

THE NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE FULL BOARD MEETING
THURSDAY JULY 24, 2014 – 5:30 P.M.

The monthly meeting of the Board of the Non-Flood Protection Asset Management Authority of the Orleans Levee District was held on Thursday July 24, 2014 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 Scott called the meeting to order at 5:30 p.m. and led in the Pledge of Allegiance. The roll was called which constituted a quorum.

PRESENT:

Chairman Nyka Scott
Vice Chairman Gregory Ernst
Secretary Romona Baudy
Commissioner Robert E. Smith Lupo
Commissioner Wilma Heaton
Commissioner Carlton Dufrechou
Commissioner William Hoffman
Commissioner Patrick DeRouen
Commissioner Pearl Cantrelle
Commissioner Michael Stack
Commissioner Stan Brien
Commissioner Darrel Saizan

ABSENT:

Commissioner John Trask
Commissioner Eugene Green

STAFF:

Louis Capo - Executive Director
Sharon Martiny – Non-Flood

ALSO PRESENT:

Gerard Metzger - Legal Counsel
Al Pappalardo – Real Estate Consultant
Walter Baudier – Design Engineering, Inc.

OPENING COMMENTS

Chairman Scott informed the Board that there are some Board members who will not be with us next month. Chairman Scott thanked the Board members for their service and noted that at times being on the Board can be difficult and taxing, but everything that has been done is really appreciated. Commissioner Hoffman is not returning and he will be missed. Chairman Scott thanked Commissioner Hoffman for his service and for everything that he does for the community. Commissioner Hoffman stated that it has been a pleasure working with the Board. This is a high energy Board that has made tremendous progress in the last four years. Having new eyes review the various issues and getting the Non-Flood Authority to the next stage will benefit the Board.

Commissioner Lupo informed the Board that he requested that Senator Murray find a replacement for his seat on the Board. There are tremendous challenges ahead. Commissioners Hoffman, Saizan and I were on the Advisory Board before the Board was put into place by the Legislature. It is now time for new people to look at these issues with fresh eyes. Chairman Scott thanked Commissioner Lupo who has served many years on this Board and did a lot to get Lakefront Airport back.

ADOPT AGENDA

Commissioner Ernst offered a motion to adopt the Agenda, seconded by Commissioner DeRouen and unanimously adopted.

APPROVE MINUTES

Commissioner Ernst offered a motion to approve the minutes of the May 22, 2014 Board meeting and June 5, 2014 Special Board meeting, seconded by Commissioner DeRouen and unanimously adopted.

REPORT BY EXECUTIVE DIRECTOR

Mr. Capo reported that the striping on Lakeshore Drive between Marconi and Shelter No. 1 has been completed. The two faulty cameras at the Mardi Gras Fountain were reinstalled, but the south camera stopped transmitting video within 18 hours. Technicians have been called to examine the camera and determine why the camera is not streaming video.

The 10 month old filtration pump in the Mardi Gras Fountain has failed and may be replaced with a sand filter depending on what can be done with the backflow. The filters were putting head pressure against the filtration pump, which caused the filtration pump to fail. There were large amounts of debris and sand accumulating in the filter. The filters were being power washed twice a week and are now degraded to such an extent that two new filters are needed at a cost of \$250 per filter. Wallace Drennan contacted the Sewerage and Water Board to determine what can be done as far as backwash and DEI has been requested to provide any information they have on the backflow.

Commissioner Cantrelle expressed concern regarding the pump being one year old and not working, and questioned if the pump was determined to be the correct pump to place in the Fountain before it was installed. Prior to construction somebody should have known that this was not the correct system for a Fountain in this location. Mr. Baudier stated that the designer of the Fountain believed the filters were good filters. The filter does such an outstanding job that it puts pressure on the pump. Reach 1B was under construction and the fountain was in operation the entire time. As a result of the construction there were large amounts of material being blown around and washed into the Fountain area. The filter must be operated on site to determine if the sand filter is the better filter. The clogs may be a result of the sand and debris blown into the Fountain. A claim was made against the warranty, but was denied. Mr. Capo informed that the Authority is paying for the new filter. Chairman Scott noted that the warranty was void due to sand being trapped in the filter. Mr. Baudier stated that during the last year there has been extensive construction along Lakeshore Drive, which resulted in sand being blown into the Fountain. After construction is complete, the Fountain will be operated to determine how it works.

