

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

PRESENT: William A. Settoon, Jr., Chair  
Roy M. Arrigo, Committee Member  
K. Randall Noel, Committee Member

---

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on November 16, 2023, in the Franklin Avenue Administrative Complex, Meeting Room 201, 6920 Franklin Avenue, New Orleans, La. Mr. Settoon called the meeting to order at 9:30 a.m.

**Opening Comments:** None.

**Adoption of Agenda:** The Committee adopted the agenda as presented.

**Approval of Minutes:** The Committee approved the minutes of the Finance Committee meeting held on October 19, 2023.

**Public Comments:**

Jeff Dye, Special Counsel for the Lakefront Management Authority (LMA), advised that he had the opportunity to work on the updated Memorandum of Understanding (MOU) between the FPA and LMA for the management of the Orleans Levee District (O.L.D.) non-flood protection assets. He thanked Kelli Chandler, Regional Director, and Kirk Ordoyne, Executive Counsel, for their assistance and diligence in getting the MOU to its current point. He commented that a lot of hard work went into the development of the MOU in the form presented to the members of the Board on Monday.

**Regional Finance Director's Report:**

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

- The bi-annual auction was held on November 14. The number was not yet official; however, over \$1.1 million was earned. Revenues will be broken down by district based upon the equipment sold. All payments are due no later than November 21. Chris Lucas, Purchasing Manager, worked with the auctioneers to line up the equipment. Preparation for the auction took about a month. Mr. Settoon advised that he briefly visited the auction and found it to be very organized, well run and busy.
- The LAMP (Louisiana Asset Management Pool) interest rate as of November 14 was 5.4 percent. The LAMP balance was \$97 million. Two bonds totaling \$5 million expire on December 15. Richard Kernion with Edward Jones will reach

out to the Finance Committee to discuss reinvestment of the \$5 million as well as the potential investment of LAMP funds.

- One of the two accounting positions posted must be reposted because a potential hiree declined the FPA's offer in order to accept another position. The second position was filled.
- The PRONTO team will be at the FPA facility in mid-December to train Finance staff on PSA (Automated Accounts Payable) Air, which is a segment of PRONTO. PSA Air allows vendors to electronically submit invoices, which are then loaded into PRONTO reducing time for payment.

**New Business:**

**A. Discussion of the proposed updated Memorandum of Understanding between the FPA and the Lakefront Management Authority (formerly the Non-Flood Protection Asset Management Authority) for the Management of the Non-Flood Assets of the Orleans Levee District and recommendation to the Board.**

Mr. Arrigo stated that he was happy with the final version of the MOU and that it was a fair and balanced document.

Mr. Noel noted that the full transfer of Bohemia revenues to the LMA is effective January 1, 2024. Ms. Chandler explained that typically there is a six to eight month lag between the time an operator drills a well and revenues are received. The first \$150,000 of the revenues earned before January 1, 2024 (applicable to the last quarter of 2023), would go to the LMA and revenues above that amount would be retained by the FPA. All Bohemia revenues earned after January 1, 2024, will go to the LMA. The Bohemia leases, which were authorized by Board resolution, will not be changed. Bohemia revenues will continue to be received by the FPA and forwarded to the LMA, along with any backup received, within thirty days.

Mr. Noel asked was the issue of the balance due by the LMA to the FPA worked out. Kirk Ordoyne, Executive Counsel, indicated that it had been worked out.

Mr. Noel offered a motion, which was seconded by Mr. Arrigo and unanimously adopted, for the Committee to recommend that the Board approve the MOU.

**B. Discussion of the proposed amendment to the contract with Mercury Public Affairs, LLC, to extend the contract term to December 31, 2024, at a cost of \$15,000 per month, and to provide for payment of services under said contract, and recommendation to the Board.**

David Vitter with Mercury Public Affairs, LLC (Mercury), advised that he was present in order to answer any of the Committee's questions. He explained that Kyle Ruckert was working full time with Governor-elect Landry on the transition and was expected to have a significant role in Governor-elect Landry's administration. He introduced Lynnel

Ruckert, who was replacing Mr. Ruckert as a Mercury team member, and added that she is terrific in terms of personality, capabilities, background and expertise.

Ms. Ruckert advised that she is originally from Jefferson Parish. She worked in Washington, D.C., for then Congressman Vitter and both of the congressmen that followed him, Bobby Jindal and Steve Scalise. When Congressman Scalise won the special election in 2008, he asked Ms. Ruckert to be his Chief of Staff. She was with Congressman Scalise for eight years and served as his leadership chief after winning the whip race. She advised that she frequently travels to Washington. Ms. Ruckert said that she believes in the FPA's mission and looked forward to working with the Board.

