

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

November 14, 2017

6:30 p.m.

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

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

Board of Directors Present:

David Halpern
Warner Tureaud
Alva See
Thomas Forbes
Howard Rodgers
Reginald Smith

Board of Directors Absent:

Ashlyn Graves
Connie Uddo

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 David Halpern, seconded by Thomas Forbes, and unanimously carried, the minutes from the regular meeting of October 10, 2017 were approved.

Action Items:

1. Mr. Casey said that this proposed Resolution is to employ Ericksen Krentel, L.L.P. to perform the Financial Audit for 2017 for \$11,800. MYHMC received several estimates from audit firms which ranged from \$10,600 quoted by Wegmann Dazet & Company who has performed the audit for approximately 7 years to an amount not to exceed \$17,940 by Bruno and Tervalon. Mr. Tureaud said at first glance, it may look like the Board is not being prudent with public funds because it is being proposed that MYHMC pay slightly more to engage a new audit firm. He has had several conversations with the staff and the Executive Committee due to the fact that it is not a good business practice to employ the same auditor for a lengthy time period. Wegmann Dazet has done a great job for MYHMC. They performed the initial audit which involved a lot of "heavy lifting" after funds were moved from the City to MYHMC's bank accounts. The Board felt that it was prudent to utilize the same firm for several years, but Mr. Tureaud believes that it would now be beneficial for the Board to consider changing audit firms in order to make sure that the public's funds are being looked at appropriately. Now that the Board's financial procedures are established, Mr. Tureaud suggested that the Board consider employing an audit firm for no more than a three year time period. Someone asked what the difference was between the two lowest bids? Mr. Casey said the difference was \$1,200 for the annual audit.

On a motion by David Halpern, seconded by Ric Smith, and unanimously carried, the resolution "Authorizing the execution of a contract with Ericksen Krentel, L.L.P. to prepare the 2017 Financial Audit" was approved.

2. Mr. Casey said at the Rules and Standards Committee Meeting last month, there was an interpretive issue relative to the design criteria with respect to arched transoms as opposed to flathead transoms. The Board had asked that a Resolution be prepared to clarify this issue and the revision is attached as Exhibit "A" under section DC-10 Doors. The only wording that has been changed is highlighted in yellow ("arched") and it says that doors have clear glazing and door heads must be flat without any arch. The door itself is still going to be a squared door and will not be an arched door. Doors will have one light or the appearance of divided lights and transoms may have flat or arched transoms. Attached to the exhibit is a portion of the plans that were approved at the Rules and Standards Committee Meeting last month for BH #15 on Breakwater Drive. Mr. Tureaud asked if

any other Board Member present sat on that committee and approved this revision. It makes sense and MYHMC did not receive any opposition from the Boathouse Owners Association on this change. Before the vote, Mr. Tureaud opened the floor to the Board for any comments. Mr. Smith said that the Board wanted to make sure that since it had approved this change, that it would be applicable to any future construction that took place. Mr. Tureaud asked if there were any further questions from the audience.

Representing the Boathouse Owners, Mr. Cuccia said that it was a good idea to make this revision.

On a motion by Ric Smith, seconded by Howard Rodgers, and unanimously carried, the Resolution "Authorizing a revision to the Boathouse Design Criteria" was approved.

3. Mr. Casey said that MYHMC had gone out for bid on a multi-year contract through purchasing for a roving patrol security contract and have received bids from purchasing. Four companies submitted bids and one company was declared nonresponsive by purchasing because they did not submit everything that was required. The low bidder, Gulf Coast Security Enterprises, LLC, is based in Mississippi and has an office in Slidell. They are certified as a DBE company in Mississippi and they are in the process of getting a DBE certification in Louisiana which is the reason for the delay in awarding the contract by Purchasing. According to Purchasing, the contractor has to be given the opportunity to obtain the Louisiana DBE Certification. Currently, MYHMC is paying Bayou State Security \$21.90 per hour for the guard and the vehicle which is the same rate when the contract started in 2011. The low bid from Gulf Coast Security for a guard and a vehicle

