

**THE NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE FULL BOARD MEETING
THURSDAY MARCH 21, 2013 – 5:30 P.M.**

The regular monthly meeting of the Board of the Non-Flood Protection Asset Management Authority of the Orleans Levee District was held on Thursday, March 21, 2013 at 5:30 P.M., in the Lake Vista Community Center, 2nd Floor, 6500 Spanish Fort Blvd., New Orleans, Louisiana after due legal notice of the meeting was sent to each Board member, the news media, and a copy of the call was posted.

Chairman Lupo called the meeting to order at 5:56 p.m. and led in the Pledge of Allegiance. The roll was called and a quorum was present.

PRESENT:

Chairman Robert Lupo
Vice Chairman Joe Hassinger
Secretary Greg Ernst
Commissioner Wilma Heaton
Commissioner Michael Stack
Commissioner Stanley Brien
Commissioner Carlton Dufrechou
Commissioner Darrel Saizan
Commissioner Pearl Cantrelle
Commissioner Patrick DeRouen
Commissioner Nyka Scott

ABSENT:

Commissioner Romona Baudy
Commissioner William Hoffman
Commissioner John Trask

STAFF:

Louis Capo - Executive Director
Sharon Martiny - Non-Flood
Dawn Wagener – Non-Flood
Vincent Caire – Non-Flood
Chuck Dixon – Marina Director
Fred Pruitt – Airport Director

ALSO PRESENT:

Al Pappalardo - Real Estate Consultant
Gerard Metzger - Legal Counsel
Chris Fenner – Stuart Consulting
Alton Davis – Richard C. Lambert Consulting
Ray Landeche – Lakeshore Subdivision

ADOPT AGENDA

Commissioner Saizan offered a motion to Adopt the Agenda, seconded by Commissioner Ernst and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Commissioner Hassinger offered a motion to approve the minutes of the Board meeting held on February 21, 2013, seconded by Commissioner DeRouen and unanimously adopted.

OPENING COMMENTS

Mr. Lupo informed that the Flood Authority held the ribbon-cutting event on Lakeshore Drive to mark the beginning of the work for erosion control behind the seawall. The first section of work will begin between the Lighthouse and the Mardi Gras Fountain. The Flood Authority not only invited the Non-Flood Authority to participate, but also gave the impression that both Authorities were working together on this. This Authority has thanked the Flood Authority in a Resolution as this project will change the complexion,

atmosphere and usability of Lakeshore Drive. The second phase starts next year near Franklin Avenue to the Seabrook Bridge.

REPORT BY EXECUTIVE DIRECTOR

Mr. Capo advised the Inspection Report was prepared by Linfield, Hunter & Junius, Inc. on Orleans Marina Boathouse slips 41-46 regarding a structural analysis of those boathouse. Mr. Metzger advised that a Memorandum was issued on March 19, 2013 regarding the condition of the boathouses and entire building which has been in disrepair for some time. The current precipitating action is the gradual collapse of the walkway since Hurricane Isaac. Status reports of the four existing leases were prepared. One lease will expire on April 30, 2013 as no option was exercised. Another boathouse has an option to extend the lease for five additional years, but that will expire on April 1, 2013 and it is unlikely the Authority will receive a notice to exercise that option. There will be two tenants with existing leases after June 30, 2013, when the second lease expires. One of the leases expired and the improvements did revert to the District and that is boathouse N-42. The leases are in default mainly for failure to maintain the premises as the tenants own the boathouses from the piers up. These are water bottom leases. The options that are available were outlined and the response received from the Commissioners is to place the tenants in default and enforce the rights under the lease.

The Authority will put the tenants in default. If a tenant does not voluntarily surrender the premises there will be an eviction proceeding. This Authority has the right to pursue back rent owed by the tenants and a percentage of demolition costs. The lease states that the premises revert to the Authority upon expiration or early termination of the lease. The lessor can require the tenant to remove the improvements which would cover some expense for demolition. The engineer who prepared the inspection report provided an estimate of \$157,000 for demolition, but in a bidding process that cost may come in lower. It is unknown if any tenants received FEMA funds for these boathouses due to Hurricane Isaac.

