

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON MAY 4, 2011**

PRESENT: Stephen Estopinal, Chair
Timothy Doody, Committee Member

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (SLFPA-E or Authority) met on May 4, 2011, in the Second Floor Hall of the Lake Vista Community Center, 6500 Spanish Fort Blvd., New Orleans, Louisiana. Mr. Estopinal called the meeting to order at 8:35 a.m.

Opening Comments: None.

Adoption of Agenda: The agenda was amended as follows:

- To remove Item A under Old Business (Discussion of a proposed resolution calling a special election to renew the Special Levee Improvement tax for a period of 50 years to 2066 at the rate of 5.46 mills – Orleans Levee District).
- To add Item C under New Business (Discussion of a proposed resolution to officially state the intent of the SLFPA-E acting as the governing authority of the East Jefferson Levee District to reimburse expenditures made in connection with the acquisition of land and construction of a police and administrative complex building by the District prior to the issuance of the presently contemplated tax exempt not exceeding [\$20,000,000] EJLD Limited Tax Bonds, Series 2011).
- To add Item D under New Business (Discussion of a proposed resolution ordering and calling a Special Tax Election to be held in the Lake Borgne Basin Levee District to authorize the renewal of a Special Tax).

The amended agenda was unanimously adopted by the Committee by a roll call vote.

Approval of Minutes: The minutes of the April 7, 2011 Finance Committee meeting were approved.

Public Comments: None.

New Business:

A. Discussion of resetting (reaffirmation) of East Jefferson Levee District millage.

Mr. Doody explained that the ad valorem millage rate must be reaffirmed and levied each year for the levee district.

The Committee recommended that a resolution to reaffirm and levy the ad valorem tax rate for the East Jefferson Levee District for 2011 be submitted to the Board for approval.

B. Discussion of the reimbursement of travel expenses for Board members.

Robert Lacour, SLFPA-E General Counsel, read a proposed amendment to Article III §8 of the Bylaws of the Southeast Louisiana Flood Protection Authority-East (SLFPA-E):

“F. Travel expenses shall be paid in accordance with Louisiana Office of State Purchasing and Travel PPM 49 with the following exception, as modified by the Board from time to time:

1. When traveling for the purpose of conducting the business of the Southeast Louisiana Flood Protection Authority, Commissioners shall be reimbursed for properly documented travel expenses and mileage to and from the Commissioner’s home or to and from the Commissioner’s place of business.”

Mr. Doody explained that the subject of travel reimbursement was brought up at the last Board meeting. The Bylaws adopted by the Board provide that travel expenses are to be paid in accordance with PPM 49, which calls for reimbursement to and from the domicile. The amendment recognizes the fact that Commissioners do not necessarily operate at and travel to and from their domicile.

A recommendation was offered that “place of business” be changed to “place of business at the time of the meeting” and that a provision be included to allow the Regional Director to adopt reasonable procedures to implement this provision.

The Committee members concurred that the amendment to the Bylaws should be placed on the Board agenda with the revisions deemed appropriate by counsel.

C. Discussion of a proposed resolution to officially state the intent of the SLFPA-E acting as the governing authority of the East Jefferson Levee District to reimburse expenditures made in connection with the acquisition of land and construction of a police and administrative complex building by the District prior to the issuance of the presently contemplated tax exempt not exceeding [\$20,000,000] EJLD Limited Tax Bonds, Series 2011).

Jarrell Godfrey, SLFPA-E Bond Counsel, explained that the East Jefferson Levee District (EJLD) recently determined to acquire 15 parcels of land and to construct a police and administration building complex on the land. If funds are available, the current intention of the EJLD is to not borrow money and avoid the interest expense. However, the EJLD Executive Director would like to reserve the right to issue tax exempt bonds in the future should circumstances change and as cash needs require, and to reimburse the cash to be paid for this effort with the proceeds of the tax exempt bonds. Treasury regulations require that in order to reserve this right the intention of the EJLD must be declared to pay certain capital expenses from a particular bank account. After the intention is declared there is a period of 18 months during which the Board can decide whether or not to issue tax exempt bonds. The adoption of the resolution is not a commitment to issue the bonds. The EJLD must provide information relative to the bank account and the description of the lots for inclusion in the draft resolution.

The Committee recommended that the proposed resolution be submitted to the Board for approval.

D. Discussion of a proposed resolution ordering and calling a Special Tax Election to be held in the Lake Borgne Basin Levee District to authorize the renewal of a Special Tax.

Mr. Godfrey explained that the Lake Borgne Basin Levee District (LBBLD) has a special ad valorem tax of 3 mills that provides approximately \$900,000 of revenue each year, which will expire in 2014 unless renewed. The Secretary of State has estimated the cost to be between \$2,000 and \$6,000 for the LBBLD to include this special election in the October 22nd gubernatorial primary election. The cost to place this issue on the ballot for the statewide election on November 19th may be slightly less; however, a number of Constitutional amendments will be placed on this ballot that may negatively affect the vote on the LBBLD issue.

Mr. Godfrey advised that the original tax was for a period of ten years and asked the recommendation of the Committee concerning the length of time for the tax renewal. He suggested that the tax be renewed for a period of 30 years so that, if needed, the proceeds could be bonded. Mr. Doody concurred with the recommendation of 30 years. He pointed out that some of the Board members may have a question about renewing the current tax versus an election for an increased special tax. Mr. Godfrey explained that he discussed this issue with LBBLD staff and the determination was that it would be safer to renew the current tax and request another special tax when the district's future needs are truly known. Mr. Estopinal concurred with proceeding with the election for the current special tax and suggested that perhaps a regional tax could be passed when the cost to operate and maintain the IHNC surge barrier is known. The difficulty of passing a regional tax was briefly discussed.

The Committee recommended that the proposed resolution for a special tax election on October 22nd for the renewal of the special 3 mill tax for a period of 30 years, ending in the year 2045, be submitted to the Board for action.

There was no further business; therefore, the meeting was adjourned at 8:57 a.m.