

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON FEBRUARY 17, 2022**

PRESENT: K. Randall Noel, Chair
Roy M. Arrigo, Committee Member
Eugene J. Joanen, IV, Committee Member

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on February 17, 2022, at the New Orleans Lakefront Airport, Terminal Building, Second Floor Conference Room, 6001 Stars and Stripes Boulevard, New Orleans, Louisiana. Mr. Noel called the meeting to order at 9:40 a.m.

Opening Comments: None

Adoption of Agenda: The Committee adopted the agenda.

Approval of Minutes: The Committee approved the minutes of the Finance Committee meeting held on January 20, 2022.

Public Comments: None

Regional Finance Director's Report:

In lieu of the Regional Finance Director's Report, Denise Businelle, Regional Finance Director, proceeded to Agenda Item A and provided a presentation on the 160-page draft FY 2023 Budget.

New Business:

A. Review of draft Fiscal Year (FY) 2023 Budget.

Ms. Businelle explained that operationally the total FY 2023 Budget is about \$210,000 more than the FY 2022 Budget. Capital Projects increased by about \$3.5 million. She reviewed the FY 2023 Budget by category and noted changes (increase or decrease) in relationship to the FY 2022 budget:

Total Entities:

- Personnel – Decreased about 7%. Budgeted positions were decreased by 30 positions due to the number of vacant positions that the FPA has had difficulty filling or keeping filled. The 2% market adjustment (Civil Service annual employee pay increase) was budgeted. Health insurance costs increased by 5%.

- Training and Travel – Decreased about 6%. Funding budgeted for FY 2022 has not been spent due to COVID related issues and cancelled training.
- Professional Services – Budget slightly increased primarily due to additional Public Relations costs.
- Contractual Services – Increased by \$1.1 million primarily due to higher insurance premiums and software costs for PRONTO.
- Equipment – Increased approximately \$684,000, which is a re-budgeting of FY 2022 funding due to delays in receiving vehicles and equipment.

Orleans Levee District:

- The proposed FY 2023 Budget is in line with the FY 2022 Budget and includes a 2% overall increase primarily due to higher insurance premiums and legal costs, which are offset by a decrease in personnel costs. 125 positions are budgeted, compared to 148 currently budgeted positions.
- Special Levee Improvement Project (SLIP) Fund Projects:
 - Outfall Canals: \$14 million - Slope Paving and Other Repairs
 - Lakefront: \$2.8 Million - Seawall Step Repair and Asphalt and Drainage Improvements
 - New Orleans East: \$750,000 - Bayou Bienvenue Access Road Improvements and Floodgate E-13 Sill Raising
 - Citrus Levee: \$150,000 - Hayne Boulevard Relief Well Drainage
 - Facilities: \$8.2 million - Franklin Facility field crew office renovations, drainage improvements, employee/visitor access improvements and other miscellaneous projects
 - Complex Structures: \$4.4 million - Dolphin Trip Repairs and Other Risk Reduction Measures
 - PCCP: \$525,000 - Security and Safety Modifications
 - Non-Flood: \$1.6 million - Orleans Marina Bulkhead Replacement-Phase III
 - Miscellaneous/IDIQ (Indefinite Delivery-Indefinite Quantity): \$4.9 million - Miscellaneous and districtwide IDIQ projects (civil, surveying, geotechnical and inspection services)

East Jefferson Levee District:

- The proposed FY 2023 Budget increased by 4% primarily due to higher insurance premiums and equipment projections. 44 positions are budgeted compared to 50 in FY 2022.
- Projects (\$10 million):

- Lakefront: \$5.7 million - Lakefront Levee Foreshore Protection Repairs (Reach 1 and 2)
- Facilities: \$78,000 – Paving and Other Miscellaneous Projects
- HSDRRS Floodwalls: \$1.8 million - Orpheum Avenue Slope Paving Construction
- Miscellaneous/IDIQ: \$1.6 million - Miscellaneous IDIQ projects (civil, surveying, geotechnical and inspection services)

Lake Borgne Basin Levee District:

- Revenues decreased about 8% and expenses decreased about 23% primarily due to the transfer of the pump stations to St. Bernard Parish Government. 11 positions are budgeted versus 23 budgeted last fiscal year due to the transfer of the pump stations.
- Projects:
 - \$290,000 - Slope Pavement Repairs and Facility Projects
 - Non-federal levees: \$500,000 - Annual 40 Arpent Sheetpile Paint/Repairs
 - \$200,000 - Complex Structure Projects
 - Miscellaneous/IDIQ: \$445K - Miscellaneous IDIQ projects (civil, surveying, geotechnical and inspection services)

Flood Protection Authority:

- An increase in revenues and expenses is budgeted for FY 2023. Ad valorem tax calculations are anticipated to be slightly higher (about 7%) and operational expenses are project to be 14% higher. 67 positions are budgeted for FY 2023 versus 64 budgeted for FY 2022. Most of the positions are filled and market adjustments and higher retirement matching costs add to the increase.
- Professional Services are 26% higher due to increased Public Relations expenses and software costs.
- Projects (\$750,000):
 - \$350,000 - PRONTO Software Implementation
 - \$100,000 - Levee Recertification Costs
 - \$300,000 - Floodgate Closure Monitoring Pilot Study.

Ms. Businelle invited Board members to submit questions, comments or requests for changes prior to the presentation of the final budgets at next month's meetings.

Kelli Chandler, Regional Director, advised that the PRONTO implementation was anticipated to be carried into FY 2023. PRONTO is being implemented in two phases. The second phase includes the automation of processes.