Chairman Lupo informed that the Authority is in line for available dollars from FAA for Lakefront Airport long-term larger projects and short-term less expensive projects. Mr. Capo and Mr. Pruitt are preparing the language for the proposals which will be submitted to Dallas and personal notes will be included with the proposals. The proposals will result in a whole different line of projects as a result of the way this is being handled.

COMMITTEE REPORTS

Airport Committee – Commissioner Saizan reported that discussions are underway with the Convention Center and Mark Romig of Tourism & Marketing Corporation regarding ideas to assist the Authority with the grand opening of Lakefront Airport. Suggestions include tying the Airport to the History of Aviation displaying artifacts reflecting the period that Lakefront Airport operated in the 1930's and to assist in positioning Lakefront Airport and the City for conventions held in general aviation airport cities. The grand opening will be in the mid to latter part of the summer. One Resolution addresses the Authority's desire to retain Andy Velayos as the Lead Program Director at Lakefront Airport.

Chairman Lupo advised that Vincent Caire is a historian of Lakefront Airport and aviation in Louisiana and will assist with the dedication ceremony. Mr. Caire has contacted his connections and there will be many historical aviation groups, art and architectural groups who will become interested in the opening of Lakefront Airport. Getting these groups involved in the dedication ceremony will make the grand opening really special without the Authority having to come up with a lot of money. Chairman Lupo commended Mr. Caire for his assistance with the Airport by making this event really interesting.

Marina Committee – Commissioner Brien noted that there was nothing of significance to report.

Commercial Real Estate – The resolution regarding Lakeview Landings will be addressed under New Business

Recreation Committee – Mr. Hassinger advised that DEI gave a status presentation on current projects on the Lakefront along with a timeline for completion of the projects. An e-mail was forwarded to all Lakefront neighborhoods advising residents of projects underway on Lakeshore Drive and completion dates for the projects.

Chairman Lupo advised that Councilwoman Guidry’s is holding a town hall meeting in Lakeview and requested representatives of this Authority be in attendance to brief residents on projects underway along Lakeshore Drive, the restaurants that are opening on New Basin Canal, the Hangars that will be opened in the near future at Lakefront Airport, construction of the plaza along Lakeshore Drive and the repair of the Mardi Gras Fountain. The Committees are meeting regularly with contractors and consultants to monitor these issues.

Legal Committee – Mr. Metzger noted the Legal Committee discussed in Executive Session the written threat of litigation by a tenant concerning the condition of their leased premises. These claims will be investigated and a report will be prepared for the next Legal Committee meeting.

Finance Committee – Chairman Lupo noted that the Fiscal Year 2013-2014 General Operating Budget was vetted by all committees and will be addressed under New Business.

NEW BUSINESS

Motion No. 01-032113 - Motion for approval to amend the lease with Lakeview Landings, LLC to permit the lessee to obtain Workman’s Compensation Insurance through the Louisiana Restaurant Association Self Insurer’s Fund

Workman’s Compensation Insurance for restaurant employees may be obtained from the Louisiana Restaurant Association Self Insurer’s Fund with a separate policy for USL&H coverage. All other employees must be covered by an “A” rated Workman’s Compensation carrier with a USL&H endorsement.

Mr. Metzger noted Lakeview Landings’ Lease required all insurance policies be with an “A” rated company. Lakeview Landings’ lease must be amended to allow insurance coverage from the Louisiana Restaurant Association Self Insured Fund or the tenant will be in default. This is a licensed Worker’s Compensation Self Insured Fund that has been in existence since 1982. There is currently a premium base of approximately \$20 million.

