

**MINUTES OF
LAKEFRONT MANAGEMENT AUTHORITY
MARINA COMMITTEE MEETING
HELD ON TUESDAY, DECEMBER 8, 2020**

PRESENT: Chair Dawn Hebert (in person)
Vice Chair Stanley Brien (attended virtually)
Commissioner Esmond Carr (in person)
Commissioner Renee Lapeyrolerie (attended virtually)
Commissioner Howard Rodgers (attended virtually)

STAFF: Louis Capo – Executive Director (in person)
Daniel Hill – Director of Engineering & Operations (in person)
Madison Bonaventure – Assistant to the Executive Director (in person)
Helaine Milner – Marina Administrator (in person)
Brad Vanhose – Harbor Master (attended virtually)

PUBLIC: Gerard Metzger– Legal Counsel to the LMA (in person)
Chris Fenner– Stuart Consulting Group, Inc. (attended virtually)
W. Farmer– TKTMJ, Inc. (in person)
Wilma Heaton– LMA Chair (in person)
Karl Hudson – Orleans Marina Tenant Association
Scott Hundland – Executive Counsel to TKTMJ, Inc. (in person)
Tom Long– Southern Yacht Club (in person)
Lowell Pitre – AIMS Group, Inc. (attended virtually)
Octave Rainey– Self (in person)

The Marina Committee of the Lakefront Management Authority met on December 8, 2020, in the Lakefront Airport Terminal Building, 2nd Floor Conference Center, 6001 Stars and Stripes Blvd., New Orleans, Louisiana and virtually via Zoom. The meeting was streamed on the Lakefront Management Authority Youtube page for public view. Public comments were accepted in-person and via email.

Chair Hebert called the meeting to order at 3:32 P.M. and led in the pledge of allegiance. Executive Director Louis Capo called the roll, and a quorum was present.

Opening Comments:

Chair Hebert said she looked forward to the new year and hopefully new opportunities to receive funding to improve the marina assets, such as the Seabrook Boat Launch, for residents.

Motion to Adopt Agenda:

A motion was offered by Commissioner Carr, seconded by Commissioner Rodgers, and unanimously approved, to adopt the agenda.

Motion to Approve Minutes:

A motion was offered by Commissioner Carr, seconded by Commissioner Brien, and unanimously adopted, to approve the minutes of October 13, 2020.

Director's Report:

Director Capo said that staff would give their updates as items arose in the agenda.

Public Comments:

Octave Rainey introduced himself to the Committee. Mr. Rainey showed a presentation of other local boat launches including the West End Boat Launch, Bonnabel Boat Launch and a public boat launch located in Slidell, Louisiana. Mr. Rainey appealed to the Committee to find a solution to improve the Seabrook Boat Launch so it could be utilized by the residents of Orleans Parish. Mr. Rainey added that the facility's condition was unacceptable and some parts of it are closed off for public use.

Daniel Hill, Director of Engineering and Operations, explained that maintenance needs to be performed on the launch bays so it can be safely used, and one bay was available and safe for use.

Mr. Rainey indicated that the Federal Aid in Sport Fish Restoration gave a grant to the municipality of Slidell to construct or repair their public boat launch facility.

Director Capo confirmed that the LMA has applied for the grant, and it is associated with the Wallop-Breaux grant for which staff is reapplying this upcoming year.

Mr. Rainey requested that the Board devise a short-term solution until funding can be secured to restore the boat launch. Mr. Rainey proposed that the LMA purchase a 30-foot by 80-foot floating docks at an estimated cost of \$50,000.00. Chair Hebert thanked Mr. Rainey for his presentation and said the LMA should repair and improve the Seabrook Boat Launch for the residents of New Orleans.

Mr. Rainey said he fishes near the Seabrook Boat Launch, and one day he witnessed two large commercial fishing boats taking up the entire useable portion of the facility. Director Capo explained that the LMA's marina facilities or the Seabrook Boat Launch cannot be used for commercial use, and Brad Vanhooose, Harbor Master, said incidents are reported to the U.S. Coast Guard.

Karl Hudson introduced himself to the Committee as a tenant of Orleans Marina. He said that lights on Pier 2 and 3 were out, and he said it was a safety issue. He said he understood that the electrical issue may be related to the sinkhole repair and need for the bulkhead repair. He indicated that he was a master electrician, and he believed that the job would not be expensive. Director Capo said the lights were repaired before Hurricane Zeta, and high tides and surge further undermined the electrical system.

Mr. Hudson also asked what the status was with security services at the marinas. He said he noticed Gulf Coast Security was still working the security details at Orleans Marina.

Mr. Vanhose said that the guards were working evening shifts, and staff was providing daytime coverage. He encouraged Mr. Hudson to reach out to him directly if he had any concerns about security at the marinas.

