

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

June 13, 2017

6:30 p.m.

Lake Vista Community Center, 6500 Spanish Fort Blvd, New Orleans, Louisiana

The meeting was called to order at 6:37pm and requested a roll call by Warner Tureaud.

Board of Directors Present:

Ashlyn Graves
Connie Uddo
Warner Tureaud
Howard Rodgers
Alva See
Reginald Smith

Board of Directors Absent:

David Halpern
Douglass Lightfoot
Thomas Forbes

A quorum was present.

There were no amendments to the agenda.

The agenda was approved and adopted on a motion by Ric Smith, seconded by Howard Rodgers and the motion was unanimously carried.

On a motion by Ashlyn Graves, seconded by Howard Rodgers, and unanimously carried, the minutes from the regular meeting of May 9, 2017 were approved.

Action Items:

1. Mr. Casey said at the last meeting the audit was presented by Wegmann Dazet and there have been no questions from any of the Board Members. Mr. Smith said there were no concerns expressed in the audit and it was a clean audit. Mr. Tureaud said MYHMC has come a long way since its first audit, and he asked if there were any other comments or questions from the Board.

On a motion by Ric Smith, seconded by Howard Rodgers, and unanimously carried, the resolution "Authorizing the Acceptance of the 2016 Audit" was approved.

2. Mr. Casey distributed a two page Resolution with an attached sketch of the rear pier behind the Administration Building. Community Sailing New Orleans, Inc. (CSNOI) has a use agreement with the Tulane University Sailing Club to temporarily occupy the site at the Southeast corner of the Harbor. With the impending renovation the Harbor, Tulane Sailing will have to move from the site in order for the new bulkhead to be constructed along the East parking lot as well as the bulkhead at CSNOI's site. Mr. John Manard and Mr. Casey have discussed several temporary alternative locations that could possibly be used within the Harbor by Tulane Sailing during the reconstruction of the Harbor. Mr. Casey said that it was determined that the best site is the area behind the Administration Building in the fairway area which is about 71 feet wide from the existing wooden dock to the piles of the 30 foot slips across from the Admin. Bldg. The Resolution proposes that MYHMC would temporarily lease an area sixty-five (65) feet parallel and adjacent to the wooden pier extending twenty (20) feet into the fairway from the wooden pier in order to moor a 20 foot wide floating dock facility. The proposed lease area would equate to two (2) boat slips. Mr. Casey mentioned that when "Manana" was docked behind the building it had a twenty foot beam, so it extended out from the wooden pier about 20 feet in that area and boats could get out of the 30 foot slips quite easily with no issues. As per the sketch, the lease area would start approximately 36 feet from the Northeast corner of the building such that the area would be more than adequate for boats to access the A-Frame ladder. On the Western side of the area that Tulane would occupy (keep in mind that this is a temporary interim use until CSNOI's facility is completed) there would be about 78 feet to where the wooden stairs go up from the pier to the wooden deck. Also there is an additional 27 feet going toward the main North/South Pier on the Western side of the Harbor. Mr. Casey and Mr. Bloom looked at the proposed layout several times, and Mr. Casey said he does not see any issues with existing slip tenants to be able to access the water faucets in the 78 foot remaining distance along the pier. It is also important to keep in mind that MYHMC is not set up to accept transient vessels. In addition to using MYHMC's standard slip lease agreement, Mr. Manard was very helpful in providing the Hold Harmless and Indemnity Insurance Agreement ("Agreement") that Tulane University executed with Community Sailing and he assisted Mr. Casey with some modifications to the Agreement. The Agreement has much higher insurance requirements than the standard slip lease agreement, and it follows along exactly what Community Sailing has had with Tulane Sailing for the use of CSNOI's property over the last several years. The Agreement would go hand in hand with the lease. As opposed to Tulane Sailing moving its green storage container to the Admin. Bldg., discussions have been held to

allow them to store some sailing equipment in the lower portion of the building. They know that they would have to move their equipment around from time to time or to vacate the building depending on the construction schedule.

Mr. Casey said that Tulane Sailing would temporarily occupy the portion of the rear dock area for approximately one academic year starting August 1st until they can return to Community Sailing's site where they have a use agreement in place with CSNOI.

