

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON MAY 13, 2010**

PRESENT: Stephen Estopinal, Chair
Timothy Doody, Committee Member
George Losonsky, Committee Member

The Finance Committee met on May 13, 2010, in the Second Floor Hall of the Lake Vista Community Center, 6500 Spanish Fort Blvd., New Orleans, Louisiana. Chairman Stephen Estopinal called the meeting to order at 8:40 a.m.

Opening Comments: None

Adoption of Agenda: The agenda was adopted.

Approval of Minutes: The minutes of the March 4, 2010 Finance Committee meeting were approved.

Public Comments: None.

New Business:

A. Discussion of health insurance coverage for East Jefferson Levee District.

John Thomas with Best Group Benefits explained that the East Jefferson Levee District (EJLD) is currently insured by Blue Cross/Blue Shield of Louisiana under its HMO Louisiana Blue Program. The current plan (POS 55) is the most expensive program of its type offered by Blue Cross with the finest benefits. The premium rate increase for next year can be significantly mitigated if benefits are reduced to a middle-of-the-road plan. The EJLD recommended procurement of Blue Cross plan POS 63, which is a less expensive alternative.

Fran Campbell, East Jefferson Levee District (EJLD) Executive Director, advised that rate increase for the current plan (POS 55) is 19.4%. The rate increase for Blue Cross plan POS 63 is 10%. United Healthcare offered a similar plan at a 19% increase.

Mr. Doody added that POS 63 would bring EJLD benefits closer in line with the benefits received by Orleans Levee District (O.L.D.) and Lake Borgne Basin Levee District (LBBLD) employees. Mr. Doody offered a motion that the Committee accept Blue Cross plan POS 63. The motion was seconded by Mr. Losonsky and adopted by the Committee.

B. Discussion of Community Disaster Loan (Orleans Levee District).

Jim Bollinger, O.L.D. Comptroller, explained that FEMA has taken the lead in doing calculations to determine what amount, if any, of the Community Disaster Loan (CDL) can be forgiven. FEMA has assigned a financial analyst to each organization. Three methodologies can be used to compute the net operating loss for the three year period following the disaster: 1) ignoring the year of the disaster (FY 2006) and focusing on operating results for FY 2007, 2008 and 2009; 2) using a fractional approach (10/12 of the audited results for FY 2006, FY 2007, FY 2008 and 2/12ths of FY 2009), and 3) reconstructing the financial statements for 2006 and 2009. The dissemination of the amount that can be forgiven is the lower of the following numbers: the amount of the loan, the drop in revenues or the net operating loss for the 36 months following the disaster. The lowest number is the net operating loss since there was a drop in operating expenses as well as revenues. He requested that a CPA firm be engaged to reconstruct the financial statements in order to assure that the O.L.D. uses the most advantageous of the numbers.

Mr. Doody added that the CPA firm would do some forensic accounting to determine whether there are additional monies to be gained or additional arguments to be made for forgiving the CDL. He offered a motion, which was seconded by Mr. Losonsky and unanimously adopted, to approve the O.L.D.'s engagement of a CPA firm for the aforementioned services.

Robert Turner, SLFPA-E Regional Director, noted that the LBBLD had a CDL loan of \$1.6 million; however, it did not draw down any funds. The LBBLD is attempting to determine if it can draw down any of those funds.

C. Discussion of check signatories for the Lake Borgne Basin Levee District.

A resolution is required for the Gulf Coast Bank to include the new LBBLD Executive Director, Stuart Williamson, as a signatory for transactions. The Committee recommended that a resolution revising the bank's signatories be submitted to the Board for approval.

D. Discussion of amendment of LBBLD FY 2009-2010 Budget.

The Lake Borgne Basin Levee District FY 2009-2010 Budget is in need of amendment in order for it to be within five percent of the approved budgeted numbers. The Department of Transportation and Development has received a total of \$5 million in grants from State surplus funds for work along the 40 Arpent Levee. The revenues received from these grants and the corresponding expenditures must be shown in the revised budget.

Mr. Doody offered a motion, which was seconded by Mr. Losonsky and unanimously adopted, to forward the amendment of the LBBLD Budget to the Board for approval.

There was no further business; therefore, the meeting was adjourned at 9:00 a.m.