

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

The regular meeting of the Finance Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, September 4, 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 4:34 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

ABSENT:

Commissioner Eugene Green

STAFF:

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

ALSO PRESENT:

Gerard Metzger – Legal Counsel
Al Pappalardo – Real Estate Consultant
Tim Avegno – Eagan Insurance

OPENING COMMENTS

Chairman Stack welcomed Vice Chair Heaton and Commissioner Green (in absentia) to the Finance Committee.

APPROVAL OF AGENDA

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

APPROVAL OF PRIOR MINUTES

Approval of the minutes of the August 7, 2014 Finance Committee meeting minutes are deferred.

OLD BUSINESS

1) **Review of Budget to Actual Fiscal Year 2014-2015**

The budget looks to be in good shape with health insurance tracking below budget as no insurance has been posted (approximately \$30,000 per month). No money was taken out of the Bally's settlement account. To date there is \$82,000 in fuel sales as opposed to last year's total of \$66,000. There were no extraordinary or unanticipated expenses incurred.

The cost for apron repair at the Landmark Hangar is approximately \$25,000 and that expense is not budgeted. There is a budget of \$35,000 for Repairs Other Than Buildings and another \$25,000 for Airfields, Taxiways and Runways. This money is not earmarked for a specific item; it is for unexpected expenses during the year. Chairman Stack requested a prioritized list of items needed on the Airport. There will be extra money which can be used for certain things on the priority list.

The Mardi Gras Fountain was addressed. Water in the center rings of the Fountain were shooting approximately 70 feet in the air. Representatives from Dan Foss and Water Works examined the Fountain and noted that two boards were burned. Dan Foss are drivers that control the pumps and pump water through the nozzles. The circuit board that controls a particular ring of nozzles burned up and was replaced by a Dan Foss warranty. At the same time another board was inoperable and was replaced by Water Works. Any number of issues can burn a circuit board, one being a power surge. There are no surge protectors on the circuit boards. Chairman Stack noted concerns regarding the design and operation of the system. Two representatives gave contradictory answers on whether the operation and maintenance schedule for the Fountain was followed. The Finance Committee requested that no money be spent on the Mardi Gras Fountain until reviewed by the Finance Committee. There is a three year warranty on the drive motors and it is inside of that three year period.

Another \$1,500 was expended to install the security cameras which were damaged by some type of electric charge or lightning strike in the vicinity. Earth Cam submitted an invoice for \$6,000 for replacement of those cameras. There were concerns voiced regarding the design of the cameras and lightning strikes ruining the cameras. The cameras can record to a DVR or NVR device, but the NVR device failed. Earth Cam sent the new device which should be installed shortly. This will allow images to be recorded from the camera. The camera is not currently capable of recording images. The Causeway Commission has cameras all along the Causeway and lightning strikes are a common problem that the Causeway deals with, which could easily be confirmed, The Authority hired people to design a camera system and a pump system that works; not get fried if there is a lightning strike or if too much electricity comes through the power line.

Commissioner Heaton requested a projection of when the Mardi Gras Fountain will be fully operational and what the cost will be to maintain the Fountain. The Fountain has not worked properly and this Authority has financial challenges. Chairman Stack stated that Board members have a certain accountability to be able to answer questions when asked regarding the Mardi Gras Fountain. Those questions have been answered. When the Fountain was completed there was a ribbon cutting, and ever since there have been problems with the Fountain. It is a matter of time before somebody asks what is going on, and the problem will be worse because there will be no warranties left on the Fountain.

Commissioner DeRouen noted that the Fountain requires eight hours a day maintenance five days a week, which is one issue that has to be addressed. Issues with the Fountain should be resolved now with the ongoing pump station construction. When the construction is complete the Fountain should work better because there will be no issues with sand and debris. Those issues should be resolved to get the Fountain operable so the Fountain works as opposed to waiting five years, not turning on the Fountain or letting the warranty expire. Mr. Metzger suggested a third party be contacted to give an opinion regarding the design and operation of the Fountain.

It is possible that there are two bad designs; one for the camera system and one for the pump. If the facts become clearer and the design is bad the proper course of action is to hold the designer responsible. The Authority can then make the legal decision to pursue the designer and what it will take to fix the design. Wallace Drennan advised that the issues were due to a maintenance/operation issue. Water Works replaced the circuit board. Water Works got a representative from Dan Foss to address the four circuit boards that needed to be replaced by Dan Foss. Those were the two parts of this repair.

A Resolution was passed that the Authority would not spend additional monies for repairs to the Mardi Gras Fountain. Chairman Stack requested that the

camera system be and no monies be spent without prior discussion with the Finance Committee. No payments should be made on any invoices until issues with the Fountain are resolved. The Fountain may have to be shut down before a full-time Fountain maintenance person is hired. Commissioner Heaton requested a paper stating what was spent and the prognosis on what will be spent in the future for maintenance of the Mardi Gras Fountain. The Authority must decide if the Fountain is priority number one or one hundred. It is something the Authority must be accountable for.

Commissioner DeRouen addressed the amount of time the Executive Director spent on the Mardi Gras Fountain and suggested the Recreation Committee Chair start dealing with Fountain issues. Mr. Capo suggested a joint Recreation/Finance Committee meeting with the designer and Water Works present to answer any questions regarding the Mardi Gras Fountain. DEI stated that the issue was due to the pressure of the pump, which determines how often the filter should be cleaned. If the issues are a result of not maintaining the fountain properly, not following the maintenance schedule provided or the suggested manufacturer's maintenance schedule everything will go away. These issues must be resolved before the matter is brought before the full Board.

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.