

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON JUNE 14, 2018**

PRESENT: Mark L. Morgan, Chair
Richard A. Luettich, Jr., Committee Member

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on June 14, 2018, at the Franklin Avenue Administrative Complex Meeting, Room 201, 6920 Franklin Avenue, New Orleans, LA. Mr. Morgan called the meeting to order at 10:00 a.m.

Opening Comments: Mr. Morgan commented on the proposed method to be used for the evaluation of insurance needs for the FPA's assets.

Adoption of Agenda: The Committee adopted the agenda as presented.

Approval of Minutes: The Committee approved the minutes of the Finance Committee meeting held on April 19, 2018.

Public Comments: None.

Regional Finance Director's Report:

Kelli Chandler, Regional Finance Director, provided the highlights of her report:

- Finance is continuing with the regionalization of systems, such as payroll, accounting and purchasing.
- Work continues on the project to automate the invoice receipt and routing process through Laserfische. Several meetings were held to review work flows and invoice processes (e.g., search features and assignment of records retention schedules). The next phase of the project includes development of a statement of work, scanning and electronically routing invoices for approvals. After the required processes are in place, a method will be placed on the FPA website for vendors to upload and submit invoices electronically.
- The Finance Department has taken over and automated the payment of all Police details.
- Notification was recently received from Capital One that the bank will be exiting the brokerage business in August, 2018; therefore, a decision will be needed regarding the FPA's investment portfolio. Ms. Chandler advised that she has begun preliminary discussions and began receiving quotes from other providers. Capital One will continue to hold securities after August; however, it will not add securities to

the portfolio. Ms. Chandler will continue reviewing options and provide a recommendation at next month's meeting.

- Ms. Chandler explained that she reviewed the manual developed for Grants Administration and provided feedback. Metrics are being developed relative to grants. The concept will be extended to other areas of Finance, such as the accounts payable process.
- The Louisiana Legislative Auditor's Office issued a Request for Proposals for the FPA's FY 2018 financial audit. Only one response was received. The manager at the responding firm was formerly the manager at Carr, Riggs at the time of its financial audit of the FPA; therefore, he is familiar with the FPA's system and processes.

New Business:

A. Report of budget to actual as of third quarter of Fiscal Year 2018 for the Flood Protection Authority (FPA), East Jefferson Levee District (EJLD), Orleans Levee District (O.L.D.) and Lake Borgne Basin Levee District (LBBLD).

Budget to actual comparisons were provided for the FPA and levee districts through March 31st. Ms. Chandler reported that revisions are required for the FPA and O.L.D. Fiscal Year (FY) 2018 budgets. Revisions are needed for the FPA budget due to the consolidation of payroll and insurance, and for the recent contract with the Human Resources Consultant. The O.L.D. budget must be revised due the payment of the GO ZONE bond debt service in August, 2017. The remaining levee districts were under budget primarily because the four percent budgeted merit increase was not granted in 2017 and unfilled vacancies. The O.L.D. Special Levee Improvement (SLIP) Fund budget was under budget (with the exception of the debt payment) due to delays in certain projects.

Mr. Morgan inquired about whether the overhead cost for the LBBLD would be reduced should the levee district be divested of the drainage and pumping responsibilities. Ms. Chandler responded that she did not anticipate a drastic reduction of the overhead expenses due to the small number of personnel involved. She estimated a savings of \$50,000 could take place for insurance coverage related to the pump stations.

B. Discussion of proposed revisions to the FPA FY 2018 Budget.

C. Discussion of proposed revisions to the O.L.D. FY 2018 Budget.

Items B and C were addressed under Item A.

D. Discussion of proposed selection of the Times Picayune as the Official Journal for publications as required under R.S. 43:171 for the FPA, EJLD and O.L.D. and the St. Bernard Voice as the Official Journal for the LBBLD for a one year term commencing on July 1, 2018.

Glenda Boudreaux, Administrator, advised that only two journals qualified in accordance with R.S. 43:171 to be the official journal for the FPA, EJLD and O.L.D. and only one journal qualified to be the official journal for the LBBLD. Quotes were requested from the Times Picayune and Advocate to include rate, a quote for the publication of an identical sample sent to both journals since rates are based on column inch and the journals utilize different column widths, and number of subscriptions. Although the column inch rate was less for the Advocate, the quote based on the sample was less for the Times Picayune. Therefore, the use of the Times Picayune would be at a lesser cost. Staff recommended the selection of the Times Picayune as the official journal for the FPA, EJLD and O.L.D. and the St. Bernard Voice for the LBBLD.

E. Discussion of completed Louisiana Compliance Questionnaires for the FPA, O.L.D., EJLD and LBBLD for the fiscal year ending June 30, 2018.

Ms. Chandler explained that the completed Louisiana Compliance Questionnaires are required by the Legislative Auditor's Office as part of the on-going audit. The questionnaires certify that the FPA and levee districts have complied with all laws, regulations and requirements.

