

THE NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE SPECIAL BOARD MEETING
MONDAY, MARCH 28, 2011 – 5:30 P.M.

A special meeting of the Board of the Non-Flood Protection Asset Management Authority of the Orleans Levee District was held on Monday, March 28, 2011 at 5:30 P.M., in the Lake Vista Community Center, 2nd Floor, 6500 Spanish Fort Blvd., New Orleans, Louisiana after due legal notice of the meeting was sent to each Board member, the news media, and a copy of the call was posted.

Chairman Lupo called the meeting to order at 5:40 p.m. and led in the Pledge of Allegiance.

The roll was called and a quorum was present.

PRESENT:

Chairman Robert E. Smith Lupo
Commissioner Romona Theresa Baudy
Commissioner Joe Hassinger
Commissioner John B. Trask
Commissioner Carlton Dufrechou
Commissioner Darrel Saizan
Commissioner Michael Bridges
Commissioner Wilma Heaton
Commissioner Stanley Brien
Commissioner William Hoffman
Commissioner Greg Ernst
Commissioner Pearl Cantrelle
Commissioner Patrick DeRouen

STAFF:

Louis Capo, Executive Director
Dawn Wagener, Non-Flood
Sharon Martiny, Non-Flood
Major Donald Booth, Police
Nina Marchand, Non-Flood
Vincent Caire, Non-Flood
Chief Richard Lewis – Police

ALSO PRESENT:

Al Pappalardo	Pierre Champagne
Gerard Metzger	R. Kleinpeter
Tony Collins	Frank Meydrich, Jr.
Marie Ormond	Patricia Shenkel
Brett DuMontier	Linda Jackson
Freddie Yoder	N. Jackson
Robert Drouant	Joseph Casanova
Nikia Adams	Anita Grey
C. R. Riemer	Steve Bernard
Mary Park	Tom Bagwill
Claire Orth	Charles Landry
Barbara Sallettes	Janet Landry
Julia Lanasa	John Davis
Alex McCorquondale	Nathan Abercrombie
Susan M. Garcia	Lani Wilke
James Brousse	Allen Carmen
Kip DuMontier	Laura Carmen
Constandinos Vennis	Henrietta Deters
Koula Vennis	Joan Heisser
Patrice Kononchek	David Gavlinski
Karen Parsons	Anna Guidry

ADOPT AGENDA

Commissioner Hassinger offered a motion to adopt the Agenda, seconded by Commissioner Saizan and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Commissioner Hassinger offered a motion to approve the minutes of the Budget meeting held January 31, 2011, seconded by Commissioner Saizan and unanimously adopted.

Chairman Lupo introduced and welcomed Commissioner Patrick DeRouen, the newest member to the Commission. This is an interesting first meeting which Commissioner DeRouen has been previously briefed. We appreciate your comments, thoughts and experience to the Board. Chairman Lupo instructed the audience to fill out speaker cards to those who wanted to make a public comment and announced a two minute time limit for each speaker.

Chairman Lupo thanked the members of the audience for their attendance as the budget vote tonight is very important to the citizens not only of the Lakefront area but for the whole community. We are talking about the 5½ mile long state park which we have come to know as Lakeshore Drive, an asset that benefits all surrounding parishes. We have gotten to the point that you know about tonight not quickly or capriciously. The Executive Director has a memo that was circulated to the Board describing how we got to where we are with this budget recommendation. Chairman Lupo requested that the memo become part of the resolution to which it pertains.

Chairman Lupo called for a motion to discuss Motion 01-032811. Commissioner Hoffman offered a motion to discuss Motion 01-032811, seconded by Commissioner Ernst and unanimously adopted.

OLD BUSINESS

Motion 01-032811

The Non-Flood Protection Asset Management Authority has reviewed financial projections for the fiscal year ending June 30, 2012 for the Management Authority, including estimated revenues and expenditures. Funding in the following amounts are required as detailed by the line items for fiscal year ending June 30, 2012. Recurring Revenues - \$4,363,566.00. Non-Recurring Transfers - \$762,920.00. Total Revenues - \$5,126,486.00. Total Expenditures for Operations - \$5,126,486.00. The Finance Committee, at its meeting held on February 3, 2011, reviewed and recommended approval of the budget for fiscal year ending June 30, 2012. The Non-Flood Protection Asset Management Authority approves the fiscal year budget ending June 30, 2012.

