

**MINUTES OF  
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST  
FINANCE COMMITTEE MEETING  
HELD ON APRIL 15, 2021**

PRESENT: K. Randall Noel, Chair  
Joe Hassinger, Committee Member  
Mark L. Morgan, Committee Member

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The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on April 15, 2021, in the St. Bernard Parish Council Chambers, St. Bernard Parish Government Complex, 8201 West Judge Perez Drive, Chalmette, Louisiana. Mr. Noel called the meeting to order at 9:30 a.m.

**Opening Comments:** Mr. Noel congratulated Kelli Chandler on her appointment to the position of Regional Director.

**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 March 18, 2021.

**Public Comments:** None

**Regional Finance Director's Report:**

Ms. Chandler reported that she, Derek Boese, Chief Administrative Officer (CAO), and Chris Humphreys, Director of Engineering, have been working on the transition and that she is working to fill the position of Regional Finance Director to expedite the transition in light of the upcoming preparations for hurricane season and Asset Management Software System implementation and the Louisiana Legislature being in session.

Ms. Chandler advised that she removed herself from access to all of the FPA's banking and investment accounts as far as transactions and that she advised Richard Kernion with Edward Jones that she would not be making any investment decisions or transactions without Board approval. A resolution will be presented for Board approval to update check signatories.

**New Business:**

**A. Discussion of adoption of millage rates and assessments for the Lake Borgne Basin Levee District for Tax Year 2021.**

Ms. Chandler advised that a resolution will be presented to the Board to recertify the Lake Borgne Basin Levee District (LBBLD) millage rates that were adopted last year. One of the voter approved millages expired in 2020 and can no longer be assessed.

The Committee voted unanimously to recommend that the Board certify the millage rates for the LBBLD for calendar year 2021.

**B. Discussion of proposed revisions to the FPA Investment Policy.**

Mr. Noel explained that the FPA Investment Policy has been revised in accordance with the Finance Committee's discussions last month. The revised policy was distributed to Board members.

The Committee voted unanimously to recommend that the Board approve the revised Investment Policy.

**C. Discussion of proposed updates to designated signatories for all Capital One Bank accounts and all LAMP account transactions.**

Ms. Chandler advised that the designated signatories for Capital One Bank accounts and LAMP account transactions have been updated to include the Regional Director in lieu of the CAO and to substitute the title Director of Risk, Safety and Facilities for Deputy CAO. Additional designated signatories are the Director of Engineering, President and Treasurer of the Board.

The Committee voted unanimously to recommend that the Board approve the updated designated signatories.

**D. Discussion of proposed renewal of Property Insurance for the Permanent Canal Closures and Pumps (PCCP) for a one-year period, commencing on May 4, 2021 and ending on May 4, 2022, with Starr Tech with a Limit of Insurance of \$129,620,000 at an annual cost of \$356,805.**

Rusty Kennedy, Director of Risk, Safety and Facilities, advised that the FPA proposes to renew the Property Insurance Coverage for the PCCP with Starr Tech at a 15 percent increase in premium. Market increases are currently 15 to 30 percent. The FPA reached out to other vendors; however, the options presented had a decrease in coverage and a higher cost. Staff did not elect to increase the named storm deductible from 3 percent to 5 percent since the premium saving was only \$28,000. On the smallest PCCP (Orleans Outfall Canal) the deductible would have increased from \$674,000 to \$1.1 million. The coverage limit is \$129,620,000 for the three PCCP facilities. He recommended renewal of the coverage with the current deductible.

Ms. Chandler advised that an increase in insurance premiums is budgeted each year.

Mr. Morgan explained that when the coverage limit was established the thought was that not all three pump stations would be destroyed as a result of the same event. The \$129 million of coverage can be used at any or all of the three PCCP facilities. The decision on the coverage limit was based on an analysis of the equipment and the facilities. The structures are designed to withstand a significant amount of force; however, an incident, such as a fire, could cause significant damage to the equipment.

Matt Byrd with Arthur J. Gallagher advised that equipment breakdown is the most significant component of the coverage. Risks include wind and hurricane, all other perils (e.g., fire), and other covered causes of loss. Ms. Chandler advised that risk probability was used as the basis for setting the deductible. The insurance provider obtained an extensive understanding of the facilities, equipment and nature of the operations. Mr. Byrd added that the carrier also generated a significant engineering report on the facilities.

The Committee voted unanimously to recommend that the Board approve the renewal of the insurance coverage with Starr Tech.

**E. Discussion of proposed retention of Robert Half Management Services to provide Financial Consulting Support for a period not to exceed six months at a cost not to exceed \$185,000.**

Ms. Chandler proposed bringing in two individuals from Robert Half Management Services to backfill the position of Regional Finance Director: the first to be at the comptroller level with responsibilities such as budget to actual analyses, presentations to the Board, reports to Directors and investments, and the second to be a senior level accountant primarily responsible for data cleanup and integrity, mapping, and other tasks that must be accomplished prior to implementing the Asset Management System Software. The goal for implementation of the new software is September 1<sup>st</sup> with Finance to be the first department to be transitioned.

Ms. Chandler advised that she did not anticipate needing the two individuals for the entire six-month period (May 1 – October 30). A six-month period was used due to the unknowns presented by upcoming storm season and to allow a learning curve. The proposed services would allow a couple of months for transitioning, posting and filling the Regional Finance Director position, and the transition to the new software system.

Mr. Noel asked did Robert Half Management Services have a no poaching clause, and, in light of the training required, could the FPA hire the individuals provided by the company. Ms. Chandler responded that the Robert Half Management Services is a nationwide financial staffing service that also provides system implementation services. She stated that she did not know whether the company had such a clause; however, Finance has several permanent employees on staff who have come from Robert Half Management Services. Michelle White, Executive Counsel, commented that the company could have anti-compete language; however, most companies such as Robert Half Management Services have the expectation of placing their people in permanent positions.

The Committee voted unanimously to recommend that the Board approve the retention of the services of Robert Half Management Services.

There was no further business; therefore, the meeting was adjourned at 9:50 a.m.