

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON FEBRUARY 16, 2023**

PRESENT: Jason P. Latiolais, Chair
Richard G. Duplantier, Jr., Committee Member

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on February 16, 2023, in the Franklin Avenue Administrative Complex, Meeting Room 201, 6920 Franklin Avenue, New Orleans, LA. Mr. Latiolais called the meeting to order at 10:00 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 19, 2023.

Public Comments: None.

Regional Finance Director's Report: No report.

New Business:

A. Discussion of the proposed update/revised Purchasing Policy dated February 16, 2023.

Denise Businelle, Regional Finance Director, explained that by Act 204 of 2022, the Louisiana Legislature increased the dollar amounts before which bids are required; therefore, the Purchasing Policy was updated to reflect the changes in this legislation: small purchases requiring no bid increased from \$10,000 to \$30,000, medium purchases requiring three quotes increased from between \$10,000 and \$30,000 to between \$30,000 and \$60,000, and large purchases requiring a formal bid process increased from \$30,000 or greater to \$60,000 or greater. Mr. Latiolais asked how does the FPA ensure it receives the best price when no bids are required. Ms. Businelle explained that a requisition approved by the requestor's supervisor is entered into the purchasing system and goes through the purchasing process. The FPA typically uses State contracts or State approved vendors. Price comparison is probably done even when not required. She noted that the Committee had the option of not electing to increase the policy's dollar amounts as allowed by Act 204. Mr. Latiolais emphasized that the FPA should obtain the best available prices and cautioned about the potential for ethical issues relative to relationships with vendors.

Ms. Businelle advised that additional revisions included rewording the first paragraph under Purchasing Process to provide clarity, deleting “over \$30,000” relative to Information Technology because RS 38:2237 did not include a dollar amount, providing that credit cards be issued to employees based on necessity and as approved by the Regional Director and/or Finance Director in lieu of the previously stated specific positions which did not encompass all of the employees who had been issued credit cards. She explained that an email was received from a Commissioner stating that the Board should decide which employees should be issued credit cards; however, credit cards are part of the day to day operations and the Board is not knowledgeable as to which employees need credit cards to effectively conduct FPA business. Credit cards are used for small purchases and on-line purchases. Monthly credit card statements are monitored by Finance. Receipts and documentation are required for every purchase and are subject to financial audit.

Mr. Latiolais suggested use of a system that allows employees to use their personal credit cards and submit documented requests for reimbursement. Ms. Businelle advised that less than ten employees currently have credit cards with limits of \$5,000. The Purchasing Manager has a credit card with a higher limit because that position must make numerous purchases. The Regional Finance Director can increase individual credit card limits to deal with special situations (e.g., hurricanes). Mr. Duplantier expressed concern about a public entity requiring employees to use their personal credit cards and comingling personal and entity funds.

Ms. Businelle advised that authorization levels for purchases and change orders were also increased due to cost increases (i.e., Director of Engineering from \$50,000 to \$60,000 and Regional Director from \$100,000 to \$150,000). Mr. Latiolais recommended, in the event that the Regional Director is unavailable, that authorization under \$150,000 be changed to Regional Director and his or her designee. Kirk Ordoyne, Executive Counsel, explained that the policy can state “Regional Director and his or her designee” and the Regional Director can issue a signature authority delegation memo authorizing specific personnel at different levels to sign on her behalf. Ms. Chandler advised that she would like to include language to allow her to designate staff to sign contracts or other instruments up to certain levels. Mr. Ordoyne will assist with appropriately wording the change in the policy as recommended and discussed.

The Committee will recommend that the Board approve the updated/revised Purchasing Policy with the change recommended by Mr. Latiolais.

B. Discussion of draft Fiscal Year 2024 Budget.

Ms. Businelle reviewed the Fiscal Year 2024 (FY 24) Budget Project Summary. The majority of the budgeted projects were carried over from prior fiscal years or are multi-year projects. Major project high lights included:

- London Avenue Canal Erosion Repairs - Increased to \$11 million due to increased steel costs.

- 17th Street Canal East Side Veterans to Old Hammond Highway Erosion Project - Increased to \$9.75 million due to increased steel costs.
- Lakeshore Drive - Bayou St. John Bridge Approaches Project - Increased to \$1.5 million due to the increase in scope to include the bridge approaches.
- Franklin Avenue Drainage Improvements - \$1.3 million.
- Franklin Facility Employee and Visitor Access Improvements - \$1.85 million.
- Surge Barrier Dolphin Trip Repairs - \$1.3 million.
- GIWW Safe House and Bayou Bienvenue Vertical Life Gate Control House Roofing and Waterproofing - \$68,000 (new project).
- Complex Structures and PCCP Spare Parts Storage - \$250,000 (new project).
- Repair/repaint/recertify Bulk Fuel Storage Tanks at London PCCP (\$239,000) and Orleans PCCP (\$171,000) (new projects).
- Repair/repaint/recertify Bulk Fuel Storage Tanks at 17th Street PCCP - \$500,000 (multi-year project).

The Operations and Maintenance Budget Summary was reviewed and the following high lights were noted:

- Overall, a 5 percent increase in revenue (\$2 million) is expected in FY 24.
- The Orleans Levee District (O.L.D.) rolled forward (increased) its ad valorem tax millage rates; therefore, an increase in revenues is anticipated.
- Bohemia Royalties (O.L.D.) decreased during COVID and collections have been rising to normal expectations.
- Interest rates increased generating additional revenue from investments.
- Expenses (all districts) are expected to increase 7 percent (\$3 million) partially due to salary increases.
- Training slightly increased and internal training is anticipated to increase.
- The Professional Services budget is essentially the same as last year. Public Relations costs were moved from Professional Services to Advertising.
- Contractual Services – Utilities are expected to increase. Additional contracted grass cutting is budgeted due to staffing issues. Insurance premiums are budgeted at a 42 percent increase over the current year.
- Materials and Supplies – Increased for general movable equipment, radios and fuel.
- Machinery and Equipment – Most of the machinery and equipment in the FY 24 Budget are items that were not received in FY 22 and FY 23 and were re-budgeted. Some equipment requests will not be budgeted until staffing is at a higher level and prior year items are received.

- Other Charges – Ad Valorem Tax collection fees and bank fees are slightly higher.

Ms. Businelle explained that the final proposed FY 24 Budget will be presented at the March Finance Committee and Board meetings. She asked that Commissioners contact her should they have specific questions about the budget. She explained that past budgets were typically prepared based on the first five months of the current year and recommended instead that the next budget be based on the prior year actual budget. The recommended method would allow budget preparations to begin in October or November and for presentation of a draft budget to the Committee in about January. Mr. Latiolais and Mr. Duplantier concurred with Ms. Businelle's recommendation.

There was no further business; therefore, the meeting was adjourned at 10:35 a.m.