In response to Mr. Hudson's concerns, Director Capo updated the Committee on the ongoing sinkhole repairs at Orleans Marina. He said that the repair of the drainage issue and parking lot near the floodwall was being conducted by the Flood Protection Authority (FPA), and once those issues were resolved they would be studying the Orleans Marina bulkhead further and repairing it in the vicinity of Piers 2 and 3, inclusive of related electrical issues.

Mr. Hill confirmed that he reached out to Marc Lucas, Facility Maintenance Manager, to meet Mr. Hudson at Orleans Marina to evaluate the electrical issue.

Mr. Hill said that staff would be working closely with the FPA to coordinate the repair or installation of utility services to ensure that tenants had access to water and electricity with minimal disruption. He said those items would be sorted out before construction.

Old Business:

1) Motion to recommend approval of a Third Amendment to the contract with AIMS Group, Inc. for vibration monitoring and inspection services for the Orleans Marina North and East Wall Slip Repair and Construction Project to extend the contract term until October 31, 2020 and to increase the contract price in an amount not-to-exceed \$13,839.56.

A motion was offered by Commissioner Carr, seconded by Commissioner Brien, and was unanimously adopted, to recommend approval of a Third Amendment to the contract with AIMS Group, Inc. for vibration monitoring and inspection services for the Orleans Marina North and East Wall Slip Repair and Construction Project to extend the contract term until October 31, 2020 and to increase the contract price in an amount not-to-exceed \$13,839.56.

Commissioner Carr asked about the nature of the request. Mr. Hill said that staff needed approval because it was a change order from an approved amount. Mr. Hill explained that the construction contract with TKTMJ, Inc. for the Orleans Marina North and East Wall Slip Repair and Construction Project indicated that vibration monitoring services would be provided by the LMA. He said due to project construction delays, the time spent on the project and cost has increased.

Commissioner Carr asked about what challenges caused the delays.

Mr. Hill said that several high-water events and COVID-19 attributed to significant delays in the project's completion.

Commissioner Carr asked when the project was initiated. Mr. Hill said that the project began just before his tenure with the LMA in September 2019.

Commissioner Carr said the original completion date would have been near the beginning of the COVID-19 pandemic and asked if there were any other change orders for the TKTMJ, Inc.

before the third one. Mr. Hill said there were two no cost change orders. Commissioner Carr confirmed that the first change order extended the time by an additional 180 days and asked who approved the first change order. Mr. Hill said it was evaluated by the LMA's construction administration consultant, Stuart Consulting Group, and since there was no change in cost Director Capo was able to approve it.

Commissioner Carr did not understand the role of the Committee if they were asked to approve work that had already taken place.

Mr. Metzger said that staff does not have the authority to pay for the services without the Board's approval.

Commissioner Carr asked why the matter had not been brought up, what procedures were in place, and if this was a normal course of action for the Board.

Director Capo said it was not unusual for staff to bring an issue to the Board if waiting would increase the cost if the vendor would demobilize and had to return after Board approval. He said it was his understanding that the additional services were going to finish out the project and demobilization of the vendor would have cost more money.

Mr. Hill said that the original AIMS Group, Inc. contract did not include pile logging services. He said the first amendment to the contract included the services, and the second amendment passed by the Board was a result of project construction delays.

Mr. Metzger said staff was seeking ratification for the work done.

Chair Hebert asked Mr. Hill if the construction administration consultant notified LMA staff about the project construction delay. He said bi-weekly meetings were held throughout the duration of the project.

Mr. Hill clarified that engineering service contracts are not bid out. He said that contracts are permissible under certain hourly rates. He said the firm has not changed their hourly rate for the services.

Commissioner Lapeyrolerie confirmed that Mr. Hill inherited the contract. Mr. Hill said he had. She said that the contract was disadvantageous because it did not show the full cost of the project since pile logging and vibration monitoring services were to be contracted out and paid for by the owner (LMA).

Mr. Hill added that the first 45 days of the project were spent obtaining the contract for the vibration monitoring services.

Commissioner Lapeyrolerie requested that Mr. Hill and Director Capo report how the Committees or Board may be in a better position to approve change orders in a timely fashion.

Mr. Hill likened the situation to an emergency repair because any delay would have added project risk and/or additional cost. He noted that emergency repairs are a challenge for staff and cited the National Guard Hangar emergency roof demolition as an example.

Commissioner Carr confirmed that Stuart Consulting Group, Inc. was managing the construction schedule and suggested that they should have been able to forecast the project's length. Mr. Hill offered that 2020 has been an exceptional year.

Director Capo said that finite dollar amounts are approved by the Board, so each time the cost increases it goes to the Board.

