

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
Finance Committee Meeting Minutes
Tuesday, October 13, 2015 – 10:30 A.M.

The regular meeting of the Finance Committee of the Non-Flood Protection Asset Management Authority was held on Tues., Oct. 13, 2015 at 10:30 a.m., at 6920 Franklin Avenue, New Orleans, LA 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 10:51 a.m. and led in the Pledge of Allegiance. The roll was called which constituted a quorum.

Present:

Chairman Michael Stack
Vice Chair Wilma Heaton

Furthermore Present:

Comm. Thomas Fierke

Absent:

Comm. Roy Arrigo

Staff:

Cornelia Ullmann – Chief Operating Officer
Sharon Martiny – Administrative Assistant
Robert Aucoin – Accountant I

Also Present:

Jim Martin – Design Engineering, Inc.

Approval of Agenda

Comm. Heaton moved to approve the Agenda, seconded by Comm. Stack. Motion passed.

Approval of Prior Minutes

Comm. Heaton moved to approve the Finance Committee minutes of July and August 2015, seconded by Comm. Stack. Motion passed. Comm. Heaton moved to approve the Joint Airport/Finance Committee minutes of September 17, 2015, seconded by Comm. Stack. Motioned passed.

Old Business

1. Review of YTD budget to actual Fiscal Year 2015-2016

Rob Aucoin, Accountant I, advised that a jump in revenue will occur next month due to quarterly billings (slips and boathouses). The \$1 million BP settlement was received and recorded in a separate LAMP account. Legal fees of \$20,000 will be paid to Gerry Metzger for his services related to the BP settlement. A report can and will be prepared showing all BP moneys disbursed for public accountability purposes.

Airport rents and fuel revenue are up slightly from last year. Sales participation for Messina's is at \$13,000. Percentage rent is paid at certain levels every calendar year and resets at the beginning of every year. Terminal rent is likewise increased as there are more tenants. Chair Heaton noted the Authority will receive \$30,000 annually from SLFPA-E for leasing offices in the Terminal Building. Another \$30,000 will be put towards monies owed to O.L.D. by the Non-Flood Authority as well. Chair Stack noted the Authority could have a reimbursement obligation of close to \$1 million to the Flood Authority. That amount includes \$400,000 taken as an advance for the US Customs buildout. \$350,000 was requested, but has not yet been drawn, for repairs to Lake Vista Community Center. Since the request, the scope of work at the community center appears to be broader than initially expected.

Comm. Heaton advised that \$500,000 annually is spent for grass cutting on Lakeshore Dr., which is a legitimate hurricane evacuation route. The memorandum of understanding between the two Authorities that manage Orleans Levee District properties can be amended so the Flood Authority takes responsibility for all grass cutting along the levee, which will be money the Non-Flood Authority will not have to spend as this work is currently contracted out. Staff is currently working to get the due to's and due from's final figure that is owed between the two Authorities to a verified sum.

Mr. Aucoin advised that the Authority is trying to keep expenses down and revenues steady, if not growing. A few items such as utilities are higher than last year, but those items are understandable as more buildings come into commerce, particularly at the Airport. Shelter No. 3 has not yet affected the Authority's operational cash flow. There is \$187,000 remaining in the South Shore Harbor Marina fund (related to Bally's terminal building damage claim), which can also be used for operational expenses.

New Business

2. Discussion regarding arbitration request expense

Airport Chair Heaton advised that FEMA denied the flood protection request (\$68 million project). The Authority can appeal, but arbitration is most prudent both from a time and expense standpoint. Whatever the outcome of the arbitration decision, it is binding and cannot be appealed. An application was prepared and FEMA has until October 16th to respond, with arbitration possibly taking place in February 2016. Ernest Abbott of the firm Baker Donelson, who is the Authority's arbitration attorney, will conduct interviews in Louisiana to minimize expenses, as well as utilizing local attorneys. A request has been made to the Flood Authority to borrow the money for arbitration, but the BP settlement interrupted negotiations. Arbitration will cost anywhere from \$200,000 to \$1 million and the Authority will not be reimbursed for this expense. Mr. Abbott is former in-house counsel with FEMA. There are no guarantees that the Authority will prevail in this case. Another option is that FEMA could settle with the Authority for some portion of the project.

This is a legitimate flood project. A new flood wall is not being built; the Authority is augmenting what is currently there. FEMA put money into Lakefront Airport after Hurricane Katrina, and should protect that asset. The Authority may have a good case, and the Airport Chair asks the Board support this matter although it is a cash flow issue. Airport Chair Heaton will also bring this matter to the Flood Authority to determine how they can assist as this is a flood protection project.

3. Discussion regarding priorities for BP settlement funds

Chair Stack noted that this was previously discussed.

4. Discussion regarding Capital Outlay requests

Chair Stack noted that a plan is in place to set the priorities and submit the Capital Outlay application. Comm. Heaton added that a board resolution is required for the application.

Announcement of Next Meeting:

Chairman Stack announced the next Finance Committee meeting is scheduled for Tuesday, November 10, 2015 at 10:30 a.m.

Adjournment:

Comm. Stack offered a motion to adjourn, seconded by Comm. Heaton. Motion passed. The meeting adjourned at 11:38 a.m.