

MINUTES OF THE INTERIM EMERGENCY BOARD
February 16, 2012

A public meeting of the Interim Emergency Board was held in House Committee Room 3 of the State Capitol on Thursday, February 16, 2012, at 9:00 a.m. All members of the Board had received the required prior notification.

ITEM NO.1;

The Honorable John A. Alario, Jr., Acting Chairman, called the meeting to order, and the Secretary called the roll to ensure a quorum.

Present:

The Honorable John A. Alario, Jr., Acting Chairman and Senate President
Mr. Paul Rainwater, Governor's Designee
The Honorable Jay Dardenne, Lieutenant Governor
Mr. Ron Henson, State Treasurer's Designee
The Honorable Chuck Kleckley, House Speaker
The Honorable Jack Donahue, Senate Finance Committee Chairman
The Honorable James R. Fannin, House Appropriations Committee Chairman

Staff Present:

Ms. Cynthia B. Duhon, Board Secretary
Ms. Danielle Babineaux Baker, Board Intern
Mr. John Davis, Director of Facility Planning and Control
Mr. H. Gordon Monk, Legislative Fiscal Officer
Mr. Travis McIlwain, Legislative Fiscal Office Section Director
Mr. Darrell Augustine, House Assistant Sergeant-at-Arms
Mr. Ty Marionneaux, Senate Assistant Sergeant-at-Arms

ITEM NO. 2:

With the beginning of a new four-year term of office, it was necessary for the board to seat its new members (Senator Alario, Senator Donahue and Mr. Kleckley) and elect a chairman and vice chairman. The Acting Chairman opened the floor for nominations for the office of chairman. Governor Dardenne nominated Senator Alario, and his motion was seconded by Mr. Henson. There were no other nominations, no opposition to the nomination and Senator Alario was elected chairman by acclamation.

For the office of vice chairman, Mr. Fannin nominated Mr. Kleckley. Governor Dardenne seconded that nomination, and no other nominations were offered. Without opposition, Mr. Kleckley was elected vice chairman by acclamation.

ITEM NO. 3:

At the October 10, 2010, meeting, the board approved two funding requests totaling \$1,310,000, seven scope changes to projects in Act 21 of 2010 and Act 28 of 2007 and two priority changes in Act 21 of 2010. All board action received the required legislative ratification. Mr. Henson moved that the minutes of the October 10, 2010, meeting, as printed and distributed, be approved and the results of the legislative balloting be officially recognized. The motion was seconded by Mr. Fannin and adopted unanimously.

ITEM NO. 4:

At it's meeting on June 9, 2011, the board approved the designation of 128 financial institutions as duly authorized state depositories and fiscal agents for the four-year period July 1, 2011, through June 30, 2015. No legislative action was required. A motion to approve the printed and distributed minutes of the June 9, 2011, meeting was made by Mr. Henson, seconded by Mr. Fannin and adopted unanimously.

ITEM NO. 5:

Ms. Duhon said that the Department of the Treasury, in a letter dated October 17, 2011, notified the board that it can appropriate up to \$22,616,245 in Fiscal Year 2011-12. As of today, that amount has been reduced by the board's operating budget of \$40,339. Since no meetings have been held in this fiscal year, there is a balance of \$22,577,906 available for funding.

Since releasing the agenda, one scope change for the Greater Baton Rouge Port Commission was submitted. Ms. Duhon said that all paperwork is in order, and recommended that it be added to today's agenda as Item No. 10 and subsequent items renumbered. Mr. Henson moved that the additional scope change be added as Item No. 10 and the subsequent agenda items be renumbered. The motion was adopted unanimously after it was seconded by Mr. Fannin.

She said that at today's meeting the board has three funding requests totaling \$2,970,825 and five scope changes and one priority change to the current and previous capital outlay bills.

ITEM NO. 6:

the Homeland Federal Savings Bank in Columbia and the Bank of Ruston in Ruston submitted a request that they be approved as a state depository/fiscal agent for the State of Louisiana. The State Treasurer's Office has recommended approval of both these financial institutions. The motion to approve both banks was made by Mr. Henson and

seconded by Mr. Fannin. It was adopted without opposition.

