



**MINUTES OF THE FINANCE AUTHORITY OF NEW ORLEANS  
BOARD OF TRUSTEES MEETING  
Tuesday, December 19, 2017**

**Members Present:** Mrs. Gizelle Johnson-Banks, Dr. Gary Clark, Mr. Joseph Friend, Mr. Terrence Rice & Mr. Wade Wootan

**Members Absent:** Mr. Stephen Smith

**Staff Present:** Mr. Damon Burns, Ms. Bianka Brown, Mrs. Stacey Weaver & Samuel Santa-Marina

**Members of the Public:** Legal Counsel Jade Brown Russell, Corey Dowden, Mike Airhart & Lydia Cutrer

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

Chair Johnson-Banks briefly informed the Board that she was interviewed for FANO's end of year newsletter highlighting the 2017 accomplishments.

Chair Johnson-Banks called The Finance Authority's Board Meeting to order at 3:16pm.

**Old Business**

There was no old business to discuss.

**New Business & Board Actions**

**Acceptance and Approval of the Amended November 16, 2017 Board Meeting Minutes (Action Item)** – After providing the Board with an opportunity to review, **Chair Johnson-Banks requested a motion to approve the minutes of the November 16, 2017 Board of Trustees Meeting. Mr. Friend moved and Mr. Rice seconded. The motion passed unanimously.**

**Introduction of New Organizational Policies & Procedures** – Mr. Burns stated that as the organization changes, new policies are being put in place. In January, the Governance Committee will approve the new policies & procedures and will then recommend to the Board for adoption. Mr. Burns added that the beginning of January will be dedicated to this process. Chair Johnson-Banks asked if a working group would meet on this matter. Mr. Burns stated yes, FANO will solicit input from various stakeholders.

**Resolution to Approve 5-Year Strategic Plan (Action Item)** – Mr. Burns presented an overview of the 5-Year Strategic Plan. Mr. Burns stated that the 5-Year Plan has 4 Focus Areas: (i) Finance & Operations, (ii) Capital Markets, (iii) Marketing & Community Development and (iv) Programs. The 2018 – 2022 Strategic Plan addresses issues related to operational efficiency, achieving profitability, educating the community and program innovation. He noted that the plan will be evaluated on a quarterly basis.

After providing an opportunity for the Board to review the proposed resolution, **Chair Johnson-Banks requested a motion to authorize the Resolution to Approve 5-Year Strategic Plan. Dr. Clark moved, and Mr. Rice seconded. The motion passed unanimously.**

**Resolution to Approve 2018 Fiscal Year Operating Budget (Action Item)** – Mr. Burns stated that the budget was presented at the November board meeting and an updated version with minor adjustments were emailed on last week. He noted that total budget spending equals \$1.28 million with investments being made in technology, programs & personnel. Mr. Burns added that revenue projections are modest, but the long-term goal is to return to profitability through program development. There was some progress this year, but better performance is expected in 2018 and the budget was specifically designed to achieve this goal. He noted that FANO is now able to transfer funds, which will occur in the first quarter. Chair Johnson-Banks asked about the progress of the Own New Orleans Program. Mr. Burns stated that projections have dropped due to some of the disclosure form requirements, but the Staff is implementing new software that will allow FANO to prepare the needed disclosures, taking the burden off of the financial institutions handling the first mortgage. The Board briefly discussed.

After the review, **Chair Johnson-Banks requested a motion to authorize the Resolution to Approve 2018 Fiscal Year Operating Budget. Mr. Rice moved, and Dr. Clark seconded. The motion passed unanimously.**

### **Executive Director's Report**

#### **Market & Legislative Update:**

- GOP tax bill is set to be approved by the House of Senate on December 20<sup>th</sup>. It will then be sent to the White House for final approval. The current version of the bill preserves Private Activity Bonds but eliminates advance refundings and tax credit bonds (which allows FANO to refund debt).
- Reduction in the corporate tax rate could reduce the demand for muni bonds by tax sensitive buyers like banks and insurance companies.

#### **Financial Performance Report**

- Market rates have not changed much. The Own New Orleans Program is gaining traction. There was one loan that closed in November and two in October. Mr. Burns stated that adjustments will be made that will increase production. An analysis will be done by zip code & district.
- Most of the Pathways properties are for sale. Proceeds from the sale will be immediately placed back into the new program.
- Operating expenses will come in under budget. Management will be meeting with the auditors in the beginning of January to discuss the new accounting format & improvement of the audit process.

The Board briefly discussed.

Mr. Burns briefly gave a snapshot of FANO's Asset Portfolio:

- Cash - \$10,515,405.99 (46%)
- Fixed Income - \$1,320,888.52 (7%)
- MBS - \$9,156,059.81 (38%)
- Real Estate - \$2,200,000.00 (9%)
- Total Assets - \$23,192,354.32
- Total Debt – (8,670,190.68)
- Net Assets - \$14,522,163.64

Mr. Burns stated that there has been some interest shown in the portfolios and he's currently evaluating.

**Public Comment**

Mr. Corey Dowden, a resident, briefly commented on various agenda items. He stated that the Finance Authority should consider office space on Canal St. so that the organization can be easily assessible to the public. Mr. Dowden noted that FANO should partner with the City to auction off some of its property. Chair Johnson-Banks thanked Mr. Dowden for his comments. Mr. Burns stated that the 5-Year Strategic Plan that was just passed addresses the issues Mr. Dowden mentioned. Mr. Burns added FANO is working to get information and resources to the community. He thanked Mr. Dowden for his comments and encouraged him to attend future meetings.

**Executive Session**

Ms. Johnson-Banks informed the Board that an executive session was needed to address matters related to a prospective litigation matter.

At 4:11pm, **Chair Johnson-Banks requested a motion to enter into executive session. Dr. Clark 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 exit the executive session and re-enter into regular session. Mr. Rice moved, and Dr. Clark seconded. The motion passed unanimously.** The Board returned to regular session at 4:26pm. **Chair Johnson-Banks stated that there was no action taken during executive session.**

Mr. Wootan recommended a motion to: (1) withdraw the authorization granted by the Board, during the December 2017 Board Meeting that permitted the Executive Director to provide discretionary contribution under FANO Pension Plan for 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; and (2) authorize the Executive Director to work with Whitney Bank to develop a formula for a discretionary contribution under the FANO Pension Plan for employees with more than 10 years of longevity that shall not exceed an amount equal to \$28,000, in the aggregate.

**Chair Johnson-Banks requested a motion as recommended by Mr. Wootan. Mr. Rice moved and Mr. Wootan seconded. The motion passed unanimously.**

**Other Business**

There was no other business to discuss.

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There being no further business, **Chair Johnson-Banks requested a motion to adjourn the Board Meeting. Mr. Wootan moved, and Dr. Clark seconded. The motion passed unanimously.** The meeting was adjourned at 4:29pm.

ATTESTED: G - / - c l - k DATE: 2.22.18  
SECRETARY/TREASURER