Chairman Lupo gave a brief history regarding what the Authority does with the authority it was given. The Orleans Levee District was not only a flood protection agency but also a real estate development company legislated by the State of Louisiana to bring certain developments into fruition. Those developments include Lakefront Airport, South Shore Harbor, Orleans Marina, New Basin Canal real estate concerns and Lake Vista Community Center. As a result of Hurricane Katrina, the the two functions of the Orleans Levee District were separated; Flood Division and Non-Flood Division of the Orleans Levee District. In that legislation the Flood side received all of the taxes generated by the citizens of Orleans Parish to run the Flood Division. The Non-Flood Division receives no millage and no taxes and is required to run those substantial real estate concerns from its own generated revenue. Because the Lakefront Airport is granted money from the Federal Aviation Authority whatever funds are generated at the Lakefront Airport remain at the Lakefront Airport. Money generated from the Lakefront Airport cannot be used to cut the grass on Lakeshore Drive as those revenues have to stay at the Airport. When this Authority was put in place it was given destroyed infrastructure resulting from Hurricane Katrina: the Marinas were destroyed as well as

the Airport and Lake Vista Community Center suffered tremendous losses. The tenants along New Basin Canal lost their ability to do business and were granted exceptions on the rent paid to the Levee District. It has been a 5 year long negotiation process with FEMA in order to receive the monies to repair and replace the assets previously described. In the meantime, the only operating money that this Authority had was a \$7.4 million settlement from the Bally's Casio which previously operated at South Shore Harbor. After the storm as a result of their lease, Bally's owed the Orleans Levee District money obtained through a settlement which monies came to this Authority. The Non-Flood Assets draw down on those funds to operate and those funds don't last forever. These assets are being built back but are still a good 2 years away from standing on their own. At the same time, those assets have to be maintained in order to keep them up and running. That is the situation that this Authority is presently in.

Commissioner Hoffman, Chairman of the Finance Committee, stated that the unfortunate reality is that if we continue going like we are, in 2012 the Authority will run out of cash before we get to the end of the year. The Bally's settlement is one-time revenue that has been utilized and at the end of this fiscal year, June 30, 2011, it is projected that the Authority will have \$2.5 million cash available to fund future operations of this Authority. A stand still budget would have a deficit of approximately \$3.1 million. None of the Commissioners relish the idea of laying any employee off or cutting any activity or service that the Authority has provided over the past years. Unfortunately, we don't have the funds to continue to do so. We recognized this with our first meeting and have had several public meetings since November. The Authority has to make cuts in order to bring the budget into balance which is required by April 1, 2011. We have worked with the Administration to see where we could increase revenues to avoid as many cuts as possible. The Administration recommended to the Finance Committee and this Board the budget that is presented tonight. While it is very unfortunate that there were cuts, it is a responsible budget that we need to adopt in order to use when talking with legislators in the future to receive revenue for this Authority. We currently have 2 revenue generating assets: the Marinas and the leasable property on the New Basin Canal. Revenues generated from the Marinas and New Basin Canal are not sufficient to support the remaining operations. Every aspect has been reviewed in order to spend the dollars that this Authority has wisely, which is reflected in the 2011-2012 budget presented tonight.

Commissioner Hassinger stated that the Board's charge as the Non-Flood Authority is to put in place a comprehensive plan for the effective long-term management of these assets. The obligations that come with those assets are extensive and include 5.2 miles along the Lakefront, 500-plus acres of property, commercial entertainment venues, commercial lease space, two marinas and numerous parks and parkways. Those assets carry many responsibilities. A decision was made to separate Flood and Non-Flood and the legislature was advised that if you separate this entity with no mechanism in place to properly fund each side, a day of reckoning would come where there are no funds to support the Non-Flood Assets - that day is today. The Flood Authority has all of the tax revenue along with the revenue from bond issues. The legislature has not put a mechanism in place for the Non Flood Authority to be able to use some of that money. The legislature and Flood Authority need to understand that it takes money to run and properly manage these assets. The issue tonight is not just the police force, it is how to go forward and properly manage, care for and redevelop these assets. The Authority has cut to the bone and the operation has been transparent, honest and above board. The Flood Authority and the legislature have to understand that when Flood and Non-Flood Division was separated, there was no mechanism in place to fund the Non-Flood Assets.

Commissioner Cantrelle stated that it is difficult to vote on the budget as there are tough decisions that have to be made which may not be in agreement with the public or members on this Board. Every effort was put into this budget and it has been challenging to make the decisions this evening.

Chairman Lupo informed that the police force currently operates under the Orleans Levee District, with the Orleans District Non-Flood and Flood splitting 50/50 the cost of running the police force. The Flood Authority has all of the millage and tax revenue and the financial wherewithal to pick up the slack if they choose to in this situation.

