

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE JOINT SPECIAL AIRPORT/FINANCE COMMITTEE MEETING
WEDNESDAY AUGUST 21, 2013 – 3:00 P.M.**

A joint meeting of the Special Airport/Finance Committee of the Non-Flood Protection Asset Management Authority was held on Wednesday, August 21, 2013 at 3:00 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 3:14 p.m. and led in the Pledge of Allegiance.

The roll called was which constituted a quorum.

PRESENT:

Finance Chairman William Hoffman
Airport Chairman Darrel Saizan
Commissioner Wilma Heaton
Commissioner Romona Baudy
Commissioner Pearl Cantrelle
Commissioner Nyka Scott
Commissioner Stanley Brien
Commissioner Carlton Dufrechou
Commissioner Michael Stack
Commissioner Pat DeRouen

FURTHERMORE PRESENT:

Chairman Robert E. Smith Lupo
Vice Chairman Joe Hassinger

STAFF:

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

ALSO PRESENT:

Gerard Metzger – Legal Counsel
Al Pappalardo – Real Estate Consultant
Brayton Matthews – Flightline First
Jonathan Buff – Hawthorne
Brianna Bell – NOCCI
Dottie Belletto – NOCCI
Jillian Stagg – NOCCI
Harold Baur – UNO
Frank Stuart – Stuart Consulting

OPENING COMMENTS

Finance Chairman Hoffman noted that there are two quorums present today as there are two committees in attendance. The matter on the Agenda is to discuss the dedication ceremony for the Lakefront Terminal.

APPROVAL OF AGENDA

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

APPROVAL OF PRIOR MINUTES

Commissioner Cantrelle offered a motion to approve the minutes of the July 11, 2013 Airport Committee meeting, seconded by Commissioner Saizan and unanimously adopted.

Commissioner Hoffman offered a motion to approve the minutes of the July 11, 2013 Finance Committee meeting, seconded by Commissioner Stack and unanimously adopted.

PRESENTATION

1) Presentation by NOCCI regarding funding and expenditures for the rededication ceremony at the New Orleans Lakefront Terminal

Mr. Capo advised that Ms. Dotti Belletto, Gillian Stagg and Brianna Bell of NOCCI will give an update on funding and expenditures for the New Orleans Lakefront Airport rededication ceremony.

Ms. Stagg advised the Committee that there are two budgets: one budget for the entire event and one budget for the public dedication only.

Ms. Belletto informed the Committee that two events are slated for the dedication ceremony. The patron party scheduled for September 27, 2013, is to raise money from sponsors electing to be part of the rededication of New Orleans Lakefront Airport. The Board has the option to hold this event, which would be paid for with sponsorship monies. The Board would receive information from vendors and execute any contracts. NOCCI does not sign contracts, but will make recommendations regarding low bids after reviewing vendor proposals through the RFP process. NOCCI will seek donations and request vendors provide services as a donation. The patron party budget reflects market costs to move forward with this event.

The public event is scheduled for Saturday, September 28, 2013 and would include a press conference, a tour of the Terminal Building and giving the public an option to pay for rides in vintage aircraft. The public event is a free full day activity open to the public. The Board has the option to hold one event or both events. With the events scheduled for September 27th and 28th, NOCCI will have to run quickly with this project. Ms. Belletto advised that the budget for both the patron party and public dedication ceremony is \$149,410.43. The budget for the public event only is \$104,360.54.

Chairman Saizan addressed the Flagship Detroit and advised that the original deal was to provide accommodations. Accommodations were deleted because the corporate sponsor agreed to comp the rooms, yet the cost for the Flagship Detroit is \$9,100. Mr. Caire explained that the aircraft is very expensive to operate. The contract includes a \$3,000 appearance fee for the aircraft and reimbursement for up to 800 gallons of fuel and 20 gallons of oil. Additional fuel will be purchased from Flightline and reimbursed by this Authority. The major expense is the fuel to transport the aircraft to the event. Ms. Stagg advised that \$9,100 was budgeted for the Flagship Detroit and does not include accommodations.