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totaled \$20.00 per hour. Mr. Casey and Mr. Bloom prepared the bid proposal such that the bidders submitted a separate rate for a guard and separate rate for a vehicle in the event that MYHMC needs an additional guard without a vehicle. In the proposal, MYHMC also has the flexibility to alter the contractor's work schedule in the event that a guard is not required at a certain time. Mr. Tureaud said that the bid proposal states that there is no minimum or maximum number of hours guaranteed to the contractor. This would allow MYHMC to employ an NOPD detail as may be required for a specific time when it might be beneficial to have a commissioned police officer on site on a sporadic basis. The Board and the Boathouse Owners Association can have further discussions with respect to this issue. The second bidder, Vets Securing America, Inc., is actually the parent company of Bayou State Security and they currently are not a DBE certified company. Purchasing requires the two lowest bidders to submit the balance of the paperwork that is required in the event that something happens with the first bidder then they can proceed to the second bidder. At this point in time due to the delay in awarding the roving patrol security contract, it would be good for the Board to pass a resolution authorizing the extension of the existing contract with Bayou State Security Services, Inc. on an interim (month-to-month) basis in accordance with the original terms and conditions until such time that a new contract is executed by the City.

On a motion by Ric Smith, seconded by David Halpern, and unanimously carried, the resolution "Authorizing the extension of the contract with Bayou State Security Services, Inc." was approved.

Information and Discussion Items:

1. Boathouse Leases and Supplemental Lease Agreements were discussed by Mr. Casey. During the month of October, there was one boathouse sale and MYHMC recognized a transfer fee of \$9,810.00 as income which is reflected on the financial statement.
2. The FEMA Update was presented by Mr. Tureaud. The redevelopment of the harbor is in the award phase of the bid and award phase of the project. The City has recently received approval from FEMA for the alternate project request for the floating dock facility.

Mr. Tureaud said that although it has taken a long time, MYHMC had hoped but were never guaranteed that FEMA would go along with the alternate project request. Mr. Casey said it's all a part of the process to get to the point where the City continues to move forward to execute a construction contract. There was a question about the update on a protest of the bid. Mr. Tureaud said he was told that the original bidder has successfully met all their obligations. BLD Services was the low bidder and they do a lot of municipal work and they use reputable suppliers and manufacturers. There are no red flags to make the City stall on this. They are moving forward with getting this contract signed as well as resolving this particular complaint. Someone from the audience asked who is protesting this and also the timeframe when the work is going to start. Mr. Tureaud said it is the second lowest bidder that is protesting the bid and the timeframe has not been announced since a contract has not been executed. Although the City is in control of the contract administration process, MYHMC serves in an advisory capacity and the City has listened to the public comments and has made changes to the final plans. Mr. Tureaud has been informed that the funds are available from FEMA on a reimbursable basis which means that the work must be completed and certified prior to FEMA releasing the funds to the City.

3. The October Financial Report was presented by Mr. Smith. MYHMC has total assets at the end of October of \$3,615,000 of which \$3,607,000 is current and the bulk of that is \$3,479,000 in the form of cash in two accounts at JPMorgan Chase Bank. On the liability side, MYHMC has a total of \$1,078,000 of which \$573,000 are current liabilities and the main items are unearned revenue on prepaid leases of \$128,000 and accrued interest on the NOAA bonds of \$292,000. Long-term liabilities are \$505,000 in NOAA bonds that are currently in deferment. On the equity side, MYHMC has a total fund balance of \$2,537,000 of which \$1,444,000 is unrestricted net assets. For the month of October, total revenues were \$62,000 with operating expenses of \$55,000 resulting in ordinary income of \$7,000. Net other expense was (\$3,300) which is the monthly interest accrual on the bonds which resulted in net income of \$4,000 for the month. For the year-to-date through the end of October, total revenues were \$625,000 and total operating expenses

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were \$594,000 such that net ordinary income was \$31,000. Net other income totaled (\$34,000) such that the net loss was (\$3,000) for the year-to-date.

There was a question about anticipated revenue once the new marina is completed. Mr. Smith said that although several projections have been made, they have not been published yet since the final number of constructed slips has been unknown. Mr. Tureaud also said that slip rates for the new facility will have to be approved by the City Council. It would be impossible to prepare a pro-forma without knowing the new slip rates that will be charged. To date, the heavy lifting was to get the marina up and running and to get as many slips built as possible. Mr. Smith said as part of the rate approval process, MYHMC has to get an appraisal of what the appropriate rates should be. Mr. Smith said that there is not enough money to build out the total harbor as far as the maximum number of individual slips, but we wanted to maximize the revenue and made some assumptions. Until we know what actually will get built within the \$22 million that is allocated under this project, we only have a general idea of the total number of slips that will be constructed. One of the projects that staff is working on is to bring the Board recommendations for the slip rental rates, once we see what that mix is. Mr. Tureaud said we already put out a list of organizational and operational tasks that needs to be done, and that one of them that is high on the list as well as some other ones. Mr. Smith said if it makes you feel any more confident, the reason we haven't done this up until now is because we have been burned so many times with the harbor getting ready to start and it is not worth doing it until we are almost at the point of construction because it is a wasted effort if things get put off. We must be feeling good if we are now saying that we need to get that done.

