

FINANCE COMMITTEE AGENDA

Lakefront Management Authority

Thursday, April 20, 2023, at 4:30 P.M.

Lakefront Airport Terminal Building, 2nd Floor Conference Center
6001 Stars and Stripes Blvd., New Orleans, LA 70126

PRESENT: Commissioner Anthony Richard – Chair
Commissioner Howard Rodgers III - Vice-Chair
Commissioner Stan Brien

ABSENT: Commissioner Esmond Carr
Commissioner Sandra G. Thomas

STAFF: Louis Capo – Executive Director
Vanessa McKee – Assistant to the Executive Director
Adam Gulino – Director of Operations and Engineering
Eli Ivory, LMA IT Support

ALSO

PRESENT: Gerry Metzger – LMA Counsel
Jeff Dye – LMA Counsel

The Recreation Committee of the Lakefront Management Authority on Thursday, April 20, 2023, at 4:30 PM at 6001 Stars and Stripes Blvd., New Orleans, LA 70126.

I. Call to Order

Chair Richard called the meeting to order at 4:35 PM.

II. Pledge of Allegiance

Commissioner Rodgers led in the Pledge of Allegiance.

III. Roll Call

IV. Mr. Capo called the roll. With (3) members present, a quorum was established.

V. Opening Comments – Chair Richard

Chair Richard thanked everyone in attendance.

VI. Motion to Adopt Agenda

A motion was offered by **Commissioner Rodgers**; seconded by **Commissioner Brien**.

VII. Director's Report

Mr. Capo reported the following financial information:

- Tax revenue is down by \$1.2 million
- Flood Protection Authority transferred(today) \$208,000 in ad valorem taxes to our account. They will transfer to us (tomorrow) \$660,000 in ad valorem taxes.

Chair Richard and **Mr. Capo** discussed rent and miscellaneous. **Mr. Capo** read from the line items on the spreadsheet.

- Lake Vista's reporting is on monthly billing and invoicing and showed collection up to March 2023. There are still (3) months of collections.
- Orleans Marina slip leases are collected quarterly. This revenue will increase.
- SSH will most likely show a loss in revenue
- Airport revenue is stable. Air traffic picked up this week due to the Zurich Classic. Fuel sales will continue to increase through July.
- Land rent for the Airport is collected monthly and remains consistent.

Chair Richard asked about factoring in the SSH rent relief.

Mr. Capo stated it will be reflected in on June 30th compared to what was received and what was budgeted. Invoices have been sent out at the abatement rate.

Commissioner Rodgers asked if there were any film shoots scheduled.

Mr. Capo continued his report.

- Movie shoots have decreased
- Coaxum is paying rent at a rate of \$500 per month
- Interest Revenue has been hard to forecast. As of today, there is \$134,000 in interest payments which is \$118,000 more than we budgeted.
- Overall, the revenues are short \$2.8 million. Receiving the ad valorem tax has decreased the shortfall by \$800,000. The end of the fiscal year will present a better picture of where we stand.
- Personnel Services
 - o Not expected to incur the full \$1 million dollars budgeted for salaries. Didn't expect to Travel Expenses
- Travel Expenses will not reach the amount budgeted for the year.
- Contractual Services \$662,000 remain in the budget which is expected to be close.
- Material and supplies, much of the budget went to dock boxes.
- Professional Services had an increase in legal services mainly due to the large leases i.e., Parcel -L and Ponchartrain Beach. Now that those are complete we should start seeing a decrease in legal expenses.
- Machinery and Equipment have not incurred many expenses. We have the check prepared for the purchase of the maintenance trucks in a few weeks.

Mr. Capo discussed HR topics of LMA's attempts to hire maintenance personnel and a harbormaster, and also Winnie Christopher has resigned as Airport Manager.

He also discussed the qualifications of a harbormaster such as:

- Assist with budgeting

- Enforcing the lease
- Dealing with potentially 700 tenants
- Boating Experience/Coast Guard experience is also helpful

VIII. Public Comments – No Public Comments

IX. Old Business

- 1) **Motion to recommend the approval of a payment plan to Sewerage and Water Board**

A motion was offered by Commissioner Brien; seconded by Commissioner Rodgers.

Mr. Capo stated that he met with executive staff at Sewerage and Water Board. He discussed the terms that were agreed upon. The original estimated debt was \$4.8 million. The agreed upon payment plan is to pay \$800,000 up front and \$12,041 over the next 24 months for a total amount paid of \$1,089,000. This is a huge reduction.

He also reported on the water lines.

- 0 Downman (Road) averages since August of 2022 have averaged between \$7000 - \$9000 per month. This line is believed to be stabilized. It services the west side of the Airport out to the National Guard hanger hangar.
- 0 Haynes (Blvd) is still billed at a high rate of between \$45,000 and \$65,000 per month and is not believed to be stabilized. Mr. Gulino has reached out to the survey company that Sewerage and Waterboard uses to schedule time to locate the leaks.

Commissioner Rodgers and Mr. Gulino discussed the water line that goes to Parcel-L.

Mr. Dye spoke to the utility provisions of the Parcel-L lease.

- 101 East Roadway supports the Pinnock dock. There was a break in the waterline, which is now stabilized, and the bills average \$35 per month.

- 221 Lake Marina Drive services Orleans Marina. The line seems to be stabilized at \$5 per month.

The money we expect to save with the stabilization of the waterlines will be used to pay the monthly agreed-upon payment plan.

He discussed his conversation with Sewerage and Waterboard on the of difference between estimated versus actual readings and how it has affected us financially.

Chair Richard suggested that the survey company run tests on all waterlines in addition to checking the one issue line. Funds permitting.

Mr. Gulino stated that the day rate for this company is \$5500 and discussed their requirements to run the tests.

There was further discussion to find ways to monitor and troubleshoot waterlines for issues other than waiting to receive inflated bills.

Commissioner Brien asked where will the initial \$800,000 come from. Mr. Capo stated that the initial payment will come from the LAMP Account. The 24 monthly payments of \$12,041 will come from the operating budget.

Chair Richard called for a vote. All were in favor. The motion passed.

Chair Richard announced the next finance meeting and called for a motion to adjourn.

A motion was offered by Commissioner Rodgers; seconded by Commissioner Brien. The meeting adjourned at 5:29

X. Announcement of the next Finance Committee Meeting

- 1) Thursday, May 18, 2023, at 4:30 P.M.

XI. Adjourn