

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

September 10, 2019

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.

Board of Directors Present:

Thomas Forbes
Howard Rodgers
Reginald Smith
Alva See
David Halpern
Ashlyn Graves
Connie Uddo
Warner Tureaud

Board of Directors Absent:

None

A quorum was present.

There was an amendment to the Agenda. Ric Smith moved to give the Financial Report prior to the Action Items.

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

The July 9, 2019 Board Meeting Minutes were not available for approval at the September 10, 2019 Board Meeting.

The August Financial Report was presented by Mr. Smith. As of August 31st, MYHMC has total assets of \$3,712,000 with current assets of \$3,150,000 and most of which is in the form of cash of \$3,070,900 in two accounts at JP Morgan Chase Bank. On the liability side, MYHMC has total liabilities of \$1,098,500 of which \$593,000 is current liabilities and \$383,000 is accrued interest on the NOAA bonds and unearned revenue on leases of \$59,000. The long term liability of \$505,000 is the balance on the NOAA Bonds. That leaves MYHMC with total equity of \$2,613,000 of which \$2,003,000 is unrestricted net assets. For the month of August, gross revenue was \$56,000 and operating expenses were \$67,300 such that operating income was (\$11,300). Net other expense was (\$4,300) which yielded net income of (\$15,600). Year-to-date gross revenues were \$506,000, and total operating expenses were \$455,000 such that operating income was \$51,000. With (\$32,000) of net other expense on the interest accrual, MYHMC's net income was \$19,000 for the year-to-date.

Action Items:

1. The first Action Item is a Resolution "Approving the 2020 MYHMC Operating Budget". Mr. Smith provided a detailed discussion of the proposed 2020 Operating Budget, and he said, "You received an email from Taylor with three attachments which included the 2020 Revenue Budget, the 2020 Projected Slip Revenues, and the 2020 Expense Budget. It is important to note that there are a number of unknown exact expenses until we are actually operating the restored Harbor, and a number of educated guesses have been made by Taylor and Wayne which I have reviewed along with Warner. The 2020 Revenue Budget is projected to be \$1,389,100 which consists primarily of Boathouse and Boat Slip rents, and this number is based on current assumptions of the completion of the Harbor by the end of 2019. The second page consists of 2020 Projected Slip Revenues which is based on 339 projected available rentable slips. The Revenue Budget is very aggressive since it is based on 80% occupancy of the slips in 2020. The projected slip rent is approximately \$793,000 which is incorporated into the total revenue of \$1,389,100. Total budgeted expenses are projected to be \$3,203,000 which include \$1,608,000 of non-operating expenses such as payment of the NOAA Bonds (along with accrued interest), the Cooperative Endeavor Agreement (CEA) to reimburse the City for non-FEMA eligible Harbor expenses, and the cost of non-FEMA eligible repair expenses for the Administration Building. These are onetime costs, and this information is listed in detail on the Expense Budget. It is important to note that although these items are included in the Expense Budget on the first page, some of these items might not be expended in 2020. Budgeted

expenses total \$3,203,200 with budgeted revenue of \$1,389,100. The shortfall of \$1,814,100 is projected to be provided from existing cash reserves of \$3,100,000 such that ending cash reserves are estimated to be \$1,285,900. Based on good financial management of a public entity, we should have between \$400,000 and \$800,000 in reserves to cover 6 to 8 months of operating expenses, and the estimated \$1,285,900 exceeds that amount. So I am recommending this budget. I think that we overestimated expenses and I think that we may be overestimating revenue. We have a sufficient fund balance to fund operations, but no one is going to be satisfied until we get the Harbor to one hundred percent occupancy such that we get to the point of generating positive revenue”.

On a motion by David Halpern, seconded by Howard Rodgers, and unanimously carried, the resolution “Approving the 2020 MYHMC Operating Budget” was approved.

2. The next Action Item is a Resolution “Authorizing the Execution of an Amendment to the CEA for Hurricane Katrina and Hurricane Isaac Reimbursements and the Additional Non-FEMA Eligible Expenses Associated with the Restoration of the Municipal Yacht Harbor”. Mr. Casey said, “This Resolution authorizes the President to negotiate and to enter into an agreement with the City for MYHMC to reimburse the City approximately \$500,000 in additional Non-FEMA eligible expenses. This expense is included in MYHMC’s 2020 Budget”. Mr. Tureaud said, “As per discussions with Capital Projects (CPA), FEMA is ‘pushing back’ on the funding of several items including the removal of additional sunken vessels from the Harbor, the West side electrical platform, and additional dredging costs. It is critical for the City to have the funds available in order to pay for the items that are required to complete the project”.

