

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

October 15, 2013

6:30 p.m.

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

The meeting was called to order at 6:38 pm and requested a roll call.

Board of Directors Present:

Reginald Smith
Warner Tureaud
Thomas Forbes
Alva See
Ashlyn Graves
Connie Uddo

Board of Directors Absent:

Howard Rodgers
David Halpern
Shannon Sims

A quorum was present.

There were no amendments to the agenda.

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

On a motion by Connie Uddo, seconded by Ashlyn Graves, and unanimously carried, the minutes from the regular meeting of September 9, 2013 were approved.

Action Items:

Mr. Casey discussed the 2014 Revenue and Expense Budget that was presented to the Board Members. The top sheet in the packet is the 2014 Revenue Budget. The 2014 Expense Budget is attached along with the Budget Resolution. The 2014 Budget is similar to the 2013 Budget that the Board adopted in 2012 and it takes into consideration several adjustments. Mr. Wayne Bloom adjusted the boathouse rent, which is based on the new Boathouse Lease. Currently there are about 19 Boathouse Lessees who have not done what they needed to do to qualify for the new lease and the rent from those tenants is projected based on the 2030 lease. Transfer fees are subject to market activity and they have been higher than was originally projected this year. Slip rent and other rent for Southern Yacht Club and New Orleans Yacht Club is very similar to the amounts in the 2013 Budget. The 2014 Budget assumes that MYHMC will be fortunate and will receive a grant from Louisiana Department of Wildlife and Fisheries for the repairs to the Breakwater Drive Boat Launch. The projected 2014 Budget includes the requested grant amount of \$127,800 with MYHMC providing the 25% matching amount. The other miscellaneous income is made up from rent paid by the New Orleans Power Squadron and interest income. The projected income subtotal yields just under \$800,000 with the difference being made up from cash reserves as MYHMC has projected in the past. On the expense side, MYHMC has always been very conservative in anticipating that there may be some unexpected expenditures as a result of the reconstruction and reopening of the Harbor. The primary projected expenditures consist of personal services, insurance, professional services, accounting services for the audit; groundskeepers who maintain West End Park and Breakwater Park; a security contract with Bayou State Security; tree services; janitorial services; and legal services. Assistance may be needed from expert Bond Counsel relative to the NOAA bonds.

Mr. Casey mentioned that a market study in an amount of \$8,000 may be required in order to utilize the storage space in an alternate manner on the first floor of the Administration Building. An appraiser would need to do a fair market analysis, and MYHMC would have to obtain approval of the City Council to rent the space.

With respect to repairs and maintenance, MYHMC has never had specific expense line items for charges for repairs to the Administration Building, the Harbor, West End Park, and Hurricane preparation and clean up. A total of \$35,000 has been added for those projected repairs. The full cost of the boat launch repair is projected to be \$175,000.

Mr. Tureaud indicated that this is going to be a very expensive year because we may have to reimburse the City for MYHMC's 25% portion of the Hurricane Isaac FEMA Claim. Mr. Smith mentioned that MYHMC is projected to generate \$788,000 in income and to spend \$2,375,000 in expenses and capital improvements.

On a motion by Ric Smith, seconded by Alva See, and unanimously carried, the Resolution approving the 2014 Budget was adopted.

Information and Discussion Items:

1. The Boathouse Leases and Supplemental Lease Agreements were discussed by Mr. Casey. Five (5) boxes of lease files (114 leases) were delivered to the City Attorney's office on October 2nd for signing and electronic processing. Nineteen leases remain to be resolved by lessees and they deal with various issues.
2. The FEMA Update was presented by Mr. Casey. Capital Projects anticipates that Sizeler Thompson Brown will submit the final harbor repair plans to Capital Projects by the end of October. The plans will then be reviewed by CPA and FEMA. The notice to proceed for the demolition and construction of the boathouses is scheduled to be issued this week with an effective date of October 31st. FEMA has obligated \$887,000 for the fishing pier and restroom reconstruction. There will be a meeting with CPA tomorrow to discuss these issues.
3. The Financial Report was present by Mr. Smith. At the end of September total assets were about \$3.4 million of which \$3.2 million was in cash in various accounts. That has increased due to the fact that MYHMC received an additional \$230,000 as part of the Extended Boathouse Lease process. That money is still considered restricted funds until the leases are executed by the City. When you look at the \$3.2 million versus the \$1.6 million of cash reserves projected to be spent in the 2014 Budget, MYHMC is projected to have about \$1.6 million remaining in cash most of which will be unrestricted. The total equity (net fund balance) is \$2 million of which restricted funds total \$1,140,000 and about another \$1,040,000 is unrestricted. Year-to-date MYHMC had total revenues of \$457,000, total ordinary expenses of \$529,000 and other expenses of \$26,000. So year-to-date MYHMC is about \$99,000 in a deficit position from operations.
4. The Boat Launch – Sport Fish Restoration Application was discussed by Mr. Casey. MYHMC filed a 29 page application on September 16th with the Louisiana Department of Wildlife and Fisheries for a Wallop-Breaux Boating Access Grant in the amount of \$127,794 (75% of the estimated cost) under the Sport Fish Restoration Act for repairs to the Breakwater Drive Boat Launch. Randy Myers with Louisiana Department of Wildlife and Fisheries anticipates that LDWF will review the applications this fall and will issue their decision prior to the end of 2013.
5. Mr. Casey presented the Executive Director's Report. There were three topics: 1.) Capital Projects Administration anticipates that the City will hold an official ground breaking ceremony for the boathouse construction around the 31st of October; 2.) A Lake Area Zoning Meeting was held on October 9th to discuss the draft comprehensive zoning ordinance. The West End area is being rezoned from light industrial to S-LM (Lake area marina district); and 3.) A public hearing will be held by the City Council on the MYHMC 2014 Budget on Tuesday, October 29th during the 1:30PM to 5:00PM time slot.

