

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON JUNE 12, 2014**

PRESENT: Paul Tilly, Chair
Stephen Estopinal, Acting President

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (SLFPA-E or Authority) met on June 12, 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 commented that Timothy Doody, whose appointment on the Board ended on June 6th, would be missed and that he appreciated his leadership.

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 May 8, 2014.

Public Comments:

David Frances, Associate Publisher of the Times Picayune, commented that the Times Picayune has been the SLFPA-E's official journal since its inception. It has a circulation of 65,000 and strongly supports the proper dissemination of information throughout the community. He asked that when the SLFPA-E considers the proposals for official journal that it consider the Times Picayune's reach and cost per subscriber/citizen as part of the evaluation. Although the Times Picayune's rate may be slightly higher than its competitors, its cost per copy is significantly lower.

New Business:

A. Discussion of renewal of Orleans Levee District (O.L.D.) Workers Compensation and Primary and Excess Flood Insurance coverages.

Carol Kiefer, O.L.D. Safety-Risk Manager, advised that LWCC has provided Workers Compensation Insurance coverage for the O.L.D. since 1997. The premium is driven by salaries and the O.L.D.'s low experience modifier. The estimated premium for next year is \$203,746.

Ms. Kiefer explained that the premium for Primary Flood Insurance coverage for the three buildings at the Franklin Facility increased slightly due to additional contents. The premium for Excess Flood Insurance coverage for the Franklin Warehouse Building (\$1 million building and \$1 million contents) is the same as last year's premium (\$16,075.50).

The Committee recommended that the renewal of Workers Compensation and Primary and Excess Flood Insurance coverages as discussed be forwarded to the Board for approval.

B. Discussion of renewal of East Jefferson Levee District (EJLD) health insurance coverage.

Lynn Bogran, representing John Thomas and Best Group Benefits, advised that proposals to provide healthcare insurance were received from Coventry (initially a 90% rate increase and a negotiated rate increase of 84%), Blue Cross (57% rate increase) and United Healthcare (51% rate increase). A proposal has not yet been received from the Louisiana Office of Group Benefits (OGB). It is anticipated that the OGB proposal can be used for further negotiations with the various insurance providers. The EJLD loss ratio is currently 96%; however, it is trending down. The EJLD's current coverage expires on July 1st. She stated that two available options are to go with the lowest rate (United Healthcare) or stay with Coventry for one additional month at the 84% increase in cost. The EJLD has about 60 employees and five or six retirees. The EJLD pays the entire cost of healthcare coverage for its employees. EJLD employees pay the cost for dental and eye care coverage. Fran Campbell, EJLD Executive Director, suggested that a decision be deferred until the Board meeting and that, if needed, the current coverage with Coventry could be extended for an additional month at the increased rate while further negotiations take place.

The Committee decided to forward the item to the Board without recommendation.

C. Discussion of renewal of EJLD Flood Insurance coverage for Police / Maintenance Complex (1135 Lesan Drive).

Ms. Campbell recommended that the Flood Insurance coverage be renewed for the Police/Maintenance Complex (\$88,600 building/\$100,000 contents) at a cost of \$2,054 and the Sandbag Building (\$38,000 building/\$10,000 contents) at a cost of \$666.

The Committee recommended that the renewal of the EJLD Flood Insurance coverage as discussed be forwarded to the Board for approval.

D. Discussion of selection of official journals for the SLFPA-E, EJLD and O.L.D. for one year commencing July 1, 2014.

The Times Picayune and the Advocate meet the legal qualifications for official journal for the SLFPA-E, EJLD and O.L.D. Proposals were received from the Times Picayune (\$1.50 per column inch) and the Advocate (12 cents per line). The journals provided an estimated quote based on a sample notice (Times Picayune - \$74.25 and Advocate - \$74.16). Circulation figures provided by the journals were as follows: Times Picayune - Orleans Parish 34,127, Jefferson Parish 46,848 (total 80,975) [Breakdown of Orleans East Bank - 29,934, Jefferson East Bank 31,657 (total 61,591)] and the Advocate - Orleans Parish 7,324, Jefferson Parish 11,453 (total 18,777). The Advocate publishes seven days per week.

