

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY  
FINANCE COMMITTEE MEETING MINUTES  
THURSDAY, MARCH 8, 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, March 8, 2012 at 4:30 P.M., in the Lake Vista Community Center, 2<sup>nd</sup> 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 4:35 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 Stack

**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  
Vincent Caire, Non-Flood  
Fred Pruitt, Non-Flood

**ALSO PRESENT:**

Gerard Metzger  
Al Pappalardo  
Tim Avegno  
Steve Nelson  
Chris Fenner  
Ray Landeche  
Hardie Edgecombe  
David Bacci  
Chris Clement

**APPROVAL OF AGENDA**

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

**APPROVAL OF PRIOR MINUTES**

Commissioner Dufrechou offered a motion to approve the minutes of the Finance Committee meeting from February 9, 2012, seconded by Commissioner Stack and unanimously adopted.

**REPORT BY EXECUTIVE DIRECTOR**

Mr. Capo advised the Committee that the National Guard Flood Insurance policy is due April 24, 2012 with a premium of \$10,343.00. The Delgado Hangar is due April 27, 2012 with a premium of \$10,343.00. The Public Officials Liability policy expiring March 16, 2012 was extended and will expire July 1, 2012 in an effort to align the insurance with the current fiscal. The premium for the Public Officials Liability policy for that period is \$7,284.00.

Chairman Hoffman requested an updated insurance schedule listing all insurances going forward, the premium amount and the policy dates. Mr. Nelson and Mr. Avegno of Eagan Insurance will formulate a plan with the insurance going forward. As additional wind coverage is too expensive, a waiver with the State will be requested.

## **OLD BUSINESS**

### **1) Budget to Actual Fiscal Year 2012**

Ms. Wagener advised that \$181,000 of the \$762,000 projected has been taken out of the Bally's settlement account. There is \$39,000 in the demand account and \$59,000 on the credit card account along with revenues due from Lake Vista and Orleans Marina. Insurances are being extended to align with the Fiscal Year requiring \$500,000 worth of insurance to be paid July 1, 2012. Lake Vista and Orleans Marina revenues are received as expected. South Shore Harbor had \$25,000 in location fees that was not budgeted. Revenues of \$309,000 have been collected to date at South Shore Harbor with one quarter left to collect.

Lakefront Airport had better fuel sales last month, but sales continue to lag. With Final Four and Jazz Fest in the near future, fuel sales may increase. Personal Services are as expected and there is not much travel. Contractual Services has \$900,000 remaining in the budget as money earmarked for insurance will not be used this year.

Chairman Hoffman informed that Grass Cutting and Trash Collection will have to be altered or the budget will be significantly over. There are some expenses that are under budget which can be used to cover some of the grass cutting. Mr. Capo noted that with the warm weather and rain the grass has grown quickly. Starting in March there will be 2 cuts per month for 4 months resulting in 8 cuts at approximately \$50,000 per site for a total of \$400,000. There is \$250,000 remaining in the budget for grass cutting. With the nice weather, trash collection is entering its busy season as the Lakefront is heavily used.

Chairman Hoffman noted that Professional Services - Legal for the Marina is significantly over the \$15,000 budgeted with \$52,000 spent to date. Mr. Metzger advised that miscellaneous items are dealt with at the Marina covering a multitude of issues that arise which are dealt with by Charles Curtis. Mr. Capo advised of the Dewald boathouse issue and the tax issue. There is also \$61,000 remaining under Equipment for the purchase of two trucks.

Mr. Capo advised the water costs for the Lakefront do not include the credit that Sewerage & Water Board owes the Authority. One credit was taken for one month against the two meters on the Airport. The credit owed to the Authority from Sewerage & Water Board needs to be added and then reduced accordingly each month.

Chairman Hoffman addressed the check register and questioned a check issued to Charles Dixon in the amount of \$50.46 and a check issued to Faux Pas Prints. Mr. Dixon informed that he received a check to reimburse out-of-pocket expenses for the boat show as the Authority does not have a credit card. The check for Faux Pas Prints is a jacket for Mr. Pruitt and Marina employee uniforms to identify the Marina personnel.

## **NEW BUSINESS**

### **1) Discussion regarding increase in the engineering services contract with Stuart Consulting Group in the amount of \$25,000**

Mr. Capo requested an increase for the IDIQ contract with Stuart Consulting Group for engineering services for various projects. The last IDIQ increase had a not to exceed of \$70,000 and to date that number is \$67,576. The request of \$25,000 should carry through the end of the fiscal year. Chairman Hoffman noted that Stuart Consultants' services are required to operate the facilities since

the Authority does not have engineers in-house. Mr. Capo informed he works closely with Mr. Nelson and all work is authorized. Weekly sheets from Stuart are monitored to track the progress of ongoing projects. When invoices are submitted, the invoices are reviewed and authorized as to hours worked on each project. There are also daily discussions on most projects. Mr. Nelson noted that the work Stuart provides is work that is not reimbursable by FEMA or any other entity. There are currently 28 projects, 16 are ongoing and 12 are completed.

Commissioner Stack offered a motion to recommend an increase to Stuart Consulting Group's IDIQ contract in the amount of \$25,000, seconded by Commissioner Dufrechou and unanimously adopted.

## **2) Discussion of FY 2013 Budget**

Mr. Capo reported that the two columns adjusted on the 2013 budget are Lakeshore Drive and Lakefront Airport. As a hard number for insurance is unknown at this time, insurance was increased by \$150,000 which raised the loss from \$79,000 to \$226,000. Mr. Davis will provide an estimate of energy consumption for the Terminal Building. The increase for insurance and additional utilities will yield a \$226,677 loss at the Airport. Lakeshore Drive may be on line in January, 2013. Additional numbers added to the budget will reflect 6 months of utility, water & sewerage and shelter house costs for Lakeshore Drive which raise costs for Lakeshore Drive to the original cost of \$1.5 which puts Lakeshore Drive at an \$805,000 loss. This encompasses all costs of Lakeshore Drive and \$400,000 for Major Maintenance.

Mr. Capo addressed the insurance issue and noted that the Authority currently has \$46 million in stated value. It was currently estimated that all properties will have a future stated value of \$135 million. The increase in the stated value will drive the premium up. The Insurance Committee will have to decide the amount of coverage that we are willing to handle. Right now we have \$46 million in stated value and we have \$15 million worth of coverage. That is costing the Authority more than \$300,000.

Chairman Hoffman advised that this budget includes a Major Maintenance line item totaling \$390,000 that was not included in past budgets and is almost 40% of the budget for Major Maintenance. Chairman Lupo noted that a 3-5 year projection from the storm until current will reflect what the deficit was in operating the Airport and how that has changed.

Mr. Capo informed that the two Bally's settlement accounts to date have approximately \$2.4 million. The main settlement account has approximately \$2 million and the Marina Center settlement has approximately \$408,000. If the budget is adopted with a \$1 million deficit the Authority has approximately 1½ years left of funding. Chairman Lupo noted that 2 years ago the Authority had 1½ years left. It is 2 years later and the Authority still has 1½ years left. The Authority has done really well and the work stretching funding out has gone quite a ways.

## **ANNOUNCEMENT OF NEXT MEETING**

Chairman Hoffman announced the next meeting is scheduled for April 5, 2012 at 4:30 p.m.

## **ADJOURNMENT**

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

The meeting adjourned at 5:12 p.m.