

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON JULY 20, 2017**

PRESENT: Mark L. Morgan, Chair
Richard A. Luettich, Jr., Committee Member

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (SLFPA-E or Authority) met on July 20, 2017, in the Franklin Avenue Administrative Complex, Meeting Room 201, 6920 Franklin Avenue, New Orleans, Louisiana. Mr. Morgan 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 meeting held on May 18, 2017.

Public Comments: None.

Regional Finance Director's Report – Update on Regionalization:

Kelli Chandler, SLFPA-E Regional Finance Director, provided a report on the Financial structure regionalization efforts:

- The primary focus is currently on payroll. Staff had several discussions with ADP to determine the best method of consolidating all employees in one database. Payroll and timekeeping practices and policies across the levee districts are being standardized and are anticipated to be completed in the next several months.
- Changes have been implemented to begin leveling the benefit structure. The multiple insurance providers, plans (e.g., vision and dental coverages) and costs are being reviewed to determine the best coverage at the best cost. One provider will be selected for all employees for each type of coverage.
- Fuel and uniform contracts are being reviewed to determine whether the contracts can be consolidated in order to effect savings.

Ms. Chandler informed the Committee that she has taken over the administration of professional service contracts. She will be working with the Engineering Department in order to develop a process for routing invoices and tracking costs. Tracking is currently taking place using Excel spreadsheets; however, the intention is to automate the process. Robert Turner, SLFPA-E Director of Engineering and Operations, advised that a pilot project will commence soon that will allow electronic approval of invoices and link invoices into the Financial software.

Derek Boese, SLFPA-E Chief Administrative Officer, advised that all insurance coverages for the levee districts have been consolidated with the exception of Workers Compensation, Crime and Pollution coverages, which currently have a different timetable. The Authority saved over \$300,000 (23 percent) by consolidating coverages.

New Business:

A. Discussion of early payoff of Go Zone bond for Orleans Levee District.

Ms. Chandler explained that the State of Louisiana advised that the Orleans Levee District (O.L.D.) owes \$19.8 million as of July 30th. If the full amount is paid, the O.L.D. would realize a savings in interest of approximately \$4.3 million. The rate on the note is 4.64 percent. She recommended that the note be paid in full.

Mr. Morgan asked Gerry Gillen, SLFPA-E Operations and Maintenance Director, for his recommendation based on his knowledge of upcoming projects and commitments. Mr. Gillen responded that he and Mr. Turner discussed this matter and recommend that the debt be paid in full. Mr. Morgan added that he requested that Ms. Chandler research a line of credit in the event it is needed.

Ms. Chandler advised that she considered two investments that could be redeemed early to pay off the note; however, the penalty would be approximately \$40,000 for one and \$50,000 for the other. She pointed out that the investments are earning less interest than the O.L.D. is paying on the GoZone Bonds. Mr. Morgan requested that Ms. Chandler look into the best way to fund the payoff.

The Committee concurred that a recommendation be made to the Board to approve the full payment of the GoZone Bond debt.

B. Update on year-end financial audit.

Ms. Chandler advised that a trial balance for the two O.L.D. funds was provided to the financial audit team. The trial balance for the Lake Borgne Basin Levee District (LBBLD) should be completed today. The East Jefferson Levee District (EJLD) lost several days due to a lightning strike that damaged the server. The audit team will be at the Authority's offices for about five weeks, after which they will start working on the report.

C. Discussion of proposed Professional Services Agreement with Water Management Communications with a total not-to-exceed amount of \$100,000 to continue the development and implementation of the Education and Public Outreach Program for the period of July 24, 2017 through June 30, 2018.

Mr. Boese explained that proposed contract is for the continuation of the Authority's education and outreach program over the next fiscal year. Mr. Hassinger and Mr. Luettich have reviewed the proposed agreement. The new floodauthority.org website is up and running. The slfpae.com, EJLD and LBBLD websites direct users to the

Authority's new website. The O.L.D. website will also direct users to the new website shortly. The buildout of the education component of the website will continue and will include new videos. The program includes outreach to schools, some media relations and a museum exhibit in St. Bernard Parish along with K-12 student outreach, which will form the basis for grants. The agreement does not include the cost of public service announcements.

Mr. Luettich advised that he and Mr. Boese met with Ann Rheams, Water Management Communications Principal, after the June Board meeting and reviewed the scope of work. The scope of work has been revised in accordance with the Authority's suggestions. He commented that the education and outreach program is a critical part of the Authority's mission. He stressed the importance of the public understanding its responsibilities in terms of interpreting the protection provided by the Authority and what they need to do in order to live in this region. Mr. Luettich and Mr. Boese expressed their confidence in Ms. Rheams' abilities.

The Committee concurred that a recommendation be made to the Board to approve the proposed contract with Water Management Communications.

There was no further business; therefore, the meeting was adjourned at 10:05 a.m.