**New Orleans Municipal Yacht Harbor Management Corporation**

**Regular Board Meeting**

**Tuesday, August 8, 2023, 6:30PM**

**Municipal Yacht Harbor Administration Building**

**2nd Floor – New Orleans Yacht Club – East Meeting Room**

**403 North Roadway Street**

**New Orleans, LA 70124**

PRELIMINARIES

1. Meeting called to order at: 6:31pm by Tim McConnell.

Attendance was taken by Tim McConnell. Board members present:

Tim McConnell

Christopher Hammond

Jessica Addison

Keith Amacker

Akeisha Tircuit

Mark Heck

Monya Criddle

Roger Watkins

1. Motion to adopt agenda as posted by J. Addison. Seconded by R. Watkins. Motion carried unanimously.
2. Approval of July 11, 2023 meeting minutes. Motion by R. Watkins seconded by J. Addison. Motion carried unanimously.

ACTION ITEMS

 Presentation of the 2022 MYHMC Financial and Compliance Audit together with independent auditor’s report by Lawrence Jones of Bruno and Tervalon, LLP.

 L. Jones: Conducted the financial audit for MYHMC for year ending December 31, 2022 along with the State-wide agreed upon procedures. Page one is the independent auditor’s report. The second paragraph renders an opinion. The opinion states that the financial statements are fairly stated in material respects. Page 4 is the Management Discussion and Analysis. It is an overview and analysis of MYHMC financial activities. Page 5 is highlighted information based on condensed statements on pages 6 and 7. Page 10 begins the financial statements. It shows the difference between the net assets and liabilities. The total net position is the equity of MYHMC. There were 2 accounting pronouncements that were adopted by MYHMC. One of which is with respect to leases. Previously, leases were called operating leases and noted as future rentals. Now, the pronouncement requires that the asset be reported in the financial statements as well as the liability in the form of a deferred inflow of resources. Present value of your future payments was determined as of Dec. 31 as $12.2 million. Leases considered: boathouses and commercial leases. The amortization of the present value was done over the life of the leases. There was $12.2 million in lease receivables and a similar amount in deferred inflow. Over the life of the lease receivables and liabilities would decrease. There was also the adoption of the pension information listed under liabilities. This is determined by your actuary which is MYHMC’s portion of the City’s actuary. That liability was $409K. Total assets and deferred outflows was $16.9M. Total liabilities and deferred inflows was $12.9M. The net position which is comprised of capitalization and net assets was $4M. Page 11 is the statement of revenues, expenses and changes in net position. Operating revenue was $1.7M. Operating expenses was $1.3M. There was a small amount of non-operating revenue of approximately $10K. The difference in expenses and revenues is the change in net position which was $468K. Page 12 is the statement of cash flows. Pages 13-24 is the notes to the financial statements. The notes include the descriptions of the lease pronouncement in a very lengthy note on the pension information. As a governmental audit we did have notes on internal controls and compliance. The results of the report is on Page 30. There were no significant deficiencies or material weaknesses. There was an unmodified auditor’s opinion which is the very best one could receive. The last report is the statewide agreed-upon procedures. The 29 procedures are from the state legislative auditor. Each one was tested, and we did not report any exceptions. A great job to management for having all of the information readily available.

R. Watkins: Which audit was not available?

L. Jones: The single audit was not required due to MYHMC not receiving any federal funding. If you had received over $750K, a single order would have been required.

R. Watkins: In the event that we did receive over that amount, is there anything we would need to change as far as accounting practices?

L. Jones: You would have to have internal controls over compliance.

INFORMATION AND DISCUSSION ITEMS

1. FINANCIAL REPORT by Roger Watkins

As of July 31st, MYHMC has total assets of $17,644,000 with current assets of $3,855,700 and the bulk of which is in the form of cash of $3,620,000 in two accounts at JP Morgan Chase Bank. Fixed assets total $1,322,400. Other assets include Leases Receivable of $12,295,200 and Deferred Outflow of Pension Resources of $166,100. On the liability side, MYHMC had total liabilities of $13,351,300 of which $564,600 are current liabilities consisting mainly of unearned revenues of 338,300, accounts payable and accrued expenses of $74,600 and accrued annual leave and sick leave of $141,700. Long term Liabilities consisted of net pension liability of $496,100 and $12,268,700 for deferred inflow of long term leases. That leaves MYHMC with total equity of $4,292,700 of which $3,792,700 is unrestricted net assets. For the month of July, MYHMC had revenues of $181,900 and operating expenses of $155,100 which resulted in Net Income of $26,800. Year to date revenues are $1,301,300 with total expenses of $1,009,400, resulting in a year to date profit of $291,900. Current slip occupancy is at 93%. Note that insurance has drastically increased over $100K for the year.

Motion to accept the financial report by M. Heck, seconded by J. Addison. Carried unanimously.

