

LOUISIANA RECOVERY AUTHORITY
Board of Directors Meeting
Baton Rouge Community College
Louisiana Boardroom; Louisiana Building
Baton Rouge, LA
Monday, April 21, 2008

DRAFT MINUTES

I. CALL TO ORDER

Dr. Norman Francis, chairman of the Louisiana Recovery Authority (LRA), called the meeting to order at 9:15 a.m. at the Baton Rouge Community College in Baton Rouge, Louisiana. *(Note: Notices to the public and news media of the time and place of the meeting were given in compliance with the Louisiana Open Meetings Law.)*

II. PRAYER

A moment of silence was observed.

III. PLEDGE OF ALLEGIANCE

Dr. Francis led the Pledge of Allegiance.

IV. ROLL CALL

Ms. Fay Ayers called the roll.

Board Members Present:

Dr. Norman Francis, Chairman
Ms. Kim Boyle
Mr. John Brewster
Representative Karen Carter Peterson
Mr. Rene Cross
Mr. James Davison
Ms. Donna Fraiche
Mr. Jas Gill
Senator Cheryl Gray (Designee for
 Senator Sharon Weston Broome)
Mr. Tom Henning
Ms. Linda Johnson
Mr. Walter Leger
Dr. Calvin Mackie
Mr. Chet Morrison
Mr. Sean Reilly
Mr. David Richard
Mr. Virgil Robinson
Mr. John E. Smith
Mr. David Voelker

Board Members Absent:

Mr. Walter Isaacson, Vice Chairman
Rev. Harry Blake
Mr. Boysie Bollinger
Ms. Donna Brazile
Senator Joel Chaisson
Ms. Sibal Holt
Ms. Mary Matalin
Mr. Dennis Stine
Mr. Matt Stuller
Ms. Susan Taylor
Representative Jim Tucker
Senator Sharon Weston Broome

Staff Members Present:

Mr. Paul Rainwater
Ms. Fay Ayers
Ms. Lynn Bankston
Ms. Krystle Beauchamp
Mr. Dave Bowman
Mr. J.C. Ceaser
Ms. Lindsey deBlieux
Ms. Laura Deslatte
Ms. JoAnn Early
Mr. Kimon Ioannides
Mr. Wil Jacobs

Ms. Kim Jupiter
Ms. Robin Keegan
Mr. Ty Larkins
Mr. Darin Mann
Ms. Kristen Parnell
Ms. Dana Pitts
Ms. Marisa Robertson
Ms. Christina Stephens
Mr. Kris Van Orsdel
Ms. Alesia Wilkins-Braxton
Mr. Carl Williams

V. READING & APPROVAL OF THE MINUTES OF THE PRECEDING MEETING

Ms. Donna Fraiche offered a motion to approve the minutes of the December 11, 2007, LRA Board meeting. There being no comments or corrections, upon motion duly made and seconded by Mr. Walter Leger, the following resolution was unanimously adopted:

Approval of the Minutes and Ratification of Actions Taken at the December 11, 2007, Meeting of the LRA Board.

RESOLVED, that the minutes of the meeting of the LRA Board held on December 11, 2007, as presented at this meeting, are hereby approved and all actions taken by the Board presented at such meeting, as set forth in such minutes, are hereby in all respects approved as actions of the LRA Board.

Voting: Boyle, Brewster, Cross, Davison, Fraiche, Francis, Gill, Gray, Henning, Johnson, Leger, Mackie, Morrison, Peterson, Reilly, Richard, Robinson, Smith and Voelker.

Mr. Tom Henning offered a motion to approve the minutes of the February 12, 2008, LRA Board meeting. There being no comments or corrections, upon motion duly made and seconded by Mr. John Smith, the following resolution was unanimously adopted:

Approval of the Minutes and Ratification of Actions Taken at the February 12, 2008, Meeting of the LRA Board.

RESOLVED, that the minutes of the meeting of the LRA Board held on February 12, 2008, as presented at this meeting, are hereby approved and all actions taken by the Board presented at such meeting, as set forth in such minutes, are hereby in all respects approved as actions of the LRA Board.

Voting: Boyle, Brewster, Cross, Davison, Fraiche, Francis, Gill, Gray, Henning, Johnson, Leger, Mackie, Morrison, Peterson, Reilly, Richard, Robinson, Smith and Voelker.

VI. EXECUTIVE REPORTS

Chairman of the Board Report

Dr. Francis congratulated Ms. Donna Fraiche on her appointment as the Honorary Consul-General of Japan in New Orleans. He welcomed new Board members Mr. Jas Gill from LaPlace, Representative Karen Carter Peterson, and Senator Cheryl Gray, who was present as the designee for Senator Sharon Weston Broome.

Dr. Francis stated that much planning had taken place during the executive phase of the Louisiana Recovery Authority, which was important to the citizens for their recovery projects. There will be two resolutions presented for action: one resolution to reallocate Hazard Mitigation Grant Program (HMGP) funding for a statewide generator program, and one resolution to reallocate Social Services Block Grant (SSBG) funding for the Louisiana Family Recovery Corps.

Executive Director's Report

Mr. Paul Rainwater stated that the LRA was driving quality into the ICF contract while ensuring that people are treated fairly. All Road Home files must be corrected by April 24, 2008, or ICF will be penalized with the assessment of additional fines should the files not be corrected by May 9, 2008. He thanked Mr. Walter Leger for his assistance in demanding quality in the process. He added that the Inspector General had been asked to look at billing issues with the ICF contract.

He thanked Mr. Walter Leger and Mr. David Voelker for their assistance with the Louisiana Land Trust (LLT). The LLT leadership is taking a hard look at their budget as the state may have to repay some of the U.S. Department of Housing and Urban Development (HUD) ineligible costs. The LLT is working with the New Orleans Redevelopment Authority (NORA) and St. Bernard Parish on when the parishes can start maintaining the properties. They are also working on developing creative methods to get properties back into commerce. Any savings will be returned to the Road Home program.

Dr. Francis commented that the LLT had submitted a report at the last Board meeting. The main issue discussed was the cost of maintenance to the state until the properties are transferred to the LLT. He said all parties need to coordinate their efforts in order to eliminate duplication. He remarked that there would be between 15,000 and 20,000 homes managed by the LLT.

Mr. Rainwater explained that the LLT universe had been decreased to between 10,000 and 15,000 homes.

Mr. Walter Leger noted that the exact number of LLT properties is still unclear, but there are 5,000 to 6,000 properties in St. Bernard Parish, with approximately the same number in Orleans Parish. The remainder of the properties is spread out across South Louisiana.

