

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON NOVEMBER 7, 2013**

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 November 7, 2013, in Meeting Room 221, Orleans Levee District Franklin Administrative Complex, 6920 Franklin Avenue, New Orleans, Louisiana. Mr. Estopinal called the meeting to order at 8:30 a.m.

Opening Comments: None

Adoption of Agenda: The agenda was amended to add Item C under New Business – Discussion of renewal of Orleans Levee District (O.L.D.) Umbrella Insurance coverage. The amended agenda was adopted.

Approval of Minutes: The Committee approved the minutes of the Finance Committee meeting held on October 3, 2013.

Public Comments: None.

New Business:

A. Discussion of allocation of SLFPA-E operating expenses.

Robert Turner, SLFPA-E Regional Director, explained that the SLFPA-E's expenses are currently being recovered from the Orleans, East Jefferson and Lake Borgne Basin Levee Districts based upon a formula using a ratio of the operations and maintenance taxes collected by each levee district. The SLFPA-E learned last month that the \$500,000 funding previously received by the SLFPA-E from the State will no longer be received. Mr. Doody advised that he would make some inquiries relative to the \$500,000 appropriation initially approved by the Legislature for the SLFPA-E.

Mr. Turner pointed out that the Fiscal Year 2014 Budgets for the SLFPA-E and levee districts did not reflect the receipt of \$500,000 by the SLFPA-E from the State. A current resolution authorizes the assessment of one-half of the SLFPA-E's expenses to the levee districts. SLFPA-E is now required to assess 100 percent of its expenses to the levee districts.

The Committee recommended that a resolution be forwarded to the Board for approval to apportion 100 percent of the SLFPA-E expenses to the levee districts.

B. Discussion of certification of ad valorem tax millage rates for the Orleans Levee District for 2014.

Jim Bollinger, O.L.D. Comptroller, explained that the O.L.D. must certify to the City of New Orleans the millage rates to be assessed for calendar year 2014. The O.L.D. is currently assessing the full allowable millage rates totaling 11.67 mills [General Tax 5.46 mills, Special Levee Improvement (SLIP) Tax 5.46 mills and Maintenance Tax 0.75 mills]. The notification requirements are being met and the required affidavit has been prepared. The next quadrennial assessment year is 2016. He recommended that with the assumption of the new assets constructed as part of the Hurricane and Storm Damage Risk Reduction System (HSDRRS) that the rates currently assessed for 2013 be assessed and certified for 2014. Additional funding requirements include approximately \$4 million per year to operate and maintain the HSDRRS marine gates, the accrual of over \$1 million per year for post retirement health care (which is not currently funded), and uncertainties related to debt service.

The Committee recommended that a resolution be forwarded to the Board for approval assessing and certifying the recommended millage rates for the O.L.D.

C. Discussion of renewal of Orleans Levee District (O.L.D.) Umbrella Insurance coverage.

Hardie Edgecombe with Arthur J. Gallagher Risk Management Services, Inc. advised that a renewal quote was received from Lexington Insurance Company, the current carrier for Umbrella Insurance coverage for all three of the levee districts for the past three years. The coverage limit (\$3 million) and terms and conditions will remain the same. The only exception is that since defense costs were moved outside of the limits on the General Liability Insurance coverage, the defense cost will also be outside of the limit on the Umbrella Insurance coverage. The premium for Umbrella Insurance coverage last year was \$59,373 and this year's premium is \$62,498 (a five percent increase). Umbrella Insurance coverage, which expires on December 19, sits over Automobile, General Liability and Employment Liability Insurance coverages.

The Committee recommended that a resolution be forwarded to the Board for approval to renew the O.L.D.'s Umbrella Insurance coverage with Lexington Insurance Company.

There was no further business; therefore, the meeting was adjourned at 8:45 a.m.