

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
THURSDAY, MAY 14, 2015 – 4:30 P.M.**

The regular meeting of the Finance Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, May 14, 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 4:40 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

FURTHERMORE PRESENT:

Comm. Thomas Fierke

ABSENT:

Comm. Patrick DeRouen
Comm. Eugene Green

STAFF:

Cornelia Ullmann – Chief Operating Officer
Sharon Martiny – Administrative Assistant
Dawn Wagener – Comptroller

ALSO PRESENT:

Steve Nelson – Stuart Consulting
John Holtgreve – DEI

APPROVAL OF AGENDA

The Agenda was not approved due to lack of quorum. The meeting was deemed informational only.

APPROVAL OF PRIOR MINUTES

The minutes were not approved due to lack of quorum. The minutes were deferred until the June, 2015 meeting.

OLD BUSINESS

1) Update on Mardi Gras Fountain

The COO advised that the pump will be installed shortly. The fountain will be emptied, cleaned, filled and Water Works will be contacted to operate the Fountain for a several weeks to ensure the Fountain is operating as it should.

NEW BUSINESS

1) Discussion regarding authorizing Stuart Consulting to develop scope and obtain prices for bathymetry services for Orleans Marina, New Basin Canal and South Shore Harbor approval. (Marina Committee recommends approval.)

Comm. Heaton advised that the Authority is pursuing a grant for dredging. Readings from 1999 that were used in a 2012 lawsuit were found. Those readings were much better than readings from 1988.

Steve Nelson, Stuart Consulting, noted that South Shore Harbor has a bathymetric survey from 1999. An updated survey is needed to submit so FEMA can review the survey and possibly pay for dredging of sediment. The updated

survey will show some length between pre- and post- Katrina. Whether FEMA pays for the dredging or not, the Authority must determine how much silt needs to be removed and the cost of doing same. Surveys showing current conditions are needed for South Shore Harbor, Orleans Marina and New Basin Canal. New Basin Canal slip tenants provided letters and affidavits three years ago which addressed how boats could access the Canal pre-Katrina, but had trouble post-Katrina. The Authority will press that issue and make a request to FEMA based on that rationale. Two harbors in Plaquemines Parish have recently won grants on that issue. The window is open, but it is unknown what FEMA will decide. Quotes from surveyors will be put together, which will take approximately 20 hours. The COO advised that revenue received from a May 19, 2015 movie shoot would pay for Stuart Consulting services. Comm. Heaton added that the Authority could possibly receive millions of dollars in grant funding for dredging, which is sorely needed.

2) Discussion regarding authorizing Stuart Consulting to provide engineering services for repair costs for the Pennick Dock. Damages from Hurricane Isaac and to request additional funding from FEMA. (Marina Committee recommends approval)

The COO advised that this was approved via the increase in IDIQ budget. This cost is reimbursable but actual repairs are a cash flow issue.

3) Discussion regarding three back flow preventers - Lakeshore Dr shelters

The COO advised that two backflow preventers are needed. Shelter No. 4 backflow preventer is covered under the utility crossover project being handled by O.L.D. Flood and the backflow preventer for Shelter No. 3 is included in the shelter replacement cost being paid for by the USACE as the shelter had to be relocated as part of the flood protection project. Backflow preventers are needed for Shelter Nos. 1 and 2. The bid price for the backflow preventer for Shelter No. 3 is \$17,000 and the request is being made to take advantage of better pricing by a change order to the Shelter 3 project to include the other two backflow preventers. The Authority would still have to pay for the two additional backflow preventers.

4) Discussion regarding Option B for Airport Regulator Building flood insurance to include contents from \$175,000 to \$183,800 (additional \$8,800 of coverage for increase in premium of \$589) (Recommended by Insurance Committee)

The COO informed that flood insurance coverage is \$500,000. An additional \$589 premium was paid for \$8,800 worth of contents coverage.

5) Discussion regarding accepting low bid to repair Southshore Harbor boathouse roofs \$49,500. (Marina Committee recommends approval)

Chuck Dixon, Marina Director, advised of roof leaks at the South Shore Harbor Marina covered boat slips. Only two bids were received from contractors with Longshoreman's Insurance. The low bid was \$49,500. The DBE (Iron Triangle), which is currently doing work at Orleans Marina, submitted a bid for \$53,125. FEMA advised that a new roof was not needed as a result of Hurricane Katrina.

6) Discussion regarding grass cutting contract.

