

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY  
FINANCE COMMITTEE MEETING MINUTES  
THURSDAY, OCTOBER 3, 2013 – 4:30 P.M.**

The monthly meeting of the Finance Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, October 3, 2013 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 did not constitute a quorum and the meeting began as informational only.

**PRESENT:**

Chairman William Hoffman  
Commissioner Carlton Dufrechou  
Commissioner Michael Stack

**FURTHERMORE PRESENT:**

Commissioner Pearl Cantrelle

**ABSENT:**

Commissioner Patrick DeRouen

**STAFF:**

Louis Capo - Executive Director  
Sharon Martiny – Non-Flood  
Dawn Wagener - Non-Flood  
Chuck Dixon – Marina Director

**ALSO PRESENT:**

Gerard Metzger – Legal Counsel  
Steve Nelson – Stuart Consulting Group  
Alton Davis – Richard C. Lambert  
Randy Maddox – Morrison Insurance Agency

**APPROVAL OF AGENDA**

Upon the arrival of Commissioner Dufrechou, which constituted a quorum, Commissioner Dufrechou offered a motion to adopt the Agenda, seconded by Commissioner Stack and unanimously adopted.

**APPROVAL OF PRIOR MINUTES**

Commissioner Stack offered a motion to approve the minutes of the September 5, 2013 Finance Committee meeting, seconded by Commissioner Dufrechou and unanimously adopted.

Chairman Hoffman advised that Items 3 and 4 from the Agenda would be discussed first for information purposes.

**REPORT BY EXECUTIVE DIRECTOR**

Mr. Capo advised of an \$11,000 overrun of cost sharing from the LA-DOTD parking lot repairs at the Airport. Commissioner Stack requested this item be placed on both the Airport and Finance Committee Agendas. The Airport Committee is very appreciative of Commissioner Stack and LA-DOTD and recommended approval of this item.

The Marina Committee addressed the lighting and security measures at South Shore Harbor Marina. A new security fence was erected along the east area to deter perpetrators from entering the Marina. The lighting damaged during

Hurricane Katrina makes the area more attractive for perpetrators so it is recommended that repairs in the amount of \$7,450 be made to the lights immediately and reimbursement be pursued from FEMA. The lights should be replaced immediately due to the recent rash of burglaries at South Shore Harbor. The cost is within the \$25,000 Major Maintenance budget for South Shore Harbor. Approximately \$10,000 was spent on the fence and lighting repairs are approximately \$7,400. Replacement of the dock boxes in the amount of \$18,400.00 would overrun the \$25,000 Major Maintenance budget threshold. The dock boxes are reimbursable by FEMA. The dock box issue was addressed by Mike Gillen who advised that tenants are paying for slips, but do not have all the amenities that should be provided.

At Orleans Marina one of the pumps for the lift station is going bad creating a problem at the Orleans Marina. Replacement of that pump is approximately \$4,500 and will be part of the \$90,000 surcharge assessed to the Orleans Marina tenants. It is recommended that this issue move forward.

### **OLD BUSINESS**

#### **1) Discussion regarding recent vehicle liability insurance quotes provided by Morrison Insurance Agency in an amount no less than \$56,000 excluding the fire truck**

Mr. Capo advised that automobile insurance expires on November 1, 2013. The expiring premium was approximately \$24,000 and the lowest quote received for renewal is \$56,000. Randy Maddox of Morrison Insurance will explain the increase in costs.

Mr. Maddox advised that for the last two years there was no effect from the Non-Flood and Flood Authority being combined on workers comp or automobile insurance. The average premium per unit was approximately \$1,000 for \$1 million of liability insurance, which was an unbelievable deal. Two to three carriers wrote the insurance until last year when the Authority moved from Pretorian to Republic because of increased premiums. Republic was \$1,000 and Pretorian jumped to \$1,300. The Republic program was through a San Antonio broker that had a specialty program for approximately seven years. The program blew up and in the middle of the summer the Authority was issued a Notice of Non-Renewal. A number of markets were shopped, but municipality and governmental businesses are not high on the list of desired risks to write. The negative issue for the Non-Flood Authority is the Airport due to the rescue vehicles and the issue with the fire truck that hit the person who survived a plane crash in San Francisco. Pretorian was contacted because they had written the Non-Flood Authority who had a 1% loss ratio, if that, but Pretorian changed their colors which showed with the high renewal quote. Pretorian noted that the Non-Flood Authority account was fine, but the experience in Louisiana was horrendous due to the legal climate. Four responses were received. There is no firm quote at this time for the Flood Authority, but indication is that the premium is more than double. I have been doing this since 1978. Our Agency writes in excess of 400 commercial clients and I have been writing insurance for the Levee District since 1992. The cost per vehicle is in line with other commercial clients. The carrier asked for a target price and one was given that everyone could live with. Morrison Insurance goes out to market each year on every account which takes time and money. Both admitted and non-admitted quotes are presented. Non-admitted quotes include a 5% state tax which is included in the quote. Chairman Hoffman noted that the Fire Truck is reasonable at \$3,300.

