

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

December 13, 2016

6:30 p.m.

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

The meeting was called to order at 6:41pm and requested a roll call by Ashlyn Graves.

Board of Directors Present:

Reginald Smith
Warner Tureaud
Thomas Forbes
Ashlyn Graves
Howard Rodgers
Connie Uddo

Board of Directors Absent:

Alva See
David Halpern
Douglass Lightfoot

A quorum was present.

There were no amendments to the agenda.

The agenda was approved and adopted on a motion by Ashlyn Graves, seconded by Howard Rodgers and the motion was unanimously carried.

On a motion by Ashlyn Graves, seconded by Ric Smith, and unanimously carried, the minutes from the regular meeting of November 15, 2016 were approved.

Action Items:

1. Mr. Casey said that MYHMC contacted other accounting firms this year to obtain quotes for the 2016 Audit. The following three (3) quotes were received: Bruno and Tervalon (\$13,800), Erickson and Krentel (\$11,800), and Wegmann Dazet (\$11,100). Mr. Casey discussed the quotes with Mr. Smith who stated that he thought it would be good to continue using Wegmann Dazet since it would be the lowest impact on our staff. They also reduced their fee by \$200.00 from the amount charged for the 2015 Audit. Being a public body, this is an annual contract for professional services under \$15,000 which is allowed by the Law Department under the City's contracting policy without issuing a formal RFP. As per the current process, the Board makes a recommendation to the CAO's Office and the Mayor executes a contract with the firm. Howard Rodgers asked if MYHMC's Audit contract for the past 5 years required any additional work to be performed by the accounting firm. Mr. Casey said that they are not a financial advisor to MYHMC, and that they have only prepared the annual audit as required by the Louisiana Legislative Auditor's Office. Mr. Smith stated that the only time that the firm would increase their fee, after a contract had been signed, would be if the MYHMC staff was unable to provide requested information and the firm would have to do an extraordinary amount of work. Mr. Tureaud stated that MYHMC's finances are currently rather simple to track but this will not go on indefinitely, and the Board should take another look at who performs the audit when MYHMC is at full operation. If the annual cost of the audit exceeds \$15,000, MYHMC would automatically be required to issue a formal RFP for audit services. Mr. Tureaud agreed with Mr. Smith that the Board should not overburden the staff this year by hiring a new firm since there are many other projects that are in process. It is important to note that all of the funds that have been expended so far for any FEMA Claims, are managed by the Capital Projects Administration (CPA) and go through the Department of Finance. Since Capital Projects is the claimant for the City's FEMA Claims, those funds are reimbursed to the City. With respect to other contracts, if the amount of the professional service is over \$15,000 such as the contract for the Marina Market Feasibility Study, a formal RFP is issued by the City's Bureau of Purchasing. The current security service contract is in its final year of four (4) renewable years which the City had issued an RFP. MYHMC staff is currently preparing an RFP for a security service contract that will start in late October of 2017.

On a motion by Howard Rodgers, seconded by Ashlyn Graves, and unanimously carried, the resolution "Authorizing the execution of a contract with Wegmann, Dazet & Co., LLC to prepare the 2016 Audit" was approved.

2. Mr. Casey said that MYHMC has maintained bank accounts with Capital One Bank for several years. The City's Bureau of Purchasing assisted MYHMC in issuing an RFP for banking and credit card services because the MYH has never accepted credit cards. The Orleans Marina has been accepting credit card for several years. The Board had passed a Resolution in June to go out on an RFP. It has taken awhile to go through the RFP process with Purchasing and to get responses from Banks that are interested in MYHMC's accounts. As the Board may recall, Capital One Bank wanted the Board to execute an agreement where they wanted to transfer all of the collateral securities to the Bank of New

York Mellon that secure MYHMC's accounts above the FDIC level of \$250,000. The Board wanted its accounts to be collateralized with U.S. Government Securities as opposed to other securities such as corporate bonds and commercial paper. Ric Smith said the State Law governing public deposits allows many types of security to secure public deposits. Various entities in the state take different position on what they utilize like the LAMP fund which invests their deposits in commercial paper, federal home loan bank obligations, letters of credit, and collateralized mortgage obligations. As a Board the size of MYHMC, we don't have the expertise to monitor complex investments that would secure our deposits. The RFP that was issued restricts the securities collateralizing MYHMC's accounts to U.S. Government Securities. Purchasing received a response to the RFP from JPMorgan Chase Bank that they will secure MYHMC's accounts with direct obligations of the U.S. Government and the securities will be held for MYHMC's benefit at the Federal Reserve Bank in New York. They also offer every type of cash and card management product that will be needed as the Harbor is reconstructed and operated on a regular basis. Credit card fees will depend on how cards are presented to MYHMC to be charged. We are asking Chase for advice on the best method to accept credit cards.

