

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON AUGUST 18, 2022**

PRESENT: Jason P. Latiolais, Chair
Roy M. Arrigo, Committee Member
Thomas G. Fierke, Commissioner

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on August 18, 2022, in the New Orleans Lakefront Airport Terminal Building, Second Floor Conference Room, 6001 Stars and Stripes Boulevard, New Orleans, LA. Mr. Latiolais called the meeting to order at 10:30 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 June 16, 2022.

Public Comments: None.

Regional Finance Director's Report:

Denise Businelle, Regional Finance Director, provided her report:

- Fiscal Year (FY) 2022 Financial Audit – The annual financial audit is currently underway and the auditors are working hard to finalize their report by the September 30th deadline. The auditors will present the finalized report and audited financial statements to the Board later in the year.
- Overall FY 2022 ended with expenses under budget. Details are provided in the draft year-end budget-to-actual report for FY 2022, which is unaudited.
- Certification of Orleans Levee District ad valorem tax millages is anticipated to take place at the October 20th Board meeting.

New Business:

A. Presentation of draft year-end budget-to-actual report for FY 2022.

Ms. Businelle reiterated that the year-end budget-to-actual report for FY 2022 is an unaudited draft. FPA General Fund expenses are expected to be 8% less than budgeted. Revenues collected are expected to be 3% less than budgeted. She reviewed the highlights of the report:

Orleans Levee District SLIP Fund Projects (41% of budgeted costs spent):

- Variance between budgeted and actual costs due to various reasons, such as inclement weather and difficulty in budgeting multi-year projects.
- Outfall Canal Slope Paving Project – Placed on hold due to utility relocations.
- London Avenue Canal Repairs – Carried over from FY 2021 and awaiting permit approval.
- 17th Street Canal Erosion on East Side of Veterans – Under design with permitting to follow. Project to be split between FY 2023 and FY 2024.
- Lakefront Related Projects – Completed or near completion.
- New Orleans East Projects – Completed or near completion.
- Facility Related Projects – Some projects are on-going and will carry slightly into FY 2023.
- Complex Structures Capstan Project – Delayed awaiting USACE approval of design. To be bid in FY 2023.
- PCCP Related Projects – Operations and Maintenance training video delayed due to staff shortages.
- Miscellaneous Projects – Two districtwide projects completed.

East Jefferson Levee District Projects (8% of budgeted costs spent):

- Lakefront Projects – Projects mostly completed. The Foreshore Repairs and Design and Crest Sod Projects are about 60% complete.
- Facilities Projects – Mostly completed.
- Airport Levee Projects – On-going and almost 75% complete.

Lake Borgne Basin Levee District Projects (6% of budgeted costs spent):

- Large variance between budgeted and actual costs since the FY 2022 budget was prepared prior to the transfer of the pump stations to St. Bernard Parish Government.
- Non-Federal Levee Projects – Expected to start in FY 2023.
- Complex Structures Jib Crane Slab Project – The emergency project (due to a gate not closing and sealing properly) was completed.
- Pump Station (PS) Projects – PS 1 and 4 Trash Screen Cleaner Replacement is in progress. PS 5 Bridge and Station Repair was completed.

FPA (agencywide) Projects:

- PRONTO – Implement of phase one was completed. Phase two will begin in several weeks.
- Debris Removal and Monitoring Project – Project completed. 75% of cost to be reimbursed by FEMA.

Revenues: Actual revenues were lower than budgeted because of the booking of large losses on investments due of fluctuations in the market. The net loss on investments is a paper loss since instruments are held to maturity.

Expenses: Basically, all of the levee districts were under budget for FY 2022. Expenses overall were under budget for all districts due to turnover in personnel and inability to fill vacancies, reduced travel and training because of COVID, and legal costs that were less than anticipated. Contractual Services was in-line with the budget. Materials and Supplies was slightly over budget. Machinery and Equipment was under budget due to the delay in the delivery of orders.

Mr. Latiolais asked were the projects with bid delays being reevaluated relative to cost increases. Kelli Chandler, Regional Director, responded that the delayed projects are being reevaluated due to recent cost increases and inflation. Budget adjustments will probably be made later in the year. Chris Humphreys, Director of Engineering, added that costs for the London Avenue Canal Project are being reevaluated due to significant cost increases for sheetpile and rip-rap.

Randy Noel, FPA President, advised that a meeting was being scheduled for next week to review the Memorandum of Understanding between the FPA, on behalf of the Orleans Levee District, and the Lakefront Management Authority (LMA) and to resolve several financial issues. Meeting participants will include Mr. Fierke, Ms. Chandler, Louis Capo, LMA Director, and the LMA Chair.

There was no further business; therefore, the meeting was adjourned at 10:45 a.m.