

**MINUTES OF
LAKEFRONT MANAGEMENT AUTHORITY
FINANCE COMMITTEE MEETING
HELD ON THURSDAY, DECEMBER 10, 2020**

PRESENT: Chair Sean Bruno (*entered the meeting at 5:13 PM)
Commissioner Stanley Cohn (*left the meeting at 5:30 PM)
Commissioner Bob Romero

ABSENT: Vice Chair Anthony Richard
Commissioner Stan Brien

STAFF: Madison Bonaventure– Board Secretary (*left the meeting at 5:00 PM)
Louis Capo – Executive Director
Daniel Hill– Director of Engineering and Operations

The Finance Committee of the Lakefront Management Authority met on Thursday, December 10, 2020, virtually via Zoom. The Committee met after notice was posted and sent to the public and media. The meeting was livestreamed via the Lakefront Management Authority’s YouTube channel. All comments were accepted in writing up until the meeting start time pursuant to the agenda.

At the beginning of the meeting, there was not a quorum. The meeting began as an informational session between staff and commissioners.

When Chair Bruno entered the meeting, a quorum was present.

Director Capo stated that he and Chair Bruno had discussed the new proposed rates from Ericksen Krentel, the financial auditing firm selected by the Louisiana Legislative Auditors. The Committee agreed that their new rates for evaluation of the FY2021 finances were reasonable.

Director Capo said that the Louisiana Legislative Auditors renewed their contract with Ericksen Krentel for an additional three years at a cost of \$39,000 per year. Commissioner Romero asked if there could be additional increases in fees during the three-year period. He responded that there may be an increase in cost due to the LMA’s requirement to fulfill obligations pursuant to the Single Audit Act.

Commissioner Bruno complimented the firm on the quality of their work and their reasonable quote. Commissioner Bruno said that the LMA does not have significant financial control issues, so their price reflects the work that the firm must do to complete a thorough audit of the LMA’s finances.

A motion was offered by Commissioner Cohn, seconded by Commissioner Romero, and was unanimously approved to recommend the approval of the selection of Ericksen Krentel, L.L.P. to conduct the annual audit for the Fiscal Years ending June 30th, 2021, June 30th, 2022, and June 30,

2023 for a not-to-exceed fee in the amount of \$39,000 per annum.

Director Capo said that he would be meeting with supervisors to discuss reducing spending as the LMA awaits ad valorem revenues from the City of New Orleans via the Flood Protection Authority.

Commissioner Romero inquired about how Hurricane Zeta damages have impacted the LMA's financial outlook.

Director Capo explained that some costs incurred will be FEMA reimbursable as they were emergency protective measures, and staff was submitting the necessary documents for eligibility to FEMA.

He said that he needed to meet with the Flood Protection Authority (FPA) as they are the payee and certificate holder for the wind and fire policies. He said that the deductible for Hurricane Zeta damage was over \$1,000,000. He explained that the LMA has incurred significant expenses to mitigate damage at its facilities, but he was unsure of how the LMA could absorb the deductible cost when the premium is paid by the FPA. He explained that the LMA was the manager of the property.

He said the LMA paid to have the damaged National Guard Hangar roof demolished, and the day before Thanksgiving Day a significant rain event caused water intrusion into the building.

Commissioner Romero inquired if the removal of the damaged roof was part of the insurance claim. Director Capo said that the LMA must mitigate further damages. He said that in the past FEMA has covered insurance deductibles at a cost share of 75/25. He said that the LMA did incur costs when mitigating the water intrusion issues at the National Guard Hangar the day before Thanksgiving Day. He said taking no action would have resulted in greater damage to the structure. He said that staff would be bringing the issue to the Board.

He said that revenues were somewhat stable. He said most tenants at the Lake Vista Community Center (LVCC) were current with their rent. He said there have been some inquiries and tours for vacant units at the LVCC, but there have been no parties to move forward in the process of leasing a unit.

He said that the Airport's Air Traffic Control Tower hours had been restored to its legacy hours, so air traffic has increased and thus more fuel sales. He reported that the Airport sold about \$27,000 in fuel last month.

Commissioner Cohn left the meeting. The quorum was lost, and the meeting ended.