



**MINUTES OF THE FINANCE AUTHORITY OF NEW ORLEANS
BOARD OF TRUSTEES MEETING**

Thursday, November 16, 2017

Members Present: Mrs. Gizelle Johnson-Banks, Mr. Stephen Smith, Mr. Joseph Friend, Mr. Terrence Rice & Mr. Wade Wootan

Members Absent: Dr. Gary Clark

Staff Present: Mr. Damon Burns, Ms. Bianka Brown & Mrs. Stacey Weaver

Members of the Public: Legal Counsel Jade Brown Russell, Michelle Thomas, Angela Fyass-Lear (Whitney Bank), Waldo Moret (Bruno & Tervalon) & Lydia Cutrer

Chair's Report (Discussed as informational due to no quorum at the time)

Ms. Johnson-Banks gave a brief review of last month's Board Retreat.

Chair Johnson-Banks called the Finance Authority Board Meeting to order at 3:19pm.

Old Business

There was no old business to discuss.

New Business / Board Actions

Acceptance and Approval of the Amended August 17, 2017 Special Board Meeting Minutes – After a review of the Minutes, Chair Johnson-Banks requested a motion to approve the minutes of the August 17, 2017 Special Board of Trustees Meeting. Mr. Friend moved and Mr. Rice seconded. The motion passed unanimously.

Resolution to Approve Name Transfer of First NBC's \$2,500,000 GO Zone Revenue Bonds (GCHP-MLK Project), Series 2010B Certificate No. R-1 (Action Item) – FANO's Bond Counsel, Mr. Nevue informed the Board that a letter was received from the Federal Deposit Insurance Corporation regarding FANO's GO Zone Revenue Bonds for the GCHP-MLK Project, which was initially owned by First NBC Bank. Due to FNBC's closing, the FDIC was named as receiver, thus, becoming the successor to the GO Bond. The bond is being sold to Advantage Capital Management Corporation. The FDIC is requesting that FANO register and reissue a new Bond certificate to Advantage Capital Management Corporation.

After the review of the resolution, Chair Johnson-Banks requested a motion to approve the resolution Authorizing to Approve Name Transfer of First NBC's \$2,500,000 GO Zone Revenue Bonds (GCHP-MLK Project), Series 2010B Certificate No. R-1. Mr. Wootan moved and Mr. Rice seconded. The motion passed unanimously.

Proposed 2018 Board Meeting Schedule – Mr. Burns stated that both Programs & Finance & Investments Committee meetings will take place prior to the Board meeting. Programs will begin at 2pm, Finance & Investments at 3pm & Board Meeting will start at 4pm. Each meeting will last for 45mins. Mr. Burns stated that the committee meetings will reconvene in January. A final schedule will be provided at the December board meeting for adoption, if necessary. Legal Counsel Brown-Russell will review the Bylaws on whether the meetings schedule needs to be adopted by the Board or not.

Presentation of Proposed 2018 Fiscal Year Operating Budget – Ms. Brown gave a brief review of the 2018 Budget. She stated that FANO proposes a balanced operating budget in the amount of \$1,365,837. This amount represents the operational activities and strategic projects for the fiscal year of 2018. The proposed budget represents a 39.8% increase in expenditures compared to 2017 which is due to technology upgrades, and an increase in salaries & benefits due to adding three full-time positions. This increase will largely be offset by projected grant revenue for 2018. Ms. Brown also noted the following 2018 budget expenditures:

Salaries - \$717,510

Employee Benefits - \$154,980

Board Expenses - \$11,083

Business Development - \$45,000

Professional Services - \$133,500

Utility Expenses - \$23,277

Software & Subscriptions - \$33,752

Building Maintenance - \$59,979

General Operating Expenses - \$25,383

Marketing & Advertising - \$102,000

Technology Services - \$59,372

Ms. Brown stated that the department is still in the planning stages and encourages the Board to review the proposed budget and let her know of any questions or concerns.

Mr. Moret asked where the revenue was going to come from. Ms. Brown stated that FANO is currently using Reserve funds. Mr. Burns added that the unrestricted reserves currently serves as a buffer until the organization becomes cash flow positive. Mr. Rice suggested that FANO implement an HR policy to protect the organization. Mr. Burns informed the Board that the budget has increased by \$388,961 but does not want to continue relying on Reserves. He added that Management is working to increase revenue for 2018. The budget will be approved at the December board meeting.

