

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY  
MINUTES OF THE MARINA COMMITTEE MEETING  
THURSDAY FEBRUARY 5, 2013 – 9:30 A.M.**

The regular monthly meeting of the Marina Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, February 5, 2013 at 9:30 A.M., in the Lake Vista Community Center, 2<sup>nd</sup> Floor, 6500 Spanish Fort Blvd., New Orleans, Louisiana after due legal notice of the meeting was sent to each Board member, the news media, and a copy of the call was posted.

Chairman Brien called the meeting to order at 9:37 a.m. and led in the pledge of allegiance.

The roll was called which constituted a quorum.

**PRESENT:**

Chairman Stanley Brien  
Commissioner Romona Baudy  
Commissioner Pearl Cantrelle  
Commissioner Patrick DeRouen

**FURTHERMORE PRESENT:**

Chairman Robert E. Smith Lupo

**ABSENT:**

Commissioner Darrel Saizan

**STAFF:**

Louis Capo - Executive Director  
Chuck Dixon - Marina Manager  
Sharon Martiny – Non-Flood  
Dawn Wagener - Non-Flood  
Fred Pruitt – Airport Director

**ALSO PRESENT:**

Gerry Metzger - Legal Counsel  
Al Pappalardo - Real Estate Consultant  
Steve Nelson - Stuart Consulting  
Ray Landeche – Lakeshore subdivision  
Tom Long – TLCC, Inc.

**ADOPT AGENDA**

Commissioner Baudy offered a motion to adopt the Agenda, seconded by Commissioner DeRouen and unanimously adopted.

**APPROVAL OF PRIOR MINUTES**

Commissioner DeRouen offered a motion to approve the minutes of the November 8, 2012 Marina Committee meeting, seconded by Commissioner Baudy and unanimously adopted.

**OLD BUSINESS**

**1) Discussion regarding Peninsula Boat slip repairs**

Mr. Dixon reported that CT Traina found the water meter located near the New Basin Canal slips without the use of heavy equipment. A piece of equipment was placed on the pipe that led to the meter approximately one foot underneath dirt. The water meter is shut off which shuts water off to the slips around the condos. The water line may be used to feed the east wall slips and the current meter under the lake will be cut off.

Tenants on the New Basin Canal have been moved to the Orleans Marina with the exception of three tenants. One tenant went to South Shore Harbor and two have put their boats on trailers.

A quote was received from CT Traina in the amount of \$9,590 for demolition of the slips, which includes material, the manpower and labor. The Authority has to pay for the dumpsters. Staff recommends moving forward with demolition as the slips are a hazard. The north and west wall are occupied as those walls are not in as bad of shape as the New Basin Canal slips. The north and west slips can be demolished and secured along with the surrounding area without impeding pedestrian traffic. The entrance on the west side will be used and the east side entrance will be closed. There are 15 slips on the east wall of New Basin Canal that CT Traina could demolish these within the next few weeks.

Mr. Dixon noted that Stuart Consulting surveyed the slips and reported that the piles and bulkhead are in good shape. The rotting finger piers and timbers between the piles will be demolished. The cost for rebuilding the piers was provided by Stuart Consulting. The wood will cost \$4,800, hardware is \$2,200 (nuts and bolts), fire pedestals are \$9,000, deck boxes are \$5,000 and labor and equipment to install the wood and hardware is \$11,590. This does not include electrical work. When work was done on the existing pedestals wiring was snipped back and there are problems making connections due to shorter wiring. It is unknown if the wiring has to be replaced to the transformers and breaker lines. As slips are brought back on line they will be leased at Orleans Marina rates. The Authority will use the money generated from the Peninsula and put it back in the Peninsula for a 3-5 year payback as there will be no revenue coming from those piers. Revenues will be used to self-finance as the Authority would not have that revenue in the first place.

This project was set up one step at a time starting with demolition. After demolition the wiring and conduit will be examined. At that point, staff will come back to the Marina Committee and inform what the additional costs would be if electrical repairs are needed.

