

**MINUTES OF  
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST  
FINANCE COMMITTEE MEETING  
HELD ON MAY 8, 2014**

PRESENT: Paul Tilly, Chair  
Timothy P. Doody, Committee Member

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The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (SLFPA-E or Authority) met on May 8, 2014, in Meeting Room 201, Orleans Levee District Franklin Administrative Complex, 6920 Franklin Avenue, New Orleans, Louisiana. Mr. Tilly called the meeting to order at 8:40 a.m.

**Opening Comments:** Mr. Tilly called upon the representatives in attendance for the presentation of a Louisiana Workers Compensation Corp. (LWCC) dividend check to the Orleans Levee District (O.L.D.). Carol Kiefer, O.L.D. Safety-Risk Manager, introduced Randy Maddox with Morrison Insurance Agency and Dave Posner with LWCC. Mr. Maddox briefly discussed the O.L.D.'s prior experience in obtaining Workers Comp Insurance coverage and its current coverage with LWCC. Mr. Posner presented a dividend check to the O.L.D. in the amount of \$81,021. LWCC is a non-profit mutual insurance company that was put in position by State Legislation in 1992 to replace the State's assigned risk pool. The dividend is an outgrowth of LWCC's financial strength. LWCC will be returning premiums totaling \$69.1 million to its 16,000 policyholders this year. The importance of claims management and loss prevention efforts was noted. He explained how dividends are determined and thanked the O.L.D. for its long term relationship with LWCC.

**Adoption of Agenda:** The agenda was adopted by the Committee.

**Approval of Minutes:** The Committee approved the minutes of the Finance Committee meeting held on March 7, 2014.

**Public Comments:** None.

**New Business:**

**A. Discussion of revisions to LBBLD Fiscal Year (FY) 2014 Budget.**

Peggy Sembera, Lake Borgne Basin Levee District (LBBLD) Administrative Assistant, explained that the revenues and expenditures in the FY 2014 Budget are being reduced by an equal amount and that the end-of-the-year deficit remains at \$507,000. Several projects for which funding will be reimbursed were budgeted; however, the projects are not yet in construction and must be taken out of the FY 2014 Budget. It was initially thought that the LBBLD would handle the construction of the safe rooms and pump station repairs that are being funded through a Hazard Mitigation Grant Program grant to the St. Barnard Parish Government (SBP); however, the SBP Government has

elected to handle the projects. The LBBLD will capitalize the completed HMGP projects.

The Committee recommended that the LBBLD FY 2014 Budget revisions be forwarded to the Board for approval.

**B. Discussion of bid award for the purchase of a Hydraulic Crawler Excavator with Tier IVa Engine. (LBBLD)**

Ms. Sembera advised that the LBBLD advertised and received four bids for the purchase of a Hydraulic Crawler Excavator with Tier IVa Engine. The equipment is required for canal maintenance. Funding for the equipment was not originally included in the Budget; however, the cost will be offset by budgeted expenditures that were not expensed and the year-end Budget result will not change. The LBBLD recommended that the purchase be awarded to the low bidder, CLM Equipment Company, Inc., at a cost of \$161,742.

The Committee recommended that the Board approve the award of the bid for the purchase of the aforementioned equipment to CLM Equipment Company, Inc.

**C. Discussion of certification of EJLD millage rate for calendar year 2014.**

Jonell Cangelosi, Assistant to the East Jefferson Levee District (EJLD) Executive Director, advised that the millage rate for calendar year 2014 will remain the same as last year's rate.

The Committee recommended that the certification of the EJLD's millage rate for calendar year 2014 be forwarded to the Board for action.

**D. Discussion of authorization to repay the Algiers Levee District its prorated share of the FEMA reimbursement of the payment for the Community Disaster Loan.**

Mr. Doody explained that a separation of the O.L.D.'s assets took place at the creation of the Algiers Levee District (ALD). The ALD was provided its share of the tax collection attributable to property located in Algiers. A portion of the tax collection was held back to repay the ALD's portion of the O.L.D.'s post-Katrina Community Disaster Loan (CDL). The CDL was repaid in order to avoid interest expenses. A promise was made to the ALD that the amount withheld for its portion of the loan payment (approximately \$337,000) would be given to the ALD should the debt be forgiven. The O.L.D. received reimbursement of the loan payment in April, 2014.

The Committee recommended that the request for authorization to reimburse the ALD for its prorated share of the CDL payment be forwarded to the Board for approval.

**E. Discussion of commitment of portions of the OLD's General Fund and SLIP Fund Balances for certain specified purposes.**

Jim Bollinger, O.L.D. Comptroller, explained that the fund balance is the accumulative remainder of revenues over expenditures. The anticipated fund balance for the Special Levee Improvement (SLIP) Fund is \$64 million. He suggested that certain project commitments, such as the Lakefront Seawall Erosion Control Project and the demolition and reconstruction of the O.L.D. Police Headquarters, be recognized for bookkeeping purposes and as an expression of intent. The O.L.D. has other projects planned for the future for which funding could be committed. Readers of the financial statement would then realize that certain monies in the fund balance have been identified for a particular use. Mr. Doody noted that operating capital will also be needed from the fund and that the fund will need to finance life cycle maintenance issues for the flood protection system. Mr. Bollinger recommended that a commitment of \$2 million per year be set aside towards the periodic major maintenance of the complex marine structures starting this year. Staff will determine the funding that should be committed for certain specified projects prior to the Board meeting.

The Committee recommended that a resolution be forward to the Board to approve the commitment of a portion of the SLIP Fund for certain identified projects.

**F. Discussion of revisions to O.L.D. FY 2014 Budget.**

Mr. Bollinger advised that the revisions to the O.L.D. FY 2014 Budget include a legal settlement that was not previously budgeted and the receipt of \$4.5 million from FEMA to refund the O.L.D. for the repayment of the CDL. In addition, the O.L.D. spent less on Contractual Services than anticipated with respect to the marine complex structures thereby reducing Operating and Maintenance Expenses. The result of the revisions is an estimated deficit of \$2 million in lieu of an estimated surplus of \$300,000.

The Committee recommended that the revisions to the O.L.D. FY 2014 Budget be forwarded to the Board for approval.

Mr. Doody explained that discussions are on-going with the U.S. Army Corps of Engineers (USACE) and the Coastal Protection and Restoration Authority (CPRA) concerning the construction of levee lifts where needed prior to the placement of armoring. Assurance of funding for the lifts will need to be demonstrated to the USACE. Robert Turner, SLFPA-E Regional Director, advised that the USACE requested that the Board express through a resolution its desire to delay the armoring of certain levee segments until the lifts are constructed and to request Congress to change the authorization so that any monies expended for lifts in advance of the armoring would be cost reimbursable as work-in-kind credit towards the 65/35 federal/local project cost share. Mr. Doody noted that the construction of the levee lifts prior to the placement of armoring could potentially save taxpayers at least \$30 million. The Committee recommended that the resolution expressing the SLFPA-E's desire relative to armoring and levee lifts and the request to Congress be forwarded to the Board for approval.

There was no further business; therefore, the meeting was adjourned at 9:17 a.m.