

**MINUTES OF  
LAKEFRONT MANAGEMENT AUTHORITY  
FINANCE COMMITTEE MEETING  
HELD ON THURSDAY, MAY 20, 2021**

**PRESENT:** Chair Sean Bruno  
Vice Chair David Francis  
Commissioner Anthony Richard

**ABSENT:** Commissioner Stan Brien  
Commissioner Bob Romero

**STAFF:** Louis Capo – Executive Director  
Madison Bonaventure– Board Secretary  
Cynthia Grace– Finance Supervisor

**PUBLIC:** Wilma Heaton– LMA Chair

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The Finance Committee of the Lakefront Management Authority met on Thursday, May 20, 2021 at the New Orleans Lakefront Airport Terminal Conference Center located at 6001 Stars and Stripes Boulevard, New Orleans, Louisiana, 70126. The Committee met after notice was posted and sent to the public and media.

Chair Bruno called the meeting to order at 4:40 PM and led in the pledge of allegiance. Director Capo called the roll, and a quorum was present.

**Opening Comments:** None

**Motion to Adopt Agenda:**

A motion was offered by Commissioner Francis, seconded by Commissioner Richard, and was unanimously approved to adopt the agenda.

**Motion to Approve Minutes:**

A motion was offered by Commissioner Richard, seconded by Commissioner Francis, and unanimously adopted to approve the minutes from the December 10, 2020 meeting.

**Public Comments:** None

**Director's Report:**

Director Capo advised that they could proceed with the New Business portion of the agenda as his report would cover the New Business item before the Committee.

## **New Business:**

### **1) Budget to Actuals – July 1, 2020 to April 30, 2021**

Director Capo discussed that he had supplied details regarding the six accounts the LMA has.

He advised that the LMA still had not received any additional ad valorem tax revenue from the Flood Protection Authority (FPA). He explained that finance staff had received a spread sheet indicating that the FPA had received more ad valorem revenue from the City of New Orleans back in September of 2020, but they had not remitted any additional payments. He said staff did not know for certain how much the FPA had received as the information had not been disclosed.

He further explained that the LMA had only received \$191,000.00, roughly 9.5% of the approximate \$1.9 million total amount due to the LMA.

Chair Bruno asked if the LMA could receive the ad valorem payment directly through the City of New Orleans. Director Capo said it was his understanding that the ad valorem tax revenue had to be paid to the FPA and then remitted to the LMA.

Commissioner Richard expressed concern about not receiving the revenues and referred to the Memorandum of Understanding (MOU) between the LMA and the FPA. He suggested that benchmarks or deadlines be established so the funds could be remitted to the LMA timely after they are received from the City of New Orleans.

Director Capo advised that finance staff had met with FPA executive staff to discuss the issue of the remittance of insurance passthroughs from the LMA to the FPA. He said during finance staff's meeting with then CAO Derek Boese and now Regional Director Kelli Chandler used inappropriate language, and Ms. Chandler made threats to sell the assets the LMA manages. He advised that it was LMA staff's intention to determine a solution, and that the remittance of the tax revenues would enable them to pay the passthroughs due to the LMA and to finance other major costs such as Hurricane Zeta repairs.

Commissioner Richard asked what recourse the LMA had to collect the funds, and he suggested that Committee members seek out their legislators to discuss the issue. Vice Chair Francis advised that he and Chair Bruno would be meeting with an FPA Board Member to discuss the issue in hopes of determining a solution and/or next steps.

Commissioner Richard did not understand how they could withhold the money. Chair Bruno advised that the LMA did owe the FPA some funds, but they needed to work with the FPA to determine a reasonable path forward.

Director Capo cited a cash flow issue because of the \$1 million+ deductible that must be met for Hurricane Zeta damages which would include significant roof repairs. He said that despite his appeal for leniency, his request was not tolerated.

Commissioner Heaton explained that when the MOU was created and assigned the responsibility of purchasing the insurance policies for the non-flood protection assets to the FPA, the LMA did not anticipate that the deductible would be so high, and if it were known to them then the Board would not have agreed to such a high deductible. She explained that the situation was difficult to work through because of the high cost to the LMA, and typically deductibles are paid by policy owners.

Director Capo advised that the LMA has been able to limit its expenses, so that had been helpful with the cash flow issues it was experiencing.

He discussed the Lake Vista Community Center (LVCC). He explained that the budget projection, despite the COVID-19 pandemic circumstances, should be on par with what has been received. He advised that he requested that the OLDPD relinquish the temporary police station in the LVCC as it is his understanding that it is rarely utilized, and the LMA could collect about \$30,000 in rent from the space annually. Vice Chair Francis asked if they paid rent on the space. Director Capo advised they did not but understood that the community may see value in a police substation. He did advise that they did invest about \$150,000 in repairs in the space. Vice Chair Francis explained that it was the LMA's duty to maximize value derived from the asset. Chair Bruno and Vice Chair Francis opined on the receivables of the LVCC.

Director Capo discussed the financial status of the marinas. He said that they had lost some tenants to the new Municipal Yacht Harbor Marina (MYHM), but they were collecting approximately 97% of what was budgeted at Orleans Marina. He also advised that rents were also stable for the boathouse rents located in the Orleans Marina. He explained that when the budget was devised for South Shore Harbor, they anticipated about 71% percent occupancy, but due to the opening of the MYHM and the extenuating circumstances of the COVID-19 pandemic the occupancy was at about 55-56%.

Director Capo and Cynthia Grace, Finance Supervisor, discussed how salary costs were allocated for the various properties. They discussed security costs and utility costs. They discussed the issues with the Sewerage & Water Board of New Orleans (SWBNO) as a result of a major leak on Stars & Stripes Boulevard.

The Committee discussed various RFPs that may be going out to put the property back into commerce.

Director Capo mentioned that the New Orleans Lakefront Airport was considerably impacted by the COVID-19 pandemic in addition to the sinkhole that had appeared after the 18R/36L Runway Rehabilitation Project resulting in runway closures. He advised that Messina's business was picking up.

Commissioner Heaton said it was her understanding that Airport staff was showing various property around the Airport in hopes of negotiating leases for the Board's consideration. She also added that if the floodwall at the Airport was funded, then it would create an additional 40 acres available for development.

Director Capo advised that the New Basin Canal rents were stable, and staff would be entering into negotiations for new leases as well. He said interest has been generated in the West End area as a result of the publicity regarding the Cooperative Endeavor Agreement (CEA) between Jefferson Parish and the City of New Orleans regarding the development of land in the area. He said Mr. Pappalardo advised him that the leases may increase in value and to wait before issuing RFPs for parcels in the area.

He invited the Commissioners to meet with him if they had any questions.

Commissioner Richard asked about write-offs. Chair Bruno advised that some write-offs for uncollectable revenues are acceptable, and LMA staff was attempting to collect revenues owed

to them. Director Capó advised that marina staff was employing the services of the Office of Debt Recovery (ODR) to collect delinquent rents.

**Announcement of next Regular Recreation/Subdivision Committee Meeting:**

1) **Thursday June 17, 2021– 4:30 P.M.**

**Adjourn:**

A motion was offered by Commissioner Francis, seconded by Commissioner Richard, and unanimously adopted, to adjourn. The meeting was adjourned at 5:30 P.M.