Senator Cheryl Gray stated that a Senate Local and Municipal Committee expressed concern about the time it takes for ICF to process the paperwork to give legal possession of the properties to the LLT. This issue has not been resolved.

Mr. Rainwater pointed out that the LRA was in the process of tweaking the parish disposition plans. He informed the Office of Community Development (OCD) that the LLT needs to have legal authority and asked that the title paperwork issue be resolved immediately.

Senator Gray asked if something needed to be done legislatively.

Mr. Rainwater explained that the LRA was going to fund the LLT operation, whose original budget was \$360 million. The LRA will ensure that the funding is spent on eligible activities, and the Federal Emergency Management Agency (FEMA) will continue to demolish homes which will save the state some money. The LRA, the LLT and the parishes will work together to ensure the process is efficient and that issues are addressed as the parishes receive the properties.

Senator Gray asked who approves the LLT budget.

Mr. Rainwater remarked that the LLT budget is approved by the LLT Board, but it is up to the LRA to ensure the funds are spent wisely.

Senator Gray asked if the LLT budget would come before the legislature.

Mr. Rainwater responded that it would not.

Representative Karen Carter Peterson asked about the plans for the Orleans Parish properties and whether NORA was prepared to start receiving the properties.

Mr. Rainwater stated that Mr. Joe Williams, the chairman of NORA, is also on the LLT Board. He said there would be a phased-in approach and that the action plan provided for a five-year timeline for disposal; however, there is a possibility this will be decreased to a two-year timeline to avoid blight.

Representative Peterson said that she is on the Joint Legislative Committee on the Budget, and she would like to see the plan. She had heard about an \$18 million contract that was awarded to a Baton Rouge company. There had been 17 or 18 companies that bid on a grass-cutting contract and only one company got the contract. She said this raises a red flag and asked how this could happen.

Mr. Rainwater explained that the parishes let the contracts and the local area people were awarded the contract.

Representative Peterson asked if the legislature needed to provide direction.

Mr. Leger observed that this is a consequence of the public bid law. He said the contractor is doing a great job with most of the employees from the local area. If blighted property is seen, then it is privately owned and does not belong to the Road Home program or the LLT. He

suggested that the LLT establish a complaint number for citizens to call. The LLT will “own” the properties for a longer time, and the parishes must have the needed funding for maintaining the properties once they take possession. He noted that the LLT is appointed by the Governor, and funded by Community Development Block Grant (CDBG) funds provided by HUD so we have to follow their regulations. The New Orleans legislators need to work with NORA on getting the properties back into commerce without impacting the real estate market.

Representative Peterson commented that Orleans Parish was ahead of other parishes, and NORA is already going through the Request for Proposal process by neighborhood. Developers are submitting plans on how they will develop the properties.

Mr. Leger asked how we get the funds to the parishes.

Dr. Francis explained that we were working on the process.

Mr. David Voelker stated that he spent his youth cutting grass. He said it was of critical importance for New Orleans to pass the torch to NORA. There are some complicated issues, such as flooding the market, but the LRA needs to take care of its fiduciary duty.

Dr. Francis said a phased approach for properties was discussed at the February, 2008, Board meeting. Execution is our mantra.

Mr. Rainwater reiterated that he is meeting with NORA on a regular basis. He informed the members that the LRA and OCD are merging and there is value in having the two staffs together.

Mr. Sean Reilly stated that there were some difficulties in the past due to a dysfunctional organizational chart. He asked if the merger would solve this problem.

Mr. Rainwater said his new position allows him to bring people together in order to accomplish our goals.

Mr. Reilly asked if the buck stopped with Mr. Rainwater.

Mr. Rainwater responded absolutely. He said he has the staff to take care of problems, and that there will be a very simple organizational chart for the new organization.

Mr. Reilly commented that the days of finger-pointing are over. He said the merger will fix OCD, but what about the Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP)?

Mr. Rainwater said GOHSEP is built like a military organization, and we have been working well with them on HMGP and policy.

Mr. Reilly repeated that the buck stops with Mr. Rainwater.

Mr. Voelker said all bullets are pointed at Mr. Rainwater.

Dr. Francis explained that previously we only made policy; we did not have the authority for implementation.

Mr. Reilly stated that legislation was pending to change this.

Mr. Rainwater explained that he is in the direct chain of command with the Governor and OCD, but not at GOHSEP. There is a management committee that meets twice a week to discuss issues, and he has signature authority and can make decisions. The Governor wanted one person in charge. The LRA is moving on with implementation. We are working on changing the makeup of the Board, and feel that we can be very efficient with 13 members. Some members will be asked to continue to serve because of expertise in their field.

Mr. Rainwater said he had approved new benchmarks for ICF, which have been forwarded to Ms. Suzie Elkins and Mr. Mike Spletto for review. We have also restated our partnership with FEMA, and there will be no finger-pointing in the press as we move forward with Public Assistance (PA) projects. There are many issues to be addressed in the next two years. Charity Hospital is an example. A joint team was established and they did a walk through to determine the damage that was caused by the storm. The things that are not agreed upon will be written down and discussed in order to reach agreeable terms for moving forward. Also, the appeals process has been changed, and we can now do face-to-face appeals.

Recent milestones include a streamlined invoice process. Invoices that used to take 45-60 days are now being processed in 10-14 days. We are also prioritizing first responders. Some fire and police stations have not been rebuilt, and FEMA has agreed that this is a priority. We are developing processes to accomplish this.

The LRA has taken over the Louisiana Cottages program from the Louisiana Housing Finance Agency. Four cottages will be built at Jackson Barracks by the summer of 2008. We are also working with NORA on existing infrastructure for infill. There is a pilot project for 25 cottages to be built in New Orleans infill.

Senator Gray expressed concern over the cottages. She asked if there was any discussion with the people in the communities about the cottages.

Mr. Rainwater noted that we are working with the community, and the exteriors of the cottages can be adjusted. The grant application says 556 cottages will be built. This number can be adjusted downward; however, we have to go to FEMA with adjustments.

Senator Gray commented that the size of the cottage affects the budget.

Mr. Wil Jacobs explained that public input and buy-in is required for the Louisiana Cottages program.

Senator Gray asked when the first cottage will be started.

Mr. Rainwater stated that the goal is to have the first unit at Jackson Barracks started by June, 2008. Jackson Barracks is the easiest site to build on, and this will help to get the military presence back into New Orleans.