Motion 01-032113 was recommended by Commissioner Trask at the March 7, 2013 Commercial Real Estate Committee meeting. In Commissioner Trask’s absence at the March 21, 2013 Board meeting, Commissioner DeRouen offered the motion to amend the lease with Lakeview Landings, LLC, seconded by Commissioner Ernst and unanimously adopted to wit:

MOTION: 01-032113
RESOLUTION: 01-032113
BY: COMMISSIONER TRASK
SECONDED BY: COMMISSIONER DeROUEN

March 21, 2013

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District (“District”);

WHEREAS, Lot 2E located on Lakeshore Drive in the City of New Orleans is one of the non-flood protection assets of the Orleans Levee District managed and controlled by the Management Authority;

WHEREAS, the Management Authority entered into a written lease agreement dated September 30, 2011 and leased Lot 2E to Lakeview Landing, L.L.C., pursuant to Resolution #06-081811;

WHEREAS, the lease provides that the lessee shall carry workman's compensation insurance with a USL&H endorsement on all of its employees during the term of the lease with an insurance carrier with not less than an "A" rating;

WHEREAS, Lakeview Landings, L.L.C. has requested that the lease be amended to provide that workman's compensation insurance for its restaurant employees may be obtained from the Louisiana Restaurant Association Self Insurer's Fund (LRASIF), with a USL&H endorsement or separate policy for USL&H coverage for the restaurant employees;

WHEREAS, the LRASIF has been operating since 1982 and has a premium base of \$20 million, and provides coverage for hotels, restaurants, country clubs and most other hospitality-related businesses in Louisiana;

WHEREAS, the Commercial Real Estate Committee at its meeting held on March 7, 2013 considered the request of Lakeview Landings, L.L.C. and unanimously resolved to recommend to the Management Authority approval of an amendment to the lease to provide that workman's compensation insurance for restaurant employees may be obtained from the Louisiana Restaurant Association Self Insurer's Fund, with a USL&H endorsement or separate policy for USL&H coverage for the restaurant employees, and that all other employees be covered by an "A" rated workman's compensation carrier with a USL&H endorsement; and,

WHEREAS, the Management Authority after considering the proposed amendment to the lease resolved that it is in the best interest of the Orleans Levee District to approve said amendment to the lease with Lakeview Landings, L.L.C.

THEREFORE, BE IT HEREBY RESOLVED, that the Management Authority approves an amendment to the lease with Lakeview Landings, L.L.C. to provide that workman's compensation insurance for restaurant employees may be obtained from the Louisiana Restaurant Association Self Insurer's Fund, with a USL&H endorsement or separate policy for USL&H coverage of the restaurant employees, and that all other employees be covered by an "A" rated workman's compensation carrier with a USL&H endorsement.

BE IT FURTHER HEREBY RESOLVED, that the Authority Chairman or Executive Director be and is hereby authorized to sign any and all documents necessary to carry out the above.

AYES: LUPO, HASSINGER, ERNST, HEATON, STACK, BRIEN, DUFRECHOU, SAIZAN, CANTRELLE, DeROUEN

NAYS:

ABSTAIN:

ABSENT: BAUDY, HOFMAN, TRASK, SCOTT

RESOLUTION ADOPTED: YES

Motion No. 02-032113 – Motion for approval of a Supplemental Agreement with Richard C. Lambert Consultants, LLC contract for the Chevron Office Building to correct the fee curve from 2007 Curve "B" to Curve "A"

The Management Authority approves a Supplemental Agreement revising Section 5.1.1 of the Agreement by changing the cost curve used to calculate the Consultant's fee from Curve "B" in the Public Assistance Guide dated June of 2007 to Curve "A" in the Public Assistance Guide dated June of 2007 with all other terms and conditions of the Agreement to remain the same.

Chris Fenner, Stuart Consulting, advised that this curve comes from FEMA Public Assistance Guide and is used to determine the reasonability of architectural engineering. The fee curve was updated to 2007 previously, but the Curve used was Curve "B" when it should have been Curve "A".