Mr. Vitter noted that as Chief of Staff in Congressman Scalise's leadership office, Ms. Ruckert was the highest ranking female staffer in the U.S. House of Representatives. This experience provided Ms. Ruckert with valuable contacts in Congressman Scalise's office and with the Louisiana delegation and other offices on Capitol Hill. He added that he and Ms. Ruckert have known Speaker Mike Johnson for a long time and that Congressman Johnson's Chief of Staff was trained in the Vitter Senate office.

Mr. Vitter advised that he tried to answer perspective questions through the email and briefing document sent to the Commissioners.

Mr. Noel explained that at the Board meeting he would offer a motion to amend the proposed resolution to adjust the contract payment to \$13,500 per month effective December 1, 2023. Mr. Vitter concurred with the proposed amendment and advised that it had been discussed with FPA senior staff.

Mr. Noel asked that Mr. Vitter explain the relationship between Mercury and Bold Strategies. Mr. Vitter advised that he is a partner in Mercury. Ms. Ruckert's firm is Bold Strategies (Bold), which is a subcontractor to Mercury. Everything flows through the Mercury contract. The two firms have worked seamlessly as a team since their work for the FPA started about five years ago. Mercury and Bold also work as a seamless team for other clients. Several years ago the FPA had individual contracts with Mercury and Bold; however, this proved to be unnecessarily complicated. Therefore, the two contracts were consolidated into a single contract.

Mr. Vitter explained that the subcontracting of a specialist relative to Federal grants was being dropped because it has not been a productive avenue. This is the reason for the \$1,500 reduction in the monthly contract amount effective December 1, 2023. He advised that there were still opportunities; however, there had not been enough discussion between the specialist and FPA staff to make this endeavor productive. Therefore, the option was given to FPA staff to either drop or retain this effort; however, if retained, a full partner would be needed on the FPA staff to make it productive. FPA senior staff elected to drop the part of the contract scope related to Federal grants.

Mr. Noel asked did the FPA have a grant writer. Ms. Chandler responded that the FPA did not have a grant writer on staff. She stated that a FPA level senior staffer was very frequently engaged; therefore, she took offense that it was implied that staff was not

engaged. She added that the FPA had other resources (HGA – Hunt, Guillot & Associates) to search for grants which do not receive payment unless a grant is obtained. Therefore, she thought it was more economical to use other resources.

Ms. Chandler clarified that the Board needed to approve both the contract going forward and prior payments since they was over her authority limit. Mr. Vitter pointed out that the proposed resolution referenced payment of outstanding invoices. Mr. Ordoyne advised that the Board had to ratify any services provided to-date and authorize payment of the services invoiced for March through October, with the exception of April which had been paid.

Mr. Vitter advised that under Mr. Ordoyne's direction, he prepared an amendment to the contract in order to move forward and that the contract amendment deletes the part of the scope of the work relative to grants.

Mr. Arrigo offered a motion, which was seconded by Mr. Noel and unanimously adopted, to recommend that the Board amend the proposed resolution to change the contract payment to \$13,500 per month effective December 1, 2023, and to approve the proposed amendment to extend the contract with Mercury.

**C. Discussion of the proposed resolution to direct the Regional Director and her staff to prepare a detailed, written presentation on PRONTO asset management software and Flowcentric for the next regular monthly Board meeting, and recommendation to the Board.**

---

Mr. Settoon requested that the proposed resolution be placed on the agendas for the Board and Committee meetings. He explained that since becoming a member of the Board, he heard mention of PRONTO, and after becoming Treasurer, he learned more about it. However, he had questions that he would like answered. The reason for the resolution was to obtain the Committee's recommendation for the Board.

Ms. Chandler stated that she sent a summary to Mr. Settoon. The FPA spent a year selecting the asset management software, which replaced the seven or eight legacy software systems used by various departments. Staff searched for a comprehensive agencywide software that would provide capabilities for the following: asset management, finance, purchasing, inventory and warehouse management, U.S. Army Corps of Engineers and Coastal Protection and Restoration Authority semi-annual reports, and levee inspection. PRONTO has been largely successful in implementation and was well received. The one area that had not been successful was Flowcentric, which would have allowed vendor use of a portal. Staff found that the benefits did not outweigh the costs; therefore, the FPA was not moving forward with Flowcentric. Vendors will submit invoices electronically via email.

Mr. Noel advised that he was Treasurer of the Board when the asset management software was being researched and was intimately involved with the process. He stated that the best software program was selected for the dollar.

Mr. Settoon explained that his attention was drawn to PRONTO when the auditor advised during the presentation on the Fiscal Year (FY) 2023 financial audit that there was a present value of \$642,000 to be paid in the future. In addition, he understood that some modules were not working as planned and that it was expensive to have the PRONTO technicians come in and help the FPA. Therefore, he wanted to look at the total costs, future costs and what will be done about what is not working.

