

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
MONDAY, DECEMBER 15, 2014 – 4:30 P.M.**

The regular meeting of the Finance Committee of the Non-Flood Protection Asset Management Authority was held on Monday, December 15, 2014 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 Stack called the meeting to order at 4:45 p.m. and led in the Pledge of Allegiance. The roll was called which constituted a quorum.

PRESENT:

Chairman Michael Stack
Vice Chair Wilma Heaton
Commissioner Patrick DeRouen
Commissioner Eugene Green

FURTHERMORE PRESENT:

Chairman Greg Ernst
Commissioner Pearl Cantrelle
Commissioner William Settoon

STAFF:

Cornelia Ullmann – Chief Operating Officer
Sharon Martiny – Executive Assistant
Dawn Wagener – Comptroller
Fred Pruitt – Acting Airport Director

ALSO PRESENT:

Gerard Metzger – Legal Counsel
Al Pappalardo – Real Estate Consultant
John Holtgreve - DEI
Jim Martin – DEI
Walter Baudier – DEI
Chris Fenner – Stuart Consulting
Alton Davis – Richard C. Lambert
Tom Long – Lakeview Crime Prevention
Jennifer Leonard - Weiser Security

APPROVAL OF AGENDA

Commissioner DeRouen offered a motion to adopt the Agenda, seconded by Commissioner Green and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Commissioner DeRouen offered a motion to approve the Finance Committee meeting minutes of September 4 and October 7, 2014, seconded by Commissioner Green and unanimously adopted.

REPORT BY CHIEF OPERATING OFFICER

The Authority had an extra \$19,800 in extra revenue resulting from movie shoots. With Astronaut Wives Club the Authority received an additional \$9,750.

OLD BUSINESS

1) Review of YTD budget to actual Fiscal Year 2014-2015

The Authority is still under budget. No money has been transferred from the two settlement accounts and no money was used out of the \$705,000 estimated that the Authority would need. There was savings in Personnel Services and General Fund due to vacant positions. Money remains in the credit card account, although some was used for payroll. An additional \$200,000-\$300,000 will be received at the first of the year from the credit cards.

2) Discussion and status regarding hiring new employees

Commissioner Heaton advised that under state statute the Chair of the Board is the appointing authority. Most board chairmen delegate appointing authority, but the Non-Flood Authority designated appointing authority to the Executive Director in the By-Laws. A second amendment was drafted giving appointing authority and all duties of the Executive Director to the Chief Operating Officer if the Executive Director position is vacant. The Chairman can delegate appointing authority under Civil Service Rules and Regulations by an Act of Delegation.

The COO advised that job descriptions were written for an electrician specialist. Herb DeHarde (Airport maintenance) is retiring in February and he has extensive knowledge of how the lighting and electricity is run. An electrician specialist with that type of knowledge is preferred. Once the appointing authority issue is resolved additional staff can be hired. Fred Pruitt, Acting Airport Director, was cross-trained to operate the Mardi Gras Fountain. The fountain currently is believed to have two mechanical issues, the wind speed sensor and the water level sensor. The new maintenance person will be trained to operate the Mardi Gras Fountain.

Commissioner Heaton advised the Committee that delegating the appointing authority to the Executive Director in the By-Laws prevents the Chief Operating Officer from hiring new employees, terminating employees and disciplining employees until the By-Laws are amended. Classification of the Executive Director was inherited when the Authority was created. The Chief Operating Officer position was created with the guidance of Civil Service. Commissioner DeRouen noted that until the By-Laws are amended, the Chief Operating Officer has the capacity, ability and authority to hire, fire and discipline employees.

3) Discussion and status of Capital Outlay funding approved last legislative session

There is no update regarding Capital Outlay funding.

4) Discussion of the Orleans Levee District Flood Protection Division's advancement of funds to the Non-Flood Protection Assets Management Authority to build out space for U.S. Customs at the New Orleans Lakefront Airport until such time as funding is received from FEMA

The Board offered a motion which identified the priority list of alternate projects for the Walter Wedell Hangar. The top three items were the Customs build-out, repairs at Lake Vista Community Center and repairs/renovation of the Shelter Houses on Lakeshore Drive. The Authority is losing approximately \$80,000 per year due to offices at the Lake Vista Community Center that are in disrepair and cannot be leased. The Southeast Flood Authority agreed to loan or advance the Non-Flood Authority \$750,000 for the Customs build-out and repairs at the Lake Vista Community Center.

5) Status update regarding Boathouse W-11,12 and 13 (Fairview Realty), which boathouses were to be demolished by Fairview Realty with the understanding that the boathouses would rebuilt by 12/1/14. To date, the boathouses have not been rebuilt

A resolution passed authorizing Fairview Realty to demolish three boathouses, which were to be rebuilt by December 1, 2014. The COO was not able to speak with Fairview Realty, and staff recommends that no action be taken on this item. The issue should be brought before the Legal and Finance Committees and the tenants notified.