Strategic Plan Report

2017 Status Update – Mr. Burns gave a brief PowerPoint presentation to the Board of the 5-Year Strategic Plan outlining 5 measurable goals:

Internal

1. Create a forward-thinking approach to finance agency management by improving efficiency, innovation and customer interaction.
2. Safeguard and grow the Authority's net assets for long-term sustainability.

External

3. Offer education opportunities to the community that inform household and business investment decisions.
4. Mitigate the impacts of climate change on local neighborhoods and infrastructure.
5. Establish New Orleans as a center of housing and infrastructure innovation.

Mr. Burns highlighted the Organizational Growth Plan that he is planning to implement within the 5 years. He noted that department expansion / added personnel is needed in order for the Strategic Plan to come to fruition.

Lastly, Mr. Burns informed the Board that he's had discussions with stakeholders and national partners on how FANO can expand its brand, increase revenue and improve the organization overall. The Board briefly discussed.

Executive Director's Report

It was mentioned that very soon, a decision will need to be made regarding the future of FANO's building. Mr. Burns stated that the building's health is declining and is in need of an inspection. There is a need to either renovate the building or relocate the organization but the Board will revisit the discussion in 2018. Mr. Wootan noted that in the past there was an offer given to FANO to purchase the building so there may be relevant information filed someplace in the office. The Board briefly discussed.

Program Performance Report – A year-to date performance report of the Expand to Homeownership / Own New Orleans Program was presented to the Board. Mr. Burns noted that there were 20 Pathway properties total, nine of which are vacant and being prepped for sale. Four of the properties are already on the market and seven are currently occupied.

Market & Legislative Report – Mr. Burns briefly highlighted the current political affairs within Trump's Administration.

A snapshot of FANO's Asset Portfolio was given to the Board:

Cash - \$9,225,789.56 (41%)
Fixed Income - \$2,298,659.55 (10.00%)
MBS - \$9,181,560.97 (40%)
Real Estate - \$2,200,000.00 (9%)

Executive Session

Ms. Johnson-Banks informed the Board that there were two items that needed to be discussed within Executive Session due to the issues being related to the character of certain individuals.

At 4:09pm, **Chair Johnson-Banks requested a motion to enter into executive session. Mr. Smith moved and Mr. Wootan seconded. The motion passed unanimously.** The public and non-managerial staff members exited the room.

Chair Johnson-Banks requested a motion to enter into regular session. Mr. Rice moved and Mr. Wootan seconded. The motion passed unanimously. The Board returned to regular session at 4:53pm. **Chair Johnson-Banks stated that there was no action taken during executive session.**

Mr. Wootan stated that he would like to amend the agenda to include two action items:

1. Authorization of Staff to make amend applicable FANO policy to permit discretionary contribution under FANO Pension Plan and to establish a formula for said discretionary contribution in accordance with Section IV(K)(14) of the Pension Plan.
2. Motion to authorize Staff to make a discretionary contribution to the pension accounts of employees with more than 10 years of longevity with FANO, in accordance with the formula listed in section IV(K)(14) of the Pension Plan.

Chair Johnson-Banks requested a motion to authorize Staff to make amend applicable FANO policy to permit discretionary contribution under FANO Pension Plan and to establish a formula for said discretionary contribution in accordance with Section IV(K)(14) of the Pension Plan. Mr. Wootan moved and Mr. Rice seconded. The motion passed unanimously.

Chair Johnson-Banks requested a motion to authorize Staff to make a discretionary contribution to the pension accounts of employees with more than 10 years of longevity with FANO, in accordance with the formula listed in section IV(K)(14) of the Pension Plan. Mr. Rice moved and Mr. Smith seconded. The motion carried unanimously.

Public Comment

There were no public comments.

Other Business

There was no other business to discuss.

There being no further business, Chair Johnson-Banks requested a motion to adjourn the Board Meeting. Mr. Rice moved and Mr. Smith seconded. The motion passed unanimously. The meeting was adjourned at 4:59pm.

ATTESTED:  DATE: 12.19.17
SECRETARY/TREASURER