Mr. Smith recommended that the "A" frame ladder at the Northeast corner of the Admin. Bldg. be inspected by an engineer. Mr. Casey said it currently appears that the ladder will not be removed as part of the harbor renovation, and an inspection will be scheduled.

Ashlyn Graves asked the Board if they had any other comments or questions.

On a motion by Ashlyn Graves, seconded by Howard Rodgers, the resolution "Authorizing the Execution of a Temporary Slip Lease Agreement with the Administrators of the Tulane Educational Fund, d/b/a Tulane University for the use of the Tulane Sailing Team" was approved by Ms. Graves, Mr. See, Ms. Uddo, and Mr. Rodgers with Mr. Smith and Mr. Tureaud abstaining.

Information and Discussion Items:

1. Boathouse Leases and Supplemental Lease Agreements were discussed by Mr. Casey. As per the Law Department, the extended leases for boathouses 18, 78, and 115 are in the Mayor's Office for his signature. The paperwork for BH #130 has been submitted and is being reviewed by the Law Department. Ms. Graves will report on boathouse sales activity during the month of May. For the month of May, MYHMC recognized one boathouse transfer fee for BH #49 in the amount of \$7,500.
2. The FEMA Update was presented by Mr. Casey. The Capital Projects Administration (CPA) has received the executed bid authorization form from the City's Chief Administrative Officer (CAO) and it has been forwarded to the Bureau of Purchasing. It is anticipated that bid documents (plans and specs) for the Harbor reconstruction will be posted on the City's Purchasing Portal next week after purchasing reviews and gives their approval to the documents and the other conditions of the bid.

Mr. Smith asked about the timeframe for submitting the bid that was placed into the specs. Mr. Casey said Mr. Viteri with CPA wanted to have a 60-day time period along with several pre-bid meetings due to the complexity of the job. Although Mr. Casey has not seen the final construction documents, Capital Projects will provide them so that they can be posted on the MYHMC website.

3. The May Financial Report was presented by Mr. Smith. As of May 31st, MYHMC has total assets of \$3,543,000 with current assets of \$3,533,000 and the bulk of

which is in the form of cash of \$3,479,000 in three accounts at Capital One Bank. On the liability side, MYHMC has total liabilities of \$1,031,000 of which \$526,000 is current liabilities, and the bulk of that is accrued interest on the NOAA bonds of approximately \$273,000. The long term liability of \$505,000 is the balance on the NOAA Bonds. That leaves MYHMC with a fund balance of \$2,512,000 of which \$1,444,000 is unrestricted net assets. For the month of May, total income was \$60,000 and operating expenses were \$60,000. Net other expense for the interest accrual on the bonds was a loss of (\$3,400) for the month. For the year-to-date, gross revenue was \$287,000 with operating expenses of \$298,000 and net operating income was a loss of (\$11,000). Net other expense which is the interest accrual was (\$17,000) such that it results in a net loss of (\$28,000).

4. The Economic Redevelopment Committee Report was presented by Mr. Rodgers and Mr. Casey. The Regional Planning Commission (RPC) has received the draft of the final report from their consultant with respect to the restaurant parking lot Master Plan Study. RPC anticipates having the final report by the end of June. The next stage will be further discussions on developing a Request for Proposals (RFP) for the site while the pump station contractor is still using it as a construction staging area.
5. Executive Director's Report was presented by Mr. Casey. There were five topics:
 - 1.) A status conference has been set by the Judge for Thursday, June 22nd with respect to the status of the foreclosure of boathouse #127 by Bank of America;
 - 2.) A public hearing was held by the City Planning Commission staff on June 1st with respect to MYHMC's 2018 capital budget;
 - 3.) Notices to vacate the East side of the Harbor were placed on boats on May 17th. Approximately 10 boats have vacated the East side;
 - 4.) On May 19th a certified letter was sent to Mr. Guy Olano who owns Boathouse #3 and manages Boathouse #4 informing him of various violations of the Harbor and Boathouse Rules and Regulations including the mooring of the house boat in the slip of BH #2. As per the Boathouse Lease, this is considered the 30 day notice letter. On May 26th, Mr. Joe Monsour met on site with Thomas Forbes and Mr. Monsour informed him that he had a buyer for the boat and he expected that it would be moved out of the harbor in 10 days (Monday, June 5th) the vessel is still moored in BH #2's slip;
 - 5.) MYHMC's sign contractor will be installing additional signs such as "No Trailer Parking" in the West End area within the next several weeks.