Commissioner Cantrelle questioned if it was known to change the filter regularly due to the sand issue. Mr. Capo advised that the filters were initially cleaned once a week, which soon stepped up to twice per week. It was later determined with minimal operation of the Fountain that the filters should be cleaned three times per week. The filters were changed out, the cartridges were hosed and replaced with a clean cartridge filter. Jim Martin, DEI, advised the Board that the Fountain presently contains a cartridge filter. Mr. Capo is talking about installing a traditional swimming pool filter. Commissioner Cantrelle questioned if the manufacturer or contractor advised that the warranty was null and void because the system was not properly maintained. Mr. Martin advised that the manufacturer stated the warranty does not apply to this item because water in the Fountain was much dirtier than anticipated.

Commissioner Stack questioned if the manufacturer's recommended maintenance schedule was followed and the minimum standards met. Mr. Martin advised the Board that the maintenance schedule was not followed. A maintenance person was hired to assist with operation of the Fountain. Commissioner Stack questioned if proper maintenance was performed when the system was turned over to this Authority. What was the manufacturer's recommendation for maintenance of the system, were the minimum standards met and was this an unusual situation? Mr. Martin advised that he did not have the documents to answer those questions, but the system is designed to run on a certain kind of water. It is not a bad design; the issue is the fact that construction was underway the entire time on Lakeshore Drive. It is uncertain if any design would anticipate that amount of construction.

Chairman Scott stated that the problem may or may not be a manufacturer's defect and may or may not be covered under the warranty. The warranty should be reviewed and a letter written to the manufacturer.

Commissioner Cantrelle noted that Mr. Martin informed the Board that the manufacturer's suggested maintenance of the pump was not followed. Mr. Baudier stated that the Mardi Gras Fountain was bid long before the Notice to Proceed was given for Reach 1B. The design and operation of the Fountain occurred prior to the second project along Lakeshore Drive. This second project has a different atmosphere in which the pumps were not designed to operate. Commissioner Cantrelle questioned what maintenance schedule was not followed regarding the pump system. Chairman Scott requested Mr. Martin provide the documentation to Mr. Capo.

Commissioner Heaton noted for the record that the Authority met a minimum manufacturer's standard. Mr. Martin stated that the Authority may have met the weekly cleaning standard, but there may be a standard regarding the required amount of max pressure. That documentation should be reviewed before a conclusion is drawn.

Airport Committee – Commissioner Heaton reported that Senator Morrell relocated his Senatorial office at the Terminal Building. There is continued interest in office space at the Terminal Building. Dialogue is ongoing with the Congressional Offices and a written report will be provided outlining items that are needed for the Airport such as Customs build-out. The Congressional Offices and U.S. Senate offices are anxious to assist the Authority and have requested a copy of the Airport Master Plan. URS provided an Executive Summary of the Master Plan which was distributed to the Board members. It is imperative this Authority have a Master Plan on file with the FAA. Projections contained in the Master Plan are several years old and should be amended.

Marina Committee – Chairman Dufrechou reported that grant money is available for renovation of the South Shore Harbor restroom facility and addition of a laundry facility. Staff is assisting Wildlife and Fisheries on the grant.

Commercial Real Estate Committee – Commissioner Ernst advised that the Commercial Real Estate meeting was cancelled.

Recreation/Subdivision Committee meeting – Commissioner Ernst advised that there was an informational only presentation by the Corps regarding placement of electrical lines.

Commissioner Lupo addressed the interior and exterior grass cutting and trimming around trees and suggested that staff contact the Subdivision Property Owners Association to request a volunteer who could report grass cutting conditions to Mr. Capo. The Authority currently has a situation where the vendor may not be supervising the workers to ensure the appropriate cutting/trimming is being provided. The Authority should be provided with the required services that are included in the grass cutting contract.

Legal Committee – The Legal Committee meeting was cancelled. Litigation that the Authority is involved in is progressing with no significant developments.

Finance Committee – Commissioner Hoffman reported that the Marinas made a small amount of money due to all of the hard work by the Marina Committee. A policy for professional service contracts was also discussed.

NEW BUSINESS

Motion 01-072414 – To approve three additional five (5) year options to renew Orleans Marina Boathouse Lease N-35 in consideration of a payment of \$8,000.00 and to approve the assignment of the lease and sale of the improvements on the leased premises by Dr. E. Ward Sudderth to Dustin M. Davis.