Chairman Hoffman requested Ms. Belletto explain why between the contract execution date of May 28, 2013 and August 21, 2013 there are \$150,000 in proposed expenses although no contracts have been signed. The contract also included language that NOCCI was to assist in soliciting funds. Ms. Belletto explained that save the date, invitations and creative deliverables have been created. NOCCI created the event and vendors are on hold. Ms. Stagg informed that RFPs were let for vendors and NOCCI is working with public relations nationally and locally and a data base of sponsors was prepared. Chairman Saizan recently advised that NOCCI could approach vendors the Authority works with.

Chairman Hoffman advised the Committee that the Authority currently has no sponsors or contributions. Ms. Belletto noted the contribution Chairman Saizan secured and verbal conversations regarding contributions by Board members. NOCCI has no concerns in terms of securing contributions for the event if the Board moves forward. As NOCCI cannot spend money that has not been received, certain areas would be scaled back and items would have to be donated. Chairman Hoffman requested Ms. Belletto explain how the Authority, who presently has secured no donations, would plan an event when no money has been secured. Ms. Belletto advised that she did not know and requested that Chairman Lupo comment on the issue. Chairman Lupo advised that there was a group interested in assisting the Authority to raise money for the event.

Commissioner DeRouen addressed contributions and requested a professional opinion on how much NOCCI could raise for the event and how much money NOCCI would request from the Board to supplement what was not raised. Ms. Belletto advised that NOCCI would approach the Executive Director and the Committee present in the prior meetings to assist making the budget more realistic. Approximately \$149,410.54 has to be raised for both events. NOCCI will not comment on the amount of fundraising in a public meeting and requested the Board provide names and relationships to assist with fundraising. It is possible to raise \$100,000 in four weeks, but that is a push.

Chairman Hoffman noted that the Saturday event alone is a significant amount of money. Mr. Capo advised that a budget would be prepared to determine what the Authority has selected for the event and the consultants could then proceed to raise the necessary funds. Commissioner DeRouen advised if the Board commits to a \$100,000 budget and the consultant is unable to raise the money, the Board is responsible for the budgeted amount. Chairman Hoffman suggested tracking vendors that contribute funds and any sponsors to determine what should be scaled back so the event does not go over budget.

Chairman Lupo recommended the Airport Committee approve a \$50,000 budget which will also assist in advertisement and marketing Lakefront Airport which the Authority spent millions of dollars to renovate. The consultants can recommend where the \$50,000 should be spent. Chairman Saizan added that \$50,000 was a modest number for a marketing event which would advertise the Airport and rebound to South Shore Harbor. This is a statement of what the Authority has been able to accomplish and the rededication is an investment in the Authority's future.

Commissioner Hassinger noted that if the Authority committed to \$50,000, \$15,000 was already spent on the event coordinator and \$11,000 on invitations which leaves \$24,000 that can be spent. The Authority cannot sign any contracts unless money from sponsors is in place. There are approximately 30 days in which to raise and then decide how to spend the money. Ms. Belletto informed the Committee that \$150,000 was the base amount for an event, which could go as high as \$300,000. Ms. Stagg noted that NOCCI is coordinating the Saenger public event with a budget of \$150,000.

Ms. Belletto advised that NOCCI was authorized 24 hours ago to solicit vendors and contributions. The Board must decide how to move forward. NOCCI cannot make promises as authorization was just recently given to make phone calls. This is not an unusual situation. Ms. Stagg advised the Committee that events such as United Way have a budget of \$150,000 for a one night gala. Saks Fifth Avenue holds a ticketed fundraiser that ranges between \$60,000-\$100,000 depending on what is donated. The new section of the WWII Museum had a four day event with a \$400,000 budget.

