

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE MARINA COMMITTEE MEETING
TUESDAY MARCH 3, 2015 – 10:30 A.M.**

The regular meeting of the Marina Committee of the Non-Flood Protection Asset Management Authority was held on Tuesday, March 3, 2015 at 9:30 a.m., in the Lake Vista Community Center, 2nd 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 Settoon called the meeting to order at 10:32 a.m. and led in the pledge of allegiance.

The roll was called which constituted a quorum.

PRESENT:

Chairman William Settoon
Vice-Chair Stanley Brien
Commissioner Glenn Higgins

ABSENT:

Commissioner Pearl Cantrelle

STAFF:

Cornelia Ullmann – Chief Operating Officer
Sharon Martiny – Administrative Assistant
Chuck Dixon – Marina Director

ALSO PRESENT:

Carl Hudson – OMTA
Chris Clement – OMTA
Brian Butcher – OMTA
Nuncio Falcone - OMTA
Chris Fournier – Universal Tel Com

ADOPT AGENDA

Commissioner Brien offered a motion to adopt the Agenda, seconded by Commissioner Higgins and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Approval of the minutes of the January 6, 2015 Joint Marina/Commercial Real Estate Committee meeting is deferred until the March 31, 2015 meeting.

CURRENT MARINA ISSUES

Chuck Dixon, Marina Director, advised that a bid was obtained to repair the Pennick Dock, but it was more than what FEMA would allow. Discussions with GOHSEP are underway to get extra funds to repair the Pennick Dock. Repairs to the sheet pile on the North Wall are underway. Divers go back in four weeks to make sure the grout held before construction begins on the North Wall. The divers will also look at drain toward the parking lot behind the Sailboat Bay Apartments to determine what is causing slow drainage.

Repairs at Orleans Marina will begin in the spring. Repairs will include inspection of the piers, replacing stringers, replacing pile caps and the safety ladder. Chair Settoon noted that the 10% surcharge will finance this work. The 10% surcharge is dedicated to maintenance and repairs in Orleans Marina. The electrical inspection at South Shore Harbor is complete and the solar powered lighted buoys have been ordered. The Coast Guard will be contacted when the markers are installed by Automatic Power. Signage at South Shore Harbor will be upgraded and all lights will be brought to LED standard.

PRESENTATIONS

Universal Com One – Status of connectivity to South Shore Harbor

Chris Sonnier – Universal Com One

Mr. Sonnier advised that Universal Com One is currently providing internet phone service for the marinas, airport and offices. Universal presented a program to get internet access to the fire station along with providing the gates at the Airport with wireless card access control. The request for card service delayed completion as it raised the cost. Installation started several weeks ago, but was delayed due to weather; it is now 80% complete. The one-time charge for installation is \$8,400; \$8,000 for the Airport (including all gates) and \$400 for the Marina. Tenants at the Airport share the same fiber connection that is segmented out for each tenant. The price to the Authority drops for every tenant added to the connection.

OLD BUSINESS

- 1) **Discussion of marina rental rates at Orleans Marina for 2016. Budget (Update: Finance Committee and budget discussion rescheduled for March 12, 2015 beginning at 4:30 p.m.)**

A summary sheet for slip revenue for Orleans Marina and South Shore Harbor for projected revenues was provided. Orleans Marina is prime real estate because of its proximity to the City. What is not rented at Orleans Marina is in need of repairs. Mr. Dixon advised that two slips at Orleans Marina are available. Eight 30-foot slips at Orleans Marina cannot be leased because they are not wide enough. The smaller slips could be converted into 30-foot extra wide slips. Since the Marina was built in the mid-60's boats have gotten wider.

Comm. Brien addressed the rent increase and advised that this Authority is structured differently than other marina operators because the Authority has other statutory responsibilities that do not produce revenue. By law the Authority cannot profit. Any monies in the black must go back into the Authority's assets. Before he could support a rent increase, the matter must be further reviewed.

Chair Settoon advised that the proposed increase is not fixed and the issue may not be resolved today. The budgetary process is part of the whole picture. A number of additional obligations consume the Authority's revenue and are quite expensive. The issue needs further review before a decision is made. The Authority has a small millage that will kick in, which will solve some of the problems. If there is a small rent increase, it could be temporary.

PUBLIC COMMENTS

Karl Hudson – President, Orleans Marina Tenant's Association

Mr. Hudson addressed the proposed rate increase and noted that rates at Orleans Marina continuously go up. Orleans Marina is among the most expensive marinas. Each year Orleans Marina makes more, but there are non-revenue generating expenses that must be paid. Orleans Marina is the only asset looking at a rate increase. The cost of gas at the Airport is not being raised and costs are not being raised at South Shore Harbor. He requested a verifiable reason of why Orleans Marina rents are going up 10%.

The Chair as well as the COO clarified that rent increases have not been continuous. The last rental increase was four years ago and the maintenance surcharge was two years ago. The maintenance surcharge is specifically dedicated to improvements at Orleans Marina.

- 2) **Discussion of conversion of slips in Orleans Marina**

This item was on the full Board meeting Agenda and was referred back to committee. Comm. Higgins advised if 30 and 40-foot slips were converted to 50-foot slips a number of slips will be lost in the process. Comm. Higgins did some preliminary estimates and believes that the current total revenue on the smaller slips is approximately \$15,840. At least three foot finger piers between every other slip will be needed for larger slips. The current 26 boat slips will be

reduced to 15 boat slips with a revenue reduction of \$2,970 per quarter. There are other issues such as how will the project be paid for.

Comm. Higgins noted there will be 26 to 30 boats that will be displaced. The tenants have been here for years and have paid their fair share. Those tenants that have 30-foot boats should not have to pay the rate on a 50-foot slip and would like to have the matter further investigated.

Mr. Hudson advised that the majority of the slips do not have finger piers, which is a safety issue. Orleans Marina is a high class, high price Marina and the tenants should be given the product for what the Authority is charging. Chair Settoon noted that there is a report on South Shore Harbor Marina that may include design standards regarding finger piers, if not a code.

ANNOUNCE NEXT MEETING

Chairman Settoon announced that the next Marina Committee meeting is scheduled for Tuesday, March 31, 2015 at 10:30 a.m.

ADJOURNMENT

Comm. Higgins offered a motion to Adjourn, seconded by Comm. Brien and unanimously adopted. The meeting adjourned at 11:26 a.m.