

# **Minutes** of the meeting of the **North Lafourche Conservation, Levee & Drainage District Finance and Priority Committee Meeting**

Date: **Monday, February 11, 2019**

A meeting of the Finance & Priority Committee of the North Lafourche Conservation, Levee and Drainage District was called to order by Chairman Kenney Matherne at 4:00 pm on Monday, February 11, 2019. The meeting was held at the District's office at 3862 Highway 1 in Raceland. The Chairman called roll. Members present were Kenney Matherne, Louis Andolsek, Joni Tuck, and Adley Peltier. Ad hoc, Non-Voting Member Cory Kief arrived at 5:05 pm. Also present were: NLLD Executive Director Dwayne Bourgeois; NLLD Project Manager Arthur Ostheimer; NLLD Administrative Assistant Madonna Viguerie; and Commissioner Rodney Foret.

Committee Chairman K. Matherne turned the meeting over to the Executive Director to guide the committee through review and discussion of the recommended revisions for the 2019 Budget. The Director went through the documents provided in the meeting packets. The Director stated that he sent out sales tax data, adding that some neighboring levee districts are not meeting their projections; however, NLLD sales tax for the last quarter of 2018 had substantial month to month increases. The Director reported that the NLLD is lowering mills, and 2019 will be the first time assessing 11 mills instead of 12. For 2020 estimates, NLLD projected a conservative increase for property assessment but shouldn't see a big change even with reduced mills. Both revenues are steady and strong. Next, the Director discussed the Budget Revision Worksheet with the starting cash balance at \$17,666,802.65. He explained in detail all revenues for the 2019 calendar year and the Expected Revenues total is \$15,052,476.00. When looking at Operating Expenditures, the Director stated that Information Technology (IT) has a big increase this year and a big portion of that is the GIS hosting along with the pump station monitoring and a couple of new computers. Commissioner Tuck asked if there is a cost share with another entity on this and the Director responded that credits might be a possibility, but it would have to be functional and producing data to share. The Director advised the committee that the revised budget includes salaries and benefits for two new NLLD employees. The volume of work and responsibility of the public's funds has brought about the need for additional employees. The Director explained the roles that these employees would serve. The Director moved on to other operating expenditures, stating Legal has increased a little because of land acquisitions. For Equipment Operations, there are changes in consumables in NLLD operations as predicted with the newer and older machines. The repairs and maintenance of Equipment has an increase in the budget. The reason for this is because NLLD is keeping the deep-water marsh buggy onsite as NLLD's contribution to Reach K&L efforts. That buggy working at K&L represents a contribution of \$2,500/day. Travel and Mileage are increased due to the continued push of the Morganza-to-the-Gulf efforts. The vehicles fuel and accessories are up because the NLLD is seeking a new truck to better accommodate the needs of the district, while keeping the old truck for use by Project Manager Ostheimer when

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he goes out to project sites. The Director continued on to Consulting-All, which has an increase. He gave an explanation of the items included in each of the consulting expenditures (accounting, engineering, I.T., and other). There is an increase for shop and field supplies to allow \$12K for locks to prevent trespassers on the levees. He added that this is being coordinated with Lafourche Parish Sheriff's Office in order to have better control of access. Flood Fighting Supplies is a new item on the budget. NLLD is preparing to get HESCO bags and other items used in emergency situations. He added that it will be a two to three-year effort to get to the preferred inventory. Right of Way (RoW) Levee Vegetation Control for \$262K is a combination of mechanical vegetation control and inspection, grass cutting and aerial spraying, adding that NLLD pulled back on RoW Vegetation Control last year and needs to catch up and do more aerial spraying. The budgeted operational expenditures total is \$3.2M. Discussion ensued with Commissioner Andolsek expressing his concern of an increase in operating expenditures and he does not want the district to set a precedence of such an increase without reason. He stated the income is projected to increase but not at that rate and once the bond money is spent, there will be less work which is a concern when considering hiring new employees; although he doesn't doubt office help is needed at this time. Director Bourgeois stated that NLLD has additional bonding capacity. Commissioner Tuck added to the discussion stating that she does not see the workflow slacking off with the bonding capacity and the GOMESA money coming in. She added that she has also seen where other entities were tasked to do large things, but not capable of producing the necessary outcome because of limited staff and she doesn't want to see that happen to NLLD. Director Bourgeois stated that he put a lot of thought into hiring two employees and having two is important to increase efficiency; compared to the adjacent levee districts, their revenues aren't that drastic above this district's and yet they have more employees. Tuck suggested considering employees hired through a contract service. The Director said there are pros and cons to contracting someone. The Director added that by him having help from a new employee will result in getting more revenues for the district. The NLLD Finance Committee agrees that the budget for consulting is very high and requested to have it broken down into more detail for the next Finance Committee meeting. Director Bourgeois responded that he will explain in more detail of what is in Consulting. The meeting switched to a discussion on equipment. Director Bourgeois stated the equipment repairs is up especially because of a track job on the CAT/Wilco, but without that machine, NLLD would have to spend \$2,500.00 a day for a machine at K&L. The meeting moved forward to the mandated Debt Service on the bond of \$957K, resulting in \$28M available before capital projects. Director Bourgeois moved onto the Capital Projects section of the budget. He explained that the estimated project cost plus a contingency of 10% brings that total to \$22 million in Capital Projects, with an ending cash balance this year (2019) at \$5.6 million. President Cory Kief arrived at 5:05 pm. The Director quickly briefed Kief on the budget and got him up-to-date with the meeting and the plan to provide more details to the

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committee when meeting prior to the next board meeting. J. Tuck made a motion, seconded by L. Andolsek to defer the committee's recommendation of the 2019 Budget until the next Finance and Priority meeting preceding the Regular Board meeting on February 19, 2019. No discussion or public comment. Motion passed unanimously. The meeting was unanimously adjourned at 5:25 pm on motion by J. Tuck, seconded by A. Peltier.

/s/ Cory Kief, President

/s/ Dwayne Bourgeois, Director