This motion is to approve three additional five year options to renew Orleans Marina boathouse lease N-35. Approval is conditioned upon payment of administrative fees, expenses and attorney's fees incurred by the Management Authority in connection with the assignment of the lease. Mr. Metzger advised that there is no transfer fee. The lease was amended before new terms were adopted in 2000. Due to the lease extension, an \$8,000 fee is required. A transfer fee will be required after 2022 under the amendment signed in connection with this transfer. This lease will expire in 2037, the same time period on new 30-year leases.

Commissioner Ernst offered a motion to approve three additional five (5) year options to renew Orleans Marina Boathouse Lease N-35 in consideration of a payment of \$8,000.00 and to approve the assignment of the lease and sale of the improvements on the leased premises by Dr. E. Ward Sudderth to Dustin M. Davis, seconded by Commissioner Heaton and unanimously adopted to wit:

MOTION: 01-072414
RESOLUTION: 01-072414
BY: COMMISSIONER ERNST
SECONDED: COMMISSIONER HEATON

July 24, 2014

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 Orleans Marina located at West End in the City of New Orleans is one of the non-flood protection assets of the Orleans Levee District under the management and control of the Management Authority;

WHEREAS, the Orleans Levee District, as owner of the Orleans Marina, is authorized to lease its water bottoms and land as moorings for boats and construction of boathouses for fair and equitable rental rates, as provided under La.Rev.Stat. 38:336(A) and (B)(4);

WHEREAS, South Roadway Boathouse No. N-35 is currently leased to Dr. E. Ward Sudderth pursuant to the terms of a written lease originally signed on July 1, 1972, and amended thereafter, which amendments, in part, granted the lessee options to extend the term of the lease to the year 2022 (the "Lease");

WHEREAS, Dr. Sudderth has requested three(3) additional five year lease extension options which will extend the term of the lease through June 30, 2037 and has agreed to pay \$8,000.00 for these extension options;

WHEREAS, Dr. Sudderth also has requested approval to assign and transfer his Lease of Boathouse N-35 and sell the improvements thereon to Dustin M. Davis;

WHEREAS, under the terms of the proposed Assignment of the Lease and sale of the improvements on the leased premises, Dustin M. Davis will assume all obligations of the lessee under the Lease;

WHEREAS, the Lessor's consent is required for an assignment of the Lease under Article VII of the Lease;

WHEREAS, the District's staff, real estate consultant and legal counsel reviewed this request and recommended to the Management Authority approval of the assignment of the Lease conditioned upon payment of an administrative fee of \$250.00, payment of the expenses and attorney's fees incurred by the Management Authority in connection with the assignment of the Lease and assumption of all obligations under the Lease by Dustin M. Davis; and,

WHEREAS, the Management Authority after considering this matter resolved that it was in the best interest of the Orleans Levee District and Management Authority to approve the extension of the Lease and assignment of the Lease under the terms set forth above.

THEREFORE, BE IT HEREBY RESOLVED, that the Management Authority approves an amendment of the Lease Agreement with Dr. E. Ward Sudderth for Boathouse N-35 to provide three (3) additional five-year option extensions, in consideration of a payment in the amount of \$8,000.00 to the Management Authority.

BE IT FURTHER HEREBY RESOLVED, that the Management Authority approves the assignment and transfer of the Lease of South Roadway Boathouse N-35 by Dr. E. Ward Sudderth to Dustin M. Davis, conditioned upon payment of an administrative fee of \$250.00, payment of the expenses and attorney's fees incurred by the Management Authority in connection with the assignment of the Lease, and assumption of all obligations under the Lease by Dustin M. Davis.

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

AYES: SCOTT, ERNST, BAUDY, LUPO, HEATON, DUFRECHOU, HOFFMAN, DeROUEN, CANTRELLE, STACK, BRIEN, SAIZAN, GREEN
NAYS: NONE
ABSTAIN: NONE
ABSENT: TRASK, GREEN
RESOLUTION ADOPTED: YES

Motion 02-072414 – To approve renewal of lease with Full Force Dance Company, L.L.C. d/b/a Lakeview Creative Arts Studio, Suite 6512, Lake Vista Community Center

This motion is to approve the renewal of the lease with Full Force Dance Company, LLC d/b/a Lakeview Creative Arts Studio, Suite 6512 in the Lake Vista Community Center. The two year lease commences August 1, 2014. The new rental rate is \$15.00 per square foot with one 2-year option to renew.

