

# **Minutes** of the meeting of the **North Lafourche Conservation, Levee & Drainage District** **Joint Committee - Finance & Priority Committee and Legal/Development Committee**

Date: **Wednesday, April 12, 2017**

A joint meeting of the Finance & Priority Committee and the Legal/Development Committee of the North Lafourche Conservation, Levee and Drainage District was called to order by Chairpersons Kenney Matherne and Joni Tuck at 5:00 PM on Wednesday, April 12, 2017. The meeting was held at the District's office at 3862 Highway 1 in Raceland.

Each committee chairperson called their respective rolls. F&P members present were: Chairperson Kenney Matherne, Louis Andolsek, Joni Tuck, Adley Peltier, and Ad hoc non-voting member Cory Kief. Leg/Dev members present were: Chairperson Joni Tuck, Robert Pitre, Louis Andolsek, Timothy Allen, and Ad hoc non-voting member Cory Kief. All members were present. Also present were: NLLD Executive Director Dwayne Bourgeois; NLLD Project/Program Manager Arthur Ostheimer; NLLD Administrative Assistant Madonna Viguerie; Commissioner Darcy Kiffe; Bond counsel Jason Akers; and Professional Consultant Lori LeBlanc.

The Director stated the purpose of the meeting was for discussion of revenue options of the District. He distributed a packet of information relevant to the discussion. The Director explained that in 1997 the voters approved an ad valorem tax proposition for 7 mills for ten years, and it was renewed in 2007 for 2009 – 2018. He added that there are no motions to pass today, but hopefully a general consensus for a millage renewal proposition can be reached to vote on as a board on April 18, 2017. Discussion ensued regarding a graph detailing the makeup of the sales tax rates throughout the Parish. The Director reminded the members that the meeting was to consider ad valorem tax, but expressed opinion of not having a lot of head room in the future with a sales tax, so it puts pressure on the District to keep up the 7 mills.

A motion was made by L. Andolsek, seconded by R. Pitre, to take sales tax off the table for the purpose of this meeting and focus on the millage. On call for discussion, the Director stated that the sales tax information was provided for discussion purposes only. Discussion ensued regarding the tremendous growth within the District and the ability to regain the revenue in a short time even if the millage is reduced at this time, but possibly consider extending for a longer period. The members were reminded that this is a high maintenance place to live. The Director suggested that there was no need for any vote on anything at this meeting and that a vote on a sales tax was out of order as it was not advertised as an item to be voted on resulting in withdrawal of the motion by Commissioner Andolsek and the second by Commissioner R. Pitre.

Legal/Development Committee Chairperson Tuck requested discussion on the current revenue stream from the current mills. The Director explained that 12 mills of ad valorem tax for this District for the 2016 tax roll totaled \$4.156M; that equates to \$346,361 per mill. The breakdown of the total is \$1,731,803 constitutional 5 mills and \$2,424,525 voter approved 7 mills. He added that the ad valorem revenue has historically increased over time. The Director then stated that the District collects an average of \$201,632 per month in sales tax, totaling \$2.4M per year; adding that the District's quarter cent sales tax in one year equals about 7 mills revenue. The recent bond issuance brought in \$13.5M in proceeds and the District will be paying back about \$1M per year for 20 years. Other factors to consider include the possibility of future bond issuances, pursuit of state matching funds, and the fact that if the millage rates are adjusted down due to an increased reassessment value, the board does not have to roll forward, but the option would be there to bring in more revenue. In response to L/D Chairperson Tuck questioning the breakdown between O&M and Capital projects in the budget, the

Director stated that the millage revenue all goes into general funds, and historical operational expenses (including maintenance, insurance, and legal) exceed the revenue derived from the constitutional 5 mills; therefore, the revenue from the 7 mills contributes to the operations of the District. Upon questioning of the actual proposition, Jason Akers, from Foley & Judell, stated the proposition would be considered a millage renewal provided the purpose is stated exactly as the 2007 proposition and the mills are not increased, but it does not apply to the term and there is no limit on the number of years. The Director elaborated on the term as related to future bonding. He explained that the District currently has a lot of engineering contracts in the works, but permitting is the big factor in getting another package of bondable projects together and that could take 3 – 5 years. A term of 20 years would be acceptable, but perpetuity would be most attractive to the bond market. Mr. Akers explained that rates in public finance work similar to a mortgage and it is typical to see a bond issue up to 30 years for levee districts. Discussions then ensued regarding the overall millage rates in Lafourche Parish as the highest in the general area and any consideration of lowering the mills would be in good faith for the citizens, but with all of the coastal and flooding issues it would seem the public would be in favor of a millage renewal for the District. Commissioner Andolsek pointed out that if the District could be successful in a millage renewal of 6 mills, the trend shows the revenue could get back to the current dollar amount in about two years. The commissioners present were asked to comment individually on the board considering a millage renewal proposition of 6 mills for 30 years and they were generally in favor of offering that for consideration by the Board at the upcoming board meeting.

The Chairman called for public comments; there being none, the meeting was unanimously adjourned at 6:12 PM.

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Cory Kief, President

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Dwayne Bourgeois, Director