He commented that a recent meeting was held in St. Bernard Parish to discuss the fisheries infrastructure program. This has not been a perfect program, but some projects will be funded. Mr. Van Orsdel will be going to Washington, D.C. in the near future to request additional funding for this program.

Dr. Francis asked about the \$50 million received from Senator Landrieu's office.

Mr. Rainwater said those funds have been spent. He added that we are also working with the Department of Wildlife and Fisheries for additional funding.

Mr. Rene Cross said \$19 million for the fishing industry is not enough, especially when you consider the percentage of revenue invested in industry in the state. The fishing industry was hit hard and fishermen need more funding.

Mr. Rainwater explained that we are negotiating with the Department of Natural Resources (DNR), the Department of Wildlife and Fisheries, FEMA and the United States Coast Guard (USCG) for additional funding to remove marine debris. Mrs. Lynn Bankston is working with the local governments to identify where the debris is located. LRA is holding FEMA's feet to the fire, and meetings are held two to three times a week to address this issue.

Dr. Francis asked if the USCG would award the marine debris contract. He added that Louisiana is last in this effort, but we had more damage than any other state. We still have a long way to go.

Mr. Rainwater stated that we continue to work on this effort.

Mr. Cross commented that the \$19 million for fishermen is spent, and we are finished until additional funding is received. Marine debris is an ongoing effort.

Mr. Rainwater said he did not know why this happened as it did. In some cases, FEMA owes us information or we owe them information. We are on a tight deadline now, and we need data quickly. FEMA works off a budget just like the state. People would make a request; however, no budget data was included, so FEMA would return the request. We now have a task list and know who owes what to whom and when it is due.

Dr. Francis noted that Louisiana did not get enough initial funding. We should have been informed as to what we were not doing. People lost their boats due to marine debris, and Louisiana did not submit the correct documentation. We need to know this for accountability.

Mr. Kris Van Orsdel pointed out that if not for the LRA Board, there would have been no marine debris recovery. Both Mississippi and Alabama are finished with their programs. Louisiana needs an applicant, which would be DNR. Mapping is continuing in Louisiana so FEMA will have the information they need as to why we need more funding. An additional \$24 million has been set aside for mapping of debris points, which National Oceanic and Atmospheric Administration (NOAA) started this month. We are behind, but we continue to move forward.

Dr. Francis commented that the mapping has to be done. We are still concerned and the longer this program takes, the worse it is for the fishing and marine industry. This issue was originally raised in August, 2007.

Mr. Van Orsdel noted that we now have a top 30 list, and weekly meetings are held to discuss the status of the program.

Dr. Francis asked if the Board could provide assistance.

Mr. Rainwater said we are working on a project worksheet to provide management funds for DNR. We are also working with FEMA, and Governor Jindal will address this with Homeland Security Secretary Chertoff. We need to identify the glitches and work through them quickly.

Mr. Rainwater informed the members that Mr. Walter Leger attended a housing summit to look at a comprehensive housing strategy with federal and state partners. Social Services Block Grant (SSBG) funding is being requested to assist the Louisiana Family Recovery Corps. Currently, there have been 106,000 Road Home closings, for a total of \$6.2 billion in payments to the citizens. We are working with the legislators and with the Citizens' Road Home Action Team (CHAT) on rewriting the appeals process.

We are moving forward on homeowner elevations. CDBG elevation grants in the amount of \$30,000 started going out in the mail two weeks ago. In July, 2008, another HMGP elevation program will begin providing additional grants for elevation.

Mr. Rainwater welcomed Mr. Jas Gill to the Board. Mr. Gill is a leader in the chemical industry and was Mr. Rainwater's first boss in the private sector. He wished Mr. Adam Knapp the best of luck in his new position as the President and Chief Executive Officer of the Baton Rouge Area Chamber. He also congratulated Ms. Robin Keegan and Mr. Darin Mann on their new positions with the LRA.

Dr. Francis stated that current actions are no reflection on the past leadership of the LRA. Mr. Andy Kopplin could plead and cajole, but he did not have the authority that Mr. Paul Rainwater has been given.

Senator Gray said the deadline for residents to be removed from FEMA trailers is May 31, 2008. She asked how we can ensure that people have housing to relocate to. She requested information on the number of people in trailers in New Orleans, and the number of available rental units.

Mr. Rainwater noted that FEMA has stated that there are enough rental units available and rental assistance is being provided.

Senator Gray asked if there was something the individuals should be doing.

Mr. Rainwater said FEMA has a robust housing assistance center on the West Bank that covers everything. They are being aggressive in providing case managers to those remaining in trailers. One issue that remains is whether we are losing housing due to credit issues.

Senator Gray asked that the information be sent to her soon.

Dr. Francis said we need to clear up any misinformation; we need to know the specifics.

VII. COMMITTEE REPORTS AND ACTION ITEMS

Infrastructure Task Force

Resolution Requesting HMGP Reallocation for Statewide Generator Program

Mr. Paul Rainwater presented the resolution to reallocate \$30 million of HMGP funds to create a Statewide Generator Program to purchase generators for critical facilities of local and parish governments and to create regional generator holding facilities that will store and distribute mobile generators for emergencies across Louisiana.

Mr. Casey Levy of GOHSEP informed the members that the allocation of the generators across the state utilized a formula based on the parish per capita statewide.

Mr. Walter Leger added that the formula used the 2005 population statistics.

Mr. Leger offered a motion to approve the resolution to recommend the reallocation of \$30 million of HMGP funding to create a Statewide Generator Program, and to forward the resolution to the Louisiana Legislature for approval. The motion was seconded by Mr. Virgil Robinson.

Approval of the Resolution to Reallocate \$30 Million of HMGP Funds for the Creation of a Statewide Generator Program to Purchase Generators for Critical Facilities of Local Parish Governments and to Create Regional Generator Holding Facilities that will Store and Distribute Mobile Generators for Emergencies Across Louisiana, and to Forward the Resolution to the Louisiana Legislature for Approval.

RESOLVED, that the Board accepts and approves the resolution to reallocate \$30 million of HMGP funds for the creation of a Statewide Generator Program to purchase generators for critical facilities of local parish governments and to create regional generator holding facilities that will store and distribute mobile generators for emergencies across Louisiana, and to forward the resolution to the Louisiana Legislature for approval.

Voting: Boyle, Brewster, Cross, Davison, Fraiche, Francis, Gill, Henning, Johnson, Leger, Mackie, Peterson, Reilly, Richard, Robinson, Smith and Voelker.

Mr. Jas Gill asked the level of mitigation and if there was an alternative option.

