

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

PRESENT: Jason P. Latiolais, Chair
Roy M. Arrigo, Committee Member

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on March 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 10:30 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 February 19, 2023.

Public Comments: None.

Regional Finance Director's Report:

Denise Businelle, Regional Finance Director, reported that staff is working with PRONTO on Phase 2 of the Asset Management Software Program (a supplier portal that allows vendors to submit paperwork and invoices via an on-line portal). Work was delayed due to PRONTO staffing and scheduling issues; however, the portal is expected to go live by the end of Fiscal Year (FY) 2023.

Ms. Businelle explained that she, President Randy Noel, and Mr. Latiolais, met with Edward Jones' representative and discussed an Orleans Levee District bond (about \$464,000) and an East Jefferson Levee District bond (about \$169,000) that were shortly to mature. Edward Jones transferred the funds from the two matured bonds to the LAMP (Louisiana Asset Management Pool) account. The bulk of the FPA/levee districts' cash (about \$65 million) is at LAMP.

In light of the recent Silicon Valley Bank failure, Ms. Businelle discussed the assurance and protection of the FPA's deposits. Funds deposited in Capital One Bank are used only for payment of bills and operational costs and at any time could range between \$500,000 and \$1 million. All FPA/levee district funds at Capital One Bank is 105 percent collateralized and all funds at LAMP are 100 percent collateralized. Louisiana law requires that all funds deposited by governmental entities must be 100 percent collateralized. Each day after cash transfers are made from LAMP to the Capital One operating account, a report providing cash balances is prepared and submitted to the

Bank of New York Mellon, which is the agency that collateralizes the money and ensures 105 percent collateralization through securities. LAMP provided an advisory stating that it had no relationships with the Silicon Valley Bank and a report about its very high rating.

New Business:

A. Discussion of the proposed Fiscal Year 2024 Budgets for FPA and levee districts.

Ms. Businelle advised that several changes were made to the FY 2024 Budget after the presentation made at last month's Finance Committee meeting. The primary change concerned equipment that was added back to the budget after discussions with department managers, which slightly increased the budget. In addition, funding was included for employer paid short-term disability insurance (\$42,000/year) effective July 1st, which is part of the effort to hire and retain employee.

The Committee voted unanimously to recommend that the Board approve the FY 2024 Budgets.

B. Discussion of Budget to Actual Report for 2nd Quarter of FY23.

Ms. Businelle explained that there had not been much activity since the last quarter and that many levee district projects had been delayed. A number of Orleans Levee District projects are expected to be completed by the end of FY 2023 (i.e., London Avenue Canal Erosion Repairs, Lakeshore Drive Drainage Improvements, Bayou Bienvenue Access Road Improvement, Floodgate E-13 Sill Raising and Franklin Avenue Field Crew and Office Renovations). All East Jefferson Levee District projects are anticipated to be completed in FY 2024; therefore, the projects were re-budgeted for FY 2024. The contract for the Lake Borgne Basin Levee District Mississippi River Levee Slope Paving Project was awarded; however, work is not anticipated to begin until FY 2024. FPA (agencywide) projects consist of the Earthen Levee Survey (completed), PRONTO Implementation Phase 2: Supplier Portal (expected to be completed by the end of FY 2023), and the Levee Recertification work (expected to be completed in FY 2024).

Ms. Businelle advised that operating costs are under budget and that many of the line items are at 45 to 50 percent at mid-FY. She commented that there was nothing out of the ordinary relative to revenues or expenses.

Kelli Chandler, Executive Director, advised that due to today's environment and employment/retention challenges, and in order to provide a realistic cost, the FY 2024 Budget included the number of personnel positions for which the FPA anticipated employees could be hired and retained and not the number of positions needed. However, Department managers were instructed, if possible, to hire employees for the number of positions needed and not just the number budgeted.

C. Discussion of the proposed authorization of the Louisiana State Mineral Board and the Office of Mineral Resources to accept nominations, advertise for, accept and award bids, and execute all oil, gas and mineral leases pertaining to the interest the Orleans Levee District may hold in or under the immovable property located on the left descending bank of the Mississippi River, located in Section 28, Township 19 South, Range 16 East, Plaquemines Parish, Louisiana, and constituting a portion of what is known as Bohemia Spillway Tract 193.

Kirk Ordoyne, Executive Counsel, explained that the Legal Department was contacted by a party interested in leasing an approximately 7.91 acre tract located in the Bohemia. The FPA typically authorizes the Louisiana State Mineral Board and Office of Mineral Resources to advertise, accept bids and enter into a lease on behalf of the Orleans Levee District (O.L.D.). The bid process is open to all interested companies. Ms. Chandler advised that the O.L.D. currently has several oil, gas and mineral leases located in the Bohemia Spillway that were implemented using the same process.

The Committee voted unanimously to recommend that the Board approve authorizing the Louisiana State Mineral Board and Office of Mineral Resources to advertise, accept bids and enter into a lease on the aforementioned tract.

D. Discussion of a proposed Intergovernmental Agreement between the FPA, on behalf of the Orleans Levee District, and the Lakefront Management Authority for the sale of three trucks.

Ms. Businelle explained that the O.L.D. owns three trucks that are no longer needed and would normally be sold at auction. The Lakefront Management Authority (LMA) expressed an interest in procuring the trucks. An agreement will be confected for the sale of the trucks at fair market value to the LMA. The agreement must also be approved by the LMA Board.

The Committee voted unanimously to recommend that the Board approve the proposed Intergovernmental Agreement for the sale of the three trucks to the LMA.

There being no further items of business, the meeting was adjourned at 10:45 a.m.