Commissioner Cantrelle noted that the Authority contracted with NOCCI in May for the purpose of not being in the situation where it is 30 days before the event and the Committee is just seeing the budget and has to determine how to find

money for the event. Ms. Belletto informed the Committee that NOCCI has not began with the Saenger opening which is October 1, 2013. In NOCCI's world this is not unusual. NOCCI has attended many planning meetings with the Ad Hoc Committee consisting of Chairman Lupo, Mr. Capo and Commissioners Saizan and Heaton. Commissioner Heaton advised that she attended two meetings and requested the budget at the second meeting.

Commissioner Cantrelle noted that she has worked on many fundraisers and never has a budget stopped the fundraising. Ms. Belletto explained that the sponsor letter had to be approved and NOCCI had to wait for the vendors to put on the data base. My recommendation is that the Authority have a basic press conference and a public tour of the facility which can be arranged internally. To maximize exposure for Lakefront Airport the public event on Saturday should move forward. The Authority could postpone the patron party until a fund is established that is sustainable for Lakefront Airport. The public event would include a press conference with food and beverage being sold to the public. Staff would be available inside to answer questions and the public would be allowed to view the artwork. The vintage aircraft would be a great addition if possible. More importantly is that the media attend the event to present the elected officials and Board members.

Ms. Belletto advised that NOCCI would contact the media, work on public relations and prepare the stage with the needed equipment for the podium, mic and AV. NOCCI will request food and beverage donations from community restaurants and give those restaurants an opportunity to have a booth to highlight their business. Commissioner Dufrechou noted that the target list of potential donors has approximately 30 entities and questioned if NOCCI could secure half of those donors. Ms. Stagg advised that NOCCI had a list of 500 sponsors for one event and received approximately 100 responses through phone calls.

Chairman Hoffman noted that this is an opportunity for the Authority to get great marketing for the Terminal and for the Airport where there are other properties that will be available for lease. The marketing aspect is well worth spending some dollars for the dedication, but the patron party should be postponed until a later date. A recommendation can be made to the Board requesting a \$50,000 budget to plan the dedication and focus on media, the right material and the right video that will be needed for the dedication. If more than \$50,000 is raised, the budget can be increased to make a nicer dedication. The expense cap should be \$50,000.

Frank Stuart, Stuart Consulting Group, proposed to the Board an event coordinated by Stuart Consulting several weeks prior to the rededication. This event would consist of entities that have previously done and presently do business with the Authority over the last several years. These entities could be invited to attend the event for a contribution and a tour of the facility. The event would be a small preview party with hors d'oeuvres, wine and cokes at no cost to the Authority and would assist in raising seed money. This type of event has been pretty successful in the past. Any contributions collected would be turned over to the Authority to help defray the cost of the patron party and rededication.

Mr. Stuart noted that the rededication is a great opportunity to sell the Airport and grow the new facility. This event is going to be on the local and national aviation business level. There are excellent hangar facilities which have been constructed and a beautiful Terminal to showcase. Stuart Consulting is more than happy to assist the Authority with this campaign fundraiser.

Chairman Hoffman added that the Authority is facing the issue with Baton Rouge of closing a budget gap. The Authority must make sure that this is not perceived as a party being thrown with money the Authority does not have. There is some hesitation that existing vendors may feel like the Authority is twisting their arm for

donations. Mr. Stuart assured the Board that there would be no arm twisting. Vendors would be invited to tour the facility and attend the preview party.

Brayton Matthews, Flightline First, stated that the FBOs are the biggest benefit from Lakefront Airport being a success. There is the Carlisle Group, Landmark, Advantage Capital and several other adventure capitalist invested in Hawthorne. Flightline has a fairly wealthy owner who is always happy to step up to the plate and help. The Authority should lean on the FBOs for assistance. Chairman Lupo advised that sponsorship letters have been distributed that explain the dedication and Airport Terminal history. A sponsorship form was included advising of the sponsorship levels and where to respond to.