The grass cutting contract expires June 30, 2015, but bid documents include a one year contract with options so it is possible the contract could be renewed. The bid document is part of the contract. Comm. Stack advised that the contract could be bid again out of an abundance of caution, but if staff is satisfied with the contractor and price the contract could be renewed at current terms. The COO suggested the contractor be placed on a month-to-month contract as more cuts are needed. The DBE grass cutter for the Airport and South Shore Harbor is slightly problematic. Comm. Heaton suggested contacting O.L.D. maintenance to discuss an agreement in which O.L.D. maintenance cuts all grass near the toe

area of the levee. It is more efficient for O.L.D. maintenance to cut a little more. Comm. Fierke requested City Park be contacted as City Park cuts the two flat areas along Orleans Canal and Bayou St. John. The Flood Authority cuts the levee area, and sometimes cuts are totally out of sync. Comm. Stack advised the COO to make sure that those arrangements are legally acceptable. The COO advised that the executed grass cutting contract is not an Authority contract. The Authority should prepare its own grass cutting contract and clarify what is and is not included in the contract.

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

Dawn Wagener, Comptroller, advised that no funds were taken from the settlement account. Approximately \$50,000 was spent on Orleans Marina Informal Major Maintenance for Contractual Services and approximately \$13,000 was spent on Informal Major Maintenance for Supplies. Mr. Dixon advised that Marina tenants saw ongoing work at the Marina and are very happy with the repairs.

The COO clarified that \$32,400 was spent on replacement equipment for the Airport, which is FEMA grant reimbursable. An additional \$800 was spent to purchase the infrared camera. Mrs. Wagener advised that FEMA items are listed on the last page as some consultants are FEMA reimbursable. Comm. Heaton noted that the Airport cost this Authority \$1 million last year. It is important to understand what is reimbursable at the end of the fiscal year to prepare for next year. The Authority is receiving extra revenue for leased office space and Messina's is doing better on percentage rent. The Flood Authority loan of \$400,000 for the Customs build-out is not revenue. Customs will be an expense and the Authority will not receive rent, but that is on the capital side and is a one-time expense. As the Authority moves forward we can better project and plan because this board has accountability.

Comm. Heaton addressed the disproportionate amount of legal expenses regarding lawsuits and tedious leases that were prepared. The COO advised that litigation is down to one case. A large portion of legal expenses were due to construction of the hangars. Mr. Metzger just settled another case via motion for summary judgment.

The COO advised that major maintenance (Lakefront Airport - \$336,000) is the Cost Curve A issue, which was reduced from \$198,000 to \$178,000. Additional charges that were paid are unrelated to that negotiation, were not in dispute and will be paid.

Comm. Stack noted that the Authority is tracking good and has not touched the Bally's settlement money; which balance is \$707,000.

PUBLIC COMMENT

Comm. Heaton addressed the second floor unleased space at Lakefront Airport and advised that the remaining areas are larger offices and the amount of rent charged will be difficult to receive in addition to interest, insurance and build out expenses. The Flood Authority regionalization plan will include a Chief Financial Officer, and a Chief Operations Officer for the Districts, which will require additional office space. The Airport Committee does not object to the Flood Authority pursuing that office space as long as NFPAMA is paid. If both Boards agree to the proposed office space rental, a lease would be negotiated for fair market value and the Flood Authority would be treated like a tenant and pay 100% of the build out cost. Half of the rent would be paid in cash and half would go on the books for what is owed to the Flood Authority. Insurance and utilities get reviewed each July and will require adjustment. The lease will be effective in

October. Additionally, the Flood Authority would pay the build out cost for the 2,000 square foot conference room, but that space would not be leased by the Flood Authority. The Non-Flood Authority could lease that space for corporate meetings, and the Flood Authority will have access to that space for meetings in exchange for the build out. She requested that this item be placed on the upcoming Board and Committee Agendas.

Comm. Heaton advised that the Authority accepted Helis' to place a fence around the Four Winds Fountain. The fence will be bid out as per FEMA requirements to get reimbursed. A cooperative endeavor agreement will be prepared as to not jeopardize funding. The PW for the Fountain is worded very broadly and authorizes repair of cracks, among several other items. Ben Morris reviewed the PW and interpreted that FEMA authorized and approved a PW, but the Authority must provide a cost. Comm. Stack noted that the Authority could not be reimbursed by FEMA if Helis provides the fence and requested an update on the issue for the full Board as the Board previously passed a Resolution accepting Helis' offer.

ANNOUNCEMENT OF NEXT MEETING:

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

ADJOURNMENT:

Due to lack of quorum, there was no motion to adjourn and the meeting ended at 5:40 p.m.