On a motion by Ric Smith, seconded by Thomas Forbes, and unanimously carried, the Resolution “Authorizing the Execution of an Amendment to the Cooperative Endeavor Agreement for Hurricane Katrina and Hurricane Isaac Reimbursements” was approved.

Information and Discussion Items:

1. Boathouse Lease Extensions and Transfers were discussed by Mr. Casey. There were no boathouse lease extensions or transfers that took place in the month of August.
2. The FEMA Update was presented by Mr. Casey. There were six items: 1.) The East side comfort station is progressing and the sprinkler system has been installed. The elevator has been ordered and it is anticipated that it will be delivered in 6 to 8 weeks; 2.) The CEA with the City will be in the process of

- being amended as per the Resolution passed by the Board this evening; 3.) The construction of the floating dock system on the West side of the harbor is progressing and utilities are being installed; 4.) The West side electrical platform is under design for FEMA's approval by Capital Projects; 5.) Battco Construction is progressing with the completion of the 1st floor of the Administration Building. A/C duct work is almost complete and plumbing work is underway; and 6.) The Breakwater Drive/Park Shoreline Restoration Project is progressing and most of the new stone boulders have been installed.
3. The August Financial Report was presented earlier in the meeting by Mr. Smith.
 4. The Economic Redevelopment Committee Report was presented by Mr. Rodgers. Mr. Rodgers spoke with Councilman Giarrusso last week who informed him that MYHMC's contact, Chad Dyer, who has been working on the agreement with Jefferson Parish with respect to the development of the restaurant parking lot is no longer with the City. Councilman Giarrusso indicated that the City is waiting on his replacement in order to keep the process moving. The Committee is formulating and making progress on a marketing plan for the West End Area in order to attempt to generate additional revenue for MYHMC.
 5. Environmental Quality Committee was discussed by Mr. Forbes. There was no report.
 6. The status of New Boat Slip Lease was discussed by Mr. Forbes. Mr. Forbes said, "As of September 6th, the Slip Lease Agreement has been finalized, and it has been approved by the City Attorney's Office. The Lease is now ready for the City Council to introduce an Ordinance that will approve the form of the Lease".
 7. The Quality of Life Committee was discussed by Connie Uddo. Ms. Uddo said, "Mr. Cuccia and I have been discussing a plan that would involve the cooperation of the Legislative Committee that would improve the Breakwater Park Area. I have also emailed Miguel Viteri so that we can start the process to select trash cans and benches for the Park".
 8. Security and Safety Committee was presented by Howard Rodgers and Warner Tureaud. Mr. Tureaud said, "This is a very new committee, and Howard and I have had several conversations where we will be involving stake holders". Mr. Rodgers said, "We are in the process of formulating a plan for the Committee to get started".
 9. The Legislation and Grant Committee was presented by David Halpern. Mr. Halpern said that he has some ideas that could possibly generate some funds through grants that he is investigating.
 10. Mr. Tureaud said that as a result of the budget process, he thought that now would be a good time to establish an Insurance Committee, and Alva See has agreed to chair this Committee.

11. Executive Director's Report was presented by Mr. Casey. There were three topics: 1.) A meeting was held with All South Engineering on Friday, September 6th with respect to Savarino Construction completing the punch list items and closing out the 1st phase of the Boat Launch renovation. Due to the high Lake level, the contractor has been delayed from completing the punch list; 2.) Staff has been working on the 2020 operating budget and will be submitting a report to the City's Budget Office now that the Board has approved the Budget; and 3.) The slip lottery for existing tenants will be held at NOYC tomorrow at 3:00PM. There are approximately 30 tenants who have chosen to remain in their existing East side slips.

Other Comments and Issues from the Public:

There were no audience comments.

Adjournment:

On a motion by Ashlyn Graves and seconded by Howard Rodgers, the meeting was adjourned at approximately 7:40PM.

Date and Time of next meeting:

The next meeting is scheduled for Tuesday, October 8, 2019 at 6:30 p.m. at the Lake Vista Community Center.