Commissioner Scott addressed the \$50,000 budget and requested the Finance Committee explain how the Authority will pay for any contracts that will be drawn. Chairman Hoffman informed that the \$50,000 would come from the grass cutting savings. The Authority saved approximately \$300,000 on what was budgeted and what was contracted for grass cutting in the budget. Approximately \$200,000 has been spent and that is where the \$50,000 would come from. Chairman Lupo noted that \$75,000 remains in the grass cutting reserve for extra cuts if needed.

Chairman Hoffman suggested postponing the patron party and designing the public dedication ceremony to maximize marketing and showcase the Airport on a total budget of \$50,000. Some monies are needed for print materials and marketing handouts. If more money is raised the budget can be increased. This would allow the event planners to move forward and work with the ad hoc committee to prioritize items needed for the dedication ceremony. Commissioner Scott suggested the ad hoc committee assist the event planners and give a weekly update to the Board regarding how much money was raised before entering into any contracts.

Chairman Hoffman recommended a \$50,000 budget, seconded by Commissioner Saizan.

Six Committee members voted yes for the \$50,000 budget:
Saizan, Scott, Hoffman, Brien, Dufrechou, DeRouen.

Four Committee members voted no for the \$50,000 budget:
Heaton, Baudy, Cantrelle and Stack

The motion passed and the issue will be brought before the full Board. Chairman Lupo requested Mr. Capo contact the all Board members to immediately schedule a Special Board meeting to discuss the budget for the dedication ceremony.

Chairman Hoffman addressed Mr. Stuart's offer to hold a preview party and tour of the Airport to assist the Authority in raising seed money for the patron party. Commissioner Hassinger noted that the patron party would be postponed at this time. Commissioner Stack thanked Mr. Stuart and noted concerns regarding the preview party in the Terminal Building. The Terminal Building will not be ready for public occupancy, the parking lot has ongoing construction and there may be a legal issue with serving wine or alcohol in a state building. It is early in the process and the Authority and the DOTD contractor (Boh Brothers) would be exposed to liability. This dedication is slightly different from other previews and openings as Commissioners Heaton and Cantrelle pointed out because public money is being used and I am uncomfortable with that. The Authority does appreciate the offer, but the Board has to be very careful moving forward.

Commissioner Heaton questioned if the punch list items would be complete on September 27th and the Authority would have possession of the building. Mr. Stuart stated that he was cautiously optimistic that the building would be

complete and recommended the Authority's attorney get involved to protect the Authority in the event the dedication ceremony moved forward. Chairman Lupo agreed and advised to start discussions between the contractor and legal counsel to determine if the contractor would be comfortable signing a document allowing the Authority to occupy the building for the event without jeopardizing the dates of acceptance and punch lists. Commissioner Cantrelle questioned Mr. Stuart's fundraiser could be held in the Bastian-Mitchell Hangar with a tour of the Terminal Building. Chairman Hoffman pointed out Commissioner Stack's concerns regarding the roadwork that would be underway. The preview party would not be easy right now due to the complications that were addressed.

Mr. Pruitt advised that the Bastian-Mitchell Hangar is technically an aviation facility and will require FAA approval to have an event such as the preview party. Chairman Hoffman requested Mr. Pruitt contact Mr. Stuart because this would not be a party. This would be an event where the attendees could tour the facility and the Authority could stay in compliance with FAA regulations. Chairman Hoffman noted that Mr. Pruitt brought up a very good point in that whatever the Authority chooses, it must be FAA compliant.

ANNOUNCE NEXT MEETING

Chairman Hoffman announced the next meeting would be on Thursday, September 5, 2013.

ADJOURNMENT

Commissioner Cantrelle offered a motion to adjourn, seconded by Commissioner Saizan and unanimously adopted.

The meeting adjourned at 4:40 p.m.