4. The Economic Redevelopment Committee Report was presented by Howard Rodgers. The Regional Planning Commission's (RPC) West End Redevelopment Area Feasibility Study has been posted on the RPC's website. There are still a number of issues that need to be resolved between the City, Jefferson Parish, and the State Land Office. It is anticipated that a meeting will be held with several City representatives including Councilmember Guidry in the near future, to discuss issues that we feel are important to this project in terms of economics and revenue for MYHMC. Once we get that, we will be able to explain those items further. The design concept includes a boardwalk component on the end of the former restaurant site area toward where the new pumps discharge into the lake. Along the boardwalk component there are some boat slips/day slips for visitors to the proposed commercial area in addition to small seating areas in front of the buildings along West Roadway. Although the Regional Planning Commission (RPC) is still working with the City's Planning Commission and the Jefferson Parish Planning Department in order to finalize several items, the Study has been posted on the RPC's website. Mr. Smith asked at what stage do we as a Board have a public meeting on this to provide input in this process. If this Study is out in the public domain, then we should ask the RPC to make a presentation to the Board at either the December or the January Meeting to discuss the remaining issues. Because once they are finished with the Study, MYHMC still has to

administer what's left behind. Mr. See mentioned client and stakeholder comments. Mr. Casey said that he participated in the meetings along with Mr. Rodgers, representatives from the City, Jefferson Parish, and the Army Corps. of Engineers. The stakeholders are the City, Jefferson Parish, and MYHMC. There was a question about the project being decided by the Regional Planning Commission. Mr. Casey said the RFP will be put out by Orleans, Jefferson, MYHMC, and maybe the State Land Office. Mr. Tureaud said that the Study is for planning purposes only.

5. Executive Director's Report was presented by Mr. Casey. There were six topics:
 - 1.) The house boat moored adjacent to BH#3 vacated the harbor on Sunday (11/12) morning;
 - 2.) The status conference that was rescheduled with the Judge was held on November 2nd;
 - 3.) The insurance provisions for the boat launch construction specifications have been approved by the City's risk manager and they have been furnished to the engineer. The next step will be advertising the job by purchasing;
 - 4.) The Corps. of Engineers' contractor (PCCP) is in the process of cleaning up the parking lot;
 - 5.) Staff is in the process of finalizing details with Chase Bank in order to accept ACH payments. MYHMC is now able to accept credit card payments through Chase;
 - and 6) Douglas Lightfoot resigned from the Board of Directors in August and his position is currently vacant.

Other Comments and Issues from the Public:

Rick Paulk asked a question about interior lights in the park that don't work, drainage all around the park and abandoned vehicles, campers, and boat trailers that are just parked everywhere. Is there a plan for that? Mr. Tureaud said "Yes" and maybe he can get with staff during the week. We have discussed all of these items. MYHMC does not control the lights in the park and the street drainage, but we are working to resolve all those issues. He can maybe schedule a meeting with Mr. Casey to bring him up to date with all of these items. Mr. Casey said that people can call the 311 number to report abandoned vehicles and trailers because all of those items end up with the Department of Public Works. They are the ones who are responsible. Mr. Tureaud said the streets (Breakwater Drive, North Roadway, and South Roadway) are City streets, and MYHMC does not have any enforcement capabilities on those streets.

Executive Session:

At 7:20 p.m. the Board voted unanimously to go into Executive Session to discuss the following items that were posted on the agenda:

- 1.) BAC Home Loans Servicing, LP, f/k/a Countrywide Home Loans Servicing, LP v. Richard A. Goldenberg ó Docket No. 10-7299, Civil District Court, Orleans Parish

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- 2.) Legal Advice from the City Attorney's Office with respect to violations of Harbor and Boathouse Rules and Regulations

On a motion by David Halpern, seconded by Ric Smith, and unanimously carried, authorize outside counsel to institute eviction proceedings against Richard Goldenberg from BH#127 and to terminate the lease.

Adjournment:

On a motion by Howard Rodgers and seconded by David Halpern, the meeting was adjourned at approximately 7:50pm.

Date and Time of next meeting:

The next meeting is scheduled for Tuesday, December 12, 2017 at 6:30 p.m. at the Lake Vista Community Center.