Commissioner Saizan stated that in addition to the Police Department there are two other areas that are going to be affected by the shortfall: the Compliance Department and the Seabrook Bridge.

Chairman Lupo informed that the Corps of Engineers closed that waterway for the next 1½ years because a large surge barrier is being built. The fact that the Authority does not have bridge tenders does not affect the bridge as it would not be operating. The Authority will still handle the required compliance issues but there will be no funded Compliance Dept., it will be handled in-house by other personnel.

PUBLIC COMMENTS

MICHAEL VITT – Resident, 1320 Frankfort Street

Mr. Michael Vitt thanked the Commissioners for rearranging the Agenda so public comments could be heard prior to voting on the proposed budget. Mr. Vitt stated there are 105 miles of levee, flood protection and flood walls, 200 gates and 100 plus flood valves. Thirty officers barely keep that protected. An important function of the Orleans Levee District is to protect the area and the infrastructure itself from criminal activity. Levee District officers have special expertise in recognition of the condition of the flood walls and the operation of the flood gates. The duty of the Orleans Levee Board in general is to protect the infrastructure from domestic terrorism. There is a quote on the Levee District Police web site: counter terrorism is an important responsibility of the Levee District Police. It is not just criminal protection but also asset protection.

ROBERT DRUANT – Resident, 1360 Frankfort Street

Mr. Druant stated that as citizens we find ourselves in the unfortunate position of having a Board that has worked tirelessly and steadfastly to solve problems but given no resources or benefits necessary to solve these problems. The mission statement of the Flood Authority is to provide in addition to the flood controls safe and secure facilities for aviation, marine and recreational activities along the levee. The Levee Board Police provide substantial assets to supplement the New Orleans Police Department, Mid City, Hollygrove and Algiers. The last calendar year, 13% of all calls to the 3rd District were answered by the Orleans Levee Board Police Department. If the Levee Board Police are eliminated from the line item, the park and parkways are unlighted, unsecured and exposed. These are the assets the Authority is providing protection for. These assets should be shuttered when the police department is eliminated as there will be no one there to protect the assets. Having these assets open and unprotected not only places the assets at risk but the community as well. This is not a Lakefront issue; this is a City of New Orleans issue. If the Police Department is eliminated these assets have to be protected from an open and lawless environment.

CONSTANTINE VENNIS – Resident of New Orleans and
Commissioner, Lake Terrace Crime Prevention District Board

Mr. Vennis stated that he is disappointed by the latest developments as the Commissioners are put in a difficult position. Previously, there was one district and then Katrina hit and when something big like that happens, people rush to legislate. When that happens mistakes are going to be made. People are well intentioned but things happen. People have to have the will to tweak what is going on. I looked at my tax bill and I see that the Orleans Levee District is getting more money than NOPD and the Fire Department. Where is my money going - not to the Authority. The Authority is being ignored and the people of New Orleans are being ignored. The line in the sand has been drawn. When the Authority talks about the budget, it is talking about the Non-Flood Assets. Let's talk about the Flood Assets. The Flood Assets have a cash fund, a general fund and a SLIP fund and over \$52 million in cash reserves. They are millions of dollars in the black every year. With those funds are we going to sit here in the great City of New Orleans, one of the gems, and let them play with our flood protection? If

someone damages our seawall and they do an investigation, they are going to see there are 15 guys protecting over 100 miles of levees which is a joke. This is not acceptable. Enough is enough. We are the ones that pay the lion's share and we are not seeing it. The short term solution is a bridge loan; the long term solution is the police are our biggest flood assets.

NAKIA ADAMS – Resident, 9400 Chef Highway

Ms. Adams stated that her husband is a member of the Levee Board Police. Ms. Adams further stated that she was 9 months pregnant when she evacuated for the hurricane but her husband stayed, putting his life on the line because his job meant enough to him to stay to protect and to serve but now the job that he held so dear is turning its backs on him.

FREDDY YODER - Resident, 175 32nd Street

Mr. Yoder stated that as a leader in the Lakeview Community, it is instrumental to figure out ways to skin a cat and get around the budget. Mr. Lupo and I have worked together and have come up with creative ideas to overcome issues in Lakeview. We need to figure out a creative idea in order to allow the police to continue to patrol Lakeshore Drive and the grass to continue to get cut. As people move into the community they are given rights such as having our grass cut and police protection. The Lakeview Crime Prevention District was passed to lower crime in Lakeview. The 3rd District police officers are going to be spread thin. This will not only affect Lakeview as the 3rd District encompasses a large section of Orleans Parish. I hate to see the line items for the police and grass cutting zeroed out as those line items mean our safety and quality of life. The public needs to talk to the legislators and senators and make perfectly clear the opinion of the people in this community. If you zero those two line items out it may be a sign of defeat, which message cannot be sent to Baton Rouge. The people will go to Baton Rouge and lobby legislators to get funding from the Flood side to the Non-Flood side. The officers that have protected us, the assets that we have enjoyed and the reasons we moved into this community are being taken away tonight. Sometimes decisions don't seem too obvious. We have smart, creative people on this Board and that is how we overcame problems after the storm. People in these communities are willing to dig deep and impose fees on themselves in order to make the quality of life a little better.