Commissioner DeRouen suggested leasing the 15 slips at Orleans Marina rates with a \$3,000 assessment per slip to help offset costs. The tenant could be given a three or five year locked lease along with a new slip and the Authority could recoup the money spent on those slips.

Mr. Dixon advised that the New Basin Canal tenants are paying a reduction from what Orleans Marina tenants pay until those slips are repaired. Rent will go from \$380 to \$495 with the completion of the 15 slips. The same process will be followed with the remaining slips.

Commissioner Baudy offered a motion to recommend the demolition and rebuilding of the New Basin Canal slips, seconded by Commissioner DeRouen and unanimously adopted.

Mr. Metzger advised that this was below the contract limit of \$150,000 under the Louisiana Public Bid Law. Only one bid was received. One additional bid should be received, but two more is recommended.

### **NEW BUSINESS**

#### **1) Discussion regarding 2013-2014 Operating Budget for Orleans Marina and South Shore Harbor**

Chairman Brien addressed the \$20,000 difference of insurance costs between South Shore Harbor and Orleans Marina. Ms. Wagener noted one Marina has an extra policy and the covered boat slips are insured at South Shore Harbor. Mr. Metzger advised that the tenant maintains the insurance on the long-term leased covered boat slips, but there are other leases that are on long-term. Mr.

Dixon reported that the short-term leases are full and are year to year. The covered boat slips at South Shore Harbor are called boathouses and are the blue aluminum buildings. When the boathouses were first leased, tenants were offered a long-term 30 year lease paid up front with the tenant responsible to maintain the insurances. Any leases not sold were put on the market on annual leases. The majority of the boathouses are year-to-year as opposed to 30 year leases. The Authority is responsible for insurance on the year-to-year leases. The covered boat slips rent for \$1,756 per quarter.

Mr. Capo informed that when Katrina hit the Authority carried the insurance and was responsible for repairs to the outside skin of the building and it is the Authority's responsibility to insure the building going forward. There is a Resolution that addresses the pre-paid long-term slips which has a clause stating the Authority can assess an annual or monthly fee to those long-term leases. This Resolution should be reviewed as the Authority may be able to adjust those fees. There are five long-term pre-paid covered boat slips and five open 30 and 40-foot slips that have 30-year leases at South Shore Harbor.

Mr. Metzger advised that the tenants at Orleans Marina are locked in on three year leases. If taxes, sewerage & water and CGL insurance rates increase, the Authority bears the risk of the increase as these charges were never allocated in the past, but any new leases could have the charges allocated. Mr. Capo advised that South Shore Harbor has annual leases and the additional charges may be addressed in those leases. Commissioner DeRouen suggested that the 14 New Basin Canal slip leases at Orleans Marina should have an escalation clause tied into the insurance and utilities on the new leases.

Chairman Brien addressed the \$42,000 grass cutting expense for South Shore Harbor. Mr. Dixon advised that South Shore Harbor encompasses the South Shore Harbor Marina Terminal building, parking lot and the Peninsula, which is bush hogged four times per year. Mr. Capo noted this included all access roads to South Shore Harbor and the area previously under Bally's leasehold, which the Authority now has to maintain. To help reduce the frequency of cuts the Authority could use a version of Round-Up to retard and slow the growth of grass and weeds in an effort to reduce frequency and lower grass cutting costs.

Commissioner DeRouen addressed the personnel costs at Orleans Marina (\$178,000) and South Shore Harbor (\$139,000) and requested an allocation of costs for the two Marinas. Mr. Dixon advised of one funded, but vacant maintenance position at Orleans Marina, the Marina Manager/Director salary is between the two Marinas, one Administrative Coordinator at South Shore Harbor, one Administrative Coordinator at Orleans Marina along with one security guard at South Shore Harbor. Commissioner DeRouen requested a list of job duties be prepared so the Committee is aware of the job responsibilities of the Administrators.