Motion 02-032113 was offered by Commissioner Saizan, seconded by Commissioner Hassinger and unanimously adopted to wit:

MOTION: 02-032113
RESOLUTION: 02-032112
BY: COMMISSIONER SAIZAN
SECONDED BY: COMMISSIONER HASSINGER

March 21, 2013

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (the “Management Authority”) is a political subdivision of State of Louisiana and the governing authority of the non-flood assets of the Orleans Levee District (“District”);

WHEREAS, the New Orleans Lakefront Airport (“Airport”) is one of the non-flood protection assets of the District under the management and control of the Management Authority;

WHEREAS, the Management Authority and Richard C. Lambert Consultants, LLC, (“Consultant”) entered into an Agreement on the 5th day of June, 2012 for the Consultant to provide professional services for the construction of the Chevron Office Building at the Airport (“Agreement”);

WHEREAS, pursuant to the provisions of Resolution No. 02-012413, dated January 24, 2013, the Management Authority approved a supplemental agreement to revise Section 5.1.1 of the Agreement to adopt Curve “B” in the Public Assistance Guide FEMA 322, dated June 2007 as the basis for reimbursement;

WHEREAS, Supplemental Agreement No. 1 was executed on January 25, 2013 in accordance with Resolution No. 02-012413;

WHEREAS, following the execution of Supplemental Agreement No. 1, it was discovered that there was a typographical error in Resolution No. 02-012413 where all references to “Curve ‘B’” should have instead read “Curve ‘A’”;

WHEREAS, the Consultant requested that the Agreement be amended to correct the typographical error and revise Section 5.1.1 of the Agreement to adopt Curve “A” in the Public Assistance Guide FEMA 322, dated June 2007 as the basis for reimbursement; and,

WHEREAS, the Management Authority considers it to be in the best interest of the Airport to approve an amendment of the Agreement to revise the compensation as detailed above.

THEREFORE, BE IT HEREBY RESOLVED, that the Management Authority approves a Supplement Agreement with Richard C. Lambert Consultants, LLC revising Section 5.1.1 of the Agreement by changing the cost curve used to calculate the Consultant’s fee from Curve “B” in the Public Assistance Guide FEMA 322, dated June 2007, to Curve “A” in the Public Assistance Guide FEMA 322, dated June 2007, with all other terms and conditions of the Agreement to remain the same.

BE IT FURTHER RESOLVED, that the Authority Chairman or Executive Director be and is hereby authorized to execute any and all documents necessary to carry out the above.

AYES: LUPO, HASSINGER, ERNST, HEATON, STACK, BRIEN, DUFRECHOU, SAIZAN, CANTRELLE, DeROUEN

NAYS:

ABSTAIN:

ABSENT: BAUDY, HOFMAN, TRASK, SCOTT

RESOLUTION ADOPTED: YES

Motion No. 03-032113 – Motion to commend the efforts of Mr. Andrew D. Velayos and request that Mr. Velayos be retained by the FAA as the Lead Program Manager of New Orleans Lakefront Airport

The Authority Chairman or Executive Director is hereby authorized to inform the appropriate official of the Federal Aviation Administration of this Resolution and to present a copy of this Resolution to the appropriate official. Commissioner Saizan noted that FAA rotates employees, but this Authority would like Mr. Velayos to stay at Lakefront Airport as the Lead Program Manager.

