

**MINUTES OF  
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST  
FINANCE COMMITTEE MEETING  
HELD ON APRIL 20, 2023**

PRESENT: Richard G. Duplantier, Jr., Committee Member, Acting Chair  
Roy M. Arrigo, Committee Member

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The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on April 20, 2023, in the St. Bernard Parish Council Chambers, St. Bernard Parish Government Complex, 8201 West Judge Perez Drive, Chalmette, Louisiana. Mr. Duplantier chaired the meeting in Mr. Latiolais' absence and 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 March 16, 2023.

**Public Comments:** None.

**Regional Finance Director's Report:**

Denise Williams, Regional Finance Director, advised that a resolution had been placed on the Board's agenda for certification of the millage rates for the Lake Borgne Basin Levee District (LBBLD) for calendar year 2023. Property values in St. Bernard Parish decreased in 2020; therefore, adjusted rates were supplied by the Legislative Auditor to allow the LBBLD to collect the same revenue as if the property values did not decrease. The adjusted 2020 millage rates were recertified for 2021 and 2022. Ms. Williams recommended that the Board recertify the same LBBLD millage rates.

Ms. Williams reported on the following items:

- Finance is working on succession planning. The Supervisor for Accounts Payable and Payroll has been with the FPA/LBBLD over 30 years and will retire in August; therefore, teaching/learning sessions are taking place and Human Resources will work to fill the position. The Comptroller will also be retiring in a couple of years and preplanning is taking place.
- Meetings are being held with PRONTO and work continues on the supplier portal for vendors, which is anticipated to go live by July 1<sup>st</sup>.
- At this time the FPA has \$80 million in the LAMP account with eleven to twelve million dollars of this amount reserved for Other Post-Employment Benefits as required by the State. The current LAMP interest rate is about 4.8 percent. The

FPA also has \$50 million in the Edward Jones account, which is invested in various bonds that mature at varying times between the current time and 2026. As the bonds mature, the money is being moved to the LAMP account, which at this time provides a better rate. Same or next day money transfers can be made from the LAMP account to the FPA's Capital One Bank account for the payment of expenses.

Mr. Arrigo asked were the Orleans Levee District Police Department (OLDPD) and East Jefferson Levee District Police Department (EJLDPD) books merged. Ms. Williams explained that OLDPD and EJLDPD expenses are kept separate and the revenues and expenses for the Orleans Levee District and East Jefferson Levee District are kept separate. Kelli Chandler, Regional Director, added that police officers are paid by their respective levee district and that the OLDPD and EJLDPD have separate budgets, Workers Comp policies, and LAZERS and Office of Group Benefits accounts. Officers assigned to work in another levee district code their time timesheets to reflect the location of the assignment and the information is used by Finance to charge for reimbursement.

### **New Business:**

#### **A. Discussion of certification of ad valorem tax millage rates and assessments for the Lake Borgne Basin Levee District for Tax Year 2023.**

The Finance Committee accepted the recommendation of the Regional Finance Director regarding recertifying last year's LBBLD millage rates for the 2023 tax year and will recommend that the Board approve recertification of said rates.

#### **B. Discussion of investments.**

Ms. Williams advised that meetings took place with Edward Jones several months ago and recently with Orleans Capital. Randy Noel, President, explained that due to timing the FPA is earning a pittance on its investments with Edward Jones. A proposal was received from Orleans Capital, which is an active investor; however, the earnings would not be much more than LAMP.

Ms. Chandler explained that LAMP is structured for very short term investments and has an average maturity of no longer than 365 days. LAMP is a type of pool or mutual fund that holds very short term securities and is very liquid. In a normal environment interest rates increase as bond terms lengthen. In today's environment and typically before a recession, the yield curve inverts; that is, short term yields are greater than long term yields. Therefore, LAMP is attractive at this time because it is short term. The FPA is attempting to position itself to take action when the yield curve returns to its normal shape. The FPA can take advantage of the change, customize its portfolio and secure investments with maximum terms of four to five years and the funds would still be very liquid. The FPA would still have plenty of money in LAMP for liquidity purposes. Taking \$20 million from the total investments and placing it with an active investor, such

as Orleans Capital, had been discussed and was the subject of Orleans Capital's presentation at the January Finance Committee meeting. She explained that Edward Jones does a little active investment. Active investing is more customized to fit the FPA's needs (e.g., looking at the FPA's projects, when the FPA would need cash, and structuring, laddering and diversifying the FPA's portfolio to reduce risks and take advantage of rising interest rates).

Ms. Chandler explained that the yield curve will not remain inverted for very long; it is just an anomaly that happens from time to time generally before a recession. The original investments were made with Edward Jones when the interest rate was about 0.5, which at that time provided a greater yield than LAMP. Mr. Duplantier asked would the FPA be monitoring the trend and be able to make the change when the time comes. Ms. Chandler replied, yes, and explained that the Board or Finance Committee would have to decide whether to allow FPA staff to make the decision without Board or Committee approval in order to take advantage of the change in the yield curve. She added that, generally, LAMP and the other investments are very liquid and money can be transferred on a day's notice.

Mr. Noel explained that he receives reports from about four different economists and brokers every three months and the FPA is doing the right thing now; therefore, the FPA will probably hold tight for a little while and probably into next year. Mr. Duplantier concurred with Mr. Noel.

There was no further business; therefore, the meeting was adjourned at 10:48 a.m.