Mr. Metzger said he has seen the LMA in similar situations where they risk a project's success because Board approval is needed. He said due to this, ratification for work completed is not unheard of.

Commissioner Carr expressed concerns about staff spending the LMA's funds without Board approval. He suggested that the process or policy may need to change.

Chair Hebert asked if the project was complete.

Scott Hundland, Legal Counsel to TKTMJ, Inc., introduced himself to the Committee. He said that construction is 96% complete. He said that they are waiting on Entergy to construct a transformer and install power infrastructure to the new slips. He said there was about a 30-45 day working time for Entergy to install the power infrastructure before applying finishing touches. He said that Entergy's timeline would not affect the cost to finish the project.

He noted that the construction necessitated cranes on barges to move materials around, and multiple named storms caused the construction team to demobilize two to four days ahead of time in an abundance of caution. He said this significantly impacted the project's progress.

Commissioner Carr said that he would like to see some procedural changes developed around managing capital improvement projects.

2) Motion to recommend approval of an Amendment to the 2019 Contract with Stuart Consulting Group, Inc. for construction administration services for the Orleans Marina North and East Walls Slip Repair and Construction Project to increase the contract price by a sum of \$13,600.00.

A motion was offered by Commissioner Carr, seconded by Commissioner Brien, and was unanimously adopted, to recommend approval of an Amendment to the 2019 Contract with Stuart Consulting Group, Inc. for construction administration services for the Orleans Marina North and East Walls Slip Repair and Construction Project to increase the contract price by a sum of \$13,600.00.

Chris Fenner, of Stuart Consulting Group, Inc., said that the Amendment to the original 2019 contract was a result of the extended period spent on the completion of the construction of the project. The extended duration of the project meant there were additional issues they had to review and additional meetings that had to be arranged to fulfill their obligations. He said the additional effort resulted in the Amendment, and he requested consideration of their additional time spent on the project.

Commissioner Carr asked if his firm set the project schedule. Mr. Fenner said they do not, but they establish a contract duration period between the firm and the owner. He said they do not set schedules for progress of work, and the schedule is established by the contractor. He said that if the contractor falls behind on their published schedule, then they would meet with the contractor and the owner to problem solve.

Chair Hebert asked if Mr. Hill attended the meetings. Mr. Hill said he had.

Chair Hebert asked if this would be the last change order.

Mr. Hill said there will be an additional change order of approximately \$500.00 in a credit to the project for a gate and fence item.

Commissioner Carr asked if Stuart Consulting Group, Inc. validated the cost of items. Mr. Hill said they do validate costs, and all documents flow from TKTMJ, Inc. to their firm for analysis.

Mr. Fenner added that the change orders were resultant of efforts to offset changes in scope and changes in material cost. He said ultimately these efforts resulted in a net credit.

Commissioner Carr asked Mr. Fenner if his firm reviews costs and provides an estimate check.

Mr. Fenner responded that as a typical service for construction administration contracts, they review and give an opinion on the reasonableness of the estimate costs. He said they do speak to vendors and confirm quotes, but they do not obtain their own quotes for the owner. He said they review the costs as they pertain to the standard of the industry.

3) Motion to recommend approval of a Change Order No: 003 to TKTMJ, Inc., for the price and sum not-to-exceed \$16,769.00 for additional work and materials for the contract for the Orleans Marina North and East Walls Slip Repair and Construction Project.

A motion was offered by Commissioner Carr, seconded by Commissioner Rodgers, and was unanimously approved to recommend approval of a Change Order No: 003 to TKTMJ, Inc., for the price and sum not-to-exceed \$16,769.00 for additional work and materials for the contract for the Orleans Marina North and East Walls Slip Repair and Construction Project.

Commissioner Carr requested a history of the change orders.

Mr. Hundlund explained that there was a double layer of decking because of decking having been built on top of the original pier structure. He said additionally, they discovered a whaler system underneath that had failed in some places, and it was determined that using the original system would not be safe. He said the original plan had to be changed so they did not risk compromising the bulkhead. TKTMJ, Inc. determined it would be best to not remove all of the old piles but to still drove additional new ones in the interest of preserving the bulkhead. He said that while 77 less piles were pulled, they all had to be cut down instead.

He said they coordinated with Stuart Consulting Group, Inc. to break up the lump sum cost of driving the piles and cutting the piles to come to an agreement on how to apply the change order. He said a net credit of approximately \$1,100.00 was applied, and 180 days were extended to the project with no additional conditions.

Commissioner Carr asked what justified the time extension for the project.

