

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
THURSDAY, NOVEMBER 3, 2011 – 4:30 P.M.**

The regular monthly meeting of the Finance Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, November 3, 2011 at 4:30 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 Hoffman called the meeting to order at 4:38 p.m. and led in the Pledge of Allegiance.

The roll was called which constituted a quorum.

PRESENT:

Chairman William Hoffman
Commissioner Carlton Dufrechou
Commissioner Michael Bridges

ABSENT:

Commissioner Stanley Brien

FURTHERMORE PRESENT:

Robert E. Smith Lupo

STAFF:

Louis Capo, Executive Director
Dawn Wagener, Non-Flood
Sharon Martiny, Non-Flood
Charles Dixon, Marina Director
Fred Pruitt, Non-Flood

ALSO PRESENT:

Charles Curtis
Steve Nelson

APPROVAL OF AGENDA

Commissioner Bridges offered a motion to adopt the agenda, seconded by Commissioner Dufrechou and unanimously adopted.

APPROVAL OF PRIOR MINUTES

The minutes of the October 6, 2011 will be presented for approval at the December 8, 2011 meeting.

OLD BUSINESS

1) Budget to Actual FY 2012

Ms. Wagener advised that this schedule reflects the budget amendment and the budget has been increased to reflect that. This also reflects the reduction of expenses for the Police Department. Chairman Hoffman requested that in the future "revised" be included in the 2012 budget column for clarification.

The total revenues for 2011, minus the \$700,000 transfer from the Flood side, there is \$2.179 million for 2011; in 2010 we had \$2.14 million, which is a \$35,000 difference. Fuel flowage is behind which makes up that difference. A report comparing the year 2010-2011 reflects that toward the middle part of the year (January and December) fuel flowage picked up last year as well. With the upcoming events scheduled we should catch up because it is not that far behind. New revenues from Lake Vista will help with the comparison.

Mr. Capo noted that it was projected to transfer out approximately \$760,000 from Bally's but as of August 31, only \$100,000 was taken. Last year at this time \$444,000 was taken which were mostly police expenses. Chairman Hoffman pointed out that the significant line in revenues is the Operating Revenue line because that is third party revenue coming in so we are ahead by approximately \$350,000. Mr. Capo added that there is an increase in South Shore Harbor and there are new leases and CPIs at the New Basin Canal. There are also new tenants in the Lake Vista Community Center. All of the properties have a slight increase.

Ms. Wagener informed that Personal Service expenses for Agency year to date are \$529,000 as opposed to last year being \$1.2 million which includes \$624,000 for the Police Department. The Authority is running less expense due to not having the bridge tenders and losing people at the Airport and one in Finance.

Chairman Hoffman questioned if personal related expenses were recorded throughout the year to avoid having a big expense for the pension at years end. Ms. Wagener informed that pension and health insurance are paid monthly. These expenses are put in the correct month so there is not an extra months pay at the end of the year. We are setting up accounts payable and reversing out the next month so the expense can be paid in the correct month.

Mr. Capo informed there is a 12% increase in the health insurance projected by the broker which is due at the end of this year. This will be adopted in the early part of December. This Authority is piggy-backed with the Flood side who has always absorbed that cost. The health insurance is not through the Office of Group Benefits as there are issues with vesting and retirees. We can pursue Office of Group Benefits and get some additional information. Chairman Hoffman requested this issue be reviewed to see if it would be advantageous to get into the state system. Ms. Wagener informed that the increase would not be overly material to the budget as there are very few people with family insurance. The 12% increase will be recalculated for the next Finance Committee meeting to figure out how much it will be. Chairman Hoffman questioned if the agency picks up the entire 12% or does the employee share the increase. Mr. Capo stated 2006 was the first time Levee District employees paid any portion of their health insurance. We have looked at sharing and could put something together and come up with a recommendation.

Chairman Hoffman questioned how overtime was controlled. Mr. Capo stated that overtime had to be approved. The police were the heavy carriers of overtime. There are incidents when firemen get overtime but management and staff overtime is non-existent. Comp time is actually logged on the books and there is a 240 hour cap. After 240 hours comp time is paid and for police and firemen the cap is 360. Comp time is carried on the books indefinitely along with sick and annual leave. Upon separation an employee's comp time is paid along with 300 hours of annual time.

Ms. Wagener informed that Travel is \$325 as opposed to last year's total of \$173 as not many people traveled. The travel expense is for Mr. Pruitt to attend the FAA conference. Contractual Services has a budget of \$2.7 million of which we have spent \$1 million. Last year we spent \$1.3 million of which \$134,000 was for police which leaves us with \$1.23 million. There are also some issues with grass cutting so not all of the grass cutting is recorded. Grass cutting will drop down significantly from December through March and pick back up in the spring. Mr. Capo added that grass cutting starts in March with two cuts per month with one cut per month from October until February. There are 20 grass cuttings per year.