Mr. Levy explained that the intent of the resolution was to get the generators to the parishes so they can move the generators to where they are needed.

Dr. Francis asked if the generators would be stored where they would be affected by a disaster.

Mr. Gill added that generators have to be tested on a monthly basis to ensure they are in working order.

Mr. Rainwater stated that a preventive maintenance plan is included, and there is an incentive for the parishes to maintain the generators so they will be ready for deployment by GOHSEP.

Mr. Gill said the requirements for maintenance will be an open issue. He asked if this is the full responsibility of the parish.

Mr. Rainwater pointed out that this is a seed program that is expected to be very popular. He said the budgets will be adjusted accordingly.

Resolution Requesting GOHSEP and FEMA to Explore Development of a Statewide Interoperability System and Urban Search and Rescue Teams

Mr. Paul Rainwater said the next resolution requests the staff of the LRA and GOHSEP to work with FEMA over the next 30 days to assess the viability of using HMGP funds to prevent future storm-related losses through investments in the best technology, equipment, and systems for communications interoperability for first responders to respond to future local, regional, state, and national emergencies and disasters in the hurricane-affected areas.

Mr. Brent Mitchell, representing GOHSEP, explained that they are in the process of rebuilding the interoperability infrastructure, which was analog previously. The new digital portable radios will allow for better communications. Another grant has been received for \$32 million for equipment for North and Central Louisiana. The most expensive item is the radio itself, and GOHSEP Director Mark Cooper has requested an allocation of \$10 million for the purchase of 5,000 radios, and \$7 million for the communications system. Governor Jindal is requesting \$3 million from the Legislature. Mr. Mitchell said they are currently performing a needs assessment prior to the development of the plan.

Ms. Donna Fraiche asked what channel would be used for emergencies.

Mr. Mitchell replied that the emergency channel would be used, but the radios would be compatible with other systems.

Mr. Sean Reilly asked if the radios worked on a closed or open system. He wanted to know whether the system would allow someone to assist during an emergency or if you would have to be on the state communications system.

Mr. Mitchell pointed out that the system is designed for first responders; however, additional radios will be purchased for distribution to volunteers.

Mr. Reilly said the government mandate is for a closed system, but if you are not in the system then you cannot participate. He asked that an open system be considered as we move

forward. He commented that an auction was recently held for the rest of the country, and we want to be compatible.

Mr. Mitchell explained that the radios could be programmed to communicate with the first responder system.

Mr. Jas Gill noted that interaction requires broader communication and industry depends on this.

Mr. Mitchell stated that he could not answer technical questions.

Dr. Francis asked that GOHSEP check into this.

Mr. Kris Van Orsdel commented that the resolution designates that we investigate all options available for the communications system. This is an important component in the preparation for future disasters.

Dr. Calvin Mackie stated that we need to consider multiple accessibility points and look for redundancy. We should not depend on one technology.

Mr. Mitchell said there are three portable communication towers that are self-sustainable.

Dr. Mackie added that solar panels also provide power.

Mr. Mitchell explained that there are self-containing generators in the system.

Mr. John Smith stated that the radios are an important part of the program, and that parishes do not have the funds to buy the radios.

Mr. Van Orsdel noted that we are engaging federal partners in looking at emergency preparedness and interoperability.

Mr. Chad Robertson, representing the St. George Fire District, said they use Urban Search and Rescue (USAR), which is a loose-knit organization that was started in 2005 and was deployed to New Orleans after Hurricane Katrina. They then teamed up with FEMA personnel and worked with several parishes after Hurricane Rita. The ultimate goal is to have USAR teams throughout the state. He added that the closest Type I task force is in College Station, Texas and Memphis, Tennessee, which includes a first strike component. There are different types of teams and they respond to various types of calamities - not just hurricanes.

Ms. Linda Johnson said she did not see the USAR component in the resolution.

Dr. Francis suggested that we amend the resolution to include USAR. He said we need to assess the interoperability systems available and approach the Governor and the legislators with the amount of funding necessary to supply the parishes if the HMGP funding is not sufficient. This amount needs to include the USAR team and additional mitigation measures.

Mr. Walter Leger noted that the first people he saw after Hurricane Katrina were Calcasieu Parish deputies, and two weeks later they were fighting for their own parish. The greatest

lesson learned after the storm was that communication was awful; VHF radio was the only form of communication. Implementation of an open, integrated system would have allowed for communication between the parishes. We need to do this quickly because hurricane season is right around the corner.

Dr. Francis offered a motion to approve the amended resolution to request LRA and GOHSEP staff to work with FEMA to assess the viability of using HMGP funds to prevent future storm-related losses through investments in the best technology, equipment, and systems for communications interoperability for first responders to respond to future local, regional, state, and national emergencies and disasters in the hurricane-affected areas, and determine if HMGP funds can be used to fund the creation of an urban search and rescue resource in Louisiana. The motion was seconded by Mr. Walter Leger.

Approval of the Amended Resolution to Request LRA and GOHSEP Staff to Work with FEMA to Assess the Viability of Using HMGP Funds to Prevent Future Storm-related Losses Through Investments in the Best Technology, Equipment, and Systems for Communications Interoperability for First Responders to Respond to Future Local, Regional, State, and National Emergencies and Disasters in the Hurricane-affected Areas, and Determine if HMGP Funds can be Used to Fund the Creation of an Urban Search and Rescue Resource in Louisiana.

RESOLVED, that the Board accepts and approves the amended resolution to request LRA and GOHSEP staff to work with FEMA to assess the viability of using HMGP funds to prevent future storm-related losses through investments in the best technology, equipment, and systems for communications interoperability for first responders to respond to future local, regional, state, and national emergencies and disasters in the hurricane-affected areas, and determine if HMGP funds can be used to fund the creation of an urban search and rescue resource in Louisiana.

Voting: Boyle, Brewster, Cross, Davison, Fraiche, Francis, Gill, Gray, Henning, Johnson, Leger, Mackie, Morrison, Peterson, Reilly, Richard, Robinson, Smith and Voelker.

Resolution to Approve East Baton Rouge Parish Long-Term Community Recovery Plan

Ms. Krystle Beauchamp, LRA Assistant Planning Director, reported that the reallocation of \$500 million to the Long-Term Community Recovery (LTCR) Plan was approved by the Joint Legislative Committee on the Budget on April 18, 2008.

East Baton Rouge Parish is requesting \$1 million in LTCR funding to address housing, education, economic, workforce development, sewer upgrade and traffic mitigation issues.

