

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY  
FINANCE COMMITTEE MEETING MINUTES  
THURSDAY, JULY 10, 2014 – 4:30 P.M.**

The regular meeting of the Finance Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, July 10, 2014 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 4:33 p.m. and led in the Pledge of Allegiance.

The roll was called which constituted a quorum.

**PRESENT:**

Chairman William Hoffman  
Vice Chair Michael Stack  
Commissioner Carlton Dufrechou

**ABSENT:**

Commissioner Patrick DeRouen

**STAFF:**

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

**ALSO PRESENT:**

Gerard Metzger – Legal Counsel  
Al Pappalardo – Real Estate Consultant  
Jim Martin – DEI  
Walter Baudier – DEI

**APPROVAL OF AGENDA**

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 Finance Committee meeting minutes from April 3, 2014, seconded by Commissioner Dufrechou and unanimously adopted.

**REPORT BY EXECUTIVE DIRECTOR**

Mr. Capo advised that the 2014 Application for Federal Funds was signed with Freddie Yoder and the Lakeview Civic Association to install lighting along the West End walking path. The cost is \$900,000 with \$200,000 from the Lakeview Civic Association Friends of Lakeview who will be responsible for all lighting maintenance, upkeep and electricity charges for the area. The Authority will continue to maintain the grass. Funding will flow through this Authority as the sponsor, with Lakeview Civic Association responsible for maintenance of the lights. The Association is working with their engineers on designs and plans for the lighting.

Commissioner Stack noted that the program is reimbursable; someone must pay the bill first then get reimbursed through DOTD. DOTD has been good about reimbursing with a 30-60 day turn around. As Civic Associations tend to come and go, this Authority must make sure that this is a responsible quasi government agency. If the Civic Association dissolves, the Authority is responsible. Chairman Hoffman requested Mr. Capo obtain a line of credit with Lakeview Civic Association as this Authority does not have money to front.

## **OLD BUSINESS**

### **1) Review of Budget to Actual Fiscal Year 2013**

Ms. Wagener advised the Committee that the General Fund and Airport had losses for the year, but those losses were anticipated. One hangar did not come on line and office space in the Terminal Building did not lease as anticipated. Mr. Pappalardo reported that signed leases for the restaurant and office space will result in annual revenue of approximately \$110,000 for the Terminal Building. That does not include percentage rents from Messina's. The Terminal Building is near 40% occupancy.

No more than \$200,000 budgeted from the Bally's settlement was used. There remains approximately \$1 million for next year. South Shore Harbor will make the budget after cost allocations, although it will be close. There is \$872,000 remaining in the Bally's settlement account and \$187,000 in the Marina settlement account, which is approximately \$1 million. The credit card boat slip deposit money will be used to pay insurances due in July. There was \$607,000 budgeted for fuel and \$610,000 has been received. New Basin Canal revenues were down due to the restaurant/day store that did not open as scheduled.

Chairman Hoffman addressed the General Fund and noted that grass cutting is significantly less than budgeted. Mr. Capo advised June, if not included, would be an additional \$50,000 for grass cutting. Utilities were budgeted at \$166,000 and will see a savings of approximately \$98,000 as those utilities are not on line to date. The budget, prepared in March of 2013, was not adjusted to reflect the tighter grass cutting schedule that resulted in significant savings. Chairman Hoffman noted that \$100,000 was reserved in addition to what was budgeted in the event too many cycles were cut out. That is the largest part of the savings.

Mrs. Wagener advised that Architectural Review is for review of house, pool and fence plans. The Flood Authority Engineering Department no longer reviews plans for this Authority. An architectural firm was contracted through an RFP process. The Authority collects a \$50 administrative fee in addition to the plan review cost.

Mr. Capo advised that the settlement expense is the AeroPremier settlement. This is a rent credit on the National Guard Hangar only. There are approximately 18 months left of that settlement. AeroPremier can draw down \$100,000 per year up to \$500,000. Once the credit runs out it is over. During March and April there were several big festivals in New Orleans that brought up fuel flowage during May and June. Historically, first quarter of the new fiscal year the fuel is low for a number of months.

