

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
THURSDAY, MARCH 12, 2015 – 4:30 P.M.**

The regular meeting of the Finance Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, March 12, 2015 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 did not constitute a quorum and the meeting became informational only.

PRESENT:

Chairman Michael Stack
Vice Chair Wilma Heaton
Comm. Patrick DeRouen
Comm. Eugene Green

FURTHERMORE PRESENT:

Comm. Thomas Fierke
Chair Greg Ernst
Comm. William Settoon
Comm. Glenn Higgins
Comm. Stanley Brien

ABSENT:

Vice Chair Wilma Heaton
Comm. Patrick DeRouen

STAFF:

Cornelia Ullmann – Chief Operating Officer
Sharon Martiny – Administrative Assistant
Dawn Wagener – Comptroller
Robert Aucoin – Accounting
Charles Dixon – Marina Director

ALSO PRESENT:

Steve Nelson – Stuart Consulting
Walter Baudier – DEI
Karl Hudson – Orleans Marina Tenants Association
Brian Butcher – Orleans Marina Tenants Association

ADOPT AGENDA

Due to lack of quorum, the Agenda was not adopted.

APPROVAL OF PRIOR MINUTES

Due to lack of quorum, the minutes of the April 9, 2015 Joint Airport/Finance Committee meeting were not approved.

OPENING COMMENTS

Chair Stack thanked the Committee for accommodating the re-scheduling of the meeting, which was originally scheduled for March 5, 2015.

REPORT BY CHIEF OPERATING OFFICER

The COO advised that work on the long-term lease for South Shore Harbor and the Location Agreement is ongoing. The Location Agreement was forwarded to the Marina Committee and Mr. von Kurnatowski for review and is expected back shortly. Mr. von Kurnatowski submitted an optimistic timeline to move forward with at a steady pace. There are bullet points that can be incorporated for further negotiation. Concerns regarding parking and traffic were previously addressed

and will be included in the long term lease as well. Comm. Green noted that much has been achieved over the past two months and Mr. von Kurnatowski remains motivated. Staff is anticipating good developments going forward.

The COO advised that neighborhood residents have taken on tasks such as identifying and reporting lights that are out. Most lights in neighborhood parks are on, and several tree limbs have been trimmed to enhance lighting. Many energy vaults were energized during January due to the utility crossover. Employees identified crossing lights that were out and the majority of lights will be repaired. Signs at the beginning of Lakeshore Dr. are hidden by trees and must be placed on an arm to be seen, which might result in the sign jutting out into traffic. Those signs could potential be damaged by the large trucks traveling in that area. Comm. Stack advised that it is not a good idea to hang signs over the roadway.

OLD BUSINESS

1) Update on Interim Flood Protection for Lakefront Airport (Stuart Consulting)

Steve Nelson, Stuart Consulting, stated that the preliminary estimate is based on two sources of information: a unit cost estimate based on RS Means and bid results and the second from a interim flood protection supplier (\$300,000-\$500,000.) Sean Wyatt (GOHSEP) indicated that the state is assisting the Corps and St. John the Baptist Parish to deploy interim flood protection and will determine whether GOHSEP can partner with the Authority to deploy, purchase and maintain the interim flood protection system in the event of a storm or declared disaster. Two additional options are an Agreement with the Flood Authority in which sand and HESKO baskets are purchased and staged at the Franklin facility and deployed using contract labor or internal forces. The second option is for an engineer to prepare a bid package for a stand-by contract in the event of a major storm in the Gulf. Having the Corps/GOHSEP handle flood protection is the least financial burden as federal/state government will purchase and deploy the system. If there is a declared disaster the second two options are FEMA reimbursable. There is a three day lead time to install the system. If the storm takes turns and there is no declared disaster, the Authority will be responsible for the cost of that system. The storm must be a federally declared disaster. The governor triggers the declaration, but the federal government must agree that the storm was properly declared. Chair Stack advised that when information is received from GOHSEP and the Corps staff can make further decisions.

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

Dawn Wagener, Comptroller, advised that all line accounts are in line. Personnel services are low as positions remain unfilled. Remaining categories are 30% for Materials and 62% for Contractual, including insurance. Equipment was budgeted at \$7,000. An electric pump was purchased costing slightly over \$7,000 so money will be moved to cover that expense. The Authority remains under budget. Fuel sales are at \$413,000 and \$200,000 must be collected to meet the budget. The COO advised that there is \$187,000 in the Insurance Acct. (damages to SSH Terminal Building) and \$872,000 in the Bally's Settlement account. There is approximately \$1 million in the LAMP accounts. Cash projections through December 31, 2015 will be negative due to payment on several large projects such as Shelter 3 Replacement project, backflow preventers that are needed for utilities to the Shelters 1 and 2 and potential liability for Cost Curve A. Funds were set aside for Lakeshore Dr. striping/improvements and Shelter No. 3 replacement. Reimbursement from the Corps for Shelter 3 could take 90 days.

Mrs. Wagener explained that the General Fund is funded by location fees, property rented on Lakeshore Dr. and fees charged for house plan review. The COO advised one parking lot is used as a meeting place for movie shoots. The Corps will request right of way for almost all parking lots for the levee armoring project, but will leave the parking lot open that generates the most revenue.