Other Comments and Issues from the Board or the Public:

Mr. Tureaud said that the City's Law Department is MYHMC's attorney and that they should be consulted with respect to the removal of the houseboat. Mr. Smith recommended cancelling the leases of Boathouses #3 and #4.

Mr. Thomas Tubre asked if the Board could draw into its liquid assets to pay for a detail of firemen to man the fireboat, as well as to pay a NOPD detail to patrol Breakwater Dr. at certain times due to speeding and noise issues. Mr. Tureaud said that MYHMC is currently paying for a roving patrol on a 24/7 basis. Mr. Tubre asked what can the Board do for the BH tenants? Can the City Council possibly pass an Ordinance to close access to the point or to block off Breakwater Drive at North Roadway after a certain time at night? Mary Cunningham with Councilmember Guidry's Office said that this is the first time that she has heard of crime issues on Breakwater Drive.

Mr. Tureaud said having firemen at the boathouse which is owned by the City of New Orleans is a courtesy that MYHMC is hoping that the New Orleans Fire Department will provide. MYHMC cannot require them to man it 24/7. Mr. Casey said that it was a Hurricane Katrina FEMA Claim separate from the Harbor and the Fishing Pier Claims that paid to rebuild the facility. Mr. Smith said that although the total liabilities of MYHMC amount to approximately \$1,000,000 (\$500,000 is long-term bond debt), MYHMC is also obligated to pay a \$325,000 match for the Hurricane Isaac Harbor Claim and \$150,000 insurance co-pay to FEMA. Mr. Tureaud said that MYHMC's assets are not as liquid as you might believe. The Board has been a good steward of its limited funds considering that it has run an operating deficit in many of the recent years while the FEMA Claims have been in the process of being settled.

Mr. Tureaud appreciates the comments about quality of life issues and takes crime very seriously noting that he is the retired Chief of Police of the Port. He stated that a comprehensive approach will need to be taken due to MYHMC's limited funds. He added that there are going to be differences of opinions, and we will have to come up with a solution that will work for the majority.

Kerry Cuccia said the crime problem is growing and that he will get together with boathouse owners on North Roadway and Breakwater Drive to come up with ideas. He will talk to Mr. Casey about what might be feasible and to see what would be acceptable. He asked if we can get some police presence on Breakwater Drive on Friday and Saturday nights to start scaring the offenders off. Someone was recently driving down the street at 45MPH.

Mr. Tureaud thanked everyone for their comments.

There was a question about trash at the Point. Mr. Tureaud said MYHMC has a large dumpster there and pays to get it picked up twice per week. This goes back to what was said about being good a steward of public funds. Although MYHMC cannot afford to hire someone around the clock to pick up the trash, it pays for the dumpster, the cutting of the grass, the general clean up of the area, and the roving patrol. Keep in mind that the Yacht Harbor Corporation does this with a broken down economic engine due to the fact that limited funds are currently being generated from boathouse ground leases and boat slip fees. MYHMC does not receive any funds from the City's Operating Budget and it

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depends on its own self-generating operation to pay its operating expenses, the matching funds required by the FEMA claims and the boat launch grant, and other projects.

Ms. Uddo suggested that everyone get with Susan Guidry's staff to assist with speeding issues since the street is the responsibility of the City.

Mr. Tureaud was open to all the comments and concerns about quality of life issues that were discussed. He said it shows progress.

Adjournment:

On a motion by Howard Rodgers and seconded by Ashlyn Graves, the meeting was adjourned at approximately 8:00pm.

Date and Time of next meeting:

The next meeting is scheduled for Tuesday, July 18, 2017 at 6:30 p.m. at the Lake Vista Community Center.