Materials and Supplies are budgeted at \$226,000 and have spent \$25,000. Last year we spent \$84,000 with \$44,000 being for the police. Most of these

expenses are for in-house repairs and maintenance with \$89 being spent on Lake Vista Community Center.

Professional Services is budgeted at \$525,000 but does not reflect new revisions including Stuart Consultings' FEMA consulting services as auditors wanted us to include that in Professional Services. Ms. Wagener stated that approximately \$195,000 of the year to date FEMA related expenses would be reimbursed. Mr. Capo added that it can be broken out by FEMA Professional Services because there is no FEMA revenue at the top. The bulk of Professional Services is legal.

Other Charges is budgeted at \$48,000 with \$11,000 spent compared to \$468,000 spent the year before. The \$468,000 includes \$454,000 for bad debt expense. Equipment is budgeted at \$55,000 to purchase two trucks and some computer equipment. To date, no money has been spent in this account.

Major Maintenance is budgeted at \$536,000 of which \$102,000 was spent at South Shore Harbor for demolition of the passenger walkway. \$240,000 was spent at the Airport with Belou-Magner for mobilization and insurance, some of which will be FEMA reimbursed. Chairman Hoffman stated this is costs for renovation of the building which will be capitalized. Things that need to be capitalized need to be put in the capital account. Ms. Wagener informed that the FEMA grant money will be matched with the special services it is paying for. A separate schedule will be devised showing FEMA money or the Authority's money that is paying for such things as the overhead walk. Chairman Hoffman suggested creating a schedule that includes construction in progress with the projects listed, the beginning balance, what was spent during the month and the ending balance to keep track of what is spent for the terminal renovation.

2. Amendment to increase Stuart Consulting Group's ID/IQ contract in the amount of \$35,000 for as-needed engineering services

Mr. Capo informed there is approximately \$6,500 left in the Stuart Consulting contract for ID/IQ services. Stuart has spent \$28,000 of the original \$35,000 contract. Stuart Consulting is basically the Authority's engineering department and assisted in the panel replacement on the Airport apron. Flightline has the approval to use the panels as the compression tests came back at 6,000 PSI and the requirement was 4,000. Stuart was instrumental in helping to get the RFP out and move forward. There are upcoming projects that will require engineering services and in which Stuart can assist. This will be a \$70,000 contract with \$42,000 for upcoming projects. We have used Stuart Consulting quite often and this was a lot of backlog in earlier projects.

Mr. Nelson informed that this started because of a situation at Lakefront Airport involving a sewer leak in which a sinkhole developed. There was no in-house staff with engineering expertise so Stuart was asked to assist in these projects. The Authority had approximately \$132,000 in construction costs between two sink holes, two sewer problems and concrete panel replacement. Stuart charged \$5,600 in engineering services whereas if the ASCPD code was used the cost would have been approximately \$21,780. There are several projects ongoing in which Stuart would need to be part of the construction. Stuart is also working on the water bill investigation with Sewerage & Water Board, South Shore Harbor restroom renovation and landscaping, the water line replacement at Orleans Marina and a generator hook up at Lakefront Airport.

Commissioner Bridges stated that there are several ongoing projects in which the Authority cannot pull the plug on. There needs to be more money on the contract so Stuart Consulting can continue to be involved. Mr. Capo added that there will likely be more sink holes and busted sewer lines down the road. The \$35,000 will carry another 5 months possibly longer for day to day engineering support.

Commissioner Bridges offered a motion to increase the contract for Stuart Consulting \$35,000, seconded by Commissioner Dufrechou and unanimously adopted. Chairman Hoffman requested a schedule included in the monthly financials that tracks this expense for monitoring purposes.

NEW BUSINESS

1) Discussion on the request for qualifications (RFQ) to secure professional services for a strategic public outreach and informational program development

Mr. Capo presented a draft RFQ which was discussed at several meetings. Chairman Hoffman stated the Authority certainly has the need for this type of service, specifically at the Airport. There are opportunities for the Authority to get the message out and a person or firm that can work with the Authority and develop a relationship to utilize similar to the engineering staff would be beneficial. Commissioner Saizan advised that Mark Romig stated there would be national publications in connection with the 1812 event. The woman doing the PBS documentary for the Airport has joined with WYES Channel 12 to help share expenses. WYES will help finance this documentary which will be no cost to the Authority and will ensure that our message comes out. There is much potential for the Airport facility and that is why it is important to have someone to assist with marketing and advertising the Authority's assets.