Motion 03-032113 was offered by Chairman Lupo, seconded by Commissioner Saizan and unanimously adopted to wit:

MOTION: 03-032113
RESOLUTION: 03-032113
BY: CHAIRMAN LUPO
SECONDED: COMMISSIONER SAIZAN

March 21, 2013

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District (“District”);

WHEREAS, the Management Authority manages, operates and administers the New Orleans Lakefront Airport, which is a non-flood protection asset owned by the Orleans Levee District, located on the south shore of Lake Pontchartrain in the Parish of Orleans, State of Louisiana, (“Airport”);

WHEREAS, the Management Authority and the Orleans Levee District are the Public Sponsors of the Airport for Louisiana Department of Transportation and Development, Aviation Division (LADOTD) and U.S. Department of Transportation, Federal Aviation Administration (FAA) grant funding;

WHEREAS, the LADOTD and the FAA provide grant funding, either jointly or separately, for the purpose of effecting capital improvements to airports, and these grants are awarded in response to formal applications submitted by the public sponsors of airports;

WHEREAS, Mr. Andrew D. Velayos has been the Lead Program Manager for the Louisiana/New Mexico Airports Development Office of the Department of Transportation, Federal Aviation Administration for many years, and, as such, has greatly assisted with the Airport’s development and in the Airport’s recovery after the devastation of Hurricane Katrina;

WHEREAS, since the Management Authority assumed the management and control of the Airport in August, 2010, Mr. Velayos has worked closely with the members of the Management Authority in their efforts to further develop the Airport;

WHEREAS, it has come to the attention of the Management Authority that the Federal Aviation Administration is considering transferring Mr. Velayos, and as a result, he may no longer serve as Lead Program Manager for the Airport; and,

WHEREAS, the Management Authority has resolved that it would be in the best interest of the Airport if Mr. Velayos was retained as Lead Program Manager for the Airport.

THEREFORE, BE IT RESOLVED, that the Management Authority commends the efforts of Mr. Andrew D. Velayos and requests that Mr. Velayos be retained by the FAA as the Lead Program Manager for the New Orleans Lakefront Airport.

BE IT FURTHER RESOLVED, that the Authority Chairman or Executive Director be and is hereby authorized to inform the appropriate official of the Federal Aviation Administration of this Resolution and to present a copy of it to him.

AYES: LUPO, HASSINGER, ERNST, HEATON, STACK, BRIEN, DUFRECHOU, SAIZAN, CANTRELLE, DeROUEN
NAYS:
ABSTAIN:

ABSENT: BAUDY, HOFMAN, TRASK, SCOTT
RESOLUTION ADOPTED: YES

Motion No. 04-032113 – Motion for approval of Fiscal Year 2013-2014 Operating budget

The Recurring Revenues were \$5,344,839 and the Non-Recurring Revenues/Transfers were \$1,102,796 for a Total of \$6,447,635. The Expenditures for Operations were \$6,237,635 and the Major Maintenance were \$210,000 for a Total of \$6,447,635 in Expenditures. The Non-Flood Protection Asset Management Authority approves the Fiscal Year ending June 30, 2014 General Operating Budget for the Authority.

Commissioner DeRouen noted concerns regarding the use of non-recurring funds to balance the budget, but that was the only action that could be taken. Unless gap funding is identified for the next two years the Authority will be unable to maintain assets including New Basin Canal, Lakefront Airport, Lake Vista Community Center and quality of life services such as grass cutting for residents of the Lakefront and surrounding areas.

Mr. Capo added that this budget is not ideal as the Authority does not have the funds to add services, people or equipment. This budget is to pass a balanced budget with the funds the Authority has and is not representative of what the Authority needs. Stuart Consulting is assisting to determine how much money the Authority lent to the Airport for the Airport renovations. Commissioner DeRouen requested a presentation to the full Board advising how much non-recurring monies were lent to put the Airport back in service with the goal of recovering the money that was lent. This Authority faces major maintenance problems and the money this Authority spent should be returned to meet obligations for major maintenance.

Chairman Lupo noted that discussions are underway regarding gap funding for the Authority. The estimate on the millage is 1.5% with collectability of approximately 95%. Staff is preparing a plan for those two years to present to the appropriate parties as the Authority cannot keep all services past July 1, 2014. Millage dollars are due January 1, 2016 and it will not be before the spring of 2016 that the Authority gets the millage dollars. The Authority cannot deliver services at the expected level which is what will happen in fiscal year 2014-2015 if nothing changes.