Ms. Donna Fraiche asked if East Baton Rouge Parish had submitted an updated plan to allow for additional projects that may qualify for funding from the recent reallocation of funds.

Ms. Beauchamp responded affirmatively.

Mr. Sean Reilly offered a motion to give final approval to the East Baton Rouge Parish Long Term Community Recovery plan. The motion was seconded by Ms. Donna Fraiche.

Final Approval of the East Baton Rouge Parish Long-Term Community Recovery Plan.

RESOLVED, that the Board hereby accepts and approves the East Baton Rouge Parish Long-Term Community Recovery Plan.

Voting: Boyle, Brewster, Cross, Davison, Fraiche, Francis, Gill, Henning, Johnson, Leger, Mackie, Morrison, Peterson, Reilly, Richard, Smith and Voelker.

Housing Task Force Report

Mr. Walter Leger reported that several Housing Task Force meetings had been held recently with both legislators and ICF representatives present. The pace of closings has slowed significantly because ICF is getting to the problem applications. The appeals process is being streamlined. Applicants did not know why they were awarded or turned down, so they did not know what to appeal. We have requested that everyone get their paperwork. Approximately 42% of those who appealed their awards received a higher grant.

The elevation program has been announced. If the applicant has a conventional home, they are eligible for a \$30,000 CDBG elevation grant, and they can also apply for a HMGP elevation grant.

Resolution for SSBG Reallocation to the Louisiana Family Recovery Corps

Mr. Walter Leger explained that the members would be considering a resolution to approve the reallocation of \$260,000 of Social Services Block Grant (SSBG) funds originally allocated to the Department of Social Services for management, oversight and technology enhancements to the Louisiana Family Recovery Corps (LFRC) for the purpose of providing services to FEMA-ineligible citizens who require recovery assistance.

Ms. Robin Keegan pointed out that there will be a resolution for consideration at the next LRA Board of Directors meeting requesting additional FEMA funding to address housing transition issues.

Ms. Marisa Robertson stated that a small number of people are technically FEMA-ineligible due to various reasons. The LRA is working with FEMA to define this universe and to understand why these people are no longer receiving FEMA assistance. We need to have LFRC ramp up their services for these people.

Mr. Leger offered a motion that the LRA Board approve and recommend to the Governor and the Louisiana Legislature for approval a plan to reallocate \$260,000 of SSBG funds originally allocated to the Department of Social Services for management, oversight and technology enhancements to the LFRC for the purpose of providing services to the FEMA-ineligible citizens who require recovery assistance. The motion was seconded by Mr. Jas Gill.

Approval of Resolution and Recommend to the Governor and the Louisiana Legislature for Approval a Plan to Reallocate \$260,000 of SSBG Funds Originally Allocated to the Department of Social Services for Management, Oversight and Technology Enhancements to the LFRC for the Purpose of Providing Services to the FEMA-ineligible Citizens Who Require Recovery Assistance.

RESOLVED, that the Board hereby accepts and approves and recommends to the Governor and the Louisiana Legislature for approval a plan to reallocate \$260,000 of SSBG funds originally allocated to the Department of Social Services for management, oversight and technology enhancements to the LFRC for the purpose of providing services to the FEMA-ineligible citizens who require recovery assistance.

Voting: Boyle, Brewster, Cross, Davison, Fraiche, Francis, Gill, Henning, Johnson, Leger, Mackie, Morrison, Peterson, Reilly, Richard, Robinson, John Smith and Voelker.

Ms. Linda Johnson said she noticed housing in the Lower 9th Ward that was being built but was not finished. She asked the status of public housing.

Mr. Leger replied that there was construction going on in upper Lower 9th Ward prior to Hurricane Katrina. These units were somewhat damaged due to flooding.

Mr. Virgil Robinson commented that disaster recovery has a different flow. Contractors may have different resources, and there is a different qualification process. These units are part of the grand scheme of rebuilding of affordable housing to replace the projects.

Ms. Johnson noted that there are 6,000 people in FEMA trailers and some of them are ineligible for assistance.

VIII. AGENCY STATUS REPORTS

Dr. Francis offered a motion to change the order of the agenda so we could hear the update from the Office of Community Development next. The motion was seconded by Mr. Virgil Robinson. The motion was adopted by a vote of 17 yeas and 0 nays.

Voting: Boyle, Brewster, Cross, Davison, Fraiche, Francis, Gill, Henning, Johnson, Leger, Mackie, Morrison, Peterson, Reilly, Robinson, John Smith and Voelker.

Office of Community Development – Disaster Recovery Unit

Ms. Robin Keegan noted that OCD had sent 68,000 letters to homeowners asking their interest in the HMGP elevation program. Homeowners have until the end of May, 2008 to express interest, and 7,000 have elected to elevate so far. We need to understand how much funding is needed for elevations.

Another issue is homes that were previously sold. There are 5,000 to 7,000 sellers waiting to see if they will be eligible for any grants, which hinges on how many elevations are expected. We are working on the policy for the elevations now. Meetings between the LRA, OCD and the public continue on the appeals process.

Mr. Walter Leger added that homeowner advocates are also included in the meetings in order to make it fair.

Ms. Keegan said the legislature will have to approve the elevation policy.

Ms. Donna Fraiche expressed concern about legal services to the poor. There is a huge backlog and no extensions are being granted. An article in the *Times Picayune* expressed outrage over additional monies going to ICF when people are trying to get successions cleared.

Mr. Leger noted that the original contract for legal services is under review by the Office of Contractual Review (OCR).

Ms. Fraiche said the contract has been at OCR since November, 2007. This needs to be resolved. People have been dealing with non-profit agencies in order to get legal services for the poor.

Ms. Keegan said she will check on the status of the contract and get back to Ms. Fraiche.

Mr. Leger asked if Mr. Rainwater had contract approval authority.

Ms. Keegan responded no; however, the Governor has the authority.

Small Rental Program

Mr. Wil Jacobs reported that over \$700 million in awards have been granted, while \$130 million is waitlisted and waiting for the second round. There is \$594 million in outstanding applications. This is a back-ended payment program, which means the applicants get reimbursed after construction of the rental units. Some landlords have an issue with this and have decided they no longer want to participate in the program. Some landlords do not have access to funding to complete their units. There is a major initiative that has been submitted for approval for a loan loss reserve for those who cannot qualify for typical loans. Landlords can get rehabilitation funding upfront so they can complete their units; however, this funding requires stringent certification and involves the duplication of benefits clause. We are looking at the program to see if the process could be streamlined so more landlords can complete the program.