Commissioner Ernst offered a motion to approve the renewal of a lease with Full Force Dance Company, L.L.C. d/b/a Lakeview Creative Arts Studio for Suite 6512 in the Lake Vista Community Center, seconded by Commissioner DeRouen and unanimously adopted to wit:

MOTION: 02-072414
RESOLUTION: 02-072414
BY: COMMISSIONER ERNST
SECONDED BY: COMMISSIONER DeROUEN

July 24, 2014

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 (the “Management Authority”);

WHEREAS, the Lake Vista Community Center is located in the City of New Orleans and is one of the non-flood protection assets of the Orleans Levee District managed and controlled by the Management Authority;

WHEREAS, Full Force Dance Company, L.L.C. d/b/a Lakeview Creative Arts Studio entered into a written lease agreement for Suite 6512 in the Lake Vista Community Center in 2010, which said lease expires on July 31, 2014;

WHEREAS, Full Force Dance Company, L.L.C. d/b/a Lakeview Creative Arts Studio has offered to enter into a new lease for Suite 6512, bearing Municipal Number 6512 Spanish Fort Boulevard, New Orleans, LA 70124, (the “leased premises”), for a term of two (2) years, commencing on August 1, 2014, at a rental rate of \$15.00 per square foot, with one (1) two (2) year option to renew at a rental rate to be set at the fair market value for locations in the Lake Vista Community Center upon the commencement of the option term, and under the standard terms and conditions for leases in the Lake Vista Community Center; and,

WHEREAS, the Management Authority after considering the proposed lease by Full Force Dance Company, L.L.C. d/b/a Lakeview Creative Arts Studio resolved that it is in the best interest of the Management Authority and Orleans Levee District to approve the proposed lease with Full Force Dance Company, L.L.C. d/b/a Lakeview Creative Arts Studio.

THEREFORE, BE IT HEREBY RESOLVED, that the Management Authority approves a lease with Full Force Dance Company, L.L.C. d/b/a Lakeview Creative Arts Studio for Suite 6512 in the Lake Vista Community Center, bearing Municipal Number 6512 Spanish Fort Boulevard, New Orleans, LA 70124, for a term of two (2) years, commencing on August 1, 2014, at a rental rate of \$15.00 per square foot, with one (1) two (2) year option to renew at a rental rate to be set at the fair market value for locations in the Lake Vista Community Center upon the commencement of the option term, and under the standard terms and conditions for leases in the Lake Vista Community Center.

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

AYES: SCOTT, ERNST, BAUDY, LUPO, HEATON, DUFRECHOU, HOFFMAN, DeROUEN, CANTRELLE, STACK, BRIEN, SAIZAN, GREEN
NAYS: NONE
ABSTAIN: NONE
ABSENT: TRASK, GREEN
RESOLUTION ADOPTED: YES

Motion 03-072414 – To approve and Adopt the Louisiana Compliance Questionnaire for Audit Engagements of Government Agencies.

This motion is to approve and adopt the Louisiana Compliance Questionnaire for Audit Engagement of Government Agencies. The Chairman or Executive Director of the Management Authority is authorized to sign and submit the Louisiana Questionnaire as part of the audit of the fiscal year that ended on June 30, 2014. This is an annual questionnaire that is submitted with the audit.

Commissioner Hoffman offered a motion to Approve and Adopt the Louisiana Compliance Questionnaire for Audit Engagements of Government Agencies, seconded by Commissioner Ernst and unanimously adopted to wit:

MOTION: 03-072414
RESOLUTION: 03-072414
BY: COMMISSIONER HOFFMAN
SECONDED BY: COMMISSOINER ERNST

July 24, 2014

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;

WHEREAS, political subdivisions and boards of the State of Louisiana are required to complete, adopt and submit the Louisiana Compliance Questionnaire (For Audit Engagements of Government Agencies) each year as part of the financial audit of Louisiana state and local governments and quasi-public agencies;

WHEREAS, a copy of the Louisiana Compliance Questionnaire (For Audit Engagements of Government Agencies) that has been prepared by staff is attached hereto;

WHEREAS, the completion of the Louisiana Compliance Questionnaire (For Audit Engagements of Government Agencies) requires the signature of an authorized officer of a political subdivision;

WHEREAS, after consideration of the Louisiana Compliance Questionnaire (For Audit Engagements of Government Agencies), the Management Authority resolved that it is in the best interest of the Management Authority and Orleans Levee District to adopt the Louisiana Compliance Questionnaire prepared by staff and authorize the Chairman or Executive Director of the Management Authority to sign the attached Louisiana Compliance Questionnaire (For Audit Engagements of Government Agencies) as part of the audit for the fiscal year that ended on June 30, 2014.

