

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
TUESDAY, MARCH 15, 2016 – 3:30 P.M.**

The regular meeting of the Finance Committee of the Non-Flood Protection Asset Management Authority was held on Tuesday, March 15, 2016 at 3:30 p.m., at 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 3:32 p.m. and led in the Pledge of Allegiance. The roll was called which constituted a quorum.

Present:

Chairman Michael Stack
Comm. Roy Arrigo

Absent:

Vice Chair Wilma Heaton

Furthermore Present:

Comm. Stanley Brien

Staff:

Cornelia Ullmann – Chief Operating Officer
Sharon Martiny – Administrative Assistant
Marlene Wilkerson – Accountant
Melissa Bailey – Accountant
Chuck Dixon – Marina Director
Ben Morris – Airport Director
Tim Avegno – Eagan Insurance
Mr. Kennedy – Eagan Insurance
Chris Fenner – Stuart Consulting

Also Present:

Tim Avegno – Eagan Insurance
Charles Kennedy – Kennedy Financial/Eagan Insurance
Chris Fenner – Stuart Consulting

Approval Of Agenda

Comm. Arrigo moved to adopt the Agenda, seconded by Chair Stack. Motion passed.

Approval Of Prior Minutes

Comm. Arrigo moved to approve the Finance Committee minutes of November 10, 2015 and January 12, 2016, seconded by Chair Stack. Motion passed.

Report by Chief Operating Officer

The COO reported that the original budget was negative. The revised budget sets forth future requests for the Authority along with anticipated projects. A schedule of Major Maintenance was also prepared. The final budget will be provided at the Board meeting.

Old Business

1) Lake Vista Community Center evaluation report status

The COO advised that a good portion of the evaluation report has been completed, with the final report provided by the March Board meeting.

2) Review of YTD budget to actual Fiscal Year 2015-2016

The COO reported that the net income is -\$3,100 through February 29, 2016. Most enterprise funds run negative as insurances are paid at the beginning of the fiscal year. The Authority is in need of a Facilities Maintenance Manager along

with an Administrative Program Manager, who monitor leases, lease expiration dates, CPIs and insurances. The Admin Asst. worked diligently reviewing and updating all lease files and verifying that insurance certificates were on file, which is a full-time job in and of itself. With boathouses coming back on line, the Admin Program Manager would possess historical knowledge on the boathouses as opposed to relying on Mr. Pappalardo.

Included in the Contractual Services (currently at 74%) was demolition of Boathouses W-19 & 20 (\$78,000) with resident inspection and engineering at \$50,000. Additional engineering at the Airport was due to siding and panels that failed and an underground fire hydrant discovered that was discovered. Professional Services is high due to the FEMA arbitration and litigation involving the James Wedell Hangar. The \$700,000 legal expense for both matters is not separated under Professional Services. Chair Stack requested a sub category for FEMA arbitration. The Airport Legal budget-to-actual and Project Consultants are high, which could lead the public to believe the Authority is spending excessive amounts of money on consultants and attorneys. The FEMA arbitration notation will give an explanation of what is spent. The Airport budget-to-actual includes a \$1,250,000 reimbursement from FEMA, which was the close out of PWs related to the Airport. Duncan Loughridge (Stuart Consulting) maximizes where deductibles are placed to get the most out of PWs. The majority of costs and the deductible for the Airport soot fire were paid, and reimbursement is expected from the insurance company. The total loss is \$72,000 with a \$25,000 deductible. A claim was filed and the Authority will be reimbursed \$47,000 from the insurance company.

The Airport red phone (\$1,300 per month) is a dedicated line from the fire station to the tower. FAA requires this hard line also run to the Director's office. The red phone is strictly for serious emergencies. One AT&T line was eliminated at South Shore Harbor Marina, leaving only required lines. The cost for AT&T phone service at the Fuel Farm is \$567.91, and is strictly for the alarm system. Sewerage & Water Board was \$25,000 last month. There are many small meters, and the charges are high. The Authority was awarded a discount for lines connecting to South Shore Harbor, and will receive reduced rates on two meters due to the amount of water used in that area.