Chairman Lupo stated that this is not about giving up; this is about sending a clear message to the people who passed this legislation. The only way to get the legislators attention is to make the point that this is a function that cannot be funded the way it is right now. It is Chairman Lupo's opinion that if you leave that line item in with one dollar in it, it says we might be able to find a way to fund this. There is no way under the current structure of revenue sharing to do it.

Commissioner Dufrechou questioned if the budget is not approved this evening, what happens. Mr. Capo explained that the budget must be approved and sent to Baton Rouge by April 1, 2011 or the Authority would be in violation of state statute. Chairman Lupo stated that no Commissioner wants to break a state law. We need to explain to the state the situation created for the residents of Orleans Parish by the legislation passed after the storm. Commissioner Hoffman added if the legislature would provide funding, nothing will prevent the Authority from opening the budget and accounting for additional revenue to reinstate some of these activities. A clear message needs to be sent to Baton Rouge that we cannot solve this problem with this Authority alone. It has got to be solved in Baton Rouge with the correction of the efforts made after Katrina. Mistakes were made and things were overlooked. We need to get our legislators to make those corrections. They have the ability to do that, we do not. This budget takes effect June 30, 2011 which will give the public time to make something happen. Chairman Lupo informed that this Authority can make no loans but there can be grants from other Authorities.

SUSAN GARCIA – Resident, 20 Snipe Street

Ms. Garcia is representing the Lake Vista Property Owner's Association. Ms. Garcia stated that the problem does not occur until the very last minute which is where we are now. The residents of Lake Terrace, Lake Oaks, Lakeshore and Lake Vista, with proper notification and understanding of what the issues are, would be more than happy to put their voice behind the Commission. There have been several meetings and I know the Authority has worked very hard and this is not something that the Authority wants to do.

Commissioner Cantrelle stated that the legislators could not be here tonight as they are working in Baton Rouge and questioned if there was any representative from the elected officials' offices in the audience.

NATHAN ABERCROMBIE – Representative, Nick Lorusso's Office

Mr. Abercrombie informed that Rep. Lorusso is in session but has requested the \$1.4 million by filing an appropriation for that money. The wheels are in action to get that appropriation and it is a high priority. There is no answer from Rep. Lorusso at this time regarding the millage issue and what the Authority can do to get some of the millage from Flood to Non-Flood.

Ms. Nina Marchand of the Compliance Dept. stated that her daughter, Chermaine Marchand, is supporting the Commissioners regarding the matter.

Commissioner Cantrelle stated that this is a hot button issue and questioned why no members of the offices of the elected officials were present if they intended to work with this Board in trying to come up with some money. Chairman Lupo commented that several Board members have had discussions with both Senator Morrell and Senator Murray on this issue. There have been multiple discussions with the Chairman of the Flood side as well.

Commissioner Ernst commented in response to Ms. Garcia's question regarding what people can do about the millage issue. It is possible that citizens are considering filing a lawsuit to obtain a declaratory order to the effect that this particular body is entitled to some of the money from the millage. There is a good argument that the bonds approved are not limited only to Flood purposes as there is some Non-Flood dimension to it. Commissioner Ernst encouraged the people to consider exploring that. Because it was approved by the voters, I am not sure the legislators could easily undo it absent another vote by the people. It may be a matter of interpretation. The bottom line is that this Authority is not receiving a dime from the 6 mills that were approved which is approximately \$13 million per year.

Chairman Lupo pointed out for the record that this is a City issue, not a Lakefront issue. The only reasonable action this Authority can take is that come July 1, 2011 the Authority will have to consider closing down Lakeshore Drive at night and on weekends as there are no resources to operate that 5½ mile long park. The whole city will be affected by that.

