

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON SEPTEMBER 21, 2017**

PRESENT: Mark L. Morgan, Chair
Richard A. Luettich, Jr., Committee Member
Quentin Dastugue, Committee Member (arrived at 10:06 a.m.)

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (SLFPA-E or Authority) met on September 21, 2017, in the Franklin Avenue Administrative Complex, Meeting Room 201, 6920 Franklin Avenue, New Orleans, Louisiana. Mr. Morgan called the meeting to order at 9:35 a.m.

Opening Comments: Mr. Morgan inquired about the status of the review of software packages and purchasing procedures. Kelli Chandler, Regional Finance Director, reported that she is in the final stages of filling the position of IT Liaison Officer. The individual hired to fill this position will ramp up and drive the software acquisition process. Staff has begun its review of certain purchases made agency-wide, such as fuel and uniforms. A comprehensive review of purchasing procedures has not yet been accomplished because of the need to focus first on payroll and certain other processes.

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

Approval of Minutes: The Committee approved the minutes of the meeting held on August 17, 2017.

Public Comments: None.

Regional Finance Director's Report: Ms. Chandler reviewed the highlights of the Regional Finance Director's Report:

- The auditor's field work for the Fiscal Year 2017 financial audit has not yet been completed. The turnover at the audit firm has been a significant factor in completing the audit. Ms. Chandler advised that she has uploaded the information to the State. However, she is still waiting on a set of financial statements in order to begin drafting the footnotes. A draft of the footnotes will be provided for review.
- The Finance Department is in the process of consolidating payroll for the Authority and levee districts. Multiple vendors have been used to provide vision, dental and ancillary benefit packages. Arthur J. Gallagher and Co. was requested to review the plans, research the market and provide their recommendation for one vendor and one offering in order to streamline the process. A recommendation was provided, the provider selected and the process is underway to implement the selection.
- An individual has been hired to fill the position of Accountant 3. The process is being finalized to fill the positions of Accounting Manager 1, Administrative Coordinator 3 and IT Liaison Officer.

- A meeting was held for Finance staff in which the members participated in team building and training exercises.
- Ms. Chandler advised that she is scheduled to spend a day with a field crew in order to learn about their work and get to know the crew members.

New Business:

A. Discussion of employee benefits fair to coincide with open enrollment for Office of Group Benefits.

Ms. Chandler advised that the Authority is striving to improve communications with its employees, provide information on upcoming changes and give the employees a more personalized experience. The Finance Department is assisting the Human Resources (HR) Department with a benefits fair, which will be held over a two-day period. The Finance Department will create personalized letters and packets for each individual, which will include information on insurance premiums for the various packages.

John Lewis, HR Director, explained that the format for the fair will be smaller groups of about 50 individuals with four separate sessions being conducted. The focus will be on providing information to employees about the Office of Group Benefits (OGB) program, vision and dental coverages, and the cost for participating in particular programs. A general session will be conducted and followed up with an expo with tables for OGB, dental and vision coverages, employee wellness program and at least four staff members who are knowledgeable about benefits leveling and payroll and who can discuss issues, such as the impact of benefits premium leveling and changes to OGB, with individual employees. The sessions will wrap up with a question and answer period and award of a door prize.

B. Update on open Finance staff positions.

Information was provided on this item under the Regional Finance Director's Report. Ms. Chandler added that she hoped to have the positions she mentioned in her report filled by this time next month.

Mr. Luetlich asked for the status of the creation of the position of Assistant Regional Finance Director. Ms. Chandler advised that she drafted the position description and must review the description with the HR Department in order to determine the classification. In addition, she noted that the advertisement period for the position of IT Liaison Officer closes tomorrow and that she should be provided resumes for the position within the next week. After the resumes are reviewed, interviews will be conducted and a selection made.

C. Update on Fiscal Year 2017 Financial Audit.

Information on this item was provided under the Regional Finance Director's Report. Ms. Chandler added that she hoped to be able to provide a draft of the audit report by next month's meeting.

D. Discussion of proposed Cooperative Endeavor Agreement between the SLFPA-E on behalf of the Orleans Levee District and the Non-Flood Protection Asset Management Authority for the use of Municipal Address 6521 Spanish Fort Boulevard in the Lake Vista Community Center by the O.L.D. Police Department for a Police Substation for a one year period, which may be extended by the mutual agreement of the parties.

Wilma Heaton, Director of Governmental Affairs, explained that the temporary relocation of the Orleans Levee District (O.L.D.) Police Department staff would be for a period of approximately ten months while the new Police Station is under construction. However, with the success of the new Superintendent of Police with the recruiting Reserve Officers, Ms. Heaton hoped to continue using the space in the Lake Vista Community Center (LVCC) for the Reserve Officers after the new Police Station is completed. The O.L.D. currently has twenty Reserve Officers.

Mr. Morgan asked Police Superintendent Kerry Najolia whether the LVCC space can sufficiently accommodate the Police staff. Supt. Najolia replied, yes, and added that the footprint will provide an immediate advantage and the location is perfect to implement community outreach programs that are being considered.

