The EJLD would experience a savings of approximately \$500 per month

Mr. Doody explained that the Committee is attempting standardize the levee districts’ benefits. At the last Committee meeting the EJLD had provided a quote for life insurance coverage of \$50,000 for all of its employees regardless of salary. The Committee compared the coverages provided by the three districts. The Lake Borgne Basin Levee District (LBBLD) currently provides coverage of “one times salary” up to \$50,000. The Committee had requested at the last meeting that the EJLD obtain a quote for “one times earnings” up to \$50,000.

The EJLD will obtain a revised quote for “one times salary” up to \$50,000 for the Board meeting. The Orleans Levee District (O.L.D.) was directed to obtain a quote for coverage of “one times earnings” up to \$50,000 when its coverage comes up for renewal. Premiums would be paid by the district. It was pointed out that there could be

a voluntary component paid for by the employee. Mr. Doody requested that the O.L.D. do a study of the life insurance coverage currently provided to retirees.

B. Discussion of comparison of levee districts benefits.

A spreadsheet compiled by Glenda Boudreaux was provided at the meeting which compared benefits and costs of the various insurance coverages provided by the three districts.

The Committee was advised that the LBBLD health coverage is provided under the Louisiana Office of Group Benefits (OGB). Employees must be vested 10 years in OGB in order to obtain coverage as a retiree. The levee districts' loss ratios and rates were briefly discussed. Mr. Doody suggested that a health plan be crafted for the O.L.D. and EJLD and that the two districts be priced as a group for investigation purposes.

The Committee deferred this item in order for the members to study the information provided in the spreadsheet.

C. Report by Orleans Levee District on findings concerning ad valorem tax collection.

Gloria Samuels, O.L.D. Accountant Manager, reported that as a result of an investigation by the City, a miscalculation in February was discovered involving an amount of \$5 million. The additional collection received at the end of May brings the O.L.D.'s collection rate to 82 percent. The 82 percent collection rate is equivalent to other City agencies.

New Business:

A. Discussion of renewal of contract with Cynthia Taylor. (EJLD)

Ms. Campbell explained that Ms. Taylor is a contract employee because she is a retiree from the O.L.D. She stated that the EJLD prefers a contract employee so that it can reduce hours or terminate the contract, if necessary. The Committee requested that Ms. Campbell consult with Robert Lacour to determine whether the EJLD Executive Director can act on this matter without Board action.

B. Discussion of renewal of flood insurance for the EJLD police/maintenance complex and the sandbagging building.

Hardie Edgecombe with Arthur J. Gallagher Risk Management Services, Inc., reviewed the options for flood insurance coverage.

The Committee discussed the condition of the building and the possible risk and exposure. Mr. Jackson recommended that the building be insured for \$88,600 and that a quote be obtained for \$100,000 of contents coverage. The Committee recommended

coverage for the sandbag building of \$38,400 for the building and \$10,000 for contents. Mr. Edgecombe advised that he would have revised quotes for the Board meeting

C. Discussion of renewal of Orleans Levee District (O.L.D.) Worker's Compensation Three Year Retrospective Plan.

Carol Kiefer, O.L.D. Safety Risk Manager, advised that this is the second year of a three year retrospective plan. She reported that the O.L.D. received its first retrospective payment of \$135,012 in March of 2009 and will receive another retrospective payment of \$135,000 in January, 2010. The total Workers Comp (W/C) premium for the Non-Flood and Flood Divisions is \$254,389. The Flood Division's share of this premium is \$178,073. The O.L.D.'s experience modifier is under one. In addition, the O.L.D. has received dividends from 2005 to 2008 in the amount of \$263,670.

Gerry Gillen, O.L.D. Executive Director, commented that at a recent safety meeting O.L.D. employees were congratulated for their excellent safety record. Mr. Jackson commented on the experience of the employees which leads to lower W/C costs.

The Committee agreed to recommend that the Board approve the renewal of W/C coverage as presented.

D. & E. Discussion of renewal of O.L.D. Primary Flood Insurance for the Franklin Administration Building and Franklin Warehouse and Excess Flood Insurance for the Franklin Warehouse Building.

Ms. Kiefer explained that the primary flood insurance coverage limits for the warehouse are \$500,000 for the building and \$500,000 for contents. Last year the Board opted to secure excess flood insurance coverage for the warehouse in the amount of \$4 million for the building and \$1 million for contents. The premiums for the warehouse are \$1,139 for primary coverage and \$33,180 for excess coverage for a total cost of \$34,319. The flood insurance coverage limits for the Franklin Administration Building are \$500,000 for the building and \$328,400 for contents with a premium of \$969.

The Committee agreed to recommend that the Board approve the renewal of primary and excess flood insurance coverage as presented.

F. Discussion of selection of official journals for SLFAPE and the levee districts.

The Times Picayune currently serves as the official journal for the SLFPAE, O.L.D. and EJLD and the St. Bernard Voice serves as the official journal for the LBBLD.

The Committee agreed to recommend that the Board approve the selection of the Times Picayune as the official journal for the SLFPAE, O.L.D and EJLD and the St. Bernard voice for the LBBLD for the period July 1, 2009 thru June 30, 2010.

There was no further business; therefore, the meeting was adjourned at 12:05 p.m.