Dr. Francis asked about the \$130 million that is waitlisted.

Mr. Jacobs explained that \$594 million has been committed but not funded, and the \$130 million is committed for those who are applying for the second round of the Small Rental Program.

Dr. Francis asked how much funding was still available.

Mr. Jacobs replied that there is approximately \$100 million in funding that is not committed.

Mr. Leger asked the demand for the program.

Mr. Jacobs pointed out that when the program was initially designed it was for owners of small one-to-four unit buildings. The second round was expanded to allow eligibility for new rental-unit owners and for larger unit buildings. The applications show that we satisfied the demand for the first round of applicants.

Mr. Leger noted that the Housing Task Force will review a plan at the next meeting to put \$75 million into a first-time homeowner program.

Dr. Francis asked how much funding is available for this first-time homeowner program.

Mr. Leger said there is \$75 million from the Small Rental Program which would be reallocated to create a soft-second mortgage loan program that gets paid back when the house is sold. The program will encourage renters to become homeowners.

Dr. Francis stated that the Jeremiah Group had previously complained about moving any funds from the Small Rental Program.

Mr. Leger noted that the Jeremiah Group was driving the soft-second program in order to get people into home ownership.

Mr. Jacobs added that it is the same target population of low-to-moderate income. The soft-second program will also help to revitalize some neighborhoods.

Dr. Francis said we need to do everything possible for renters, but we need to provide for homeownership also.

Mr. Virgil Robinson asked if the awards have a sunset, and if there was any way to measure how much of the \$594 million committed was actually being worked on.

Mr. Jacobs commented that there is a nine-month time limit from the time the applicant receives a commitment letter. Extensions have been granted due to the state of construction and because we want the landlords to complete their units. We are working with those who have not received their commitment letters to determine the status of their outstanding application.

Mr. Sean Reilly asked how many units the \$594 million in commitments represents.

Mr. Jacobs responded that the \$594 million represents 12,792 units. The goal was for 15,000 units, and the program will reach this goal.

Mr. Reilly asked how much funding had been drawn down.

Mr. Jacobs replied less than \$5 million.

Mr. Reilly inquired if the applicants were having problems with credit and financing.

Mr. Jacobs explained that the units must be completed before the award is paid, and it is taking some time for the applicants to complete the renovations.

Mr. Reilly questioned how many applicants are actively pressing forward, and whether we need to provide enhanced credit to help the landlords.

Mr. Jacobs said about \$300 million in small rental projects are underway. He added that we will provide opportunities for up front progress payments.

Mr. Reilly asked if there could be a draw down if the applicant is working on the unit, and whether the credit enhancement can be used as collateral.

Mr. Jacobs stated that the small rental program applicants will only receive what they applied for; they will never get additional funding.

Mr. Reilly commented that he understood that a change would allow for some funding up front and that the commitment letter can be used at the bank for a loan.

Mr. Jacobs said further clarification is needed from the banks regarding lending to the landlords.

Mr. Reilly asked if the state's exposure is limited to the commitment letter. He wanted to know if something happened, such as a default, if the lender could go against an aggregate pool.

Mr. Jacobs noted that the ratio needs to be defined, as well as the pool. He added that it would not be a 100% reimbursement.

Mr. Virgil Robinson asked if conversations had been held with the banks.

Mr. Jacobs responded affirmatively.

Mr. Robinson asked if the funds could be placed into an escrow account to fund the renovations with the inspector in control of the funding.

Mr. Jacobs pointed out that this is being contemplated, but it would involve an additional apparatus.

Mr. Reilly asked if the community development banks had been included.

Mr. Virgil Robinson noted that the assets that we would be lending against have mortgages. If you plug in the lenders, they will be insulated with their collateral. If the banks are the officiators or releaser of the monies, then they will be protected. He added that he was unsure if he would be willing to accept a risk pool as a guarantee.

Mr. John Smith stated that resources are needed for counseling clients. Rental units in disrepair are a catastrophe to the owner. Lenders will need to be highly motivated to become part of this program.

Mr. Jacobs explained that 16 mortgage and financial counselors were recently hired to provide assistance.

Dr. Francis offered a motion to accept the report on the soft-second mortgages. The motion was seconded by Mr. Walter Leger.

Acceptance of the Report on the Proposed Soft-Second Mortgage Program.

RESOLVED, that the Board hereby accepts the report on the proposed soft-second mortgage program.

Voting: Boyle, Brewster, Cross, Davison, Fraiche, Francis, Gill, Henning, Leger, Mackie, Morrison, Peterson, Reilly, Richard, Robinson, Smith and Voelker.

ICF Update

Mr. Al Blankenship, representing ICF, said 76,000 letters had been mailed asking interest in the elevation program. The return percentage is solid, with 10,784 responses received, and of those, 8,080 are interested in elevating. He anticipates that 12-13% of the elevation applications will be accepted.

Mr. Blankenship said another \$47 million in second disbursements had been sent to mortgage companies, for a total of \$83 million in second disbursements.

Dr. Francis asked for a clarification on the percentage of responses to the elevation letter.

Mr. Blankenship explained that 70% of the responses received, or 8,080, were interested in elevating their houses. Some people expressly stated that they do not wish to elevate, and some people have sold their homes.

Ms. Donna Fraiche asked about those people who have already renovated their homes, and now they want to elevate. She also asked about eligibility for people who already elevated.

Mr. Blankenship noted that originally there was no mechanism; however, HUD made an exception for those who already started elevating to be eligible to apply for reimbursement if

they are willing to sign an agreement to meet the Advisory Base Flood Elevation (ABFE) standard within three years.

Representative Karen Carter Peterson asked how a homeowner is advised as to the most prudent action to take regarding elevation.

Mr. Blankenship explained that there is a maximum of \$60,000 available for elevation through two different grants: one is a CDBG grant and one is an HMGP grant. A Road Home applicant cannot have reached their \$150,000 maximum in awards in order to be eligible for the CDBG grant. Also, the HMGP grant is not considered to be a duplication of benefits.

Representative Peterson asked the average cost of elevating a home.

Mr. Blankenship replied that it costs more than \$60,000 to elevate a home, and it could cost up to \$150,000 per home. He said the low-to-middle income may benefit more from these grants than the higher-end applicant.

Representative Peterson noted that the purpose of these grants is to protect the properties from future disasters. She asked to what level the homes have to be elevated.

Mr. Blankenship said it varies. The ABFE is different based on the location of the home and the historical flooding data.

Representative Peterson asked who is advising the homeowners.

