

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
THURSDAY, DECEMBER 6, 2012 – 4:30 P.M.

The regular monthly meeting of the Finance Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, December 6, 2012 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 4:34 p.m. and led in the Pledge of Allegiance.

The roll was called which constituted a quorum.

PRESENT:

Chairman William Hoffman
Commissioner Michael Stack
Commissioner Stanley Brien
Commissioner Carlton Dufrechou

ABSENT:

Commissioner Patrick DeRouen

STAFF:

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

ALSO PRESENT:

Gerard Metzger – Legal Counsel
Al Pappalardo – Real Estate Consultant
Steve Nelson – Stuart Consulting
Ray Landeche – Lakeshore Subdivision

APPROVAL OF AGENDA

Commissioner Dufrechou offered a motion to adopt the Agenda, seconded by Commissioner Brien and unanimously adopted.

APPROVAL OF PRIOR MINUTES

The Finance Committee minutes of December 6, 2012 will be approved at the January 10, 2013 Finance Committee meeting.

REPORT BY EXECUTIVE DIRECTOR

Mr. Capo informed the Committee that Sherlock Construction will replace the concrete where the sign was removed in front of the Lake Vista Community Center. There is also a window that will be replaced in the Community Center due to termite damage that has left the window in danger of falling. The concrete replacement is \$7,088 and the window replacement is \$1,885 and is part of the Stuart Consulting ID/IQ contract. Stuart assisted in gathering bids for this project and Sherlock was the lowest bid.

NEW BUSINESS

1) **Review of budget to actual Fiscal Year 2013**

Ms. Wagener reported that no money was transferred from the Bally's settlement fund and the balance remains the same. Expenditures are holding as they should be at this point in time. Lake Vista Community Center has a \$1,700 deficit due to insurance that was under-budgeted along with a slight over estimation of revenues.

Revenues at Orleans Marina are \$474,000 and the Marina is doing fine. South Shore Harbor is not making money as revenues were overestimated. There are various projects at South Shore Harbor and the supply budget is running high. Occupancy at South Shore Harbor is approximately 44%. All boathouses are filled. Mr. Dixon advised that due to the economy and South Shore Harbor losing five boats as a result of Hurricane Isaac the tenants are terminating their leases. It was previously discussed that South Shore Harbor hit the limit on tenants until something is out there to entice the boaters.

Lakefront Airport is also losing money partially due to the lack of fuel flowage. It is anticipated this will be made up during the Super Bowl and other Bowl games and activities in January. This budget is slightly behind as it was prepared in anticipation of those games. Rents are not tracking as money was added for the two hangars presently under construction which were anticipated to come on line toward the end of the year. Mr. Capo noted that the Bastian-Mitchell Hangar, Terminal Building and Wedell Hangar were anticipated to be completed by the end of 2012 and revenues toward those properties were added during the fourth quarter. Fuel Flowage is divided over a 12 month period and will lag until the Super Bowl.

Mr. Capo noted that the Bastian-Mitchell Hangar will be presented to the Louisiana Department of Economic Development so they can assist the Authority with marketing and getting this Hangar advertised around the nation. The Bastian-Mitchell Hangar may be ideal for a corporation to move their planes and aviation operations to Lakefront Airport and this option will be explored.

Expenses are at approximately 41.7% of the budget at this point in time. The Other Charges is due to the Authority writing off the settlement with Hawthorne (AeroPremier settlement) which was not budgeted as it was unknown how the auditors wanted the settlement handled. Other Charges is at \$68,000 with \$53,000 expended at the Airport. The auditors wanted the settlement written off as an expense for the year against revenues for the Airport. This is offsetting the rent.

Mr. Capo informed that RCL as the architect and Stuart as the project manager are reviewing the Belou-Magner invoices so there are several layers of protection to ensure the Authority is not giving Belou-Magner anything the Authority will later have to collect. Mr. Nelson informed the Committee that 10% retainage is being withheld from the progress payments which will amount to approximately \$750,000. The liquidated damages are \$1,000 per day which would be 750 days before reaching that retainage. Belou-Magner has only been given what is absolutely necessary and fair in terms of the schedule. Stuart has tried hard not to be arbitrary. If this matter ends up in litigation Stuart Consulting has to be prepared and cannot be arbitrary and capricious in any way. As the agent and project manager, Stuart is not recommending anything that cannot be justified. Chairman Hoffman noted that the Authority make sure Belou-Magner is paid what the Authority is legally responsible to pay along with protecting the Authority to the fullest extent legally in every way.

Mr. Pruitt informed that the Airport paving project started and Boh Brothers already stripped the asphalt off of the Terminal parking lot and should be starting the lay down process soon as they are moving quickly. Commissioner Stack noted that the portion that can be done now will be completed by Christmas.

Ms. Wagener informed that check number 12064 (settlement payment to Lester Cook) is for an insurance fund that the Authority has to keep funded at \$5,000 for the Authority's slip-and-falls. This is the deductible and the account is replenished. Mr. Metzger advised that this is not a settlement as they are paying the deductible that is owed and then the insurance kicks in.

Mr. Metzger noted that the Real Estate Tax on 7400 Lakeshore Drive is the old Hong Kong Restaurant for taxes assessed on improvements before the improvements reverted to the Levee District so they would have been incumbent. The taxes had to be paid or interest and penalties would accrue. This had to be cleared out because as Mr. Brisbee took out a leasehold mortgage on the property and the Authority was dealing with Mr. Brisbee's attorneys at the closing.

ANNOUNCEMENT OF NEXT MEETING:

Chairman Hoffman announced the next Finance Committee meeting is scheduled for Thursday, January 10, 2013 at 4:30 p.m.

ADJOURNMENT:

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

The meeting adjourned at 5:04 p.m.