

MINUTES OF THE MEETING OF THE
LOUISIANA STATE MUSEUM
Irby/Finance Committee
Monday, September 18, 2017
10:00 a.m. – The Old U.S. Mint
New Orleans, Louisiana

Members Present: Julie Breitmeyer, Bill Cody, Lee Felterman, Rosemary Upshaw Ewing, Aleta Leckelt, Kevin Kelly, Lawrence Powell, Melissa Steiner and William Wilton.

Members Absent: Madelyn Bagneris, Janet Haedicke.

Also Present: Bill Cody

LSM Staff Present: Rennie Buras, Mark Jones, Wade Levy, Yvonne Mack, Steven Maklansky, Maryann Miller and Bridgette Thibodeaux.

A quorum was present.

Call to Order

Ms. Breitmeyer called the meeting to order at 10:06 am.

Motion to Adopt the Agenda

Dr. Powell moved to adopt the agenda. Seconded by Ms. Breitmeyer, the motion was **unanimously approved**.

Motion to Adopt the Minutes

Aleta Leckelt moved to adopt the Irby Finance Committee meeting minutes from May 15, 2017. Seconded by Kevin Kelly, the motion was **unanimously approved**.

Pontalba Rent Increase Discussion

Rennie Buras discussed options requested by board members:

Proposed Option 1, appraiser's base rent. 25% increase per s.f (new square footage) on what tenants were paying on January 15, 2016. This calculates to a 28% increase.

Proposed Option 2, the higher of 25% or what the rent study report proposed. Note: those units where a Lutz study already introduced an increase were adjusted in this scenario.

Proposed Option 3, 25% (of new square footage) across the board 10% increase.

Proposed Option 4, 20% on top of appraiser's recommendation to test the market.

Explanation was given by Kevin Kelly for a motion he will be proposing:

- New tenants paid the higher Lutz rate. This justified not going lower.
- Boudousquie appraised value does not factor in a rising rental market.
- Boudousquie did not factor in the 150 person waiting list.
- We need to test the market by offering 20% above Boudousquie on new vacancies.
- Non Lutz tenants were already paying a 25 percent increase of base rent capped at 25% (not applied to their new square footage). Need to make that increase applicable to their corrected square footage.

Ms. Breitmeyer called for a recess to allow staff to make calculations consistent with the proposals as discussed and to set forth the language of the motions.

Meeting called back to order at 11:28 a.m. by Ms. Breitmeyer.

Kevin Kelly moved to adopt Exhibit E, column titled Adopted Rents, as the new Pontalba residential base rents which shall be attached and made part of the minutes:

Tenants shall be assessed a surcharge to reflect any additional amount that would have been collected if the adjustment in the residential base rents (if any) had gone into effect July 1, 2017, consistent with a motion adopted at the LSM Board meeting held on June 8, 2017;

Pontalba residential base rents shall automatically increase by three percent (3%) in lease year starting July 1, 2018 and again in lease year starting July 1, 2019; and

Any Pontalba residential vacancies arising in the future shall be rented at a twenty percent (20%) increase from Ms. Boudousquie's projected rent per square foot as detailed on page 3 of her report dated July 10, 2017 and including any annual three percent (3%) increases.

The motion was seconded by Lee Felterman.

Public Comment

The following residential tenants spoke:

Cheryl McNulty – 810 Chartres Street, 3rd floor requested information regarding rules for plants on the balconies and Christmas decorations.

Bonnie Bayer – 811 Decatur Street, 3rd floor spoke about the proposed rent increase.

Ms. Breitmeyer called for a vote on the motion, and the motion was **unanimously approved**.

Status of vacant units was discussed.

CAM fee schedule

Aleta Leckelt moved to add adoption of CAM fee schedule to the agenda. Seconded by Dr. Powell, the motion was **unanimously approved**. **Following a discussion of the CAM fee schedule, there was an opportunity for public comment.**

Public Comment

Cheryl McNulty 810 Chartres St. 3rd floor.

William Wilton moved to add the new CAM schedule as Exhibit F. Seconded by Melissa Steiner, the motion was **unanimously approved**.

William Wilton moved to approve funding of repairs on the document labeled "Seeking Irby Repair Approvals for", attached here as Exhibit G. **There was an opportunity for public comment, but no requests to speak were received.** Seconded by Kevin Kelly, the motion was **unanimously approved**.

Ms. Breitmeyer read a list of current repairs and their proposed cost, attached here as Exhibit H. Ms. Breitmeyer discussed the document which outlines a list of DCRT major repair requests to the Division of Administration. Ms. Breitmeyer provided information on the balance of Irby.