Mrs. Wagener advised that it is proposed that Orleans Marina tenants receive a three year lease and the 10% maintenance fee, which guarantees major maintenance work can continue. Orleans Marina boathouses are not assessed the 10% surcharge, but boathouse revenue is included in the budget.

The COO advised that the \$3,600 and \$8,000 checks to F.A. Richard & Associates are general liability (self-insured retention) for a case that has been settled which involved a truck falling off of the Ted Hickey Bridge onto a couple riding a motorcycle. The accident caused serious damages and the couple agreed to accept the balance of self-insured retention. It is possible the Authority can get the money back, and the Legal Committee will have a recommendation at the next Legal meeting.

NEW BUSINESS

3) Review and discussion of the proposed Fiscal Year 2015-2016 General Operating. (Budget Meeting)

The COO advised that it is proposed that SSH tenants receive a one year lease with a 10% maintenance surcharge. The OM tenants will receive a three year lease with a 10% increase and a 10% maintenance surcharge. Orleans Marina is the older of the two aging facilities. The board will recommend what facilities receive major maintenance with the tax millage. The budget includes \$100,000 for three backflow preventers as required by S&WB that will provide water to the shelters.

The budget includes \$350,000 from the Flood Authority for LVCC renovations, which is also included as a deduction (expense). The \$400,000 received from the Flood Authority for the Customs' build-out will be spent in the coming fiscal year. Also included in the budget is \$270,000 for the Cost Curve A dispute, \$603,500 for utilities, \$499,000 for grass cutting, \$1,143,850 for insurance costs (based on current costs) and \$107,000 for legal expenses.

Staff recommends filling seven of the eight vacant positions. There are currently 19 employees on payroll. One electrician, the comptroller and a general maintenance foreman must be replaced. Mr. Dixon uses temporary Weststaff employees for maintenance duties. Comm. Stack suggested the new fireman also be required to cut grass, which will save \$135,000 for grass cutting at the Airport. A 4% increase is funded and it is anticipated that health insurance will go down slightly. Pay increases are to be given according to a merit system and not automatically. Retirement is mandatory funded for state Civil Service employees at 37% or 38%.

Millage comes in the calendar year, as opposed to the fiscal year which starts July 1st. Millage will be approximately \$1.6 million for a complete year of tax revenue. Mrs. Wagener explained that tax bills go out in December and 75% will pay tax bills prior to December 30th. The remaining 25% will be paid the following fiscal year.

Chair Stack noted a small increase in grass cutting from \$476,000 last year to \$499,000. The COO advised that each facility needs an increase in grass cutting. Extra cuts are included for Lakeshore Dr., interior parks and areas where the clover is heavy. The contract for grass cutting expires June 30, 2015, and an RFP should be issued. Some grass cutting was eliminated due to seawall rehabilitation, cement extending from the seawall to the street and planters which were added that require less maintenance. Tenants along New

Basin Canal maintain their own grass along with some FBOs at the Airport. The Authority cuts from Robt. E. Lee to Veterans and between Pontchartrain Blvd. and West End Blvd. Chair Stack advised that the grass at Lake Vista Community Center should be cut more often than the parks.

The COO advised that \$100,000 was budgeted for Lake Terrace Fountain repairs and \$255,800 for the Lakeshore Dr. striping project (\$200,000 - Lakeshore Dr. DOTD grant, \$55,800 - 20% match). PCCP may be required to pay for some of the striping as the special thermal striping placed along Lakeshore Dr. is deteriorating quickly due to increased truck traffic for the permanent pump project. Approximately \$10,000 was budgeted for computer hardware for the fuel farm, fire station and Airport Admin.

Comm. Fierke addressed the Admin Expense of \$39,000 and suggested staff negotiate a smaller fee. Mr. Aucoin advised 600 credit cards are run and processed every quarter for two marinas. Approximately \$1.5 million is run in credit cards annually, and the admin expense is a portion of that \$1.5 million. Several credit card companies were contacted to process credit cards, but other options have been cost prohibitive from a labor standpoint. Scribble Soft is a marina maintenance software program used by staff that integrates with Quickbooks.

Chair Stack noted that this budget is the first budget to consist of any significant capital side. The Authority is making good progress and there should be a large capital side in the 2016-2017 budget.

The COO noted that South Shore Harbor will definitely have more transient boats with the upcoming September music festival and the permanent recreational site, which should be up and running in approximately 1½ years.

Chair Stack called for public comments and explained that the marina lease issue will not be decided due to lack of quorum. The issue must be brought before the full Board on March 19, 2015 at 5:30 p.m.

PUBLIC COMMENTS

Karl Hudson – President, Orleans Marina Tenants Association

Mr. Hudson advised that the 10% maintenance surcharge has provided for many repairs such as electrical and safety issues. The money for repairs is available in the event of an emergency, and repairs can be completed in a timely manner. As can be seen by Mr. Dixon's study on actual marina costs in the area, the average slip rental is \$18.54 per quarter; Orleans Marina charges \$20.66. Orleans Marina is at the top of the fair market value chain and the most expensive marina in the area. Chair Stack requested the information regarding marina rates be included in the Board meeting packet along with any other information pertinent to this issue.

ANNOUNCEMENT OF NEXT MEETING:

Chairman Stack announced the next Finance Committee meeting is scheduled for Thursday, April 2, 2015 at 4:30 p.m.

ADJOURNMENT:

Due to a lack of quorum the meeting was not adjourned and ended at 6:00 p.m.