The Authority has the ability to cancel the lease due to Fairview's failure to rebuild. Mr. Metzger advised that Fairview is in the middle of the second five-year option, which runs to 2017. The Authority continues to receive rent. One individual is interested in buying the boathouse. Mr. Pappalardo advised if the lease is cancelled the Authority would lose the reversion of three new

boathouses and would not receive rent for 2½ years. No credit is given for construction of a boathouse, but the Authority does have control of the build-out and review of plans. Mr. Metzger advised there is an 8% transfer fee. There is no legal prohibition against increasing rent on the next lease. Orleans Marina is presently at the top of the market.

6) Discussion regarding payment under Cost Curve A on Airport Terminal Interior and Exterior (RCL)

Chairman Stack recommended this issue be deferred to the Legal Committee.

NEW BUSINESS

1) Status regarding negotiations with developer, Studio Network-Lakefront, LLC, for lease of the South Shore Harbor Marina Terminal Site at South Shore Harbor Marina

Mrs. Ullmann informed the Committee that Mr. Von Kurnatowski would like to organize a three day music fest in September of 2015 featuring “New Orleans type” music. Concerns and issues of this event will be presented at the January Marina Committee meeting. Mr. Von Kurnatowski also submitted a proposal for the development of South Shore Harbor, and both those negotiations are moving in parallel tracks.

2) Discussion regarding quote for the marquis sign at Lakefront Airport from Pro Signs and Graphics

Alton Davis, RCL, informed that the original master site plan included a monument sign at the entry of the Terminal Building. The monument sign was later omitted due to the cost. It was later requested that RCL obtain pricing for the monument sign using pre-cast, the same material as other signs at Lakefront Airport. Five prices were received; three from DBEs. The best price (\$26,000) came from Pro Signs and Graphics who prepared the initial signs. The second option was a metal sign at a cost of \$6,000. The sign includes the Airport logo and ties to the rest of the master signage on the Airport.

Commissioner Stack recommended moving forward with the \$7,000 sign as staff has the authority to spend that amount of money.

3) Discussion regarding renewal of Richard C. Lambert contract which expires December 31, 2014

This item is deferred to the Legal Committee (Executive Session) providing the issue meets statutory requirements.

4) Discussion regarding Weiser Security Services December 4, 2014 notice of a .47 cent per hour increase due to health insurance costs effective January 1, 2015.

Chuck Dixon, Marina Director, informed the Committee Weiser Security is requesting a \$0.47 per hour increase to cover new mandatory health care incentives. Weiser imposed a \$1.00 increase two years ago. The current annual contract for both marinas is \$58,000. The contract is expired and up for renewal. Weiser needs a month-to-month contract. The budget is \$70,000. Jennifer Leonard, Weiser Security, advised that the increase was \$0.47 per billable hour, and will increase the weekly invoice by approximately \$75. The Authority pays \$11.33 per hour for security. Weiser’s contract is a 30-day ongoing contract with a 30 day renewal.

Commissioner Cantrelle noted that the contract should be put out for bid. The Authority should not arbitrarily carry a contract for \$58,000 without putting it out for bid. Commissioner DeRouen recommended the security contract be put out for bid with all other professional service contracts, and approval for the \$0.47 per hour increase until completion of the RFQ process.

Commissioner Heaton noted that the security contract was not being bid because of the requested increase; the contract is expired. Commissioner Green offered a motion to grant the \$0.47 increase to Weiser Security, seconded by Commissioner DeRouen.

5) Discussion regarding lease of McDermott Hangar space to Flightline Ground, Inc.

This issue was vetted extensively at Airport Committee. Staff is negotiating a lease to bring to the full Board that will include all provisions and safeguards to protect the Authority.

6) Discussion regarding three day music event at South Shore Harbor Marina September 25, 26 and 27, 2015

Mrs. Ullmann advised that a flat base rent plus a per head amount will be paid for the music fest. The producer is in charge of insurance, clean up, dumpsters, security, traffic flow and making sure South Shore Harbor tenants have access to their leasehold. It is anticipated that 3,000-5,000 people will attend. The event will generate approximately \$3,000-\$6,000 in revenue for the three day weekend plus the flat base rent. It will also market the area which has been blighted for several years. This will be a dry run for the proposed long-term development at the South Shore Harbor Terminal Building area.

ANNOUNCEMENT OF NEXT MEETING: Chairman Stack announced the next Finance Committee meeting is scheduled for Thursday, January 8, 2015 at 4:30 p.m.

ADJOURNMENT:

Commissioner Green offered a motion to adjourn, seconded by Commissioner Heaton and unanimously adopted. The meeting adjourned at 5:37 p.m.