

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

June 10, 2014

6:30 p.m.

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

The meeting was called to order at 6:30 pm and requested a roll call by Ric Smith.

Board of Directors Present:

Howard Rodgers
Alva See
Ric Smith
Connie Uddo
Warner Tureaud
Shannon Sims
Thomas Forbes

Board of Directors Absent:

Ashlyn Graves
David Halpern

A quorum was present.

There were no amendments to the agenda.

The agenda was approved and adopted on a motion by Shannon Sims, seconded by Connie Uddo and the motion was unanimously carried.

On a motion by Shannon Sims, seconded by Thomas Forbes, and unanimously carried, the minutes from the regular meeting of May 13, 2014 were approved.

Action Items: None

Information and Discussion Items:

1. Boathouse Leases and Supplemental Lease Agreements were discussed by Mr. Casey. Currently, no additional lease extensions of the remaining 17 boathouse leases are in process. MYHMC staff has received a request from a title/mortgage company concerning an extension of the lease as a result of a proposed refinancing of the leasehold improvements by the boathouse owner.
2. The FEMA update was provided by Mr. Casey. As per Capital Projects Administration (CPA), R.S. Means is continuing to work on the independent 3rd party construction cost estimate for the harbor FEMA claim. The Governor's Office of Homeland Security (GOHSEP), who is funding the study, has received a preliminary draft report. Capital Projects is providing additional scope of work data to R.S. means as requested by GOHSEP. CPA and GOHSEP continue to have weekly conference calls. GOHSEP who is paying for the R.S. Means study is in control of the process and they want a complete and thorough report to make sure that it covers the entire scope of work and all associated costs. CPA has also had a discussion concerning the inclusion of the proper cost of workman's compensation insurance as required by the Jones Act. Hopefully in the next month, the final draft report should be delivered to GOHSEP. Although R.S. Means originally anticipated that the structural and cost report would be completed in a 90 day time period, GOHSEP, CPA, and MYHMC obviously want the Means report to be complete and to include all necessary details. The piles for the reconstruction of Boathouse # 93 are scheduled to be delivered next week.
3. The Financial Report for May was presented by Mr. Smith. MYHMC has total assets of just over \$3.4 million dollars of which the majority are current assets of \$3,383,000 of which \$3,340,000 is in cash in three interest-bearing Capital One bank accounts. On the liability side, MYHMC has a total of \$839,000 of which \$334,000 is current liabilities and the biggest item is \$148,000 in accrued interest on the NOAA bonds. Total long-term liabilities are \$505,000 on the NOAA bond principal itself. Roughly \$653,000 of MYHMC's liabilities of \$839,000 are associated with the NOAA bonds that are currently in deferment. MYHMC has total equity of \$2,572,000 of which \$1,515,000 is unrestricted and the Board anticipates that \$300,000 will be required for the 25% matching funds needed for the Isaac FEMA Claim harbor repairs. MYHMC has an additional obligation to provide \$42,000 for the 25% match for the WLF Grant for the boat launch repairs which will add to the total liabilities. MYHMC is continuing to operate at a loss. For the month of May, total income was \$52,000 with ordinary expenses of \$58,000 such that MYHMC had a \$6,000 deficit from operations. Interest

expense amounted to another \$3,000 such that MYHMC had a total loss \$9,000 for the month of May. For the year-to-date, the loss totaled \$38,000.

4. The Proposed Bad Debt Write-Off Policy was presented by Mr. Tureaud and Mr. Smith. Mr. Casey distributed the March 14, 2011 Board Resolution dealing with small accounts receivable balances. Although the Financial Audit contains a reserve for bad debts, MYHMC has not had a Bad Debt Write-Off Policy. Neither the Finance Department nor other Public Benefit Corporations have similar policies in place. The MYHMC Bad debt write-off policy was initially requested by the Inspector General's Office and they provided some information that was included in the Proposed Policy. A discussion was held with MYHMC's Audit Firm and the Bad Debt Write-Off Policy has been approved by the Law Department. Prior to the Board adopting the Policy by Resolution, the Law Dept. will inform MYHMC if a City Council Ordinance is required.
5. Mr. Casey presented the Executive Director's Report. There were five topics: 1.) The law department along with Erica Beck, Executive Counsel have both reviewed Louisiana revised statute 34:843 dealing with abandoned vessels and MYHMC has received approval to utilize this statute to address this issue; 2.) MYHMC has provided some additional information to the law department with respect to obtaining a legal opinion concerning the collection of the 3% parking tax on boathouses that are used by owners as their permanent residence; 3.) MYHMC has reviewed the attached letter from the Department of Wildlife and Fisheries as reported at the May board meeting which includes the Breakwater Drive Boat Launch in their list of recommended eligible Wallop-Breaux Boating Access Grant projects. The estimated cost of repairs to the boat launch is \$170,400 and the reimbursement grant would cover 75% of the cost or \$127,800 with MYHMC providing the 25% match equal to \$42,600. The grant is subject to the receipt of a Coastal Use Permit, a Corps of Engineers Permit, and to the final approval of the U.S. Fish and Wildlife Service. The permit application for the Coastal Use Permit has been filed and the Louisiana Department of Natural Resources put it out on public notice on May 30th. The U.S. Army Corps of Engineers has received a request from the Department of Natural Resources and is currently reviewing the application for a 404 permit; 4.)MYHMC staff continues to work with the City Planning Commission staff with respect to the rezoning of the West End area as per CPC's Master Plan/rezoning efforts throughout the entire city; and 5.) MYHMC Staff has also been working with the Capital Projects Administration in developing the draft of 2015-2019 Capital Budget. CPC is scheduled to have a Public Hearing with City Planning on MYHMC's draft Capital budget on Wednesday, June 25th at 1:00 p.m.

Other Comments and Issues from the Public

There was discussion about NOFD's Fire Boat "Blaze" that participated in National Marina Day. The NOFD still intends to house the fire boat at Boathouse # 93 when it is completed. Mr. Casey and Mr. Viteri with CPA recently had a meeting with Chief Schmitt with the fire department relative to some details concerning the wiring and cabling of BH #93.

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There was a question from Alva See asking if a back-up generator will be installed at BH #93. MYHMC is not aware of any plans to install a back-up generator. Since FEMA is only going to repair and replace in kind items, it will not pay for this equipment. The Fire Department probably is not in the position to spend any money on this project to provide additional items. Mr. Casey and Erica Beck will have to prepare a CEA between MYHMC and the City to allow NOFD's use of BH #93 now that the master lease with the City is in place requiring MYHMC to provide insurance and to hold the City harmless.

There was another question from Alva See about pre/post hurricane storm preparation, clean-up, and assistance from the Fire Department. Chief Schmitt has said that they intend to have their fire staffs stationed at Harrison Ave. and Robert E. Lee Blvd. trained on the fire boat as back-up, since they don't know whether they would be able to man the facility on a 24/7 schedule. When MYHMC started discussing the use of BH #93 with the Fire Department several years ago, it was made clear that for man power purposes, they may not be able to man this particular fire department location 24/7 and that they would have a routine mechanism and staff capable of responding to a fire in the harbor. The important thing is that the fire boat and fire equipment will be there on-site.

Adjournment:

On a motion by Ric Smith and seconded by Connie Uddo, the meeting was adjourned at approximately 7:10pm.

Date and Time of next meeting:

The next meeting is scheduled for Tuesday, July 8, 2014 at 6:30 p.m. at the First Baptist Church.