

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

June 25, 2012

6:30 p.m.

First Baptist Church, 5290 Canal Boulevard, New Orleans, Louisiana

Warner Tureaud called the meeting to order at 7:50 pm and requested a roll call by Jennifer Medley.

Board of Directors Present:

Ashlyn Graves
Michael Liebaert
David Halpern
Alva See
Warner Tureaud
Jennifer Medley
Kiana Mitchell
Winston Burns

Board of Directors Absent:

Alva See
Connie Uddo
Patrick Bell

A quorum was present.

There were no amendments to the agenda.

The agenda was approved and adopted on a motion by Kiana Mitchell, seconded by Ashlyn Graves and unanimously carried.

On a motion by Ric Smith, seconded by Kiana Mitchell, and unanimously carried, the minutes from the regular meeting of May 14, 2012 were approved.

Action Items: There were no action items.

Information and Discussion Items:

1. Valerie Lowry and Kerney Craft from Wegmann Dazet & Co. presented the 2011 Financial Audit to the MYHMC Board. Mr. Tureaud reminded the Board that the 2010 Audit report was qualified and that MYHMC Board was unable to provide the Louisiana Legislative Auditor's Questionnaire and was also unable to sign the Management Representation Letter for the auditors. The problem was that the Board did not have legal representation from the City's Law Department and there were many state statutes which required interpretation. Without legal representation, the Board was not able to answer the required legal questions on how the statutes applied to MYHMC or whether or not the Board could provide the necessary documents. None of the board members were comfortable with signing the required documents and, consequently Wegmann Dazet & Company could not provide an unqualified Audit for 2010. This issue was resolved for the 2011 Audit in that Mr. Casey researched the statutes with the City Attorney's office, received answers and was able to complete and provide the Legislative Auditor's Questionnaire along with the Management Representation Letter to the auditors. As a result, the Board is in good standing and has received of a letter from the Legislative Auditor removing the MYHMC from the noncompliance list. We expect that the 2012 Audit will proceed in a similar way.

With respect to the 2011 Audit, the only issue that the auditors have brought to MYHMC's attention concerns the existing boat house leases. The auditors conducted a sampling of boat house leases and discovered that incorrect rental rates were being charged on three (3) leases. These errors appear to originate from the miscalculation of some five (5) year lease option increases that occurred during the time period that the Department of Property Management was managing the Municipal Yacht Harbor. Mr. Casey indicated that Mr. Bloom is in the process of examining all of the boat house lease files as recommended by the auditors. Upon completion of the review of all of the boat house lease files, legal questions will be discussed with the City Attorney's Office to determine what action is required.

2. Theodore C. Sanders, Executive Director of Louisiana Asset Management Pool (LAMP) and Robin Landa with UBS discussed LAMP and its investments. LAMP started in 1994 to help government entities with the management of their funds. They currently manage \$2 billion in assets and work with 600 public entities while maintaining 4,000 individual accounts. There were questions with respect to investments in commercial paper. Currently, LAMP is allowed to invest up to 50% of its funds in commercial paper with maturities of 7 to 14 days. Mr. Tureaud asked whether MYHMC can have its money on deposit in LAMP but not invested in commercial paper. The response was no, due to the fact that all of the accounts are pooled together for investment purposes. Although LAMP has investment restrictions, Mr. Smith did not want the Board to be under the misconception that there is no risk in the investments. Although the City of New Orleans

currently has funds on deposit with Lamp, Mr. Sanders was not sure whether or not the City's investment policies have been updated to be in alignment with LAMP.

3. Mr. Casey updated the board on the progress of the administration building. Precision construction is searching for a mechanical subcontractor to replace the one who walked off the job. A platform is being designed for the West Side of the building in order to elevate the electrical distribution panel.
4. Mr. Tureaud discussed the progress of the FEMA claims for the harbor. FEMA has hired an expert to come and review the evidence of storm damage. FEMA's consultant will meet on site with Chip Conklin on Wednesday, July 18th to discuss Chip's damage report and to look at the damaged areas under the concrete piers. Deputy Mayor Cedric Grant had sent a letter to FEMA asking that the damage assessment be completed by June 30th.
5. Mr. Smith presented the Financial Report. He indicated that as of the end of May, MYHMC had \$3 million in cash of which \$1,800,000 was in the Capital One and LAMP operating accounts and another \$1,200,000 million in the LAMP Reserve Account. MYHMC has a total of approximately \$2 million on deposit with LAMP. That cash forms the bulk of our unrestricted net assets of \$1,147,000 million and our temporary restricted net assets of \$1,140,000. Temporary restricted net assets are deposits on leases that have not been completed and bond reserve funds that are required to be kept on deposit.
6. A discussion of the Motor Vessel Phoenix settlement and disposition was presented by Mr. Casey. The insurance settlement of \$110,500 has been received, and the fire boat will be listed for sale this week on the website: www.propertyroom.com which is used by the City of New Orleans to dispose of surplus moveable property.
7. Mr. Tureaud gave an update on the Board Member Attendance. He indicated that currently the MYHMC Board allows for 14 appointed members. The Board has requested that the City either appoint 3 additional members or reduce the total allowed number to 9 members or to a number that the City Council would recommend. Until we get the number of appointed board members reduced, the Board must still operate under the current ordinance which requires a quorum of 8 members which is based on the allowed appointed number of 14 members. Mr. Tureaud said that in order to get business done by the board, all members have to attend the meeting and to try to show up on time. He advised the Board members to notify the staff a week in advance if they cannot attend a scheduled meeting. There were time suggestions in regards to the meeting start time of either 6:30 pm or 7 pm. It was agreed that 6:30pm was probably a better starting time for the Board members as well as for First Baptist Church. Mr. Tureaud will check with Mike Sherman as to the status of the makeup of the board.
8. Mr. Casey presented the Executive Director's Report. There were five topics: 1.) The Rules and Standards Committee meeting was held on June 7th and plans were approved for boathouses 12, 83, 86, 87, and 88; 2.) The City Planning Commission hearing will be

held Monday, July 9th for the 2013-2017 Capital Improvement Plan; 3.) City of New Orleans vs. Thomas Arbor has been resolved with respect to dumping trash in West End Park. Mr. Arbor received a \$300 fine and six days of community service. A thank you goes to Michael Liebaert for his attendance at 3 court hearings; 4.) The RPC is in the process of scheduling a public meeting to present and discuss the West End Master Plan on Tuesday, July 17th or Thursday, July 19th; and 5.) Bayou State Security is closing and locking the gates to the boat launch at 9 pm in accordance with the City ordinance.

Other Comments and Issues from the Public:

Adjournment:

On a motion by Ric Smith, seconded by David Halpern, the meeting was adjourned at approximately 8:25pm.

Date and Time of next meeting:

The next meeting is scheduled for Monday, July 9, 2012 at the First Baptist Church.