Ms. Chandler stated that the FPA was spending less for PRONTO than it was spending on the legacy systems combined, which results in annual savings. Mr. Settoon stated that this information should be included in the presentation.

Mr. Noel commented on the FPA's complexities and stated that it made sense to put everything under one software package. Mr. Settoon advised that he was personally aware of the difficulties when implementing large software systems and appreciated the need for one software system. However, he wanted to hear more about it for himself and other Commissioners who were not on the Board when PRONTO was approved. He clarified that the information could be provided by Power Point.

Mr. Noel offered a motion, which was seconded by Mr. Arrigo and unanimously adopted, to recommend that the Board adopt the proposed resolution.

#### **D. Budget-to-actual report for first quarter of Fiscal Year 2024.**

Ms. Williams reviewed the highlights of the budget-to-actual report for the first quarter of FY 2024 (July 1 – September 30):

**Orleans Levee District Special Levee Improvement Projects (SLIP):** Many of the SLIP projects are multi-year or cross over fiscal years. Staff estimates budget amounts for each fiscal year of a multi-year project.

- Outfall Canal Slope Paving (\$500,000) – Approval of the award of a contract in the amount of \$702,000 was on agenda for the Board meeting. The project will take place over a span of two fiscal years.
- London Avenue Canal Erosion Repairs (\$11 million) – Project will begin after the 17<sup>th</sup> Street Canal project is completed and may not commence until FY 2025.
- Franklin Avenue Facility Fire Protection System Improvements (\$129,000) – Project was anticipated to be completed last fiscal year; however, some unforeseen issues extended the contract period.
- Franklin Field Crew Office Renovations – The project cost is \$4.8 million spread over multiple years.

**East Jefferson Levee District (EJLD):** Orpheum Avenue Slope Paving Construction – The EJLD-Jefferson Parish joint project was delayed due to redesign and may begin at the end of FY 2023. A cooperative endeavor agreement is being negotiated with Jefferson Parish in order to widen and pave the top of the levee and to pave along the levee slope to prevent trucks turning onto Orpheum Avenue, which is a narrow roadway, from rutting the levee.

Ms. Williams advised that operating expenses are basically in line with the budget. Not all of the vacancies were budgeted due to difficulties in filling positions.

Mr. Settoon asked about the Bohemia revenues relative to the budget. Ms. Williams stated that the Board approved the FY 2023 budget, which included \$900,000 of expected Bohemia revenues. Therefore, the Board approved funding the budget with the expected Bohemia revenues; however, it was now anticipated to approve giving the Bohemia revenues to the LMA. She suggested that the Bohemia revenues not be given to the LMA until July 1<sup>st</sup>. The FPA would not include any Bohemia revenues in the FY 2025 budget.

Mr. Noel pointed out that \$150,000 of Bohemia revenues would be provided to the LMA for 2023 and effective January 1, 2024, all of the Bohemia revenues would go to the LMA. Ms. Chandler explained that Bohemia revenues were received during the first three months of the fiscal year. There are multiple Bohemia leases that pay at different times depending on the lease terms. The amount received was small in comparison to the amount that was budgeted. She concurred that the FPA would be transferring monies that were in the original budget.

Mr. Noel asked were revenues from the auction included in the FY 2023 budget. Ms. Williams replied, no. Mr. Noel asked the amount of revenues earned by the O.L.D. in the auction. Ms. Williams responded that she did not yet have a breakdown.

Mr. Arrigo clarified that the Bohemia Spillway was declared to no longer be a spillway (Act 233 of 1984 of the Louisiana Legislature). Therefore, Bohemia should have been a LMA non-flood protection asset. A number of dates were discussed in the MOU negotiations regarding the transfer of the Bohemia revenues. A request had been made for the payment of Bohemia revenues to the LMA that were received prior to 2023.

Mr. Noel asked was the \$700,000 balance owed by the LMA to the FPA carried as a receivable on the balance sheets. Ms. Williams responded, yes.

Mr. Settoon asked would the Bohemia leases be transferred to the LMA. Ms. Chandler explained that the Bohemia lands would be like other non-flood protection assets and still be owned by the O.L.D. However, the LMA will have full control and management and Bohemia revenues would be transferred to the LMA. The FPA, on behalf of the O.L.D., authorized the Department of Natural Resources, State Mineral Board, to bid and enter into oil, gas and mineral leases in Bohemia. Louis Capo, LMA Executive Director, advised that the LMA was asking for the revenue and not control over the asset or to make changes to any leases.

Ms. Williams advised that the bulk of the ad valorem tax revenues are received from January through May.

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