Mr. Francis clarified that the Times Picayune publishes seven days per week; however, subscription deliveries are three times per week (Wednesday, Friday and Sunday). He noted the significantly less cost per copy/household for the Times Picayune. Notices are also placed on the Times Picayune's online service.

The Committee recommended that the Board approve the selection of the Times Picayune as the official journal for the SLFPA-E, EJLD and O.L.D.

E. Discussion of selection of official journal for Lake Borgne Basin Levee District (LBBLD) for one year commencing July 1, 2014.

The St. Bernard Voice meets the legal qualifications for the official journal for the LBBLD. The St. Bernard Voice provided a quote of \$2.94 per column inch.

The Committee recommended that the Board approve the selection of the St. Bernard Voice as the official journal for the LBBLD.

F. Discussion of certification of millage rates for LBBLD for calendar year 2014.

Nick Cali, LBBLD Executive Director, advised that the Board will be requested to certify the existing millage rates for calendar year 2014. The LBBLD's deficit is trending at \$500,000 per year. A referendum would be required to achieve an increase in millage rates. Robert Turner, SLFPA-E Regional Director, advised that staff is investigating opportunities for the placement of a new tax proposition on the ballot.

The Committee recommended that the Board certify the LBBLD's existing millage rates for calendar year 2014.

G. Review of SLFPA-E, EJLD, LBBLD and O.L.D. Louisiana Compliance Questionnaires.

The Louisiana Compliance Questionnaires, which are completed each year by the SLFPA-E and the levee districts for the financial audit, require Board approval. Copies of the Questionnaires were distributed to Committee members.

The Committee recommended that the Board approve the Compliance Questionnaires.

H. Discussion of sale of EJLD surplus items by auction.

A proposed list of surplus items to be sold at auction was distributed to the Committee members.

The Committee recommended that the Board approve the sale of the EJLD surplus items by auction.

I. Discussion of FY 2014 SLFPA-E Budget Revisions.

Budget adjustments are required at the end of a fiscal year if revenues are less than five percent or expenditures exceed five percent of the projected amounts. Community Development Block Grant (CDBG) expenditures were less than anticipated resulting in a correspondence decrease in CDBG revenues. The position of SLFPA-E Regional Police Superintendent was not included in the original budget and must be included in the revised budget.

The Committee recommended that the Board approve the revisions to the SLFPA-E FY 2014 Budget.

J. Discussion of FY 2014 EJLD Budget Revisions.

Item was withdrawn.

K. Discussion of setting up O.L.D. escrow account for maintenance of Hurricane & Storm Damage Risk Reduction System (HSDRRS) major complex structures.

Jim Bollinger, O.L.D. Comptroller, advised that the Board at its last meeting approved the commitment of funds for the maintenance of the HSDRRS major complex structures. This is an additional step to authorize the creation of a special bank account for the committed funds.

Mr. Turner reported that the U.S. Army Corps of Engineers (USACE) has not committed to doing the work that is necessary (the environmental study) to determine the possibility of keeping the IHNC Surge Barrier Barge Gate closed during hurricane season. Language has been included in the current WRDA (Water Resources Development Act) bill relative to the USACE's operation of the Surge Barrier gates; however, WRDA provides authorization only. The Federal funding share for the effort must be determined and/or authorized. O.L.D. personnel are currently operating and maintaining the navigation gates.

The Committee recommended that the Board approve the O.L.D.'s creation of an escrow account for the maintenance of the HSDRRS major complex structures.

L. Discussion of revisions to O.L.D. Special Levee Improvement (SLIP) Budget.

Gerry Gillen, O.L.D. Executive Director, explained that the current projects are tracking close to the projected costs; therefore, no action is required.

There was no further discussion; therefore, the meeting was adjourned at 9:28 a.m.