ITEM NO. 7:

The Office of Coastal Protection and Restoration submitted a request for \$600,825 (25% state share) to match FEMA funds (\$1,802,475) and Terrebonne Levee and Conservation District funds to finish flood and water control improvements to the Montegut levee in Terrebonne Parish. Mr. Davis said that the Division of Administration recommended approval of the request. The requested funds were originally approved by the IEB in 2004 for the project, but the project was put on hold because of the hurricanes and the Morganza-to-the-Gulf project. When the project was cleared to proceed by the Terrebonne Levee and Conservation District in 2009, it was learned that GOHSEP had returned the IEB funds. Subsequent discussions with FEMA determined that the FEMA funds were still available. Mr. Monk concurred with that recommendation. The motion to approve \$600,825 for the Office of Coastal Protection and Restoration was made by Mr. Fannin, seconded by Commissioner Rainwater and passed unanimously.

ITEM NO. 8:

The Southern University Board of Supervisors submitted a request for \$2 million to demolish four 60+ year old unsafe, deteriorated and obsolete dorms on the Baton Rouge campus. These dormitories have been empty for about six years, degrading to the point that they have created problems with vandalism, fires, and drugs and contain asbestos. They are near student housing and a danger to foot and vehicular traffic. There are no funds in the university's budget to cover the demolition cost, and demolition is not covered by capital outlay unless an existing building is being demolished to be replaced by a new building. In this case, no new buildings are being considered. Once the buildings are demolished, the area will be graded and remain an open area on the campus. Both Mr. Davis and Mr. Monk recommended approval of the request. Commissioner Rainwater moved that the \$2 million funding be approved to the Office of Facility Planning and Control for management and oversight on the project. His motion was seconded by Mr. Kleckley and was adopted unanimously.

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ITEM NO. 9:

The final funding request was for \$370,000 submitted by the Vermilion Parish Police Jury to construct and repair rock dikes along Freshwater Bayou and repair timber barriers in the Schooner Bayou area damaged by hurricanes and storms in order to halt saltwater intrusion and further deterioration of the shoreline. Mr. Davis said the original request was for \$330,000 and then amended by an additional \$40,000 to include the Schooner Bayou area. In reviewing the request, it was determined that some of the repairs would not be needed, and the request could be reduced by \$10,000 to \$360,000. Mr. Monk concurred with Mr. Davis' recommendation of funding the request at \$360,000 to the Office of Facility Planning and Control for management and oversight. When questioned, Mr. McIlwain said

that the gap has been eroding and is allowing saltwater intrusion to infiltrate the freshwater marsh area because of the drought. That is adding to the loss of shoreline. The motion to approve \$360,000 to the Office of Coastal Protection and Restoration for the Freshwater Bayou and Schooner Bayou repairs in Vermilion Parish was made by Mr. Fannin. The motion was adopted without opposition after it was seconded by Mr. Henson.

ITEM NO. 10:

The Greater Baton Rouge Port Commission requested that the scope of the description of its project in Act 22 of 2011 (36/P03-1038 on page 45 [FPC No. 36-P03-10-1]) in the amount of \$1 million from Priority 2 and \$2.2 million from Priority 5 general obligation bonds for infrastructure improvements including but not limited to roads, site work and potable water upgrades be adjusted according to the provisions of Act 766 of 2001 to include infrastructure improvements to the Inland Rivers Marine Terminal to allow port expansion into undeveloped property and include in the title "Inland Rivers Marine Terminal Dock and Access Roadway Construction Project." Governor Dardenne moved that the scope change be approved. Mr. Davis said money was amended into H.B. 2 last year under the wrong title, and the intention of this change is to be able to correct that error. The motion was seconded by Mr. Henson and passed without opposition.

ITEM NO. 11:

The Town of Stonewall requested that the scope of the description of its project in Act 22 of 2011 (50/MS8-1722 on page 99 [FPC No. 50-MS8-09-01]) in the amount of \$150,000 from Priority 1 general obligation bonds for planning and construction of the Rural Medical Facility be adjusted according to the provisions of Act 766 of 2001 to transfer the project to the Louisiana Coalition for Accessible and Sustainable Healthcare (LACASH), a not for profit corporation doing business as the "North DeSoto Rural Health Care Center, in order to combine the funds from both agencies for the one construction contract. In 2007, the capital outlay bill appropriated funds to LACASH for the health clinic construction. The town wants to shift the funds allocated to it for the same clinic to the nonprofit since it will be in charge of the construction. The scope change was approved unanimously after a motion was made by Mr. Fannin and seconded by Mr. Henson.