KAREN PARSONS – President, Oak Park Civil Association

Ms. Parsons stated that the issue of having police is critically important. This is a regional facility; not just an Orleans Parish facility. People from all over the region come and recreate at the Lakefront to bicycle and rollerblade. Ms. Parsons suggested cameras on the Seabrook Bridge as there are approximately 20 openings and closings on a normal daily basis. Having a remote operated camera could save the Authority the cost of four employees or \$250,000 per year in the budget. There has been approximately \$500,000 rescinded for the New Basin Canal for bike paths that were approved through the Transportation Enhancement Program. That money has been rescinded by the DOTD because this Board had no funds. That is an amenity that is no longer available to us regionally or for the neighborhoods surrounding it.

Commissioner Saizan commented these cuts are not going to take place until June 30, 2011. This is not just a Lakefront, Gentilly or New Orleans East issue as many people use the Lakefront from Jefferson Parish and surrounding parishes because there is nothing like that in those parishes.

ANN ZOLLER KEIFER, Resident,

Ms. Keifer stated the Lakefront is a recreational area for multi parishes and a star area for tourism in Louisiana that we really need to keep open. When the sun goes down it is dangerous. I want my granddaughter to be on the Lakefront without fear of any problems and I want to feel safe in my own neighborhood. These cuts are difficult for the Authority as it is not easy to weigh everything. When cuts come along the public wants to be involved to join and help the Authority. We know what it takes to stand up against great odds and make decisions that always are not the most popular. We know what it takes to buck the odds. We love our community and have worked against many odds to bring it back.

MARY PARK – Resident, t

Mrs. Park stated that this is one of the best cities in the world and with crime at an all time high, we cannot even consider cutting 15 Levee Board police officers out of the budget on the Non-Flood Assets side.

Chairman Lupo advised that discussions have started on the Authority's end with Senator Morrell and Senator Murray. Senator Morrell, who put this Authority in place last year, is the lead and Senator Morrell is very concerned.

Commissioner Ernst elaborated on his previous comment regarding the millage and urged the public to attend the Southeast Louisiana Flood Protection Board meetings as well because they are getting the millage for the levees that we get nothing. Perhaps the biggest impact the public could have is to attend in force the meetings of the next Southeast Louisiana Flood Protection Authority and make the arguments letting them know that the public will not put up with this.

NINA MARCHAND – Director, Compliance Department

Non-Flood Protection Asset Management Authority

Ms. Marchand advised that the Compliance Dept. oversees the Airport AIP money that comes in to this Agency. The Compliance Dept. put the DBE program in place so the Airport could receive those monies. The Compliance Dept. contains two staff personnel with a budget of less than \$170,000.00, a fraction of what we are looking at. The Compliance Dept. certifies small companies in the metropolitan area and those monies are then pumped back into this community. When money is put back into the community that you support, it is easy to get those dollars. There are 5 criteria for receiving those monies; one criteria is you must have a DBE program department. The Compliance Dept. is vital to the Airport.

Commissioner Saizan added that the compliance functions are important to the Airport and the Authority is tactically trying to restore all cuts the Authority is being forced to consider. We will be able to go until June 30, 2011 which will provide an opportunity to contact legislators to allow us to be part of the discussion as it relates to the Flood Authority. Decisions were made regarding these neighborhoods by people who don't live here. One of those decisions was separating the Flood Authority and the Non-Flood Authority. It is correct to put Flood functions together but it is not correct for the Non-Flood Authority to have no means with which to maintain the Lakefront and the Police Force. That was not thought out and that is why we are here today. We are not trying to cut out the Compliance Dept. or the Police Dept.; we are trying to comply with the law and submit a budget by April 1, 2011. We are doing it in a way which allows the residents to become part of the process along with the Authority to convince legislators and the press that we need to get a part of that millage.

Mr. Capo announced the next Southeast Louisiana Flood Protection Board meeting will be held on April 21, 2011 at 9:30 a.m., Second Floor Council Chambers in the Joe Yenni Bldg., 1221 Elmwood Pkwy., Metairie, LA.

TOM BAGWILL – President, Lake Terrace Crime Prevention District

Mr. Bagwill questioned if the Authority has spoken directly with the Flood side and asked for them to pick up the tab or to voluntarily give the Authority the money to fund the Non-Flood side of the Orleans Levee District Police Dept. Chairman Lupo informed that the Executive Directors and Charimen from each side met in Chairman Lupo's office and had a very straightforward discussion regarding the issue. The Flood side understood where this Authority had to go in order to submit a reasonable budget and also get the attention of the community on what this problem was. Several different scenarios were discussed. Mr. Bagwill stated that there has been some conjecture on how the 3rd District will handle the loss of these 15 officers. Mr. Bagwill requested that Capt. Dean of the 3rd District address some of the issues.

CAPT. HENRY DEAN – Commander, 3rd District New Orleans Police Dept.