Mr. Luetlich inquired about the need for the transitional move. Ms. Heaton explained that several weeks ago she circulated information about the condition of the building that is currently housing the O.L.D. Police Department staff, which is the reason for the transitional relocation of staff. After the new O.L.D. Police Station is completed, the LVCC space can also serve as a backup facility for the Department should the need arise. The LVCC is owned by the O.L.D. and managed by the Non-Flood Protection Asset Management Authority (NFPAMA). The NFPAMA Board adopted a resolution to authorize the Cooperative Endeavor Agreement (CEA). No rent will be paid since the Police staff will be providing security for the building. The O.L.D. Police Department will pay the cost for utilities for the space.

E. Discussion of the award and execution of a contract with C.M. Combs Construction, LLC, in the amount of \$2,950,000 for the construction of the new Orleans Levee District Police Station on the Elysian Fields Avenue site and the demolition of the blighted building on the site that served as the O.L.D. Police Station prior to Hurricane Katrina.

Ms. Heaton explained that she worked closely with Derek Boese, Chief Administrative Director, Supt. Najolia, and the Engineering Department on this project. The lowest responsible bid is \$2,950,000. The other responsible bids were \$3,100,000, \$3,120,000 and \$3,796,000. Staff is comfortable with the bid and confident that no changes orders should be required to the contract. The bid includes the demolition of the existing

structure on Elysian Fields Avenue and Lakeshore Drive. An article concerning the construction market was also provided. Due to recent storm events, particularly Hurricanes Harvey and Irma, costs of construction and labor will not be decreasing, but only increasing. The bid is within the projected budget.

Mr. Luetlich asked about inspection for the project. Paul Dimitrios, Senior Project Manager, RCL Architecture, LLC, advised that a proposal was provided to the CAO for onsite construction observation and construction administration; however, there would be a supplemental fee for on-site supervision. He estimated the supplemental fee for resident inspection to be \$96,000 for 30 hours per week for a ten month duration, and pointed out that, if the Authority wishes, the number of hours per week could be scaled back. Ms. Heaton advised that she discussed the need for an inspector with Mr. Boese, who agreed that an inspector is needed, however, he had not yet determined who should do the inspection (in-house or consultant). She noted that potential rain days have been incorporated into the construction timeframe. The demolition of the old structure is anticipated to take about two months with the construction of the new facility commencing immediately thereafter.

Mr. Morgan advised that the Committee will recommend that the Board approve the award of the construction contract to the lowest responsible bidder.

F. Discussion of request for the State of Louisiana Capital Outlay Program to fund certain SLFPA-E projects for the Fiscal Year (FY) 2018-2019.

Mr. Luetlich explained that the Authority and levee districts identify major capital improvement projects each year for which funding is requested from the State's Capital Outlay Program. Ms. Heaton advised that recent requests for funding have not been very successful due the State's financial difficulties. She pointed out that the construction of the new O.L.D. Police Station was removed from the O.L.D.'s funding request because the levee district had the funding to pay for the project. There will be an effort to push through the proposed Surge Barrier Visitor's Center, which will also be a State Visitor's Center, and a political commitment will be revisited to utilize the one million dollars previously designated for the Police Station towards the Visitor's Center Project.

Mr. Boese pointed out that the project funding requests are the same as last year's requests with the exception of the O.L.D. Police Station.

G. Discussion of request for the State of Louisiana Capital Outlay Program to fund certain East Jefferson Levee District projects for the FY 2018-2019.

Discussed under Item F.

H. Discussion of request for the State of Louisiana Capital Outlay Program to fund certain Lake Borgne Basin Levee District projects for the FY 2018-2019.

Mr. Luettich inquired about the possibility of success for the Lake Borgne Basin Levee District's (LBBLD) requests due to its financial condition. Ms. Heaton advised that staff will do its best to obtain funding for the requested projects.

I. Discussion of request for the State of Louisiana Capital Outlay Program to fund certain Orleans Levee District projects for the FY 2018-2019.

Discussed under Item F.

J. Discussion of the proposed establishment of a dedicated account at Capital One Bank for SLFPA-E Retiree Insurance Premiums and to designate signatories for said account.

Ms. Chandler advised that she recently learned of a checking account at the Whitney Bank that is basically a zero based account used for Retiree Insurance Premiums. She requested that the account be moved to Capital One Bank where the Authority has all of its other accounts and signatories are established.

Mr. Luettich inquired about the goal to do more things electronically. Ms. Chandler advised that vendors have been requested to submit invoices electronically. The next step will be the payment of vendors electronically via ACH; however, this will be driven by the new accounting package software.

Mr. Dastugue arrived at the Committee meeting.

Mr. Morgan explained that earlier in today's meeting the Committee discussed the award of a contract for the construction of the new O.L.D. Police Station; however, Mr. Boese was not present when the discussion took place. He asked that Mr. Boese address inspection services for the project.

Mr. Boese advised that he discussed onsite resident inspection with one of the Authority's Indefinite Delivery-Indefinite Quantity (ID-IQ) Contract consultants. He is currently considering using a single inspector for the Police Station Construction Project and the Franklin Facility Renovation Project, since the two facilities are about half a mile apart. He stressed the importance of having an on-site inspector, which has been working well for the construction of the East Jefferson Levee District Consolidated Complex. Bi-weekly meetings are being held and daily reports are received. He anticipated providing a resolution concerning resident inspection for the Board's consideration at next month's meeting.

There was no further business; therefore, the meeting was adjourned at 10:09 a.m.