

*New Orleans Municipal Yacht Harbor Management Corporation*

**MINUTES OF THE BOARD OF DIRECTORS MEETING**

**August 12, 2014**

**6:30 p.m.**

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

The meeting was called to order at 6:55 pm and requested a roll call by David Halpern.

**Board of Directors Present:**

Howard Rodgers  
Alva See  
Ric Smith  
Connie Uddo  
Warner Tureaud  
David Halpern  
Thomas Forbes

**Board of Directors Absent:**

Shannon Sims  
Ashlyn Graves

**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 David Halpern, seconded by Connie Uddo, and unanimously carried, the minutes from the regular meeting of July 8, 2014 were approved.

**Action Items:**

The authorization of the establishment of a "Bad Debt Write-Off Policy" is an item that the Board has had a substantial amount of discussion with the City Attorney's office over the last year as well as the Inspector General's Office. The Inspector General's Office originally contacted MYHMC to see if there was a policy in place. MYHMC staff found out that other City Agencies also did not have a policy to write-off bad debts. MYHMC has followed accounting procedures established by its audit firm to reserve for bad debts, but it has not had a policy to write off bad debts. The proposed "Bad Debt Write-Off Policy" requires that the MYHMC Board approve the write-off of any bad debts. MYHMC has received final approval of the proposed "Bad Debt Write-Off Policy" from the City Attorney's Office in writing stating that it is not necessary for the City Council to pass an ordinance in order for the Board of MYHMC to pass a resolution adopting the policy.

On a motion by Ric Smith, seconded by Alva See and unanimously carried, the Resolution Authorizing the Establishment of a "Bad Debt Write-Off Policy" was approved.

The second Action Item on the Agenda is a Resolution authorizing the write-off of a bad debt in the amount of \$3647.36 that has been on MYHMC's books since 2008 when the Board allowed the transfer of the lease of Boathouse # 133 from Mr. Roland Cutrer to Financial Management, LLC to take place. Mr. Cutrer has not owned BH #133 since May 1, 2008 and according to the file, MYHMC did not collect any funds from Mr. Cutrer when the assignment of the lease was executed in 2008. Mr. Cutrer originally acquired Boathouse #133 on December 6, 2007 from the Bankruptcy Trustee of the Estate of Jefferson Norris Ruck, Jr. The file indicates that Mr. Cutrer gave MYHMC a check in the amount of \$2,057.49 for a rental payment in which the file does not include any detailed back up for this amount. In addition, he provided a \$500 check for the transfer fee at the closing. The past due amount may actually be owed by the Bankrupt Estate of Jefferson Norris Ruck, Jr.

On a motion by David Halpern, seconded by Howard Rodgers and unanimously carried, the resolution "Authorizing the Write-Off of a Bad Debt" was approved.

The third Action Item on the Agenda is a Resolution authorizing the President or the Vice-President to execute a Third Party Custodian Agreement between MYHMC, Capital One, National Association, and The Bank of New York Mellon (BNY Mellon). MYHMC currently has about \$3 million dollars on deposit in Capital One Bank. When a public entity deposits funds in a bank, \$250,000 are insured by the FDIC and any excess amount must be collateralized with securities. Capital One recently sent a letter stating that they are going to change the collateral custodian for the express purpose that the client will be able to check the collateral position on a daily basis and verify that the bank is in compliance with the requirements. The new collateral holder agent will be BNY Mellon in lieu of the Federal Reserve Bank of Boston. Under the proposed agreement, BNY Mellon will not be required to exclusively collateralize deposits with Government Securities. The Board formed a committee of Howard Rodgers and Ric Smith as co-chairs along with Warner Tureaud to further discuss this issue.

On a motion by Ric Smith, seconded by Alva See and unanimously carried, the resolution “Authorizing the President or the Vice-President to execute a Third Party Custodian Agreement between the New Orleans Municipal Yacht Harbor Management Corporation, Capital One, National Association, and The Bank of New York Mellon” is deferred.