F. Discussion of proposed amendment of Resolution No. 06-15-17-06 to name Lambert J. Hassinger, Jr., Mark L. Morgan, Robert A. Turner, Jr., and Derek E. Boese as Authorized Signatories for checks written on the CDBG account and any and all documentation related to the Office of Community Development – Disaster Recovery Unit's Community Development Block Grant funded project *HSDRRS Risk Assessment Planning Study & Operations and Maintenance Plan Redevelopment - B-06-DG-22-0001* retroactively as of June 1, 2016.

Chandra Chaffin, Grants Administrator, explained that a resolution was adopted by the Board authorizing signatories for checks; however, in reviewing documents for the close out of the two Community Development Block Grants (CDBG), CDBG advised that verbiage was not included relative to the close out documents. The proposed resolutions authorize signatories for the close out documents in addition to checks.

G. Discussion of proposed amendment of Resolution No. 12-15-16-04 to name Lambert J. Hassinger, Jr., Robert A. Turner, Jr., and Derek E. Boese as Authorized Signatories for checks written on the CDBG account and any and all documentation related to the Office of Community Development – Disaster Recovery Unit's Community Development Block Grant funded project CDBG award (ILOC #00015) retroactively as of June 1, 2016.

Discussion covered under Item F.

H. Discussion of proposed Intergovernmental Agreement between the EJLD and Jefferson Parish to receive FY 2017 State Homeland Security Grant Program funding in the amount of \$3,316.00 to purchase surface water operations equipment for use by EJLD Law Enforcement.

Ms. Chandler advised that the Intergovernmental Agreement would allow the EJLD Police Department to participate in some of the funds received through the FY 2017 State Homeland Security Grant. The funds will be used to purchase surface water operations equipment. Ms. Chaffin added that the agreement was reviewed by Executive Counsel.

I. Discussion of proposed Professional Services Agreement with Water Management Communications with a total not-to-exceed amount of \$65,000 to continue the development and implementation of the Education and Public Outreach Program and to provide on call back up media assistance for the period of July 1, 2018 through June 30, 2019.

Mr. Boese explained that the FPA has not yet hired a Public Information Director. Sixty-two resumes were received and are being reviewed for the position. Water Management Communications was under contract for FY 2018 to provide public information and educational services; in particular, the middle school program piloted in St. Bernard Parish. The proposed FY 2019 contract amount of \$65,000 includes funding for on call, as needed support until a Public Information Director is in place and thereafter as needed. The majority of the funding is for continuing education and outreach in order to expand the program piloted in St. Bernard Parish to Orleans and Jefferson Parishes, along with educational outreach through the production of videos for the FPA's website.

J. Report by Internal Auditor.

Louis Capo, Internal Auditor, advised that the President requested that he review the arrangement between the LBBLD and the St. Bernard Parish Sheriff's Office. The practice of reimbursing the St. Bernard Parish Sheriff's Office was put in place prior to Hurricane Katrina. The only written document that could be located was a 2012 letter stating that the St. Bernard Parish Sheriff's Office would provide the LBBLD with a deputy and the LBBLD would reimburse the Sheriff's Office for all costs associated with the deputy. The letter did not state the services that would be performed.

Mr. Capo explained that in reviewing documents and payments to the Sheriff's Office over the past year and a half, it was noted that one deputy was assigned and that four were maximum number of trustees that could be assigned to the deputy. Only on a handful of occasions was the deputy assigned four trustees. The majority of the time the deputy was assigned one or two trustees. The average cost associated with this service was between \$40,000 and \$45,000 per year. The Sheriff's Office was reimbursed for the deputy's cost for ten hours per day for four days per week, including benefits. Due to the time lost picking up the trustees, bringing the trustees back and forth for lunch, and returning the trustees at the end of the day, only six hours of work was provided. Trustee turnover was very high; therefore, efficiencies were not received by utilizing the same individuals.

Mr. Capo advised that Mr. Bose terminated the practice with the St. Bernard Parish Sherriff's Office as of April 30, 2018. Should the FPA desire to reconsider the practice, changes should be implemented and a beefed up agreement should be put in place that provides details on the services to be performed, number of trustees to be assigned and costs. He stated that he agreed with Mr. Boese' decision to terminate the program.

Mr. Boese advised that within days of learning the Internal Auditor's preliminary findings, the practice was terminated. He added that the practice may have been appropriate at some time in the past when the program was fully staffed, four trustees were provided each day and a full day's work was performed; however this has not been the case in recent years. Based on LBBLD's current financial situation, it was not practical to continue the practice. The funds previously allocated for the program are being reallocated in order to hire one or two full time levee maintenance employees.

Mr. Capo pointed out that trustees are not available to the LBBLD during a tropical event. In addition, there is an issue of liability having an individual who is not employed by the LBBLD driving a LBBLD vehicle.

There was no further business; therefore, the meeting was adjourned at 10:25 a.m.