

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
THURSDAY, AUGUST 7, 2014 – 4:30 P.M.**

The regular meeting of the Finance Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, August 7, 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.

Vice Chairman Stack called the meeting to order at 4:34 p.m. and led in the Pledge of Allegiance.

The roll was called which constituted a quorum.

PRESENT:

Vice Chair Michael Stack
Commissioner Carlton Dufrechou
Commissioner Patrick DeRouen

ABSENT:

Chairman William Hoffman

STAFF:

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

ALSO PRESENT:

Gerard Metzger – Legal Counsel
John Holtgreve – DEI

OPENING COMMENTS

In the absence of Chairman Hoffman, Vice Chair Michael Stack chaired the Finance Committee meeting.

APPROVAL OF AGENDA

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

APPROVAL OF PRIOR MINUTES

Commissioner Dufrechou offered a motion to approve the Finance Committee meeting minutes from June 6, 2014, seconded by Commissioner DeRouen and unanimously adopted.

OLD BUSINESS

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

Ms. Wagener reported that no money was used from the Bally's settlement as there was enough cash to pay all obligations. There were no unanticipated expenses. There are flood insurance policies still out and the auto policy is due in November. Mr. Capo advised that the quote for flood insurance on the James Wedell Hangar is \$51,000. Tim Avegno and Stuart Consulting are trying to get the building re-classified to receive an insurance reduction. Last year insurance for the Bastian-Mitchell Hangar was \$59,000 (\$500,000 in coverage with a \$50,000 deductible). This year the quote was \$38,000 due to a rating through NFIP.

Chairman Stack noted that the insurance is significantly under budget. Commissioner DeRouen advised that in 2013 total insurance premiums were close to \$1 million. The object of the insurance RFP was to reduce insurance premiums and commissions so the Authority would not spend more than \$750,000 on premiums and commissions in 2014. Ms. Wagener advised that

most insurance premiums have been paid. The Authority will be insuring additional properties this year. Chairman Stack noted that the insurance budget for Lakefront Airport is \$861,000. The Authority paid \$485,000 in July. Airport Insurance is under budget by \$375,000. Mr. Capo noted that the budget was based on a higher stated value for the buildings, but due to new appraisals for the buildings in July the \$95 million came down to \$70 million. That is where the savings came in. Chairman Stack noted that the Authority is approximately \$600,000 under budget for insurance comparing budget to actual on each property.

Mr. Capo advised that the Bait and Tackle check was for the purchase of 90 plastic trash barrels for the Lakefront. These are plastic barrels with the lids cut off. Some barrels were placed in the badger and some in the parking lot across from Landry's. EDS collects the trash along Lakeshore Drive.

The pump for the Mardi Gras Fountain is scheduled to be installed on Tuesday. Wallace Drennan, DEI and Water Works will meet to determine why the fountain is not working and provide additional training if necessary. The computer program for the Fountain indicates that the Fountain and lights are working. The filter system currently in place was installed May of 2005 and consisted of new components and new pumps. John Holtgreve, DEI, stated that the same system is currently in place as before Katrina. The filter was a cartridge filter. The filters capture material coming through the pumps and must be changed after they are cleaned. Maintenance on the Fountain must be closely monitored.

Commissioner DeRouen stated when the system was designed the fact that a pump station was being built 300 feet away should have been taken into consideration. There were large amounts of sand along Lakeshore Drive and behind the flood wall. The filter and pump should have been sturdy enough to handle the sand blown onto Lakeshore Drive. There should be a system that can handle that amount of sand or dirt due to the ongoing construction over the next three years. Mr. Capo advised that there is no longer an issue with sand on the north side of Lakeshore Drive. Now that construction is complete on the north side the pump can be replaced and operated according to the manufacturer. If the pump does not work, it could be a design problem.

Chairman Stack stated that the contractor should pay for the new system. The warranty should be valid if the manufacturer's instructions were followed. If the manufacturer's instructions were to service the Fountain five times per week nobody would buy that system. The issue must be examined further. Mr. Holtgreve advised that DEI wrote the plans and specs with assistance from Water Works for the design. DEI specked information that Water Works provided in terms of operation of the fountain, the light system and the nozzles. The pump is more understandable as it is pumping against what it was not designed to pump causing it to burn up. Commissioner Stack informed staff that no money is to be spent on the Mardi Gras Fountain unless approved by the Finance Committee. Mr. Capo advised that the pump was previously ordered at a cost of \$2,000.

Mr. Capo advised that Water Works and DEI examined the Lake Terrace Fountain and advised of the necessary repairs. Bids must be obtained for those repairs. Commissioner Heaton noted that Chairman Scott needs a baseline repair price to try and solicit private funding for the repairs. Mr. Holtgreve informed the Committee that DEI prepared a report on the Lake Terrace Fountain that included several options ranging from a bare bones system to the original design. The difference in cost is the electrical lighting.

2) Update regarding a policy on Professional Service Contracts

Commissioner Stack suggested advertising Professional Service Contract RFQs on a three year cycle as it is against State law to bid professional service contracts. A scoring system could be used to grade the RFQs. Mr. Metzger advised that the professional service contracts include Real Estate Consultant, Legal Counsel, Engineering Services and ID/IQ contracts. Mr. Metzger advised that as this would now be a policy, a Resolution must be adopted by the full Board. Mr. Capo noted that the next contract term is 2017 followed by 2019, which would extend beyond the term of this Board. Commissioner Stack noted that the contracts could be cancelled at any time. There is a new Board coming in August 15, 2014.

Commissioner DeRouen recommended the professional services contracts have a two year term with RFQs advertised every even year in January and approved in April, seconded by Commissioner Dufrechou and unanimously adopted. Commissioner DeRouen offered a motion to approve a professional service contract policy, seconded by Commissioner Dufrechou and unanimously adopted.

Mr. Holtgreve noted that firms are often hired for a project that may last longer than two years and engineers should not be changed in the middle of a project. Chairman Stack advised this was for retainer-type contracts, ID/IQ and special service contracts. The Authority needs to move forward with a selection process. Commissioner DeRouen noted that the City prepares a master RFQ and approves several vendors. When a specific project arises there are several pre-approved companies to select from instead of going through the RFP process. As a public policy the Authority could piggy-back on a different entity's selection of vendors. If any vendor did not apply for State, City, S&WB or Airport work, the vendor would go through the selection process and be qualified by the non-affiliated entity to do work with the Non-Flood Authority.

ANNOUNCEMENT OF NEXT MEETING:

Chairman Stack announced the next Finance Committee meeting is scheduled for Thursday, September 4, 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 5:29 p.m.