Motion 04-032113 was recommended by Commissioner Hoffman at the March 7, 2013 Finance Committee meeting. In Commissioner Hoffman's absence at the March 21, 2013 Board meeting, Commissioner Hassinger offered the motion to approve the Fiscal Year 2013-2014 Operating budget, seconded by Commissioner Ernst and unanimously adopted to wit:

MOTION: 04-032113
RESOLUTION: 04-032113
BY: COMMISSIONER HOFFMAN
SECOND BY: COMMISSIONER HASSINGER

March 21, 2013

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority ("Management Authority") is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District ("District");

WHEREAS, the Non-Flood Protection Asset Management Authority has reviewed the financial projections for Fiscal Year Ending June 30, 2014 at a Special Budget board meeting held on January 30,

2013 and at each subsequent committee meeting where the respective budgets were reviewed for the Authority, including estimated revenues and expenditures; and

WHEREAS, funding in the following amounts as detailed by the line item budgets for Fiscal Year Ending June 30, 2014;

FISCAL YEAR 2013-2014 GENERAL OPERATING BUDGET

Revenues	
Recurring	\$5,344,839
Non-Recurring/Transfers	<u>\$1,102,796</u>
TOTAL REVENUES	<u>\$6,447,635</u>
Expenditures	
Operations	\$6,237,635
Major Maintenance	<u>\$ 210,000</u>
TOTAL EXPENDITURES	<u>\$6,447,635</u>

WHEREAS, the Non-Flood Protection Asset Management Authority is mandated to submit an approved budget by April 1, 2013, to the Joint Legislative Committee on the Budget and other various oversight authorities; and

WHEREAS, the Finance Committee at its meeting held on March 7, 2013, reviewed and recommended approval of the Non-Flood Protection Asset Management Authority Budget for the Fiscal Year Ending June 30, 2014.

BE IT HEREBY RESOLVED, that the Non-Flood Protection Asset Management Authority approves the Fiscal Year Ending June 30, 2014 General Operating Budget for the Authority.

AYES: LUPO, HASSINGER, ERNST, HEATON, STACK, BRIEN, DUFRECHOU, SAIZAN, CANTRELLE, DeROUEN

NAYS:

ABSTAIN:

ABSENT: BAUDY, HOFMAN, TRASK, SCOTT

RESOLUTION ADOPTED: YES

PUBLIC COMMENTS

Ricardo Guterrez – DeSaix Neighborhood Association

Mr. Guterrez, DeSaix Neighborhood Association, noted that South Shore Harbor has 30-40 surplus trash cans that are not currently being used. The Neighborhood Association received a \$500 Love Your Block grant from the City of New Orleans through the Wisner Funds last year and the neighborhood matched \$700 and volunteer efforts of 18 members. The Association purchased and installed a bench, a concrete pad and a dog waste bag dispenser for the Bayou on the north side of DeSaix Blvd. at Bayou St. John. Trash receptacles were not included in the budget so the Neighborhood Association is requesting that the Authority donate two to three trash receptacles to place on either side of Bayou St. John and one for the corner of Moss St. at Florida Ave. The Sanitation Dept. of the City of New Orleans has committed to service the trash cans and the Association has done additional landscaping in that area. Commissioner Heaton suggested the Executive Director confer with Legal Counsel regarding this issue and determine the appropriate procedures to follow.

NEXT BOARD MEETING

The next full Board meeting of the Non-Flood Protection Asset Management Authority is scheduled for Thursday, April 18, 2013 at 5:30 p.m.

ADJOURNMENT

Commissioner Hassinger offered a motion to adjourn, seconded by Commissioner Ernst and unanimously adopted. The meeting adjourned at 6:47 p.m.