Mr. Maddox advised that he would keep working on quotes up to the last minute. The Non-Flood Authority's insurance will definitely be quoted. Chairman Hoffman suggested the Insurance Committee meeting be pushed back until a quote is received. Mr. Capo advised that this item has to be approved at the October 17, 2013 Board meeting so the coverage can be bound. The budget this year is \$27,000 for automobile insurance.

**2) Discussion regarding amendment of the Professional Services contract with Richard C. Lambert consultants, L.L.C. to change the consultants compensation from FEMA Cost Curve “B” to Cost Curve “A” conditioned upon approval by FEMA**

Mr. Capo advised that this matter has been back and forth between the Board and Airport Committee. Richard C. Lambert is requesting Cost Curve “A” on the Terminal Building as opposed to Curve “B”. This issue was shot back to the Committee level. Mr. Metzger advised that there was a motion to postpone consideration of the issue indefinitely. Commissioner Heaton recommended that it go before the Airport Committee. Mr. Davis stated that his understanding is the Legal Committee will draft a Resolution addressing this issue. Chairman Hoffman advised that this would be supported as long as it is approved by FEMA.

**3) Discussion and review of the total amount of budget charges (grass cutting money)**

Mr. Capo advised that there have been no additional commitments made for the money approved at the prior Board meeting. Chairman Hoffman requested a schedule showing what has been committed be sent to the Finance Committee for discussion at the November 2013 meeting.

Ms. Wagener advised that \$118,000 has been spent on grass cutting to date, but September bills have not yet been received. The grass cutting budget is \$672,000 for the year which is reduced by the bid amount giving the gap of savings that was presented at the August 2013 Finance Committee meeting. Chairman Hoffman requested the savings be put in a readable format that will be easy to decipher.

Mr. Capo informed that November and December are one cycle; January and February are zero cycles. There was a seven week gap between the last cut and the first cut on the airfield and hay on the field was becoming a safety hazard. Over 160 bales of hay was bailed and trucked to the Peninsula. One cut was accelerated to get the grass down and in the cooler months it will be extended. There will be one additional cut for the dedication ceremony so the area will be cleaned up and look good.

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

Chairman Hoffman noted that the Operating Revenue, it looks like that is on target. Ms. Wagener informed the committee that the Operating Revenue is on target. At Lakefront Airport the fuel is at 17% and total revenue is at 21%. Fuel from the first quarter of 2013 compared to first quarter of 2012 is 10,000 gallons ahead. Mr. Capo advised that summer is the slow period. October is convention season and things should pick up. Not reflected in the budget are revenues that will be collected from the Bastian-Mitchell Hangar and the Terminal Building.

Chairman Hoffman noted for the record that Commissioner Dufrechou arrived constituting a quorum.

Ms. Wagener reported that \$100,000 was transferred out of the Bally’s account last month. Last year \$183,000 was taken from the Lakefront account (\$700,000 from the Flood Authority.) It is expected that cash will have to be supplemented again this year. Expenditures are under 25% in the General Fund. There is not as much spending as anticipated in the General Fund.

Lake Vista Community Center is a small fund with Contractual Services and Supplies slightly over 25%. There is not much of a budget for Lake Vista Community Center and when repairs are made it will cause issues with the budget.

Contractual Services and Materials & Supplies are over 25% in Orleans Marina. Several expenses in the Operating Fund could be charged against the \$90,000 for Major Maintenance. Approximately \$13,000 was spent for painting in the parking lot and the light poles and lights were purchased with another \$7,000 which should be charged against the \$90,000. South Shore Harbor's revenues are slightly below the 25%. Contractual Services reflects fencing recently purchased. There were some unanticipated budget expenses at South Shore Harbor which can be charged against the \$25,000 Major Maintenance Budget.

Lakefront Airport's revenues are not quite at 25%. Insurance is overspent, but there is money across the board to cover the over expenditure. New Basin Canal stands on its own and it is fine right now.

A new cash schedule was included to reflect cash movement and how money is moved to pay for FEMA and Lakeshore Drive items. Mr. Capo informed that the credit card document is the account that slip payments are processed under for the two marinas. Each quarter credit cards are batch processed for the slip rental and the money goes into the credit card account. Chairman Hoffman noted that those charges come at the beginning of the quarter and the big deposit is in the first month of the quarter which is transferred out as needed. Ms. Wagener explained that the NSF charge for \$861.00 was a check that came back. This was re-deposited with the next bank deposit. Mr. Capo informed that bank accounts are also batch processed. Tenants use a bank account or a credit card that is automatically debited each quarter for slip rental.

Ms. Wagener informed that the credit card statement has not yet been received. There was \$650 charged to the credit card on September 11, 2013 for a second ad for the Bastian-Mitchell Hangar in a national publication distributed in Beijing, China at the National Aviation Business Association function.

Mr. Capo advised that the new fiscal year budget will be prepared within the next six to eight weeks. There is no money to add to that budget. As \$1 million was moved this year from the Bally's account, the new fiscal year budget will be cut by \$1 million.

**ANNOUNCEMENT OF NEXT MEETING:**

Chairman Hoffman announced the next Finance Committee meeting is scheduled for Thursday, November 7, 2013 at 4:30 p.m.

**ADJOURNMENT:**

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

The meeting adjourned at 5:21 p.m.