

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

September 9, 2014

6:30 p.m.

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

The meeting was called to order at 6:35 pm and requested a roll call by Thomas Forbes.

Board of Directors Present:

Howard Rodgers
Ric Smith
Connie Uddo
Warner Tureaud
Shannon Sims
Thomas Forbes
Ashlyn Graves

Board of Directors Absent:

David Halpern
Alva See

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 Howard Rodgers, seconded by Thomas Forbes, and unanimously carried, the minutes from the regular meeting of August 12, 2014 were approved.

Action Items:

- 1.) Mr. Casey distributed some information that Mr. John Manard, President of Community Sailing New Orleans, Inc. (CSNOI), provided along with a resolution that the Board passed in January 2013 concerning the Community Sailing Center lease. In Mr. Manard's presentation to the Board, he stated that CSNOI's objective is to lease a strip of land at the South East corner of the harbor to build a Community Sailing Center. He anticipates that it will take two years to raise the funds required to build and staff the facility. The term of the lease is for sixty-five years and the permitted use under the lease is for CSNOI which is a non-profit organization to operate a Community Sailing Center. Mr. Manard circulated a list of constituencies that will be served by the facility which will be open to the public. The organization is structured to reach out to schools, boys and girls clubs, and NORD to focus on the improvement of children's swimming and boating skills while providing improved access to Lake Pontchartrain. Another constituency that will be served includes children and adults who are physically challenged. Based on similar operations elsewhere in the Country, this facility will be a perfect outlet for children with autism. CSNOI also hopes to work with Children's Hospital as well.

Let the record reflect that Mr. Reginald Smith had obtained an opinion from the office of the Attorney General of Louisiana stating that he can concurrently serve as a member of the Board of Directors of MYHMC and as a member of the Board of Directors of Community Sailing New Orleans, Inc. Mr. Smith stated that he has not participated in any and all discussions with respect to the proposed lease between MYHMC and Community Sailing New Orleans, Inc. Mr. Smith also stated that he will abstain from voting on this Resolution.

On a motion by Howard Rodgers, seconded by Connie Uddo a resolution was adopted authorizing the execution of a lease with Community Sailing New Orleans, Inc. Board members Ashlyn Graves, Connie Uddo, Warner Tureaud, Shannon Sims, Thomas Forbes, and Howard Rodgers voted in favor of the motion and Reginald Smith abstained from voting.

- 2.) As per Mr. Casey's discussion with Mr. Randy Myers with Wildlife and Fisheries, the grant application package for the Breakwater Dr. Boat Launch repairs has been submitted to the U.S. Fish and Wildlife Service who will make the final determination concerning the 75% grant. Mr. Myers anticipates that he will receive a positive response from the U.S. Fish and Wildlife Service, and he has emailed Mr. Casey a draft of the Cooperative Endeavor Agreement (CEA) for the Board's consideration. This agreement cannot be executed by MYHMC until an award letter is received.

On a motion by Thomas Forbes, seconded by Howard Rodgers and unanimously carried, the resolution authorizing the execution of the State of Louisiana Boating Development Cooperative Endeavor Agreement between the State of Louisiana and the New Orleans Municipal Yacht Harbor Management Corporation concerning the West End-Breakwater Drive Boat Launch was approved.

Information and Discussion Items:

1. Boathouse Leases and Supplemental Lease Agreements were discussed by Mr. Casey. There are a few boathouse owners that have still not exercised their option to get the extended lease. The owner of boathouse #135 on North Roadway Drive is still in the process of completing and providing the additional required items. There is also a potential sale of a boathouse where the owner did not exercise his option for the extended lease.
2. The FEMA update was provided by Mr. Tureaud and Mr. Casey. MYHMC has been informed by Capital Projects Administration (CPA) that the Governor's Office of Homeland Security (GOHSEP) is currently reviewing the R.S. Means Report concerning the harbor repairs. CPA has not been asked to provide any additional information. Last week, Sizeler submitted 98% construction documents to CPA for their review.

Work has currently stopped on boathouse #93 as a result of some issues with the contractor. CPA will be meeting with the Law Department to discuss various issues relative to the contract and status of the job.

CPA is working with Sizeler with respect to the proposal to repackage the remaining items to be completed for the Administration Building. CPA and the Law Department have made some progress with the contractor's bonding company to get to this point.

3. The Financial Report was presented by Mr. Smith. MYHMC has total assets at the end of August of \$3.4 million dollars of which \$3.38 million are current and the bulk of that is \$3.2 million in a form of cash at Capital One Bank. On the liability side, MYHMC has a total of \$858,000 of which \$505,000 are long-term which are NOAA Revenue Bonds that are in deferment. Current liabilities total \$353,000 with the major item being accrued interest of \$158,000 on the bonds. That leaves MYHMC with unrestricted net assets of \$1,514,000. For the month of August, total income was \$52,000 with ordinary expenses of \$61,000 yielding a net operating loss of \$9,000 along with an additional \$3,000 in other interest expense. The total loss for August was approximately \$13,000. For the year-to-date through the end of August, total revenues were \$442,000 and ordinary expenses were \$479,000 which amounts to a \$37,000 loss. Net other income amounted to (\$25,000) such that the total net loss was \$62,000 for the year-to-date.
4. The Committee Report Concerning the Proposed Third Party Bank Custodian Agreement was presented by Howard Rodgers, Ric Smith, and Warner Tureaud. At the August meeting, the Board discussed the third party agreement that Capital One Bank sent out to all of their governmental accounts concerning a change in the collateral custodian from the Federal Reserve Bank of Boston to the Bank of New York Mellon. The Committee was concerned with the proposed investment alternatives for the collateral pledged

against MYHMC's accounts and that it was in accordance with investments allowed under Louisiana State Statutes. In addition to U.S. Treasuries, these proposed alternative investments include "collateral mortgage obligations" (CMOS), "REMICS" which are another form of real estate mortgage securities, and municipal bonds. There was a conference call two weeks ago with Capital One Bank and the Committee felt that they wanted to have more control over how the pledged collateral was invested. Mr. Casey distributed copies to the Board members of questionnaires obtained from several banks to give the Board an idea of what services these institutions provide and if MYHMC would have a little more control of how pledged funds would be collateralized against MYHMC's accounts. MYHMC is currently holding off on signing the agreement with Capital One Bank. Ric Smith suggested that the Board consider going out on a formal RFP for banking services. The RFP should include limitations on the type of investments that can be utilized for pledged collateral in the custodian account.

5. Mr. Casey presented the Executive Director's Report. There were five topics: 1.) The Law Department is continuing to assist MYHMC with the parking tax issue, and several collection items; 2.) As a follow up to the meeting that was held with the Regional Planning Commission staff, Capital Projects has suggested that MYHMC form a Strategic Planning Committee and that Breakwater Drive be the first Master Plan project. This encompasses several items that may be funded by FEMA or by other sources; 3.) MYHMC staff is in the process of preparing the 2015 budget which will be presented to the Board at the October meeting; 4) MYHMC has been working with the City Planning Commission staff with respect to the revisions to the zoning ordinance that will create a Lake Area Marina District in the West End Area; and 5.) Continuing to research grant opportunities to pay for items that will not be included as part of the various FEMA grants.

Other Comments and Issues from the Public:

None.

Adjournment:

On a motion by Ric Smith and seconded by Howard Rodgers, the meeting was adjourned at approximately 7:30pm.

Date and Time of next meeting:

The next meeting is scheduled for Tuesday, October 14, 2014 at 6:30 p.m. at the First Baptist Church.