

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

May 13, 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 David Halpern.

Board of Directors Present:

Howard Rodgers
Ashlyn Graves
Alva See
David Halpern
Thomas Forbes

Board of Directors Absent:

Reginald Smith
Shannon Sims
Connie Uddo
Warner Tureaud

A quorum was present.

There were no amendments to the agenda.

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

On a motion by Howard Rodgers, seconded by Alva See, and unanimously carried, the minutes from the regular meeting of April 8, 2014 were approved.

Action Items:

Representatives from Wegmann Dazet and Company (Wegmann) presented the 2013 Financial Audit to the Municipal Yacht Harbor Management Corporation (MYHMC) Board at its April 8th Meeting. Wegmann determined that the financial statements of the MYHMC fairly present the financial position of the Corporation. Wegmann has issued an unqualified opinion due to the fact that no recommended corrective actions are required to be taken by MYHMC. Wegmann previously provided a copy of the Audit Report to the Board Members at the April 8th Board Meeting and they have sent their report to both the Louisiana Legislative Auditor and to the City's audit firm.

Although Warner Tureaud and Ric Smith were unable to attend tonight's Board Meeting, both have informed Mr. Casey that they are in favor of the proposed Resolution.

On a motion by David Halpern, seconded by Thomas Forbes, and unanimously carried, the resolution "Authorizing the Acceptance of the 2013 Audit" was approved.

Information and Discussion Items:

1. Boathouse Leases and Supplemental Lease Agreements were discussed by Mr. Casey. The executed lease for boathouse #132 has been recorded. MYHMC is still working to resolve several issues with the extension of the leases for the remaining 17 Boathouses. Erica Beck has been assisting MYHMC along with the City Attorney's Office.
2. The FEMA update was provided by Mr. Casey. The City and Sizeler, Thompson, Brown Architects are in the process of resolving their contract issues with respect to the fee reconciliation. Amendment 9 to their contract is in routing by Capital Projects for approval which will enable Sizeler to return to work on the harbor repair project and on the fishing pier project.

The R.S. Means (Means) independent third (3rd) party construction repair cost estimate for the harbor FEMA Claim, which is being funded by the Governor's Office of Homeland Security (GOHSEP), is in process. Means has a structural damage assessment group working with the Means cost estimating team. Means held a progress conference call on May 7th with GOHSEP and Capital Projects Administration (CPA) and they are scheduled to hold an additional call this week (5/14 - 5/16) on the status of the progress of the report. Capital Projects is anticipating that a preliminary report will be issued in early June. This report will be critical to the valuation of the Harbor FEMA Claim and the discussions between Capital Projects, GOHSEP, and FEMA with respect to addressing the various additional questions that have been asked by FEMA.

The test pile report for boathouse #93 has been completed. The engineer has approved the report and the contractor has ordered the 70 foot long treated piles.

3. The Financial Report for April was presented by Mr. Casey. MYHMC has total assets of just over \$3.4 million dollars of which the majority are current assets of \$3.375 million, which are in cash in three interest-bearing accounts with Capital One bank. On the liability side, MYHMC has a total of \$885,000 of which \$505,000 are long-term which relate to the NOAA bonds that are in deferment that the Board hopes to have forgiven. Current liabilities are approximately \$365,000 of which the main items include \$145,000 in interest on the bonds and \$143,000 worth of unearned revenue which is rent that is recognized as income over the term leases. Total equity is \$2,581,000 of which \$1,514,000 is unrestricted. For the month of April, total income was approximately \$51,000, operating expenses totaled \$67,000 which yielded a net loss of \$16,000. In addition, there was interest expense of \$3,200. For the year-to-date, income is approximately \$221,000 with expenses of \$237,700 with additional interest cost of about \$12,000. For year-to-date, MYHMC has a net loss of about \$29,000 which compares to a projected loss of approximately \$529,000.
4. Mr. Casey presented the Executive Director's Report. There were five topics: 1.) In addition to reviewing the bad debt policy and the parking tax issue, the law department has been asked to comment on Louisiana revised statute 34:843 dealing with abandoned vessels; 2.) MYHMC has received the attached letter from the Louisiana Department of Wildlife and Fisheries including the Breakwater Drive Boat Launch in their list of recommended eligible Wallop-Breaux Boating Access Grant projects. This grant in the amount of \$127,794 is subject to MYHMC providing matching funds in the amount of \$42,598 along with the receipt of a Coastal Use Permit and the approval of the U.S. Fish and Wildlife Service who will make the final determination with respect to the issuance of the grant. The Coastal Use Permit application has been filed with the Department of Natural Resources and is in the review process; 3.) On May 7th, Warner Tureaud, Ric Smith, and I met with representatives of the Louisiana Sea Grant College Program along with 4 extension agents from New York and New Jersey to discuss MYHMC's Hurricane Katrina recovery process. The extension agents from New York/New Jersey are dealing with similar issues as a result of damage sustained due to Hurricane Sandy; 4.) The City's Capital Budget process for 2015-2019 has started and the MYHMC staff is working with Capital Projects Administration; and 5.) On Saturday May 17th, the New Orleans Power Squadron will hold a Safe Boating Week Event with the Coast Guard.

Other Comments and Issues from the Public

There was a question with respect to the R.S. Means study and the submission of the report to FEMA. A member of the audience asked about the time line after the final report is issued, and does Means submit the estimate directly to FEMA or does Capital Projects submit it to FEMA?

Mr. Casey responded that R.S. Means is working for GOHSEP and that all of the FEMA grant funds are routed through that office. When the preliminary report is issued, GOHSEP and Capital Projects will review the draft report to make sure that all of FEMA's questions are addressed prior to Means issuing their final report. MYHMC anticipates that GOHSEP will submit the final report to FEMA.

Adjournment:

On a motion by David Halpern and seconded by Howard Rodgers, the meeting was adjourned at approximately 7:00pm.

Date and Time of next meeting:

The next meeting is scheduled for Tuesday, June 10, 2014 at 6:30 p.m. at the First Baptist Church.