

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON NOVEMBER 3, 2011**

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

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (SLFPA-E or Authority) met on November 3, 2011, in the East Jefferson Levee District Conference Room, 203 Plaque Court, Harahan, Louisiana. Mr. Estopinal called the meeting to order at 8:45 a.m.

Opening Comments: None

Adoption of Agenda: The agenda was amended to add the discussion of the purchase of a Kubota RTV Utility Vehicle by the East Jefferson Levee District. The amended agenda was adopted.

Approval of Minutes: The minutes of the October 6, 2011 Finance Committee meeting were approved.

Public Comments: None.

New Business:

A. Discussion of roll/back and roll/forward of Orleans Levee District millage rates and recommendation for millage action.

Jim Bollinger, Orleans Levee District (O.L.D.) Comptroller, explained that the City of New Orleans has had difficulties this year with tax calculations. The City provided the O.L.D. with an assessed value of \$2.7 billion for calendar year 2012. The assessed value for calendar year 2011 was \$2.55 billion. The \$2.7 billion figure includes \$90 million of previously exempt property. The Assessor anticipates that the \$90 million of property will be exempt again this year; however, the appropriate papers have not yet been filed. The O.L.D. millage rate for 2011 was 11.67 mills. He explained how a roll back rate of 10.936 mills was achieved. He pointed out that four percent is retained by the City. Mr. Estopinal noted that a roll forward of the millage rates would equal an estimated \$1.9 million; however, the O.L.D. would only realize an additional \$900,000.

Mr. Bollinger used Fiscal Year (FY) 2011 as a frame of reference and explained some of the future expenses in going forward. Had the Community Disaster Loan not been repaid in FY 2011, the General Fund would have realized a \$4.7 million surplus and the SLIP (Special Levee Improvement) Fund would have realized a \$9 million surplus for a total of \$13.7 million. This annual surplus over the next four years totals \$55 million.

The O.L.D. Flood Protection Division is now paying the full cost for the O.L.D. Police Department of \$1.2 million per year. The expanded flood protection acreage will require additional employees and equipment or outsourcing services. The Go Zone bonds are expected to be retired by 2015, coinciding with the expiration of the SLIP tax. He recommended that the O.L.D. either begin repaying the Go Zone bonds this year or escrow the money. The total operations and maintenance (O&M) cost for the O.L.D. for 2011 was \$10.5 million. The U.S. Army Corps of Engineers estimated the O&M costs for the sector gates alone at \$6.8 million per year. Since the O.L.D. is expecting the O&M costs for the sector gates to begin in 2013, he estimated that the General Fund deficit in 2012 would be \$1.3 million. However, after 2012 the General Fund deficit will increase to an estimated \$7 million to \$8 million per year. Mr. Bollinger pointed out that the O.L.D. is incurring an increasing obligation in post-employment retirement health insurance benefits. An amount of \$800,000 was included in 2014 as a partial funding of this obligation.

Post-employment retirement health insurance benefits were briefly discussed. An item will be placed on the next Finance Committee agenda to discuss this matter more fully.

Mr. Bollinger explained that the SLIP tax will expire in 2015. Approximately \$12.5 million is collected from this tax each year. Over \$5.5 million of SLIP tax revenues will be needed over the next four years to retire the SLIP fund Go Zone bonds. Between \$8 million and \$9 million will be needed per year for construction projects, primarily dealing with the lakefront seawall. The SLIP fund will need to contribute about \$22 million to the General Fund over the next four years to help with the additional O&M costs. The SLIP tax must be renewed in 2015 in order for the O.L.D. to meet future obligations.

Mr. Doody pointed out that the \$10 million annual cost share obligation for the Hurricane and Storm Damage Risk Reduction System must also be included with future expenses.

Mr. Losonsky offered a motion, which was seconded by Mr. Doody and unanimously adopted, that the Committee recommend to the Board that it initiate the action necessary for the roll forward of millage rates.

B. Discussion of request to offer Aflac Insurance coverage to LBBLD employees.

Aflac Insurance Company requested that it be allowed to offer insurance coverage to Lake Borgne Basin Levee District (LBBLD) employees. Employees who voluntarily elect coverage would bear the full cost; however, premiums would be paid through payroll deduction. Jacob Brouillette with Aflac advised that Aflac is a supplemental insurance company that offers several types of policies. The policies are guaranteed renewable and portable. The minimum number of participants in any one policy is three employees.

The request by Aflac was presented to the Committee for information. Mr. Doody requested that this matter be taken under advisement.

C. Request by EJLD to purchase a Kubota RTV Utility Vehicle

Fran Campbell, East Jefferson Levee District (EJLD) Executive Director, advised that the district had budgeted and purchased a RTV utility vehicle (mule) for inspections. Since the vehicle proved to be very efficient and cost effective, the EJLD requested that it be allowed to purchase another vehicle.

Mr. Doody offered a motion, which was seconded by Mr. Losonsky and unanimously adopted, to recommend that the Board approve the EJLD's request to purchase a Kubota RTV Utility Vehicle.

There was no further discussion; therefore, the meeting was adjourned at 9:23 a.m.