Capt. Dean stated that he would love to inform the public that the actions of tonight's meeting have no impact but he would be lying because there are not 15 extra officers which can be dedicated to the lakefront area. Capt. Dean stated his job is to offer protection and security but he cannot do this in the same fashion as the Levee Board Police because he does not have the personnel. He is in the process of rearranging manpower allocation so officers can be designated to patrol this area as any other zone in the 3rd District but if there is a murder in another section of the 3rd District, those officers are not staying on the lakefront as they have a job to protect the citizens of this District and this city. The citizens will have police service but the picture is not going to be painted the same as before. It will be difficult, but we are not going to let you down. The New Orleans Police Dept. is going to do their job to the best of its ability.

Chairman Lupo advised that he had an informal discussion with Capt. Dean regarding this matter months ago and Chairman Lupo has talked with the Mayor twice at social occasions and explained what the consequences were.

CHIEF RICHARD LEWIS – Chief, Orleans Levee District Police Department

Chief. Lewis has been with the Orleans Levee District Police Department 1 month shy of 42 years. The Lakefront has newer, rowdy crowds coming to enjoy the Lakefront. The New Orleans District Police Dept. does a very good job during Mardi Gras. The Orleans Levee District Police Dept. has a Mardi Gras every Sunday. Chief Lewis advised that it will take his entire department to work the Lakefront. If the police are eliminated, the murders you have on the parade routes and in the bar rooms may be here on Lakeshore Drive.

Commissioner Hoffman questioned Chief Lewis what the size of the Police Dept. was when the Police Dept. was fully funded pre-Katrina. Chief Lewis advised that the size of the Police Dept. was approximately 100 officers back in 1969. Pre-Katrina it was down to approximately 45, which would be an adequate staff.

Chairman Lupo stated that this Authority does not want to eliminate the Police force. This is an unfortunate situation that requires the Authority to make these budget cuts.

Commissioner Hassinger commented that one point to make sure the public is clear on is the importance of the Orleans Levee District Police Force, not primarily to patrol the neighborhoods that lie adjacent to the Lake, it is so they can support the operation of the various components of the lakefront: the Marinas, Airport, West End, the parks and parkways and the roadways. Neighborhoods that lie adjacent to the Lake each pay extra to have private patrols or off duty NOPD officers patrol those neighborhoods; men and women that are dedicated public servants who support the operation of the various assets that make up the Lakefront.

Commissioner Dufrechou pointed out the interest and commitment of the public demonstrated this evening and questioned if it was possible to consider deferring adopting the budget for at least 30 days.

Chairman Lupo advised that the meeting was a deferral. If there was something that could happen in 30 days, that would make sense but the process would have to go to the legislature and could not be solved in 30 days. Chairman Lupo stated this Authority would continue to push because the Authority has to send a message to the legislators.

Ms. Keifer stated that this is the squeaky wheel moment to get the word out because the media and the public are here. Chairman Lupo agreed with Ms. Keifer and stated that the Authority does not want to put temporary grease on a squeaky wheel; this is about making the biggest statement the Authority can make.

Commissioner Heaton advised the public to go home and look at the tax bill from the City; that would put in perspective the situation. People in this area are paying 139 mills on the tax bill. To put in perspective for flood control services, you are paying 11 mills. That is for the service on flood structures and that portion of the police. For the City, the Police and Fire you paying 13.45 mills.

Commissioner Hoffman advised the strongest message is to adopt the budget tonight and let legislators know that the monkey is on their back. The legislators need to do something and the public needs to rally and go to the legislators because legislators respond to voters, not to governmental bodies they don't control. The Authority has done the hard part by adopting the budget, the public needs to work the legislature. Commissioner Hoffman committed that in 30 days if the legislature comes up with funds, the Authority will reopen and modify the budget based on revised projections. As long as the legislators think that we are going to solve the problem, they will sit back and wait for that to happen. The budget has been discussed in public meetings since Commissioner Hoffman has been on the Board. The public has to take a stand and tell the legislators that it is time for the legislators to help solve the problem; the Authority cannot do it at this level.

Mr. Yoder stated that there is not a black and white answer to this problem; the problem is in the middle. The Authority is caught between the proverbial rock and a hard spot. We talked about leaving the line item in place because that will send a strong message that we are not going to forget about it and will be an issue to be addressed. If the line item is taken off it may be forgotten. The Commission has the authority to make an adjustment in the budget before it is voted on. Consider the possibility of amending the budget and leaving the line item with one dollar in it. If they get that in Baton Rouge, they are going to ask what is up.

