

**MINUTES OF  
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST  
FINANCE COMMITTEE MEETING  
HELD ON SEPTEMBER 19, 2019**

PRESENT: Quentin D. Dastugue, Chair  
Mark L. Morgan, Committee Member  
Lambert J. Hassinger, Jr., Committee Member

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The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on September 19, 2019, in the Franklin Avenue Administrative Complex, Meeting Room 201, 6920 Franklin Avenue, New Orleans, Louisiana. Mr. Dastugue called the meeting to order at 10:00 a.m.

**Opening Comments:** None.

**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 August 15, 2019.

**Public Comments:**

Roy Arrigo requested that the ad valorem tax millage rates for the Orleans Levee District (O.L.D.) not only be rolled back, but that rates less than the rolled back rates be assessed to address the surplus collected in prior years. He stated that the surplus has caused Orleans taxpayers' money to be the target of other parishes and that without this surplus Orleans Parish tax monies would be less vulnerable. He explained that the reason the O.L.D. experienced annual surpluses is that in late 2011 the Coastal Protection and Restoration Authority (CPRA) contracted with the Rand Corporation for a study, which was due to be completed in May, 2012, to determine the costs for operating and maintaining the Hurricane and Storm Damage Risk Reduction System (HSDRRS) and how these costs would be paid. Former FPA Board President Tim Doody moved very quickly to go forward with a referendum to renew the Special Levee Improvement (SLIP) tax, which was not due to expire for several years. The SLIP tax renewal was passed by the voters in the election held in November, 2012. About two weeks after its passage, the Rand study was released. The Rand study stated that even with the increased operating cost of the new HSDRRS that Orleans and Jefferson would be running large surpluses each year. He speculated that the results of the Rand study were already known and that this was the reason the referendum was held at that time.

**Regional Finance Director's Report:** Kelli Chandler, Regional Finance Director, reviewed the highlights of her report:

- The FY 2019 Financial Audit is going well and no issues are anticipated. The only remaining item is the transfer of the non-flood protection fixed assets from the Lakefront Management Authority to the Orleans Levee District. The first draft of the financials are expected in the next couple of weeks.
- Drill Point, which was intended to be used for providing budget to actuals and tracking project costs, was found to be unstable. Therefore, staff began looking for another solution. After several software demonstrations, Spreadsheet Server, an Excel add-in, was identified as a potential solution. Spreadsheet Server can query multiple systems for data and combine the data in a single report. Development of designs to access data from multiple systems and training will take several months.
- Finance staff is focusing this month on determining how projects will be tracked and streamlining the process. Staff met to determine the information to be tracked by Finance and the information to be tracked by Engineering. The spreadsheets used for tracking contracts has been redesigned to include specific budget information and additional data/information required in the automating of invoice approvals and electronic storage of project related invoices.
- Staff is developing a system that would provide a working budget, which would allow tracking funding as it is identified for unanticipated expenses and provide more accurate information for the development of the next fiscal year's budget.
- The current Purchasing/Inventory software is not user friendly and does not provide sufficient reports. Meetings have been held to explore a more suitable solution. The new software should provide analytics, inventory turnover, purchasing order aging and various statistics.
- Staff is working to finalize invoice routing in Laserfiche. The next step is to obtain ACH information from vendors and notify vendors to submit invoices electronically. The data will be input into the system and ACH payments can then be made. Staff is currently cleaning up the duplication of vendors experienced when the data for the FPA and levee districts was consolidated.

### **New Business:**

#### **A. Discussion of the certification of Ad Valorem Tax Millage Rates for the Orleans Levee District for the 2020 tax rolls.**

Mr. Dastugue suggested that a Special Finance Committee meeting be held to address the O.L.D.'s Ad Valorem Tax Millage Rates. He requested that Ms. Chandler provide the following information at the meeting: an overall view of the current millages, the history of the millages, the rolled back millage rates and whether additional revenue is necessary. He commented that he has given thought to assessing rates that are less than the rolled back rates. The results of the meeting would be reported to the Board. The Committee concurred that a Special Finance Committee meeting be held.

Mr. Miller commented that in his discussions with Ms. Chandler and Derek Boese, Chief Administrative Officer, both advised that rolling the millage rates back to collect the same dollar value currently collected is sufficient to meet next year's plans and that an increase in revenue is not necessary. Therefore, he did not anticipate the FPA increasing the millage rates and supported Mr. Dastugue's suggestion for a special meeting.

Ms. Chandler estimated that the current revenue collections are approximately \$40 million for the O.L.D., \$10 million for the East Jefferson Levee District (EJLD) and \$3.7 million for the Lake Borgne Basin Levee District (LBBLD). Mr. Dastugue requested that a bullet point fact sheet be developed and distributed to the Committee. He added that a question that may need to be addressed is savings resulting from the consolidation of the levee districts.

Mr. Hassinger stated that as the Orleans Parish representative he is opposed to rolling forward the millage rates. He stated that he did not think that the additional money is needed, and even if the FPA concludes that it needs additional money, his position is that the FPA needs to look for ways to cut costs, trim expenses and become more efficient. Orleans Parish residents are taxed out and do not want to pay any more taxes. They expect government to provide services based on the revenues received.

Mr. Dastugue advised that he will work with staff to schedule the Special Finance Committee meeting. The meeting will be open to the public for questions.

**B. Discussion of a proposed Cooperative Endeavor Agreement between the FPA and St. Bernard Parish Government for the temporary assignment of employees.**

Mr. Boese reported that the meetings with Ronald J. Alonzo, Jr., Chief Administrative Officer for St. Bernard Parish Government (SBPG), have gone well. The FPA budgeted for eight pump station operator positions. Seven positions are filled and one is vacant. In light of the turnover anticipated in about three months, it would be difficult for the FPA to hire an eighth person to fill the vacancy. The proposed Cooperative Endeavor Agreement (CEA) would allow SBPG to hire the eighth pump station operator, once SBPG establishes the pump station operator positions through its Personnel Board and Parish Council (anticipated to take place in October), and the FPA to reimburse SBPG for the individual's salary and benefits until the full transition takes place. The proposed CEA addresses public safety and facilitates the transition.

Mr. Boese added that the FPA and SBPG Human Resource staffs will meet next week to brief the seven pump station operators concerning their options; e.g., retiring from the FPA with the opportunity to start new employment with SBPG or staying with the FPA in a new role. A timeline will be established so that employees provide their decisions in sufficient time for SBPG to address its personnel needs and for the FPA to determine alternate positions for employees wishing to remain. The FPA provided SBPG with its analysis indicating a need for twelve pump station operators. The FPA had not been

able to hire additional pump station personnel due to the LBBLD's budget constraints. Therefore, he anticipated that SBPG would hire more than eight pump station operators.

Ms. Chandler advised that she has been exchanging information with SBPG's Director of Finance and that they will meet tomorrow to review historical budgets and schedules. Details for the transfer of financial data and cash transfers are being worked out.

The Committee will recommend that the Board approve the proposed CEA.

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