ITEM NO.12:

The Town of Vinton requested that the scope of the description of its project in Act 22 of 2011 (50/MU5-1710 on page 100 [FPC No. 50-MU5-01-01]) in the amount of \$250,000 from Priority 1 general obligation bonds for the planning and construction of the water treatment plant improvements be adjusted according to the provisions of Act 766 of 2001 to amend the project description to include Rehabilitation of Elevated Water Storage Tank, Site and Electrical Improvements. Mr. Davis said that the water treatment plant and storage tank are over forty years old. Last year they received a small grant and did some of the work in the plant but need to make improvements to the storage tank. There would

be sufficient funds in the current appropriation to complete the project. Mr. Fannin moved that the scope change be approved. The motion was seconded by Mr. Henson and passed unanimously.

ITEM NO. 13:

The Capitol City Family Health Center requested that the scope of the description of its project in Act 22 of 2011 (50/NBC-1665 on page 107 [FPC No. 50-NBC-04B-01]) in the amount of \$4 million from Priority 1 and \$250,000 from Priority 2 general obligation bonds for the acquisitions, planning and construction of two new federally qualified health centers to provide health care to underserved populations in Ascension and East Baton Rouge Parishes be adjusted according to the provisions of Act 766 of 2001 to allow the use of these funds for modifications to the completed East Baton Rouge clinic without impacting the almost completed Ascension Parish clinic. The FY 12 appropriation to the Health Center includes in the title both East Baton Rouge and Ascension Parishes. The capital outlay request indicates the FY 12 funds would be used at the Ascension facility, which is just about complete. The Health Center wishes to use the FY 12 funds at the Baton Rouge facility. The motion to approve the scope change was made by Governor Dardenne and passed unanimously after it was seconded by Mr. Henson.

ITEM NO. 14:

The Department of Wildlife and Fisheries requested that the scope of the description of its project in Act 24 of 2003 (16/514-1299 on page 44 [FPC No. 16-514-02-01]) in the amount of \$23,806,900 from Statutory Dedicated Artificial Reef/Federal Funds for the planning and construction of the Marine Fisheries Investigations and Management Laboratory be adjusted according to the provisions of Act 766 of 2001 to allow with existing funds the expansion of housing capacity at the lab for 24 more people. Since the BP oil spill, additional biologists, researchers and enforcement personnel are required to be at the lab. Mr. Davis said the funds are available to provide the additional housing. Governor Dardenne moved that the scope change be approved. His motion was seconded by Mr. Henson and adopted without opposition.

ITEM NO. 15:

The Department of Economic Development has requested that \$6 million of the Economic Development Award Program for Infrastructure Assistance (Supplemental Funding) (05/252-1058 on page 12 in Act 22 of 2011) in Priority 2 be moved to Priority 5. The priority change would be contingent on the Bond Commission (1) rescinding \$6 million of the Priority 2 cash line of credit granted for the Economic Development Award Program (EDAP) for Infrastructure Assistance project, (2) rescinding a \$6 million I&I certificate approved by the Bond Commission on October 20, 2011, for the Department of Economic Development Wet-Lab Business Incubators project and (3) granting a cash line of credit

for the Wet-Lab Business Incubators \$6 million Priority 1 that would be re-established by the rescission of the previously mentioned I&I certificate. Mr. Davis said that after the I&I certificate was granted it was determined that the Wet Labs had obligations that had to be addressed. This is a very technical issue to try and resolve, and the first step would be moving the Priority 2 to 5 to grant a noncash line of credit thereby authorizing the project for the next capital outlay bill. The motion to approve the priority change was adopted unanimously after it was made by Senator Donahue and seconded by Governor Dardenne.

Ms. Duhon announced that the Board had approved three funding requests totaling \$2,960,825, five scope changes to projects in Act 22 of 2011 and Act 24 of 2003 and one priority change in Act 22 of 2011.

There being no further business to conduct, Mr. Henson moved that the meeting be adjourned by acclamation.

Respectfully submitted,

Cynthia B. Duhon
Board Secretary

Attachments: Funding fiscal analysis (10 pages)
Capital Outlay documentation (11 pages)