Mr. Capo advised that the Corps has finished re-enforcing the levee and floodgates at the Seabrook Bridge site. The area between Franklin Avenue and the Seabrook Bridge is now covered with rock and debris that washed back onto the roadway after last week's storm. Mr. Gillen's crew was cleaning the area yesterday. Once the area is cleared, barricades at the base of the Seabrook Bridge will be removed so traffic can flow.

Mr. Dixon advised that all five Frank Davis boat launches are complete, but the area is blocked due to the Corp's lack of communication informing the Authority of the Corp's completion around the area. Due to safety issues, barricades have been placed at the South Shore Harbor Peninsula from the electrical vault on the far wall to both sides of the Peninsula finger until the railings are installed along the Peninsula.

Chairman Lupo suggested the Marina Committee consider legal counsel prepare language setting a base rent for the Marina leases. When new lease comes up, any insurance increase will be passed yearly as a one-time charge back as new costs become available. This will not be a complete pass through and may be palatable to the tenants. Currently, the charge for insurance per slip would be the base, but any increase going forward will be passed to the new tenants. This should be done with every new slip and covered boat slip at South Shore Harbor.

Mr. Capo informed that the lease and insurance will coincide at the same time on July 1, 2013 so the numbers will be provided before the lease goes into effect. The tenants should be notified in advance of any financial change to the lease. Chairman Lupo noted this increase would be for new leases only as the Authority has a good relationship with all tenants as the tenants are aware that the Authority is putting money charged to the tenant back into the Marinas. The increase would be for any new tenant or any change from South Shore Harbor to Orleans Marina or vice-versa.

Chairman Brien suggested the Advertising expense at South Shore Harbor be more targeted. Some of the \$15,000 allocated should be used to reach the former tenants of the North Shore Marina. Mr. Dixon informed that internet advertising and targeting the demographics at the Marinas are ideas that are currently being investigated along with some type of promotion with a food truck. Mr. Capo noted that \$7,500 budgeted for Software Maintenance is for the Marina Office which runs on top of Quick Books. All tenants are entered into Scribble Soft so staff can see graphically where the boat is, who is in the slip and what location the slip is in. Invoices are run and Scribble Soft updates Quick Books. Updates are downloaded electronically and tech support is provided.

Mr. Capo informed that the Credit Card Administrative expense has been shopped numerous times. A company called Global is the only one that can interface with Quick Books. Staff looked at using a bank that uploads the information, but that will require additional work by staff to get information into Quick Books because of regulations regarding security of credit cards. Quick Books is the software that processes credit cards, which are processed through a company (ICL) that has an x-charge. Commissioner DeRouen noted that there should be another entity that interfaces with an off-the-shelf accounting program that takes credit card income and dumps it into an off-the-shelf accounting program. Chairman Brien noted that \$15,000 is steep for both Marinas, especially South Shore Harbor given the revenues there. Credit card payments do alleviate collection issues with both Marinas, but there must be another company that competes with Global.

## **2) Discussion regarding Sewerage & Water Board surcharge**

Mr. Dixon advised that the City Council passed a 10% Sewerage and Water Board sur-charge, but no start date was given. There will be an approximate \$6,000-\$8,000 increase the first year alone. Chairman Brien noted that the cost cannot be passed on to the tenants as Orleans Marina tenants who are under a three year locked lease. Mr. Capo advised these charges will be passed on in new leases to new tenants or tenants that renew their leases. Credit card charges are not passed as that is built into the rent. Staff will review the credit card issue and have information for the full Board meeting. Chairman Lupo suggested added staff take a look at all of those charges to see what can legitimately and palatably be passed on to the tenants.

**ANNOUNCE NEXT MEETING**

Chairman Brien announced the next Marina Committee meeting is scheduled for Tuesday, March 5, 2013 at 10:30 a.m.

**ADJOURNMENT**

Commissioner Cantrelle offered a motion to adjourn, seconded by Commissioner Baudy and unanimously adopted.

The meeting ended at 10:22