

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE FINANCE COMMITTEE MEETING
TUESDAY AUGUST 15, 2017 – 3:30 P.M.**

The regular meeting of the Finance Committee of the Non-Flood Protection Asset Management Authority was held on Tuesday, August 15, 2017 at 3:30 p.m., in the 2nd Floor Conference Center, Lakefront Airport Terminal Building, 6001 Stars & Stripes 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.

Chair Richard called the meeting to order at 3:38 p.m. and led in the Pledge of Allegiance. The roll was called, which constituted a quorum.

Present:

Chair Anthony Richard
Comm. Roy Arrigo
Comm. Sean Bruno
Comm. Dawn Hebert

Furthermore Present:

Chair Wilma Heaton

Absent:

Comm. Cedric Grant

Staff:

Jesse D. Noel, P.E. – Executive Director
Sharon Martiny – Administrative Assistant

Opening Comments

Comm. Richard - See what we can address during the meeting. Is there anything to bring to our attention or update regarding the marina collections and the audits.

Adopt Agenda

Comm. Arrigo offered a motion to adopt the Agenda, second by Comm. Hebert. Motion passed.

Approve Minutes

Comm. Arrigo offered a motion to approve the June 13, 2017 Finance Committee meeting minutes, second by Comm. Hebert. Motion passed.

Public Comments

None

Director's Report

E.D. Noel reported of three recent audits: Legislative Auditors, Colony Insurance, and the annual audit performed by Carr, Riggs & Ingram. The Legislative Auditors Forensic Division arrived in May and spent approximately 30 days performing an in-house audit on all marina collections records and expanding the investigation from that point. Currently, there have been no findings nor any indication of continued concern. This audit was based on a complaint lodged by a private citizen or governmental body regarding the marina collection issue. The audit is currently in progress, and the Legislative Auditor may or may not issue a report depending on the findings.

Colony Insurance, the Authority's former liability insurer, performed an audit as the rates and coverage were based on the Authority's receivables. Staff was required to demonstrate actual receivables and provide the required insurance certificates. The audit lasted approximately two days, and was not an extensive audit. To date, no report has been issued nor is one anticipated

The annual audit by Carr, Riggs & Ingram is currently underway. Auditors are encouraged as there are marked improvements from last year, especially in marina collections. Staff has prepared and implemented additional internal controls, but those controls have not been documented due to the massive effort to collect past due marina rents. Staff will keep the Committee informed as to any findings.

Comm. Bruno suggested the Authority have its own audit. Currently the NFPAMA audit is a sub-product of the Orleans Levee District audit. It may be possible to request legislation that allows the Authority to prepare its own audit with an independent auditor selected by the Authority, who can then submit the audit. Mr. Noel advised the legislation that created this Authority mandates a joint audit as the funds generated by the assets are Orleans Levee District funds. Chair Heaton added that current Flood Authority administration is open to the idea of a separate audit. The assets are owned by the District, which is the reason for the joint audit. The Non-Flood Authority may be able to take on those assets and submit its own audit. The MOU would have to be renegotiated with the Flood Authority to delineate Flood and Non-Flood assets. There are currently over 100 properties that the Flood Authority has identified that are not used for Flood functions. A committee can be formed consisting of Non-Flood and Flood Authority representatives who can negotiate teams for a separate audit, which can tie in with the MOU.

Old Business

None

New Business

1) Update regarding Marina collections

E.D. Noel noted great progress with the collection of executed leases in Orleans Marina. Leases are correct and tenant statements have the proper amount to be invoiced. Three reports can be generated from the various Software used to track collections. One report provides the tenant name, name of the vessel, slip number, and the balance from Quickbooks as to what that tenant owes. The second report is a Customer Balance Summary, which provides information on all customers owing the Authority money. The Customer Balance Summary consists of more tenants than are actually in the marina as the Summary provides for former tenants who still owe the Authority slip fees. Staff will prepare a final list of former tenants that have balances owed to the Authority to determine how to proceed with collection going forward. The third report provided by Marina staff reflects each pier, slip, and whether a signed lease is in place. Pier check sheets detect squatters with Marina staff walking each pier daily to note any open piers.

Comm. Richard addressed some of the larger accounts that were in arrears several thousand dollars. Mr. Noel advised that many slip tenants had every intention of paying the rent, but those tenants stopped receiving quarterly invoices and were not tracking slip payments to their credit card. Staff is offering those tenants a payment plan in which one full quarter is paid each month until the tenant is current with the farthest payment extending to February of 2018. As most past due rents are the fault of the Authority, staff has not been aggressive with eviction proceedings. Going forward, no lease is signed unless a confirmed payment plan or a zero balance exists. There is no automatic invoicing at this time as staff is in the process of verifying that Quickbooks and the Marina Software are in agreement as to what each tenant owes. Staff will manually invoice each tenant until a system is in place to better track leases that are carried over and billed each quarter. Statements are currently correct for over 500 tenants, and staff is working daily to get the auto bill feature up and running.

2) Review of YTD budget to actual Fiscal Year 2016-2017

Mr. Noel reported that this item will be deferred as staff has been limited due to the various auditors in house. A new Accounting Supervisor will start next week, and will try to reorganize the Finance Committee Agenda to present a bank statement balance, a budget utilization, and check register that highlight key points.

Chair Heaton recommended a Treasurer be added to the Executive Board, and noted this issue will be recommended to the Board for discussion and approval.

Announcement of Next Meeting

Chair Richard announced that the next Finance Committee meeting is scheduled for Tuesday September 19, 2017 at 4:30 p.m.

Adjournment

Comm. Bruno moved to adjourn, second by Comm. Hebert. Motion passed. The meeting ended at 4:05 p.m.