Chairman Lupo advised that the Commissioners cannot adopt a budget that the Authority cannot fund. If July 2nd comes and it is a pay period and we have one dollar in that budget with employees looking for a paycheck, we can't support and fund that check. That is not the kind of thing that a government agency can do.

Commissioner Hoffman commented that as a Commissioner on the Board he would not forget about this and would be upset if the people let this Board forget about this matter as it comes forward. The mechanism is now in place where everybody should be fully aware and we need to work toward a resolution on this with our legislators.

Commissioner Saizan requested a vote on Motion 01-032811. Mr. Capo took a roll call vote for Motion 01-032811. The vote was as follows:

In favor: Lupo, Hassinger, Ernst, Hoffman, Heaton, Bridges, Brien, Trask, Saizan, Derouen

Against: Baudy, Cantrelle

Abstain: Dufrechou

Mr. Capo announced that 10 were in favor, 2 oppose and 1 abstain.

Resolution 01-032811 was adopted to wit:

MOTION: 01-032811
RESOLUTION: 01-032811
BY: COMMISSIONER HOFFMAN
SECOND BY: COMMISSIONER ERNST

March 28, 2011

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) was established by Act 1014 of 2010 by the Louisiana Legislature, effective August 15, 2010, and is the governing authority of the non-flood assets of the Orleans Levee District (“OLD”), and an agency of the State of Louisiana placed within the Louisiana Department of Transportation and Development, as provided under Title 36, Section 801.1 (A) of the Louisiana Revised Statutes;

WHEREAS, the Non-Flood Protection Asset Management Authority has reviewed financial projections for Fiscal Year Ending June 30, 2012 for the Non-Flood Protection Asset Management Authority, including estimated revenues and expenditures; and

WHEREAS, funding in the following amounts are required as detailed by the line item budgets for Fiscal Year Ending June 30, 2012;

FISCAL YEAR 2012 GENERAL OPERATING BUDGET

Revenues	
Recurring	\$4,363,566
Non-Recurring/Transfers	<u>\$ 762,920</u>
TOTAL REVENUES	<u>\$5,126,486</u>
Expenditures	
Operations	<u>\$5,126,486</u>

WHEREAS, the Non-Flood Protection Asset Management Authority is mandated to submit an approved budget by April 1, 2011, to the Joint Legislative Committee on the Budget and other various oversight authorities; and

WHEREAS, the Finance Committee at its meeting held on February 3, 2011, reviewed and recommended approval of the Non-Flood Protection Asset Management Authority Budget for the Fiscal Year Ending June 30, 2012.

BE IT HEREBY RESOLVED, that the Non-Flood Protection Asset Management Authority approves the Fiscal Year Ending June 30, 2012 General Fund Budget for the Non-Flood Protection Asset Management Authority.

AYES: LUPO, HASSINGER, ERNST, HOFFMAN, HEATON, BRIDGES, BRIEN, TRASK, SAIZAN, DEROUEN

NAYS: BAUDY, CANTRELLE

ABSENT:

ABSTAIN: DUFRECHOU

RESOLUTION ADOPTED: YES

Chairman Lupo called for a 5 minute recess at this time. Mr. Capo advised that there were copies of the Southeast Louisiana Flood Protection Authority meeting schedule for the public.

The board meeting resumed after a 5 minute break with New Business. Mr. Capo addressed the next item under new business as Legal Services.

Motion 02-032811

Occasions arise when the Management Authority needs the professional services of legal counsel on legal matters and issues involving employment law and cases before the Louisiana State Department of Civil Service. Alan D. Weinberger of the law firm of Middleberg, Riddle & Gianna is an attorney who has specialized in matters involving employment law for over 20 years. The Legal Committee has recommended Middleberg, Riddle & Gianna to provide its services at an hourly rate within the Attorney General's guidelines. The Management Authority approves a professional legal service contract with Middleberg, Riddle & Gianna under the terms and conditions specified in the attached Professional Services Contract subject to approval by the Office of the Attorney General of the State of Louisiana. The Management Authority Chairman or Executive Director is authorized to sign any and all documents necessary to carry out the above.

Commissioner Ernst advised that this motion was approved at the special meeting of the Legal Committee on Monday, April 21, 2011 pursuant to Commissioner Heaton's request at the March 17, 2011 Board meeting in which there was a resolution to approve another firm at a higher rate than the Attorney General's approved rate. It was requested that the issue be deferred to the Legal Committee who then unanimously approved to hire another firm at the Attorney General's rate. That is what we are recommending to the full Commission tonight. Commissioner Heaton commented that this in no way reflected any problems with the other firm.

