

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

March 11, 2014

6:30 p.m.

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

The meeting was called to order at 6:45 pm and requested a roll call by David Halpern.

Board of Directors Present:

Reginald Smith
Warner Tureaud
Connie Uddo
Shannon Sims
Thomas Forbes
David Halpern

Board of Directors Absent:

Ashlyn Graves
Alva See
Howard Rodgers

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 David Halpern and unanimously carried.

On a motion by David Halpern, seconded by Shannon Sims, and unanimously carried, the minutes from the regular meeting of February 11, 2014 were approved.

Action Items:

1. The nominated officers for 2014 are: Warner Tureaud as President, Ashlyn Graves as Vice-President, Reginald Smith as Treasurer, and David Halpern as Secretary.

On a motion by Shannon Sims, seconded by Connie Uddo, the nominated officers were unanimously elected as Officers of the Board.

Information and Discussion Items:

1. Boathouse Leases and Supplemental Lease Agreements were discussed by Mr. Casey. The initial group of 114 leases has been recorded and most lessees have picked up their copies. An additional lease has been executed and uploaded in the City's electronic system and the original documents have been delivered to the Law Dept. for execution. MYHMC is still working to resolve issues associated with the remaining 17 leases. Erica Beck, Executive Counsel, is assisting MYHMC with an ordinance that will allow the extension of the three leases that are set to expire in 2019.
2. The FEMA update was provided by Mr. Casey. The State of Louisiana through the Governor's Office of Homeland Security (GOHSEP) has agreed to fund a 3rd party cost estimate with respect to the repair of as well as the replacement of the harbor improvements. On Thursday, March 6th, consultants with R.S. Means Company toured the harbor along with the City's Capital Projects Administration (CPA) in order for Means to prepare their proposal for GOHSEP. It is anticipated that it will take 60 to 90 days to complete their report. CPA is continuing to work with Sizeler, Thompson, Brown Architects to resolve some contract issues with FEMA with respect to the harbor repair plans and the fishing pier/restroom plans.

The demolition of Boathouses #31 and #93 is progressing. Waterproofing issues affecting the adjoining neighbors who are the lessees of Boathouses #30, #32 and #94 are in the process of being resolved by the lessees. It's been a very long process especially with BH#94 which has included numerous meetings, several letters, and phone calls. Basically when the wall of BH#93 was removed it exposed the wall of BH#94. The boathouses were originally built as ten sheds and not built to have dwelling units in them. When the wall of BH#93 was removed it was discovered that the metal siding of BH#94 was installed such that the metal laps were in a reversed manner. Once the roof of BH#93 is removed, the wall of BH#94 will be exposed to the elements such that water will be able to enter the structure through the reversed metal siding lap of BH #94. The owner of BH#94, Mr. Fernandez, realizes that it is his responsibility to install a new metal wall in order to protect his property.

3. The February Financial Report was presented by Mr. Smith. MYHMC has total assets of just over \$3.4 million dollars of which the majority are current assets and the bulk of which is in cash in Capital One Bank accounts. That's \$3,304,000 in cash that we have

divided between three accounts at Capital One. On the liability side, we have total liabilities of \$804,000 of which \$505,000 are long-term and those are NOAA bonds that continue to be in deferment that we hope to have forgiven. Under current liabilities, which are close to \$300,000, the main item is \$139,000 in accrued interest on those bonds. We do have \$69,000 worth of unearned revenue which is the rent we receive that gets recognized as income over the course of the lease term. That gives MYHMC an equity position or net fund balance of \$2,604,000 of which \$1,514,000 is unrestricted. For the month of February, total income was \$61,000 and operating expenses totaled \$55,000 which yielded \$7,000 in ordinary income. In addition, interest expense for the month was \$3,400 such that net income was \$3,300. For the year-to-date, we are at \$112,000 in income with \$112,000 in expenses with an additional \$6,000 of interest expense. For the year-to-date we are at a net loss of \$6,000. That compares to a projected loss of \$265,000 that was budgeted through February of this year due to the fact that it is not known exactly when a number of fees will be paid during the year. MYHMC's 25% portion (MYHMC's liability) of the Hurricane Isaac FEMA proceeds is included in this year's budget.

4. A request for a Demolition Letter for Boathouses #42 and #43 was presented by Mr. Casey. In the Board's packet there is a request for a demolition letter from MYHMC for Boathouses #42 and #43 from Mr. James Swoop (who is the Architect for Mr. Dieter Hugel) who has acquired the leasehold improvements as Gulf Coast Marine, LLC. This request will be treated administratively since there are no construction plans for the Rules and Standards Committee to review at this time.
5. Mr. Casey presented the Executive Director's Report. There were three topics: 1.) A meeting was held on Wednesday, February 19th with the Louisiana Dept. of Wildlife and Fisheries and the Louisiana Coastal Conservation Association at the Breakwater Dr. Boat Launch to discuss the grant application submitted by MYHMC for repairs to the boat launch. Both entities offered their support in applying for a Coastal Use Permit and a U.S. Army Corps of Engineers Permit; 2.) The Law Department is continuing to review the proposed write-off policy; and 3.) The 2013 Financial Audit is nearing completion and it is anticipated that Wegmann Dazet will present their report at the April 8th Board Meeting.

Other Comments and Issues from the Public

Someone asked if the "notice to proceed" had been issued to Sizeler. Miguel Viteri (from Capital Projects) had a meeting with the architect to work out the remaining fee issues on the overall contract with Sizeler on the harbor, the fishing pier, and the restroom project. Miguel believes that it is close to being resolved.

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Another comment was made about following up on the parking tax issue for boathouse owners who have homestead exemptions. Mr. Casey said that he received an email from Chad Dyer in the Law Department that he is including someone in the process with the Law Department who handles taxation issues, and we will be following up with that person in the law department.

There was an additional comment concerning the R.S. Means proposal with respect to the cost estimate. GOHSEP has agreed to pay Means a fee for the cost study. Capital Projects anticipates that the proposal will be accepted by GOHSEP and that the study will be completed in a 60 to 90 day time period. FEMA will be the beneficiary of the cost study along with GOHSEP and Capital Projects. There is a ratio that FEMA uses as to whether or not a project is going to be a repair or a replacement project. Capital Projects is trying to get the valuation of the project to the 51% mark which will determine whether FEMA will repair or replace the harbor improvements. FEMA will still have to evaluate whatever GOHSEP's consultant determines.

Erica Beck commented on getting a resolution to the FEMA claims, and she mentioned that she had a conversation with the director of Capital Projects, Vince Smith, and the Deputy Mayor, Cedric Grant, to focus on getting this issue resolved.

Adjournment:

On a motion by Shannon Sims and seconded by Thomas Forbes, the meeting was adjourned at approximately 7:30pm.

Date and Time of next meeting:

The next meeting is scheduled for Tuesday, April 8, 2014 at the First Baptist Church.