

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON MAY 7, 2012**

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 7, 2012, in Meeting Room 221, Orleans Levee District Franklin Administrative Complex, 6920 Franklin Avenue, New Orleans, Louisiana. Mr. Estopinal called the meeting to order at 8:55 a.m.

Opening Comments: None

Adoption of Agenda: The agenda was amended to add Item VII.C – Discussion of Grant Administration. The amended agenda was unanimously approved.

Approval of Minutes: The Committee approved the minutes of the Finance Committee meeting held on April 5, 2012.

Public Comments:

None.

Old Business:

A. Discussion of Cell Tower Lease Extension Offers.

Gerry Gillen, Orleans Levee District (O.L.D.) Executive Director, advised that American Tower Company holds a land lease for a site located on the south side of the Franklin Administration Facility on which it constructed a cellular tower. Tristar approached the O.L.D. concerning a buy out of the American Tower lease. This information was communicated to American Tower. Both Tristar and American Tower offered to buy out the lease in perpetuity; however, this is not considered in the best interest of the O.L.D. Tristar's only option consisted of a buy out of the lease in perpetuity. Negotiations were conducted with American Tower. The current monthly rental rate for the lease ending in 2023 is \$2,567. American Tower offered to extend the lease for four additional five-year options (2024-2044) with an additional payment of \$1,250 per month to the base lease and a three percent annual escalation to 2023. The three percent annual escalation in the base rental payment will continue during the period 2024 to 2044. In 2024 the annual rental income from American Tower is estimated to be between \$55,000 and \$59,000. Tristar's offer provided fifty percent of the net revenue beginning in 2024, which was estimated by the O.L.D.'s consultant to be about \$45,000. Mr. Gillen recommended that the current lease with American Tower be extended to provide the four additional five-year options with the additional consideration as stated.

The Committee agreed with the recommendation to extend the current lease with American Tower and with forwarding the recommendation to the Board for approval.

New Business:

A. Discussion of East Jefferson Levee District 2012 Millage Reassessment.

Fran Campbell, East Jefferson Levee District (EJLD) Executive Director, explained that the numbers relative to the reassessment have not yet been received from Jefferson Parish. The next Board meeting to be held in Jefferson Parish will be in July. Should the numbers not be received in time for the July meeting, the Board will need to call a special Board meeting for the roll back/roll forward of the EJLD millage rate. The public hearing to be held in conjunction with the Board meeting must be advertised in accordance with the provisions of the LA Constitution and Revised Statutes.

The Committee recommended proceeding with the advertisement of the EJLD public hearing to consider the roll forward of millage rates.

B. Discussion of amendment of Lake Borgne Basin Levee District FY 2012 Budget.

Buddy Doize, Lake Borgne Basin Levee District (LBBLD) financial consultant, explained that the fiscal year (FY) budget cannot be more than five percent less than the stated income or five percent greater than of the stated expenses. The FY 2012 Budget was prepared about fourteen months ago and adjustments are required. The major adjustments relate to anticipated FEMA monies that were not received and the projects that these monies were to fund. The original LBBLD FY 2012 Budget had a deficit of approximately \$3 million, which will be amended to \$971,000. There is also a savings in personal services, since the district was unable to man the pumping stations to the extent anticipated. Some funds remain in the equipment budget for the purchase of tractors and vehicles. Mr. Doize advised that the final budget deficit will more likely be about \$750,000 and that cushion is provided with the amended number of \$971,000 in the event that unanticipated expenses are incurred.

The Committee recommended that the amendment of the LBBLD FY 2012 Budget be forwarded to the Board for approval.

C. Discussion of Grant Administration.

Sheila Grissett, Special Assistant to the SLFPA-E Regional Director, advised that the Civil Service position to provide grant administration was advertised twice and interviews were conducted twice. She stated that Shelly Midura was the only person qualified to do the work that is currently being performed; however, Ms. Midura could not take the job at the salary offered for the position. She stated that a lot of time has been spent finding out information from Civil Service that had not been previously received and that the existing job description was not written to describe the work that Ms. Midura currently performs. She advised that SLFPA-E staff recommends that a short term contract be executed this week between Ms. Midura and the LBBLD in order to take care of the short term needs. Contract administration must continue on the current grants. There are several current grant opportunities that will benefit the LBBLD. The new contract will be for a term of six

months; however, funding will be included for three months at \$5,000, which is the amount that Ms. Midura was paid for the last three months for administering all grants and for the work to obtain new grants. A long term solution is anticipated in three months. Mr. Doody commented that the funding would be \$5,000 per month for three months. Ms. Grissett explained that the options for a long term solution include the extension of the new LBBLD contract, the issuance of another new contract through the SLFPA-E, the advertisement of a Request for Qualifications or the redrafting of the job description and working with Civil Service on a new classification. Mr. Doody suggested that the long term solution should be to redraft the job description to fit the SLFPA-E's needs for approval by Civil Service and to readvertise the position. No action was required by the Committee to proceed with the proposed short term solution.

Mr. Doody advised that he and Robert Lacour, SLFPA-E General Counsel, met with a bond attorney and with an individual to communicate with the public relative to the renewal of the O.L.D.'s Special Levee Improvement (SLIP) tax.

There was no further business; therefore, the meeting was adjourned at 9:15 a.m.