Commissioner Bridges also supported this contract as it is important for marketing the assets to get the Authority in the black. Once the Bally's money runs out we need to get to the point where we have enough revenue coming in. Commissioner Bridges addressed the RFQ and stated that it should be left all the way open for the marketing firm to do on an hourly basis. The Authority should give some idea of how much there is to spend or the value of the contract and make sure they understand the Authority does not have much money and it is not going to be a big value contract.

Commissioner Saizan stated that a piece similar to the PBS piece for the Airport needs to be developed on South Shore Harbor, West End with the restaurants and also the Lakefront to be able to market all of the properties. We need to set deliverables and costs. The Authority does not have a lot of money to spend but we need to get the word out regarding the Airport, South Shore Harbor, West End and the Lakefront.

Commissioner Bridges stated that the list for the outreach professional to perform is too broad as it does not define what we are asking them to do. It needs to be more specific and include specifics about what we expect for the Airport and the Marina, things that we would like to see happen and the person can draw from that information.

Chairman Hoffman suggested having the selected firm sit down with a given amount of funds to help us figure out what we can do, how to stretch the dollars we have, what would be our best use and how to leverage off the funds over a specific time. Mr. Capo stated that if we get specific and say we want print media or brochures, that would lock us in too tight on some things. Commissioner Bridges suggested to require that a marketing plan be submitted to inform what services could be provided for the budgeted amount that the Authority is offering. Mr. Capo stated this could be moved forward to the board and an RFQ can be issued at any time. This is specialized and we wanted the Board and Committee members to be involved before we sent an RFQ out. This will be sent to all committee members. When the responses are received the RFQ can be issued in the mid part of January and a selection can be made by early next year. There are several events coming up next year and we will hopefully have someone in place by that time.

Chairman Hoffman requested Mr. Capo call Mark Romig regarding his recommendations regarding this issue. No action was taken on this issue.

2) Discussion and approval to contract with Dick Hrbako in an amount not to exceed \$5,500 plus expenses for the development of a Class II Airport certification manual, also known as Part 139, to be in compliance with FAA standards including a review of the Airport Emergency Plan

Mr. Capo informed of discussions with GLO Air regarding a timeline on re-establishing our recertification as a 139 Airport. This was pushed down the road because of additional costs with staffing, equipment and maintenance involved in becoming a 139 Airport. GLO possibly coming in has moved up timeline. Mr. Hrbako is a recommendation from Win Perkins to get the 139 process started for completion of the certification manual to submit to the FAA.

Mr. Win Perkins is the Aviation and Real Estate Expert the Authority hired to assist with GLO Air and other Airport related real estate. Chairman Hoffman informed this is a needed step and we need to get this process started. Mr. Pruitt informed that Mr. Hrbako seems very knowledgeable. A copy of the previous manual was forwarded to Mr. Hrbako and he stated that it was 90% complete. There are formatting changes and some pictures and documents need to be changed. It will take approximately 30 days to gather the information and another 30 days for an executive assistant to make the changes for the new manual. Mr. Hrbako will be preparing the application for the FAA for the 139 certification which will be filed and at that point the FAA inspector will do a full inspection of the Airport and make recommendations at that time. Once the application is filed we need to be fully prepared to be inspected.

Chairman Hoffman added that we need to have the Airport staffed for the capability to maintain this on an ongoing basis. Presently, there is not enough staff to put this update through so we are going to the outside for assistance. Commissioner Bridges moved to pass to the Board, seconded by Commissioner Dufrechou and unanimously adopted.

3) Discussion and approval to contract with Shaw Coastal for the preparation of the stormwater management program not to exceed \$11,899.42

Mr. Capo advised that the Authority is co-permittee with the City of New Orleans Sewerage & Water Board. The deadline for the report is December 1, 2011. The Flood side is contracting with Shaw Coastal for their report and has done this Authority's work over the years. Brian Hava with Shaw Coastal believes the deadline of December 1, 2011 can be met so we can be in compliance with the stormwater management program. Stuart Consulting has looked at the proposal and feels it is reasonable for the cost and scope of work needed. Each property outside of flood protection must have a stormwater management plan. The Non-Flood Authority has an opportunity to piggy back in Orleans Parish is routinely done by sub-entities of the state in this geographic region. If the December 1, 2011 deadline is missed we have to apply for the permit as a stand alone. Shaw can do this within the 30 days and it is staff recommendation the Authority have this done. This contract is under the authorized dollar amount and on the budget revisions. The expense is the plan and an update is performed each year. The Flood side is picking up the cost of that again this year. The report due now is for the past year regarding maintenance of stormwater.

ANNOUNCEMENT OF NEXT MEETING

Chairman Hoffman announced the next meeting is scheduled for December 8, 2011 at 4:30 p.m.

ADJOURNMENT

Commissioner Bridges offered a motion to adjourn, seconded by Commissioner Dufrechou and unanimously adopted.

The meeting adjourned at 5:30 p.m.