Mr. Blankenship stated that there is a call center that provides information required for elevation so the homeowner can make their decision.

Ms. Fraiche asked about a situation where a slab house is demolished and a new house is rebuilt elevated on the same property. Is there a provision for this situation in the elevation program?

Mr. Blankenship said this situation would be eligible. He explained that the HMGP elevation grant is a separate program with a different set of guidelines. The CDBG elevation grant program is for those in the Road Home program, with a prequalification that the \$150,000 maximum between the Road Home grant awarded and the insurance paid cannot be exceeded.

Dr. Calvin Mackie questioned if the HMGP grant includes weatherization, shutters, storm windows, and other mitigation items.

Mr. Blankenship noted that funding up to \$1500 is being considered for individual mitigation measures, such as shutters and to raise hot water heaters. They are awaiting budget statistics.

Dr. Mackie observed that different homeowners are going through different things. They are not getting enough funding to fix their houses, so why should they raise a broken home?

Representative Peterson stated that she is not interested in doing another program with ICF. She said people are tired of ICF and do not want an extension of what happened in the past. She added that people are concerned and they want to move in a different direction.

Mr. Walter Leger shared his impression that people have repaired but have not elevated. He said the elevation program may be undersubscribed.

Dr. Francis stated that we need to make sure people have the confidence to pursue elevations. He hoped the letter would encourage people to respond; however, 13% response so far is very low. He wondered if people have given up.

Mr. Blankenship explained that 13,000 applications are for elevation grants only. These people did not get an additional compensation grant, and they have never been to a closing. Their covenant will be different, and this group will have a higher percentage of participation.

Discussion on the LSU-VA Hospital

Ms. Kim Boyle said she had asked Secretary Alan Levine of the Department of Health and Hospitals (DHH) to give an update on the status of the Louisiana State University/Veteran's Administration (LSU/VA) hospital. She has seen several articles in the newspaper concerning the status, and Governor Jindal has renewed his commitment to this project. There is a minimum of a five-year timeline for the hospital, and we are losing days while discussion on the project continues.

Mr. Anthony Keck, DHH Chief of Staff, said Secretary Levine was sorry he could not be present. They have met with LSU and the VA, and a joint statement was released from Dr. Fred Cerise and Secretary Levine supporting the creation and building of the medical center at the site chosen in New Orleans. The business plan is being reviewed by DHH and LSU, as well as other interested participants, such as Tulane. The focus is on the cost, scope and the size of the hospital. This review will not slow the process, and by working together, he thinks they will come up with an analysis that everyone will be happy with.

Ms. Boyle noted that she has elderly parents in New Orleans and she is a native of and currently resides in New Orleans. She said the absence of the hospital has had an impact on the citizens of New Orleans, especially the poor. She noted that there is a 60 day process to challenge the assumptions, and she asked when the 60 day period would end.

Mr. Keck commented that they want to move ahead with land acquisition and design. The VA has hired a design firm and LSU wants to hire the same firm. The contract is at the Division of Administration for approval. The design work is independent of the exact size of the facility as they can build "up" versus "out", and the shared infrastructure can continue throughout the design phase. He said everyone needs to agree on the bed size, and an analysis was performed to determine this number. That is what is being conducted in the 60 day timeframe. The consultants submitted a list of questions that are currently being answered. A promise was made to the Speaker of the House that this would be resolved before the end of the 2008 Regular Session.

Ms. Boyle remarked that the citizens in New Orleans are concerned, and she is not sure if things are reported properly in the newspapers. She was glad to hear that the issue would be resolved before the end of session and that the Secretary of DHH is committed to having the facility built in New Orleans in conjunction with the VA.

Mr. Walter Leger interjected that the LSU Health Sciences Center is not just for health care but is fundamental to economic development. A research and academic facility is needed in New Orleans. He explained that Price Waterhouse conducted a study 1-1/2 years ago that took a portion of the standard metropolitan statistical area (SMSA) data and put it into another part of the state. The numbers were different then, but numbers can be used to prove anything. We need to use numbers projected for the future rather than look at numbers from the past.

Mr. Keck pointed out that he was a New Orleans resident until just recently, and he has been in the health care field since the 1990's. He is passionate about health care in New Orleans, but everyone has to agree.

Ms. Donna Fraiche recently met with the Louisiana Health Care Commission and Dr. Fred Cerise. Some questions were raised about the delivery of services by primary care facilities after Hurricane Katrina. The downtown complex will take five years and people in New Orleans need to have health care services delivered, even without the charity system.

Mr. Keck said he was aware that there are questions about the system, which is a mix of different types of care. We need to understand what is delivered at primary care clinics and at safeguard facilities. We need to look at the cost, size and scope of a teaching facility for both the public and private sector. We also need to look at systems issues and what happens as technology progresses.

Ms. Fraiche commented that she thought \$300 million in CDBG funds had been allocated for the LSU/VA complex.

Mr. Keck said he could not answer this.

Mr. Leger informed the members that the legislature allocated \$300 million for the purchase of the land as a swap to fill the shortfall in the Road Home program.

Ms. Fraiche remarked that she would like to know where the funding will come from.

Dr. Francis stated that we set aside the \$300 million for the property, as was suggested in the Price Waterhouse study. We need a total system of healthcare that could be a model for the rest of the country. Senator Joe McPherson, Chairman of the Senate Health and Welfare Committee, told the LRA that we could not dictate the health policy for LSU, and we were chastised for asking LSU for a business plan.

Mr. Sean Reilly said it was important that the new administration understand the history behind this project. The previous study recommended an academic research facility in downtown New Orleans. We received \$300 million as a placeholder, but that funding was used for the Road Home shortfall and is no longer available to us.

Ms. Fraiche questioned the role of the LRA with regard to the hospital.

Dr. Francis explained that we never dictated how large the hospital should be. We were committed as the recovery representative, and we got our hands slapped for meddling.

Ms. Boyle pointed out that she thought our role was to be the policy maker; we receive information and address constituent's concerns with regard to the status of the hospital. We have an obligation to receive information and report back to the citizens that were impacted.

Mr. Kris Van Orsdel exclaimed that it is critical that we know how much we will be reimbursed from FEMA. The condition of Charity Hospital was terrible after Hurricane Katrina, and the building has continued to deteriorate over the past two years. We have to address the revenue stream because the hospital is a standard bearer for the city.

Mr. Reilly stated that public assistance (PA) is under the LRA authority and we are responsible.

Mr. John Brewster asked if the consultants would evaluate the business plan.

