

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON AUGUST 20, 2020**

PRESENT: K. Randall Noel, Committee Member, Acting Chair
Lambert J. Hassinger, Jr., Committee Member
Mark L. Morgan, Committee Member
Herbert I. Miller, President

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on August 20, 2020, in the Joseph Yenni Building, Second Floor Council Chambers, 1221 Elmwood Park Boulevard, Harahan (Jefferson), Louisiana. In the absence of Mr. Dastugue, Mr. Noel called the meeting to order at 10:50 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 June 18, 2020.

Public Comments: None

Regional Finance Director's Report:

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

- The on-going FPA financial audit is going very well. An email was sent to the U.S. Army Corps of Engineers (USACE) to obtain an updated value of the Hurricane and Storm Damage Risk Reduction System (HSDRRS), which will be part of the final audit report.
- The next phase of the Inventory and Purchasing Database redesign was started, which includes charting work flows and approval processes, simplifying part numbers, review of on-hand minimums and maximums, reorder points, units of measurement and assurance of good data.
- Six trainings were completed on the new report writing software (Spreadsheet Server). After design a report can be sent to managers and directors who can then update the report at any time with the most current data.
- Meetings continue with FEMA and the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) for closing out projects that go back to Hurricane Katrina. Staff is putting together documentation for an audit in September.

- Work continues on the automation of invoices. Most engineering invoices are now submitted online. Invoices are routed and payments are made electronically. The next phase rolls out the process for purchase order invoices and standard invoices not related to projects.

Ms. Chandler addressed the FY 2019/2020 Budget and ACH payments. Audit entries and accruals are still being made to the FY 2019/2020 Budget. Several times the limit for ACH transfers was exceeded due to the timing of payments for construction work such as the Seawall Erosion Control Project; therefore, the ACH limit is being evaluated. It was noted that funding for capital improvements not completed prior to the end of FY 2019/2020 is moved to the FY 2020/2021 Budget. The check signature policy is currently being used for ACH payments. A report of the payments for upload to the bank and a report from the bank are printed and signed. A staff member verifies via a telephone call with the vendor the authenticity and correctness of forms and voided checks submitted prior to entering the ACH data and a second staff member reviews the data entered into the system. Mr. Morgan asked that ACH procedures and controls be established in writing and submitted for approval.

New Business:

A. Discussion of the setting of the millage rate for the East Jefferson Levee District for calendar year 2020.

Ms. Chandler explained that two proposed resolutions were placed on the Board Agenda that: 1) rolls back the East Jefferson Levee District (EJLD) ad valorem tax millage rate from 4.01 mills to 3.88 mills, which allows collection of the same revenue as for 2019, and 2) rolls the rate forward to 4.01 mills. The FPA has the option to roll forward the millage rate at any of the four years (2020-2023) prior to the next reassessment. About \$350,000 of additional revenue would be generated by rolling the millage rate forward. Pilot projects have commenced for the Lakefront Levee Foreshore Protection Project, which is one of the biggest projects scheduled for the EJLD; however, there is not an immediate need for funding since the majority of the project's construction will occur in 2022.

Mr. Noel pointed out that due to COVID-19 pandemic impacts the citizens of Jefferson Parish would benefit from the millage rate not being rolled forward. Mr. Miller asked, with the exception of Capital Improvement Projects, would the EJLD have sufficient revenues to operate without the roll forward. Ms. Chandler indicated that the revenues would be sufficient. Mr. Miller stated that as the East Jefferson Parish representative he would encourage Board members to roll back the millage rate and not roll the rate forward. Mr. Hassinger concurred with Mr. Miller.

A motion was offered by Mr. Hassinger, seconded by Mr. Noel, and adopted by the Committee to recommend that the Board roll back the EJLD millage rate and not roll the rate forward.

Ms. Chandler informed the Committee about the ongoing discussions with the USACE regarding pre-Katrina work-in-kind (WIK) credits and amounts that may be due. Derek Boese, Chief Administrative Officer, explained that the discussions concern the EJLD and the Orleans Levee District (O.L.D.). The EJLD had an escrow account with approximately \$2 million set aside for the historical cost share for Pre-Katrina projects, such as levee lifts, going back to the 1980s and 1990s. The Board approved the drawdown of the escrow account about a year ago. The WIK credits for the EJLD have basically been settled; however, a question remains regarding LERRDs (Lands, Easements, Rights-of-Ways, Relocations and Disposal Sites). The FPA is of the opinion that the balance is close to zero; however, the USACE is unsure having some staff of the opinion that the EJLD may owe up to eight to ten million dollars. The USACE has not yet found the documentation needed for back up and to resolve the LERRDs issue. It was noted that the EJLD has a fund balance of approximately \$36 million. The review of the historical WIK credits for the O.L.D. go back to the 1960s.

There was no further discussion; therefore, the meeting was adjourned at 11:05 a.m.