

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON JUNE 15, 2023**

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

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on June 15, 2023, in the Franklin Avenue Administrative Complex, Meeting Room 201, 6920 Franklin Avenue, New Orleans, La. Mr. Duplantier chaired the meeting in Mr. Latiolais' absence and 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 May 18, 2023.

Public Comments: None.

Regional Finance Director's Report:

Denise Williams, Regional Finance Director, provided the following report:

- **Investments:** An Orleans Levee District (O.L.D.) SLIP revenue bond with Edward Jones matured at the end of May and the \$2.5 million was transferred into the LAMP (Louisiana Asset Management Pool) account on June 7. The LAMP interest rate is slightly above 5 percent.
- **Bits and Pieces:** A monthly email advisory was started called Bits and Pieces to provide information on various processes. The subject of the first email was purchasing. Suggested topics were requested.
- **Finance Audit:** The auditors will be at the FPA the week of August 7th to begin the financial audit for Fiscal Year (FY) 2023.

New Business:

A. Presentation of 3rd Quarter Budget to Actual report.

Ms. Williams explained that several items were highlighted in the 3rd Quarter Budget to Actual report provided to Committee members. No significant changes occurred since the last quarter. Most of the O.L.D. SLIP fund projects and East Jefferson Levee District (EJLD) and Lake Borgne Basin Levee District (LBBLD) projects are delayed until

FY 2024. Several O.L.D. projects were recently completed, including the London Avenue Canal East Side North of PCCP Repairs and Floodgate E-13 Sill Raising. The Franklin Warehouse Office Renovation Project will be completed at the end of July.

Ms. Williams pointed out that the revenues show on the report as negative and that staff is working with PRONTO to fix this situation and make the report easier to understand. She discussed using the quarterly and the total FY budget numbers in the report. She noted that the variance in revenue collected for the 3rd Quarter versus the budgeted revenue is mostly a timing issue and that basically everything is under budget.

Mr. Duplantier asked was the Orleans Marina Bulkhead Project over budget. Ms. Williams advised that the project is over budget slightly (\$1.7 million versus \$1.6 million); however, the project is multi-year with a budget for FY 2024. Chris Humphreys, Director of Engineering, advised that the project will be within budget.

B. Financial status update by Richard Kernion, Edward Jones.

Richard Kernion, Financial Advisor with Edward Jones, advised that the FPA is limited by Louisiana State statute on how money can be invested. Therefore, Edward Jones is limited to investments that are backed by some form of full faith and credit of the Federal government or FDIC (CDs). The longest term (maturity) is limited to approximately five years, unless tied to a specific project. Interest rates have risen ten consecutive times in the last year. On June 14th the Federal Reserve for the first time paused interest rates.

Mr. Kernion explained that interest rates are being compared as investments in longer term bond are maturing. LAMP's current interest rate is slightly over 5 percent. Alternative short term investments can be procured with slightly higher interest rates than LAMP (about one-quarter percent); however, there is a lack of liquidity. Because liquidity is more important than the one-quarter percent differential (about \$2,500 of interest on every \$1 million), the decision was made in discussions with Ms. Williams and the Board's President, Randy Noel, to move funds from currently maturing bonds to the LAMP account. LAMP is a very short term, liquid investment vehicle.

Mr. Noel commented that the FPA must watch the Federal Reserve's pause and if interest rates start falling, LAMP's rate will also fall. Kelli Chandler, Regional Director, added that LAMP has always been more conservative in its investments and has a 30-day average maturity; therefore, its rates fluctuate more quickly.

Mr. Kernion advised that the general assumption is that rates will gradually decline in the next two years. If this happens, the FPA will want to look at interest rates and tie maturity dates to projects.

C. Review of completed Louisiana Compliance Questionnaires for the FPA, East Jefferson Levee District, Lake Borgne Basin Levee District and Orleans Levee District for the fiscal year ending June 30, 2023.

Mr. Duplantier advised that the Committee members have copies of the completed Louisiana Compliance Questionnaires.

The Committee will recommend that the Board approve the completed Louisiana Compliance Questionnaires.

D. Consideration of the proposed selection of the New Orleans Advocate as the Official Journal for the Flood Protection Authority, East Jefferson Levee District and Orleans Levee District and the St. Bernard Voice as the Official Journal for the Lake Borgne Basin Levee District for publications as required under R.S. 43:171 for a one-year term commencing on July 1, 2023.

Ms. Chandler advised that the Advocate is the only journal that qualifies as the official journal for the FPA, EJLD and O.L.D., and the St. Bernard Voice is the only journal that qualifies for the LBBLD.

The Committee will recommend that the Board approve the selection of the Advocate as the Official Journal for the FPA, EJLD and O.L.D. and the St. Bernard Voice as the Official Journal for the LBBLD.

There was no further business; therefore, the meeting was adjourned at 10:15 a.m.