Mr. Hundland said that the schedule is updated monthly, and the events justified the extension. He said concerns and events involving COVID-19 and high-water events from an active storm season contributed to significant delays. He said additionally, for the first 45 days the firm could not work because the owner was unable to get several vessels to vacate from the areas slated for construction and repair.

He said they drove only eight less piles than originally agreed upon, but 77 less piles were pulled

from the marina; however, each was cut down so there was no time savings associated.

Commissioner Carr asked Director Capo if the doubling of the schedule and change in scope made him concerned about how the work adhered to the bid. Director Capo said it did not because it has been an exceptional year. Commissioner Carr expressed concerns because liquidated damages could have been made available to the LMA.

Mr. Hundlund described electrical issues that were not known at the time of the bid and project initiation. He said that TKTMJ, Inc. assumed that the extension of time would be agreeable because it would ultimately save the Board money.

Chair Hebert expressed concern about the timing of the Notice to Proceed since all vessels were not yet removed.

Mr. Metzger said that changes in timeframe need to be brought to the Board.

Commissioner Carr said he was concerned about the scope that was eliminated.

Director Capo said it was staff's position that since the first change order was deductive, it did not need to come before the board; however, staff should have made the project's status clear.

Commissioner Rodgers asked if there was an insurance policy that the LMA could purchase for damages due to project delays due to threat of hurricanes. Mr. Metzger said he was unsure if coverage of that nature was available.

4) Update on marina and slip rental issues.

Director Capo said he had provided the aging schedule for the marinas as of December 7, 2020. He noted that the collection rate at Orleans Marina was better than at South Shore Harbor Marina.

He explained that improved leases have helped, and the LMA is able to turnover uncollected rents to the Louisiana Attorney General's office for collection.

He said that Mr. Vanhoose, Harbor Master, and marina staff are pursuing collections of delinquent rents.

Mr. Metzger indicated that the Marina Storage Act does permit marinas to sell vessels at public auction if the vessel has been delinquent for 6 months. He said he assisted Mr. Vanhoose in drafting a letter template for future use.

Chair Hebert asked about the effectiveness of collections handled by the Attorney General's office. Director Capo said the LMA has experienced some success with collections of boathouse rents, but the LMA has not sent many delinquent marina accounts to the Attorney General's office.

Mr. Metzger added that utilizing the Attorney General's office for collections is cost-effective because they only apply a contingency fee for their services.

Commissioner Carr asked if it was possible to sell the debt.

Mr. Metzger did not believe that was permissible.

Director Capo said that twice a year marina staff requests updated information from tenants including insurance certificates. He said staff at South Shore Harbor Marina is currently contacting tenants to update their information.

Mr. Vanhose said that staff is ensuring that leases and insurances are current and adequate.

Chair Hebert asked at what point are marina leases terminated.

Director Capo responded that marina leases are generally terminated after two quarters. He noted that with the COVID-19 pandemic, some tenants working in the service industry have requested some relief, so staff is working with them to collect their rents.

Director Capo said that staff is considering returning all lease controls and rent collections after GoPark's contract is finished.

5) Discussion on Hurricane Zeta damage of the Frank Davis Pier and Seabrook Boat Launch

Director Capo said that staff would be reapplying for the Wallop-Breaux grant. He explained that staff had applied to the grant; however, due to extenuating circumstances involving COVID-19, funds were not let. He said the grant is a 65/35 split with 35% as the LMA's obligation. He said the renovation needed for the Seabrook Boat Launch would cost a total of approximately \$1,000,000.00.

Mr. Hill said that staff is obtaining pricing for repairs so it could possibly pursue funding through FEMA or its insurances. He said a cost for the damages was necessary to make a FEMA claim. Mr. Hill said the Frank Davis Pier may need to be replaced with LMA funds.

Director Capo said that staff would need to investigate further to see what the funding options were.

Chair Hebert asked if a FEMA claim would interfere with the Seabrook Boat Launch's eligibility for a grant. Director Capo said it would not.

Mr. Hill said the Federal Aid for Sport Fish Restoration assisted the City of Slidell with funding boat slips, but they obtained funding for their boat launch through the Wallop-Breaux grant. He added that staff is also investigating funding through the Land Water Conservation Fund, though its match rate is not as high as the Wallop-Breaux grant.

Director Capo added that the agency is beginning to restrict its spending as it will not receive ad valorem tax revenue until early spring.

Commissioner Carr asked if hosting a fishing tournament to raise funds for the restoration would be possible. Director Capo said that could be an option to raise funds.

Announcement of next Marina Committee Meeting:

1) Tuesday, January 19, 2020 – 3:30 P.M.

Adjourn:

A motion was offered by Commissioner Carr, seconded by Commissioner Brien, and unanimously adopted, to adjourn. The meeting was adjourned at 4:50 PM.