Chairman Lupo called for a roll call vote for Motion 02-032811. Motion 02-032811 offered by Commissioner Ernst, seconded by Commissioner Hoffman was unanimously adopted to wit:

MOTION: 02-032811
RESOLUTION: 02-032811
BY: COMMISSIONER ERNST
SECOND BY: COMMISSIONER HOFFMAN

March 28, 2011

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) was established by Act 1014 of 2010 by the Louisiana Legislature, effective August 15, 2010, and is the governing authority of the non-flood assets of the Orleans Levee District (“OLD”), and an agency of the State of Louisiana placed within the Louisiana Department of Transportation and Development, as provided under Title 36, Section 801.1 (A) of the Louisiana Revised Statutes;

WHEREAS, occasions arise when the Management Authority needs the professional services of legal counsel on legal matters and issues involving employment law and cases before the Louisiana State Department of Civil Service;

WHEREAS, Alan D. Weinberger of the law firm of Middleberg, Riddle & Gianna, 201 St. Charles Avenue, Suite 3100, New Orleans, LA 70170, is an attorney who has specialized in matters involving employment law for over 20 years;

WHEREAS, the Management Authority desires to enter into a professional services contract with said Middleberg, Riddle & Gianna, to handle employment related legal matters and cases before the Louisiana State Department of Civil Service, effective on March 22, 2011 and expiring on June 30, 2011, at a rate of \$175.00 per hour for legal services, plus expenses, and under the terms and conditions specified in the attached Professional Legal Services Contract;

WHEREAS, the Legal Committee considered another competent law firm to handle matters involving employment law and Civil Service matters, however the firm offered its services at an hourly rate which exceeds the Louisiana Attorney General’s rates and guidelines; and, in view of the financial condition of the OLD, the Legal Committee determined that it could not recommend a legal service contract with rates exceeding the rates and guidelines of the Louisiana Attorney General’s Office for employment and civil service matters;

WHEREAS, the Legal Committee has recommended Middleberg, Riddle & Gianna as an experienced and competent firm which has successfully represented the OLD in Civil Service matters and will provide its services at an hourly rate within the Attorney General’s guidelines;

WHEREAS, after consideration of the Professional Legal Services Contract with Middleberg, Riddle & Gianna and the recommendation of the Legal Committee, the Management Authority considers it to be in its best interest to approve the Professional Legal Services Contract with Middleberg, Riddle & Gianna, under the term and conditions specified in the attached Professional Legal Services Contract; and,

WHEREAS, in accordance with Louisiana law, the Professional Legal Services Contract is subject to approval by the Office of the Attorney General of the State of Louisiana;

BE IT HEREBY RESOLVED, that the Management Authority approves a Professional Legal Services Contract with Middleberg, Riddle & Gianna, under the terms and conditions specified in the attached Professional Legal Services Contract, subject to approval by the Office of the Attorney General of the State of Louisiana.

BE IT FURTHER RESOLVED, that the Management Authority Chairman or Executive Director be and is hereby authorized to sign the Professional Legal Services Contract with Middleberg, Riddle & Gianna, and sign any and all other documents to carry out the above.

AYES: LUPO, HASSINGER, ERNST, BAUDY, HOFFMAN, HEATON, BRIDGES, BRIEN, DUFRECHOU, TRASK, SAIZAN, CANTRELLE, DEROUEN

NAYS:

ABSENT:

ABSTAIN:

RESOLUTION ADOPTED: YES

Chairman Lupo thanked the audience and board for a very intelligent meeting. The Authority has taken the action that no Board member is comfortable with. The only way to motivate the legislators is to take some draconian action that gets their attention.

PIERRE CHAMPAGNE – Resident, 101 Spanish Fort Blvd.

Mr. Champagne stated there are many people who are aware and eager to do something. The danger of being an advocate is being an uneducated advocate because you can do more harm than good. The Authority may be restricted in terms of encouraging advocacy but the e-mail addresses provided by the residents are a means of contacting people. Advocates need to be educated in order to get the most out of each contact made with legislators since the legislators' time is limited. There are a lot of people who are willing to go to bat for the Orleans Levee District. The public can be useful but we need to be intelligent and educated about what we can do to help.

Chairman Lupo stated that this was a great point and something the Commissioners have discussed. A step was taken today with a memo written by Finance Committee Chairman William Hoffman which contained great information describing how the Authority got to this point.

NEXT BOARD MEETING

Mr. Capo announced the next full Board meeting was scheduled for Thursday, April 21, 2011 at 5:30 p.m.

ADJOURNMENT

Commissioner Trask offered a motion to adjourn, seconded by Commissioner DeRouen and unanimously adopted.

The meeting adjourned at 7:50 p.m.