Mr. Keck said the consultants are looking at the numbers and they are also looking at the fundamental structure and model issues that go into the scope of the program. Many people talk averages and we do not want an average hospital. We need to look at the academic programs and the specialties that are required.

Dr. Francis asked what the DHH Secretary would like. FEMA has the responsibility to repair a damaged building, but we do not want to rebuild the hospital to its previous condition.

Mr. Reilly asked who was responsible for PA funding.

Mr. Van Orsdel explained that we share this responsibility with GOHSEP. The state has offered \$30 million and the FEMA bid is \$200 million.

Mr. Reilly asked if this will come before the LRA Board of Directors for approval.

Mr. Van Orsdel said he will keep the Board members informed as we move forward.

Mr. Jas Gill noted that it is not just service response time; we need doctors. We also lost the trauma facilities. We need quality of service, but we are having a difficult time recruiting.

Mr. Walter Leger in the Chair.

Representative Karen Carter Peterson asked if the Board was going to provide additional funding for the hospital.

Mr. Leger remarked that there is no more funding.

Representative Peterson commented that the consultants were hired by FEMA and LSU, but this has not gone through the Office of Contractual Review. How can we move forward with the process when we do not have a design team hired?

Mr. Keck pointed out that the contract is at the Division of Administration, and they have committed to continue with this project quickly.

Representative Peterson asked the amount the consultants will be paid and how they were selected.

Mr. Keck said he did not know how the consultants were selected, but the contract will be approximately \$48,000.

Representative Peterson questioned how much Price Waterhouse was paid, but Mr. Keck did not know.

GOHSEP

Mr. Mark Cooper, GOHSEP Director, and Mr. Mark Riley, GOHSEP Assistant Deputy Director of Disaster Recovery gave a PowerPoint presentation on the PA activities over the past 10 months. He said the total spent on PA projects will be in the \$8–10 billion range once the program is completed.

Mr. Mark Riley said the PA process is cumbersome because they are at loggerheads with FEMA on policy issues affecting recovery. We need to move along at a much quicker pace. One issue is the Fair Labor Standards Act (FLSA) requirement for overtime for the firemen during the disaster. We need to look at the FLSA for all emergency responders. Another concern was the timeliness of getting the funds disbursed to the citizens. The process was changed to an Express Pay System, and now it takes an average of eight days from the time the application is received until the funds are awarded.

Mr. Mark Riley stated that progress had been made with the FEMA appeals process by moving this function from the Transitional Recovery Office in New Orleans to Memphis for independent team review. The first two oral hearings were recently held with FEMA headquarters, but the results have not been received. A total of \$1.7 million in HMGP funding has been allocated to the parishes via grant applications. Also, \$750 million has been approved and/or obligated for projects submitted by OCD.

Mr. Sean Reilly asked what the LRA fiduciary responsibility is with regard to the PA program. He wanted to know if our procedures mesh with our new role as the Governor's Authorized Representative (GAR). He commented that we may need more community mitigation projects. The Road Home program was a voluntary hazard mitigation buyout program. Given the fact that some homeowners are elevating, should we spend funds on community mitigation rather than individual mitigation and buyouts?

Mr. Mark Riley pointed out that the funds are tied to the PA program. GOHSEP is in discussions with FEMA about raising the cap, but they are looking to the LRA Board of Directors to set the strategic guidance for the traditional HMGP program.

Mr. Sean Reilly commented that community mitigation may be more efficient.

Mr. Walter Leger noted that many who are eligible for the Road Home CDBG elevation program will not take advantage of the grant. He asked if they expect people not to participate in the HMGP elevation grant program.

Mr. Mark Riley explained that the HMGP elevation grants are more of a traditional program. The deadline is September 1, 2008 for elevation applications to be submitted.

Mr. Casey Levy interjected that properties could be added after September 1, 2008. The GOHSEP and LRA role is to expand the eligible programs, such as the drainage programs.

Representative Karen Carter Peterson asked if the New Orleans Sewerage and Water Board (NOSWB) would be eligible.

Mr. Levy said they are working on elevating the NOSWB pumping stations, but not everything at the NOSWB is eligible.

Mr. Leger pointed out that most of the damage there pre-dates the storm.

Mr. Mark Riley stated that the NOSWB is public assistance. GOHSEP is working with them on one application for a very complicated project.

Mr. Jas Gill remarked that the St. Charles Parish problem was the pumps because the generators did not work. He was not sure if the Generator Program was looking at sewage and pumping stations.

Mr. Levy commented that HMGP funds could be used to raise the pumps and the generator fuel tanks; these are eligible FEMA expenses.

Dr. Francis in the Chair.

Representative Peterson inquired as to where she could find out about future parish evacuation plans.

Mr. Mark Riley replied that the parish evacuation plans would be available through the Emergency Preparedness program.

Dr. Francis said there are some gaps and added responsibilities, in addition to the fiduciary responsibilities of the Board. He asked if we need to hear from legal counsel as to the extent of our responsibilities.

Mr. Sean Reilly asked if the Board needs to ratify the hospital contract should Mr. Rainwater sign off on it, or does the Board not have that responsibility.

Mr. Mark Riley said GOHSEP does not ratify any contracts, but they do have appeal rights if they do not agree with a contract. An added positive since the new relationship between the

agencies is that the LRA Board has a persuasive capacity and the Board carries weight when they speak to FEMA. Many issues are not statutory or regulatory, but policy only.

Dr. Francis said that if the Governor should ask us our recommendation, we want to know that we have the right to make that recommendation. Mr. Rainwater is the GAR, so when he speaks about an issue, is he the intercessor for the Governor versus the Board? Mr. Rainwater can keep the Board informed, but this is not what the Board is accustomed to.

Mr. Sean Reilly asked when the Board has a fiduciary responsibility to vote on expenditures. We do not sign off on negotiations. The Board is trying to understand the new working relationship and needs to know for what we are responsible.

Mr. Mark Riley said the Board is responsible for ensuring that the funds are spent on eligible activities, and that is the extent of its fiduciary responsibility.

Dr. Francis reiterated that the Board just wants to know who has the authority and responsibility to make decisions.

IX. UNFINISHED BUSINESS

There was no unfinished business.

X. PUBLIC COMMENTS

There were no public comments.

XI. NEW BUSINESS

There was no new business.

XII. ANNOUNCEMENTS

There were no announcements.

XIII. ADJOURNMENT

The meeting was adjourned at 1:30 p.m.

Respectfully submitted,

Paul Rainwater
Executive Director

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Date approved: _____