The Committee briefly discussed the challenge of hiring and retaining employees. It was also noted that the U.S. Army Corps of Engineers (USACE) is taking the lead on the Levee Recertification process and will be assisted by the FPA and the Coastal Protection and Restoration Authority (CPRA).

Ms. Chandler noted that there are a few changes that will be made to the budgets prior to the March 17th Finance Committee and Board meetings.

B. Review of 2nd quarter budget to actuals for FY 2022 Budget.

Ms. Businelle addressed the 2nd quarter budget to actuals for FY 2022. Revenue collections are under budget due to timing of revenue receipts. Expenses are significantly under budget due to delivery delays for equipment and project delays due to inclement weather. She reviewed highlights for the FPA and levee districts:

Orleans Levee District:

- **Outfall Canal Related Projects:**
 - Outfall Canal Slope Paving Project - On hold due to utility relocations.
 - London Avenue Canal Repairs - Awaiting USACE permit approval (costs were carried over from FY 2021 and expect to be carried into FY 2023).
 - 17th Street Canal Erosion Mitigation Project on the East Side of Veterans Boulevard – The project was initially estimated to cost \$2.5 million and is currently estimated to cost \$9.1 million. It will be carried into FY 2023 and FY 2024.
 - Orleans Avenue Canal Mitigation Project – The project was awarded in January 2021 and was delayed due to inclement weather.
- **Lakefront Related Projects:**
 - Lakeshore/Seawall Erosion Paving Reach 3A – Project was delayed due to extensive weather delays and is anticipated to be completed in February or March.
 - Lakeshore Drive Improvements – Project was completed.
 - Seawall Pilot Repairs – Project has been started and is expected to be completed in FY 2022.
- **New Orleans East Projects:**
 - Floodgates W-33 and E-09 Repair – Project was completed and all costs will be reimbursed by the New Orleans Public Belt Railroad.
 - NASA Levee Repair – Project delayed due to inclement weather and difficulty securing truck drivers.
 - M-10 Floodgate Emergency Repair – Repairs commenced and the tenant that damaged the floodgate will reimburse all costs.

- Blasting, Repair and Painting Floodgate Project – Project was carried over from FY 2021 and is nearing completion.
- Facility Projects:
 - EOC Storm Facility Update – Expected to be completed in FY 2022.
 - Franklin Field Crew Office Renovations – Project will carry into FY 2023.
 - Franklin Fire Protection Improvement Projects – Expected to be completed in FY 2022.
- Complex Structure Related Projects:
 - Dolphin Trip Repairs – Design completed and FPA is waiting on steel prices to drop to bid for construction.
- PCCP Related Projects:
 - Security Measures – Project is on hold.
 - PCCP Bulk Tank Offloading System – Expected to be completed in FY 2022.

East Jefferson Levee District:

- Lakefront Projects: Landside Runoff Control Improvements – Substantially complete.
- Facilities: Lesan Drive fuel tanks have been removed. Lesan building will not be torn down, but will be used as a training facility for EJLD Police. Other facility projects are on hold. Ms. Chandler advised that discussions have taken place regarding the sale of the former EJLD Administrative Building on Plauche Court that is sitting vacant and that information will be brought to the Board next month regarding this issue.
- Airport Levee Project – Sheetpile Wall Rehabilitation – Project ongoing.

Lake Borgne Basin Levee District:

- Non-Federal Levee Projects – Sheetpile project will start in FY 2023. The Certification Project is in process. The Highway 300 Closure Project is waiting on the results of the Certification Project.
- Pump Station Projects: Several projects are in progress and will be reimbursed by CPRA.

Flood Protection Authority (agencywide) Projects:

- PRONTO implantation is in process. The debris removal project is completed and costs will be reimbursed by FEMA. There are no expenses for the Grant Research and Applications Program and costs will be incurred once the FPA receives a grant.

Operations and Maintenance Costs: Most items are in line or under budget.

C. Discussion of the award of a contract to AV Solutions in the amount of \$278,690.50 for the acquisition and installation of audio and visual equipment for the Franklin Facility Board Room and Emergency Operations Center.

Roman Dody, Director of Information Technology (IT), explained that the FPA recently requested revised proposals from the three vendors who initially submitted proposals. Two of the three vendors responded with a revised proposal (AV Solutions and Go Media, LLC). The proposals from the two vendors reflect Louisiana State Contract pricing. AV Solutions' proposal was 30.5% lower than its previous proposal. Go Media's cost was 1.1% higher than the AV Solutions' proposal. He recommended that the contract be awarded to the lowest bidder (AV Solutions).

Mr. Dody further explained that the FPA's goal is to build out a well-equipped Emergency Operations Center (EOC) that will serve multiple purposes outside of EOC activations. He did not anticipate that the project will be completed by the start of hurricane season due to supply chain issues. The project should be completed prior to the end of hurricane season. The EOC will be isolated from the entire facility from network and power standpoints (self-sustained). The Franklin Facility has multiple circuits (Windstream, AT&T and Cox); therefore, should one of the circuits go down, the EOC should be able to maintain communications.

The Committee will recommend that the Board approve the award of the contract to AV Solutions.

D. Discussion of proposed extension of the Consulting Services Agreement with Mercury Public Affairs, LLC, through December 31, 2022, at a cost of \$15,000 per month for services relative to Federal funding opportunities.

Mr. Noel explained that consulting services relative to Federal funding opportunities were discussed by the Board at its January 20th meeting.

The Committee will recommend that the Board approve the proposed extension of the Consulting Services Agreement with Mercury Public Affairs, LLC.

There was no further business; therefore, the meeting was adjourned at 10:07 a.m.