**Information and Discussion Items:**

1. Boathouse Leases and Supplemental Lease Agreements were discussed by Mr. Casey. Most of the leases have been extended and tenants have paid the extension fee. Recently, the owner of the leasehold improvements of Boathouse #135 on North Roadway Drive paid the \$5,000 lease extension fee and is in the process of providing and completing the additional required items in order to receive the extended lease. Currently there are three leases that expire in 2019 which require City Council approval in order for the lessees to receive the extended lease.
2. The FEMA update was provided by Mr. Tureaud and Mr. Casey. The Capital Projects Administration (CPA) has completed its review of the R.S. Means preliminary report and has provided its comments to the Governor’s Office of Homeland Security (GOHSEP). GOHSEP’s review of the Means report is in process. CPA has not been given a time frame for the completion of the review of the report since GOHSEP is paying for the report and they are controlling the process. The 70’ piles for boathouse #93 have been delivered and are currently being driven by the contractor. It is anticipated that this portion of the job will be completed on Friday, August 15<sup>th</sup>.
3. The Financial Report for July was presented by Mr. Smith. MYHMC has total assets of just over \$3,472,000 million dollars of which the bulk is \$3,446,000 which are current assets and the majority of that is in the form of cash in deposit accounts totaling \$3,299,000. MYHMC’s accounts receivable currently total \$31,000 and it has a reserve for bad debt against them in the amount of \$22,000. On the liability side, MYHMC has a total of \$912,000 of which \$505,000 is in long-term NOAA bonds currently in deferment and \$407,000 is current liabilities. The primary of those are accrued interest of \$155,000 on the NOAA bonds and unearned revenue which is the offset of money held on lease payments of \$108,000. That leaves MYHMC with total equity of \$2,561,000 of which \$1,515,000 is unrestricted. During the month of July, total income was \$52,000 with ordinary expenses of \$67,000 yielding a net loss for ordinary income of \$15,000 and an additional \$3,000 in other interest expense, such that there was a total loss of \$18,000 for the month of July. For the year-to-date, total revenues were \$390,000, with expenses of

\$418,000, yielding net ordinary income of (\$28,000) and net other income of (\$22,000) for a total net loss of (\$50,000).

4. Mr. Casey presented the Executive Director's Report. There were four topics: 1.) The law department is continuing to assist MYHMC with the parking tax issue, and several collection items; 2.) A meeting was held on July 23<sup>rd</sup> with Amber Seely at the Regional Planning Commission to discuss MYHMC's proposed Capital Budget Request, grant opportunities, and the need to develop a "Strategic Plan"; 3.) The Coastal Use Permit for the Breakwater Drive Boat Launch repairs has been received from the Louisiana Department of Natural Resources. The Coastal Use Permit along with the Programmatic General Permit from the U.S. Army Corps of Engineers has been forwarded to the Louisiana Department of Wildlife and Fisheries who will submit a letter to the U.S. Fish and Wildlife Service recommending approval of MYHMC's Wallop-Breaux Grant Application; and 4) On August 1<sup>st</sup> a meeting was held on site with representatives of NOAA, Wildlife and Fisheries, the Coastal Conservation Association of Louisiana (CCA), and Friends of West End to discuss the approval process of the boat launch grant application. CCA and Friends of West End have offered their assistance to MYHMC in raising funds required for the 25% match to obtain the grant.

**Other Comments and Issues from the Public:**

There was a question concerning the pump station contractor at West End that has expanded his storage area in the old parking lot. It is Mr. Casey's understanding that the Law Department has extended the Right-of-Entry that the City granted to the Corps of Engineers that provided access to use the area. MYHMC did not have an approved lease that could be executed with the contractor to lease the area. Although a number of boats and trailers have been removed from the lot, MYHMC staff is following up with the City Attorney's Office with respect to the legal process in order to remove the remaining 5 or 6 boats and trailers.

There was another question about the limited time frame of getting the harbor rebuilt and had the fee discrepancy between FEMA, the City, and Sizeler been resolved? Mr. Tureaud responded by saying that Sizeler is in the process of completing the repair plans and that there will be a meeting this week with Capital Projects who is expected to provide an update and discuss the status of the R.S. Means report that is being prepared for GOHSEP. Are the deliverables of the report going to be a paper report or drawings and will GOHSEP submit presentation boards and hold a public meeting? The City is working with GOHSEP on the FEMA Claim and MYHMC is not in control of the decision process. Until there is some movement between GOHSEP and the City and the Means report is ultimately presented to FEMA, MYHMC will have to see how FEMA will accept it, and what the final award will be.

Mr. See suggested that it might be helpful to get public support by showing the good progress that has occurred concerning the renovation and the reconstruction of boathouses. He offered to go out and take photographs of the boathouses that have been rebuilt so that MYHMC can post this information on the website along with copies of some of the drawings of the boathouses so that the public would be able to view it online.

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George Hero offered some comments concerning the need for tall piles and more required maintenance for floating docks as opposed to fixed docks.

**Adjournment:**

On a motion by Connie Uddo and seconded by Ric Smith, the meeting was adjourned at approximately 7:55pm.

**Date and Time of next meeting:**

The next meeting is scheduled for Tuesday, September 9, 2014 at 6:30 p.m. at the First Baptist Church.