On a motion by Ric Smith, seconded by Howard Rodgers, and unanimously carried, the resolution "Accepting the proposal from JPMorgan Chase Bank, N.A. for Banking and Credit Card Processing Services" was approved.

Information and Discussion Items:

1. Boathouse Leases and Supplemental Lease Agreements were discussed by Mr. Casey. The MYHMC staff is continuing to work with the City's Law Department and Councilmember Guidry's Office. The City Council is scheduled to vote on an ordinance at their meeting this Thursday that will allow the remaining 12 boathouse lessees to execute the extended lease. At this time Ms. Graves will give an update on the boathouses that transferred in November and income that the Board received. We have two boathouse transfer fees for BH 52 for \$6,000 and BH 53 for another \$6,000 for a total of \$12,000 in transfer fees. Those are the two boathouses Mr. Tubre purchased which the Rules and Standards Committee reviewed his renovation plans earlier this evening.
2. The FEMA Update was presented by Mr. Tureaud. Capital Projects is in the process of reviewing the comments that have been provided to Moffatt and Nichol with respect to the schematic reconstruction plans of the Harbor.
3. The November Financial Report was presented by Mr. Smith. As of October 31st, MYHMC has total assets of \$3,531,000 with the bulk of that being in current assets in the form of cash in the amount of \$3,412,000. On the liability side, MYHMC has total liabilities of \$980,000 of which \$475,000 is current liabilities which is primarily the accrued interest on the NOAA Bonds and unearned revenue on prepaid leases. The long-term liability of \$505,000 is the balance on the NOAA

Bonds that are presently in deferment. That leaves MYHMC with a total fund balance of \$2,551,000 of which \$1,422,000 is unrestricted net assets. For the month of November, gross income was \$66,000 and operating expenses were \$53,000 such that ordinary income was \$13,000. There was an additional (\$3,100) in net other income (monthly interest accrual on the NOAA Bonds) such that net income for the month of November was \$11,000. For the year-to-date through the end of November, total operating income was \$695,000 with operating expenses of \$626,000 which amounts to net ordinary income of \$69,000. Net other income was an expense of (\$35,000) such that the total year-to-date net income was \$33,000. At the end of 2015, MYHMC wrote off \$1,938.14 as a bad debt owed by former boat slip tenant Nancy Montoya. In November of 2016, Alpat Company, Inc. (the City's collection firm) recovered the funds owed by Ms. Montoya and MYHMC received \$1,500.51 which is net of a 20% collection fee to Alpat. This amount was recognized as income in November.

4. The Economic Redevelopment Committee Report was presented by Howard Rodgers. In late October, the Regional Planning Commission (RPC) issued a notice to proceed to Dana Brown and Associates for the Master Planning of the West End restaurant parking lot. The consultants visited the site on November 11th to get a feel for the property and the availability of utilities. RPC has scheduled a meeting for Monday, December 19th to receive a progress report.
5. The Executive Director's Report was presented by Mr. Casey. There were four topics: 1.) The Boat Launch front end specifications required by the State's Office of Facilities Planning and Control (FP&C) have been provided to MYHMC and to All South Consulting Engineers by Capital Projects. They are in the process of being submitted to FP& C for their review; 2.) Staff is working with the grounds maintenance contractor to perform some additional cleanup work in the West End area; 3.) MYHMC's 2017 operating budget was presented to the City Council on October 26th; 4.) Capital Projects has submitted revised colors for boathouse #93 which tie into color scheme G which was adopted several months ago.

Other Comments and Issues from the Public:

Ken Kuebel expressed concerned about the location of the proposed new access for the West side of the Harbor and the location of the main West Pier. Tom Forbes mentioned that Moffatt and Nichol would be taking the comments that have been received into account concerning boating access to the slips within the Harbor.

Kerry Cuccia said that Boathouses on North Roadway should have two parking spaces. He also suggested the possibility of issuing parking stickers to the boathouse owners. The enforcement of parking regulations with respect to trailers on North Roadway was also mentioned. The spoil to be deposited on Breakwater Park during the Hurricane season which is also at the end of the growing season needs to be considered. Mr. Tureaud stated that these issues will be addressed.

New Orleans Municipal Yacht Harbor Management Corporation
Regular Board Meeting of December 13, 2016

Adjournment:

On a motion by Ric Smith and seconded by Ashlyn Graves, the meeting was adjourned at approximately 7:45pm.

Date and Time of next meeting:

The next meeting is scheduled for Tuesday, January 10, 2017 at 6:30 p.m. at the Lake Vista Community Center.