J. Addison: At what point do we start shopping around for ways to save on insurance?

R. Watkins: My understanding is that we have to have a commercial policy which is extremely expensive.

T. McConnell: When is the last time we shopped around for insurance?

B. Whited: we use the insurance agent that does all of the insurance for City. The City put out an RFP (not sure when) and they do our insurance. Acquiring all of this insurance is definitely a challenge. It's usually under multiple carriers with 3-4 underwriters. The policy limits are set by our lease with the City, therefore they cannot be decreased.

T. McConnell: Can we assure that when it's time for our next renewal that the policies are going out to market?

Wayne Bloom: They are.

T. McConnell: That’s all that we can ask for.

B. Whited: I can make a note for when it's time for the policies to renew but I would not recommend it. FEMA requires us to have property insurance on the floating docks. When we shopped independently to get the insurance the premiums were $400K-$500K/yr. with $5M+ deductibles. We then came to an agreement with the City to add it to their policy. This also means that we don't have insurance because if there is a claim, the City gets the money and they decide where the money is allocated.

K. Amacker: Could you expand on the terrorism component? Most insurance policies do not offer that coverage.

B. Whited: I would have to read the policy in detail.

Motion to accept the financial report passes unanimously.

1. DIRECTOR’S REPORT

Staff Hiring: We interviewed for another GPO and they are currently going through the hiring process.

West Lot: Ordinance for City Council to give MYHMC and other Public Benefit Corporations authority to enter into month to month or less than one year leases. First reading occurred. Vote to be on Thursday's (after our board meeting) meeting.

Parking pad for trailer storage and dumpster placement will go out to bid this week.

Fishing pier: plans 95% complete and being reviewed by FEMA 3 month before next phase.

Sale of Boathouses: Memo and next steps to be delivered Monday or Tuesday before meeting. Yesterday we received a memo from Stone Pigman outlining the legal process. We need to get Property Management involved because they own the structure. They would sell it and we would enter into a lease with the buyer. Through property management, the facilities have to go before an advisory committee and be approved to be released to the public. It is city owned property, so the City Council has to pass an ordinance.

J. Addison: Why is this process so different from when someone sells their boathouse?

B. Whited: Those are least transfers. The city never owns them. They are existing leases that have been approved by the City Council.

T. McConnell: what does the advisory committee consist of?

B. Whited: It’s the City’s advisory committee. The PAC. They have to approve the sale of city property and show why it's not useful for the City.

J. Addison: Is this the same procedure we have used in the past?

B. Whited: No one has ever sold a boathouse as far as the records go back.

West End Park and Breakwater Park: We are looking at options to address the algae and other issues on the West End Park pond. I received two similar quotes and have reached out for electric quotes based on the aerator requirements.

Marina: Contractor is working with an engineer for the WIFI poles. We have engaged the contractor to move forward with quote.

West End Development Expenses

|  |  |  |
| --- | --- | --- |
| Company | Invoice Date | Expense |
| Stone Pigman | 2/28/2023 | $4,740.00 |
| Stone Pigman | 3/28/2023 | $4,870.00 |
| Stone Pigman | 4/25/2023 | $420.00 |
| Stone Pigman | 5/31/2023 | $2,160.00 |
| Stone Pigman | 6/26/2023 | $3,030.00 |
| Stone Pigman  | 7/31/2023 | $480.00 |
| Total West End Development Expenses |  | $15,700.00 |

M. Criddle: After aeration is completed in the pond, will there be any additional upkeep?

B. Whited: I will meet with the contractor on the job to determine what would be the best treatment moving forward. As discussed, the pond needs much more work. We have looked into obtaining grants. There is a Restore Act grant that would help but we are not eligible. I have also reached out to wildlife and fisheries to determine if we would be eligible for a grant from them.

M. Criddle: What about the grant that Charles mentioned?

C. Marsala: It was a $50M infrastructure grant available for projects in Lake Pontchartrain.

B. Whited: I believe that is the Restore Act that we are not eligible for as an independent.

J. Addison: Have you sent out the memo on next steps for the sale of the boathouses?

B. Whited: No. I still need to review it with the attorney. We don't have solid next steps. We have the memo which outlines the legal parameters but we still need to discuss.

1. RULES & STANDARDS COMMITTEE by Timothy McConnell

We had a meeting tonight but do not have any motion to bring to the Board. We had one item come before us and we deferred the action until we receive more information from our architect.

1. UNFINISHED BUISINESS: N/A
2. ECONOMIC REDEVELOPMENT COMMITTEE by T. McConnell

Did not meet. The contract between Stone Pigman and HR&A has not been finalized. Unfortunately, we are behind on the timeline and that is because they cannot start working until the contract has been finalized. I have asked that Stone Pigan speed up the process and get things moving along.

Public Comment by Charles Marsala: Is it possible to post the contract on the website once it has been finalized? The Planning Commission opted to defer when voting on CM Giarrusso’s proposal regarding housing. This may impact the development process. Also, would parameters be given to developers to let them know we want to save the trees?

