

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

October 14, 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 David Halpern.

Board of Directors Present:

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

Board of Directors Absent:

Shannon Sims
Reginald Smith

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 Alva See and the motion was unanimously carried.

On a motion by Thomas Forbes, seconded by Howard Rodgers, and unanimously carried, the minutes from the regular meeting of September 9, 2014 were approved.

Action Items:

Mr. Casey distributed 2015 Budget Packets to all the Board Members. MYHMC has been conservative on the approach to the budget from the revenue stand point in making the assumption that the FEMA settlement will be completed and the renovation of the harbor will be underway in 2015. The revenue numbers do not reflect any increase in slip rental rates in 2015. Mr. Smith worked with Mr. Casey and Mr. Bloom on the budget and has given his approval of the revenue and expense budgets. For the revenue budget, the items are relatively the same from the budgets over the past two years with the exception of the boathouse rent which has gone up slightly as a result of the \$1,000 increase in the new lease due to the Supplemental Lease Agreement. The Breakwater Drive Boat Launch Grant from the Louisiana Department of Wildlife and Fisheries has been included as income with the cost of repairs budgeted as an offsetting expense. Also, the New Orleans Power Squadron rent is included and they have exercised their option for the next five years. The total income for 2015 is budgeted at approximately \$800,000 including the 75% portion of the grant from the Louisiana Department of Wildlife and Fisheries. On the expense side, the projections far exceed what the actual expenses have been in 2013 and 2014 due to the fact that there are many unknowns relating to the timing of the FEMA Harbor Claim and the expenditure of additional funds associated with MYHMC's 25% obligation associated with the Hurricane Isaac FEMA Claim. Also included in the budget, is employee compensation, security services, grounds keeping, administrative services which includes funds for the review architect, the FEMA Claims CEA with the City and Sizeler, and legal expenses. For the repairs and maintenance area, additional boathouse repairs are budgeted at \$50,000 anticipating that there might be some expenses that are not covered by the FEMA claim relative to the Boathouse # 93. For the administration building, there are repair items that may not be covered by FEMA. Last year separate line items were added for harbor and West End Park repairs so that those items can be tracked. Boat Launch repairs are budgeted at \$175,000 of which 75% of the cost will be provided by the Grant from the Louisiana Department of Wildlife and Fisheries. Firefighting equipment is a big item, and in this next year we will be required by code to replace the equipment on the West Pier. Last year all of our funds that were set aside for bond redemptions and the Isaac claim were placed in a special expense repair escrow account, which is a separate account with Capital One Bank. Mr. Smith thought that it might be best, since we have not received total forgiveness on the NOAA bonds to highlight it as two separate items which are bond redemptions and the special repair escrow portion.

On a motion by Howard Rodgers, seconded by Connie Uddo and unanimously carried, the resolution "Approving the 2015 Budget" was adopted.

Information and Discussion Items:

1. Boathouse Leases and Supplemental Lease Agreements were discussed by Mr. Casey. There are several boathouse owners who have still not exercised their option for the extended lease. The owner of boathouse #135 on North Roadway Dr. is still in the process of providing the required items. The owner of boathouse #57 has submitted the required items which are currently being reviewed by the law department.
2. The FEMA update was provided by Mr. Casey. MYHMC has been informed by Capital Projects Administration (CPA) that the Governor's Office of Homeland Security (GOHSEP) has reviewed the R.S. Means report concerning the harbor repairs and that they have submitted it to FEMA for their review. CPA has also submitted Sizeler's 98% construction documents to GOHSEP and FEMA for their review.

CPA is working with the contractor's bonding company in order to resolve various issues concerning the status of the construction of boathouse #93.
3. The Financial Report was presented by Mr. Casey. MYHMC has total assets at the end of September of \$3.38 million dollars of which \$3.35 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 \$834,000 of which \$505,000 are long-term which are NOAA revenue bonds that are in deferment. Current liabilities total \$329,000 with the major item being accrued interest of \$161,000 on the bonds. That leaves MYHMC with unrestricted net assets of \$1,514,000. For the month of September, total income was \$58,670 with ordinary expenses of \$59,530 yielding a net operating loss of \$860 along with an additional \$3,000 in other interest expense. The total loss for August was approximately \$4,000. For the year-to-date through the end of September, total revenues were \$500,700 and ordinary expenses were \$539,000 which amounts to a \$38,000 loss. Net other income amounted to (\$29,000) such that the total net loss was \$66,000 for the year-to-date.
4. Mr. Casey presented the Executive Director's Report. There were five topics: 1.)The City Council's budget hearing for the 2015 MYHMC operating budget is scheduled for Thursday, October 30th; 2.)The law department is continuing to assist MYHMC with several collection issues; 3.)The law department has determined that boathouse lessees who utilize their boathouse as their domicile are exempt from paying the 3% parking tax. MYHMC staff is preparing a parking tax exemption affidavit; 4.)The 75% grant to repair the Breakwater Dr. Boat Launch in the amount of \$127,794 under the Wallop-Breaux Act has been approved by the U.S. Fish and Wildlife Service. The Cooperative Endeavor Agreement (CEA) between MYHMC and the LA. Department of Wildlife and Fisheries is in process; and 5.)The November board meeting will be held on Tuesday, November 18th.

Other Comments and Issues from the Public:

New Orleans Municipal Yacht Harbor Management Corporation
Regular Board Meeting of October
14, 2014

None.

Adjournment:

On a motion by Howard Rodgers and seconded by David Halpern, the meeting was adjourned at approximately 7:20 p.m.

Date and Time of next meeting:

The next meeting is scheduled for Tuesday, November 18, 2014 at 6:30 p.m. at the First Baptist Church.