NOW THEREFORE, BE IT HEREBY RESOLVED, that the Management Authority hereby adopts the Louisiana Compliance Questionnaire (For Audit Engagements of Government Agencies), a copy of which is attached to this Resolution, and authorizes the Chairman or the Executive Director of the Management Authority to sign and submit the Louisiana Compliance Questionnaire (For Audit Engagements of Government Agencies), as part of the audit for the fiscal year that ended on June 30, 2014, and any and all documents necessary to accomplish the above.

AYES: SCOTT, ERNST, BAUDY, LUPO, HEATON, DUFRECHOU, HOFFMAN, DeROUEN, CANTRELLE, STACK, BRIEN, SAIZAN, GREEN
NAYS: NONE
ABSTAIN: NONE
ABSENT: TRASK, GREEN
RESOLUTION ADOPTED: YES

Motion 04-072414 – To rescind Resolution No. 04-120513 authorizing a lease with Bonomolo Limousines, Inc. for Office 121A in the New Orleans Lakefront Airport Terminal.

This motion is to rescind Resolution No. 04-120513 authorizing the lease with Bonomolo Limousines, Inc. for Office 121A in the New Orleans Lakefront Airport Terminal.

Commissioner Heaton clarified that the Airport Committee granted Bonomolo the right to lease office space months ago. Bonomolo has not executed the lease. This motion was deferred out of an abundance of caution, but one of the principals was contacted in person and advised that the Authority could not hold the lease indefinitely. Leases will now have a 21 day deadline for the tenant to execute the lease to avoid tying up the property.

Commissioner Heaton offered a motion to rescind Resolution No. 04-120513 authorizing a lease with Bonomolo Limousines, Inc. for Office 121A in the New Orleans Lakefront Airport Terminal, seconded by Commissioner Stack and unanimously adopted to wit:

MOTION: 04-072414
RESOLUTION: 04-072414
BY: COMMISSIONER HEATON
SECONDED: COMMISSIONER STACK

July 24, 2014

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 New Orleans Lakefront Airport Terminal was severely damaged by Hurricane Katrina in August of 2005 and the Management Authority recently completed extensive repairs and renovations of the Terminal (the "Terminal");

WHEREAS, Bonomolo Limousines, Inc. ("Bonomolo") proposed to lease Office 121A, containing 252 square feet in the Terminal;

WHEREAS, on December 5, 2013, pursuant to Resolution No: 04-120513, the Management Authority approved a lease with Bonomolo of Office 121A under the terms and conditions set forth in said Resolution;

WHEREAS, Bonomolo has informed the staff of the Management Authority that it does not wish to enter into a lease agreement for Office 121A in the Terminal Building;

WHEREAS, the Airport Committee considered this matter at its meeting held on May 6, 2014 and voted to recommend rescission of Resolution No. 04-120513; and,

WHEREAS, after considering it to be in the best interest of the Management Authority and Airport, the Management Authority resolved to rescind Resolution No. 04-120513.

THEREFORE, BE IT HEREBY RESOLVED, that Resolution No. 04-120513 authorizing a lease with Bonomolo Limousines, Inc. for Office 121A in the New Orleans Lakefront Airport Terminal be and is hereby rescinded.

BE IT HEREBY FURTHER 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: SCOTT, ERNST, BAUDY, LUPO, HEATON, DUFRECHOU, HOFFMAN, DeROUEN, CANTRELLE, STACK, BRIEN, SAIZAN, GREEN
NAYS: NONE
ABSTAIN: NONE
ABSENT: TRASK, GREEN
RESOLUTION ADOPTED: YES

NEXT BOARD MEETING

The next full Board meeting of the Non-Flood Protection Asset Management Authority is scheduled for Thursday, August 21, 2014 at 5:30 p.m.

ADJOURNMENT

Commissioner Ernst offered a motion to adjourn, seconded by Commissioner Cantrelle and unanimously adopted. The meeting adjourned at 6:18 p.m.