The LAMP 3 account is dedicated to Shelter No. 3 funding (\$208,401.21 as of February 29th). There is one outstanding invoice for \$192,000. Reimbursements for Shelter No. 3 take approximately four weeks. Jim Martin (DEI) monitors how much is spent and how much DEI has left to build. The project is under the \$2,088,000 Corps limit. The Utility Crossing project (Boh Brother) had liquidated damages and final authorization was given to DEI to pay \$110,000 which can be figured into the cash flow.

Chair Stack requested the EDS trash pick-up contract for the Lakefront be reviewed to determine what services are provided, and what can be eliminated during the winter off-season. Metro Security provides security at Orleans Marina and South Shore Harbor. Vanessa Coleman (Security Guard at South Shore Harbor) works 10-hour shifts at South Shore Harbor, and Metro Security provides security in Ms. Coleman's absence. The security contract was awarded to Metro Security in October, and the cost increased. Chair Stack suggested a Cooperative Endeavor Agreement with the Flood Authority for police patrol service.

New Business

1) Discussion regarding grass cutting services

RCI provides grass cutting services. Two renewals remain on the contract. Due to the Utility Crossing project and capping of the seawall, portions of grass by Landry's, near UNO and South Shore Harbor have been eliminated from the contract. The cost is reduced when portions are eliminated. A big driver of the grass cutting contract is the cost of fuel. If the contract is rebid the cost will decrease. The grass cutting contract was let in 2011 when fuel costs were higher. Chair Stack requested this issue be brought before the Board.

2) Discussion regarding utilizing one year option for various consultant agreements awarded under competitive process in FY 2015-2016

Chair Stack advised that contracts were to be renewed for the second year unless there was an issue. This matter can be addressed at the Board meeting.

3) Review and discussion of the proposed Fiscal Year 2016-2017 General Operating Budget

The COO advised that tax revenue is placed in the General Fund. Revenue from Location Agreements go into Statutory Obligations. Personnel Services is the cost to run the Authority. Salary ranges are set by Civil Service with a 4% increase for satisfactory service. Civil Service has been more reasonable in giving employees middle ground (2%) increases, rather than not giving an increase at all. A four percent (\$41,000) increase for all employees was budgeted. Health insurance is renewed annually in December. The Authority shopped the market finding OGB the cheapest in providing better services for the past four years. Health Insurance will be shopped and addressed in July to determine what is out there.

Travel Expenses was minimal, the majority of those costs for the six firemen that require training in Baton Rouge or Mississippi. Contractual Services are services the Authority pays other people for. Security Services are for the Marinas. Lab Testing is for employee drug screens. Utilities vary depending on the facility. Utilities at Orleans Marina is budgeted higher due to outdated alarm systems, water and electricity. Janitorial Service will run \$1,000 to clean Shelter No. 3. Shelters cannot be opened for public use as a plumber or employee will be required to maintain and clean the shelters each Monday. Tree Maintenance Removal is for obligations in the parks and on Lakeshore Dr.

The COO advised the Airport could not afford Major Maintenance. The prior year fund balance is money left from the previous year, and is used to balance the budget. The cost to maintain Lakeshore Dr. (\$176,660) will be taken from the General Fund. Revenue has increased from 2015 due to more boat slips being rented and office space in the Airport being rented. There was no rent increase to South Shore Harbor or Orleans Marina tenants. Personnel Services is down \$200,000 from 2016. Using a third party contractor electrician has greatly reduced costs for an electrician. A Facilities Maintenance Manger is needed and Chair Ernst is currently reviewing applications. Project Consultants for Orleans Marina was budgeted at \$100,000 due to engineering for replacement of the bulkhead.

Announcement Of Next Meeting:

Chairman Stack announced the next Finance Committee meeting is scheduled for Tuesday, April 12, 2016 at 10:30 a.m.

Adjournment:

Comm. Arrigo offered a motion to adjourn, seconded by Chair Stack. Motion passed. The meeting adjourned at 5:11 p.m.