T. McConnell: We will definitely be giving directions that we would like to have the trees saved. We have also been informed that there is a state law that says that the trees cannot be cut down. We cannot control what developers submit during the RFQ/RFP process. However, if someone is proposing to cut down trees, we do not have to select them. At every meeting the trees are brought up and at every meeting we say we want to save the trees. As it relates to the contract, the contract is between HR&A and Stone Pigman. I don't think it will be subject to public scrutiny but that will be between those two entities. The contract between MYHMC and Stone Pigman is public information. Forward me the report you have regarding the acreage.

1. QUALITY OF LIFE by Monya Criddle

Met earlier today. We are excited about the ground maintenance and the grass being cut regularly. The trash cans have been installed and emptied. Security presence is much better. There is a request for new signage at the entrance of the park. There are streetlights out in certain areas.

B. Whitted: That is a City issue and everyone can report those outings by dialing 311.

M. Criddle: There's a drainage issue on the east side of the park when it rains.

Public Comment by Stanton Murray: The flood usually happens close to JB’s Fuel Dock. He seems that this happened a few years ago and Bryan was able to fix the problem quickly.

B. Whited: I don’t recall but I will look into it. To be clear, that is the Lakefront Management Authority’s property.

M. Criddle: There was a question regarding the trailer storage, pressure washing some areas and the damaged boathouses that is falling into the water.

B. Whited: Currently, the trailers there don't have permission because I cannot give away city property as storage. Once the ordinance gets passed, I can give notice and to tenants to move their trailers or start paying.

M. Criddle: Is the goal for them to start paying for storage?

T. McConnell: We have spoken about this at previous meetings. Yes, we want to use the area as storage until development starts to happen. Tenants can’t park their trailers on the street. Therefore, we can use this area as a source of revenue. We could use the income to secure the area and enforce violations. Once the ordinance passes, we will present a motion for the Board to vote on to determine if that's how we want to move forward.

M. Criddle: The constituents believe that it will be an eyesore and not the best place for trailer storage.

B. Whited: I would encourage people to send me the pictures and addresses of the damaged boathouses so we can address the leaseholders accordingly.

M. Criddle: We are looking to have something like a block party. We would like to send out surveys to see if that is something the community would like to have. Mr. Marsala can speak regarding the pressure washing.

Charles Marsala: I started to pressure wash between my boathouse and the visitors docked and you can see a great difference. Also, would like to suggest moving the trailer storage so it's not the first thing you see when you come into the area.

M. Criddle: The Friends of West End is working on a comprehensive beautification project and Mr. Murray will speak on that point.

S. Murray: The project would engage all of the stakeholders which would include MYHMC. We are looking to complete the project by spring of 2024. There will be a few big cleanup weekends. We are looking to engage people to do little things in their own groups around their own properties. We are looking to photograph all of the signs out here because signage will be one of the components of the project. We talked about having a congratulations party in the park. We want to get the businesses to get their junk out of the road and get the restaurants to clean up a little bit.

T. McConnell: Just for clarification, anything happening on MYHMC’s property will need to come before this Board.

S. Murray: Yes, we will put a proposal together and present it.

T. McConnell: We appreciate your leadership and the Friends of West End coming together. Side note: Congratulations to Dr. Criddle! The Louisiana Department of Education celebrated the states most outstanding leaders and teachers at the Cecil J. Picard Educator Excellence Awards and Dr. Criddle was chosen as Louisiana’s principal of the year.

Public comment by Bob Fresneda: There are about 10 trees around the boat launch that seem a bit droopy and are falling. I am requesting that the board finds out how much it would be to get the trees trimmed.

T. McConnell: We’ll look into it.

B. Whited: The last time I spoke with the arborist, he suggested we do a safety inspection next year. We did an inspection 2 years ago. He quoted us for a trim of all the trees and that was over $100K. We ended up doing just the safety term for about $50K and he said we would need to do it approximately every 5 years. We had a large tree branch come down that was hit by a truck, I had him come out and inspect it anyway. He said we should probably do an inspection next year.

1. SECURITY AND SAFETY COMMITTEE by Christopher Hammond

The committee will meet before the September meeting at 5:30pm.

Motion to go into an Executive Session by J. Addison, seconded by M. Heck.

Executive Session action item: Motion to authorize legal counsel to file a motion if appropriate, regarding Frank Scurlock v. Kurt Heitmeirer, Robert Heitmeier, New Orleans Municipal Yacht Harbor Management Corporation, Hudson Ins Co., QBE Spec. Ins Co. & Sylvan Construction Inc, in the Civil District Court of Orleans Parish, No. 2021-01440.

Motion to go back into Regular Session by M. Heck, seconded by R. Watkins.

Executive session action item passes unanimously.

Motion to adjourn by C. Hammond, seconded by M. Heck at 8:49pm

**Date & Time of Next Meeting :** Tuesday, September 12, 2023| 6:30 PM

 NOYC 2nd Floor