## **NEW BUSINESS**

### **1) Discussion to establish a policy on Professional Service Contracts**

This item was carried over from the last Board meeting for a discussion to establish a policy on selecting professional service contracts.

Chairman Hoffman requested each Committee member do research on other governmental agencies' professional service contract policies and discuss items that should be kept in this Authority's policy. Typical policy items such as identify the need, document it and write an RFP on a routine basis. The concern is how to balance the goal of opening up opportunities for professional service contractors to get work versus the present consultant's legacy value that have worked with this Authority for a long time. A typical organization uses consultants employed within the organization and the knowledge is kept from decade to decade within the company and its employees, but this Authority does not have consultants on staff.

Commissioner Stack advised of an engineering consultant selection process that is done on a scoring basis. People having the most experience would score higher. It is approved by the DOTD using a scoring matrix. It is on the Regional

Planning Division and DOTD's website. The process was vetted through state and federal governments and is a safe selection process.

Chairman Hoffman noted that the Authority has been using three or four professional service contractors on a long term for a very good reason. The questions are: Should the Authority go out for RFPs on those services and if so, how are they evaluated?

Commissioner Dufrechou advised the Board that every five years the Causeway will do an RFQ whether it is engineers or attorneys. The engineering RFQ is much more quantified than legal RFQ, and has a better scoring sheet. As this Board believes in transparency it is prudent to do this. I have utmost confidence in the Authority's legal staff, legal consultants and real estate consultants. Their institutional knowledge has to be quantified. As to whether new people could come in and qualify, I would hate to attempt to quickly get them up to speed with things the Authority is dealing with. It is a prudent thing to be transparent, but it will come back and reaffirm the present professional service contractors are the right guys to have. Commissioner Stack agreed and noted that it is prudent that the Authority go through the RFP process.

Chairman Hoffman noted for the record that there is no concern regarding professional services the Authority is receiving from existing consultants. The issue is that it is generally considered good practice to go out with an RFQ. This Authority does not have a policy in place and should be addressed and discussed at next month's Board meeting.

## **2) Review of Legislative Auditor's Attestation Questionnaire**

Mr. Metzger advised the Committee that the Authority follows every level on the Attestation Questionnaire, but certain sections of this document are not applicable to this Agency, such as provisions dealing with the Airport. Commissioner Stack stated he was uncomfortable with the Airport issue. There is a published document stating that the Airport does not apply to this Authority, but the Authority is operating the Airport. This is an issue of transparency. There were questions about whether Title 2 applies to New Orleans Lakefront Airport. An Attorney General Opinion noted two specific statutes in Title 2 concerning airports. Neither of the statutory schemes were applicable because Lakefront Airport was built in 1934, and the statutory schemes were put into place in the 1940's. Chairman Hoffman stated that even if the Authority is in compliance with those specifics, a statement should be added that the Authority is not subject to Act 2.

Commissioner Dufrechou thanked Mr. Capo, Mr. Pappalardo and Mr. Metzger for drafting the RFP for the old Bally's Terminal Building at South Shore Harbor, which required a lot of effort.

Mr. Capo advised the Committee that there were two maintenance positions budgeted for next year. Some vacant positions were removed to get the budget in line. The job description has to be modified for the two maintenance persons and submitted to Civil Service. One position will be a Maintenance Manager A. This person will be able to identify maintenance needs on Lakeshore Drive as well as maintain the Mardi Gras Fountain and Shelter Houses. Lakeshore Drive will become a maintenance issue unless someone is there to maintain Lakeshore Drive and identify needs. Commissioner Stack suggested advertising for a second maintenance repair man who can change lights and operate bucket trucks. The Airport needs a maintenance man for the Airport, but maintenance is needed for the Marinas and all other properties.

The Shelter Houses were recently power washed and cleaned, but the doors should be welded closed to prevent future vandalism. An additional 90 barrels were ordered for trash on the green space.

**ANNOUNCEMENT OF NEXT MEETING:**

Chairman Stack announced the next Finance Committee meeting is scheduled for Thursday, August 7, 2014 at 4:30 p.m.

**ADJOURNMENT:**

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

The meeting adjourned at 4:51 p.m.