William Wilton moved to adopt the repair list as priorities (Exhibit H). **There was an opportunity for public comment, but no requests to speak were received.** Seconded by Rosemary Upshaw Ewing, the motion was **unanimously approved**.

William Wilton moved to defer the financial report. **There was an opportunity for public comment, but no requests to speak were received.** Seconded by Kevin Kelly, the motion was **unanimously approved**.

Meeting adjourned at 12:02 p.m.

Exhibit E

Apartment	Location	Name	Adopted Rents
503 St. Ann	2nd Floor	McNamara	\$ 3715
503 St. Ann	3rd Floor	Melancon	\$ 2819
509 St. Ann	Townhouse	Berger	\$ 2635
511 St. Ann	2nd Floor	Holden	\$ 2467
511 St. Ann	3rd Floor	Caples	\$ 3263
515 St. Ann	2nd Floor	Sahuc	\$ 2681
515 St. Ann	3rd Floor	Vacant/Cole	\$ 3058
519 St. Ann	2nd Floor	Lambert	\$ 2915
519 St. Ann	3rd Floor	Crane	\$ 3350
527 St. Ann	2nd Floor	Georges	\$ 2772
527 St. Ann	3rd Floor	Maurin	\$ 3447
531 St. Ann	2nd Floor	Hogan	\$ 3870
531 St. Ann	3rd Floor	Vacant/Mackey	\$ 3627
535 St. Ann	2nd Floor	Vacant/Bouie	\$ 3989
535 St. Ann	3rd Floor	Dumas	\$ 3624
539 St. Ann	2nd Floor	Simpson	\$ 3462
539 St. Ann	3rd Floor	Woolridge	\$ 3042
541 St. Ann	Townhouse	Riddle	\$ 2450
543 St. Ann	2nd Floor	Berger	\$ 3193
543 St. Ann	3rd Floor	Creed	\$ 3080
806 Chartres	2nd Floor	LSM	
806 Chartres	3rd Floor	Leydecker	\$ 2574
807 Decatur	2nd Floor	Vacant/Smith	\$ 3260
807 Decatur	3rd Floor	Lafaye	\$ 2226
810 Chartres	2nd Floor	Lewis	\$ 2405
810 Chartres	3rd Floor	McNulty	\$ 2460
811 Decatur	2nd Floor	Ahlers	\$ 2460
811 Decatur	3rd Floor	Bayer	\$ 2460
		Monthly	\$ -
		Annual	\$ -

	A	B	C	D	E	F	G
2	Exhibit F COMMON AREA FEES FOR FISCAL YEAR 2017/2018						
3							
4	<u>ADDRESS</u>	<u>SQUARE FEET</u>	<u>TOTAL RENTABLE</u>	<u>FACTOR</u>	<u>CAM COSTS</u>	<u>ANNUAL COST</u>	<u>MONTHLY COST</u>
5							
6	<u>RESIDENTIAL</u>						
7	503 2ND	1510	57376	0.0263	\$53,280.60	\$1,402.22	\$117
8	503 3RD	1453	57376	0.0253	\$53,280.60	\$1,349.29	\$112
9	543 2ND	1548	57376	0.0270	\$53,280.60	\$1,437.51	\$120
10	543 3RD	1508	57376	0.0263	\$53,280.60	\$1,400.36	\$117
11	509 TOWNHOUSE	1013	57376	0.0177	\$53,280.60	\$940.69	\$78
12	541 TOWNHOUSE	942	57376	0.0164	\$53,280.60	\$874.76	\$73
13	806 2ND	1200	57376	0.0209	\$53,280.60	\$1,114.35	\$93
14	806 3RD	1300	57376	0.0227	\$53,280.60	\$1,207.21	\$101
15	810 2ND	1202	57376	0.0209	\$53,280.60	\$1,116.20	\$93
16	810 3RD	1295	57376	0.0226	\$53,280.60	\$1,202.57	\$100
17	807 2ND	1325	57376	0.0231	\$53,280.60	\$1,230.42	\$103
18	807 3RD	1295	57376	0.0226	\$53,280.60	\$1,202.57	\$100
19	811 2ND	1200	57376	0.0209	\$53,280.60	\$1,114.35	\$93
20	811 3RD	1230	57376	0.0214	\$53,280.60	\$1,142.20	\$95
21	511 2ND	1547	57376	0.0270	\$53,280.60	\$1,436.58	\$120
22	511 3RD	1597	57376	0.0278	\$53,280.60	\$1,483.01	\$124
23	515 2ND	1681	57376	0.0293	\$53,280.60	\$1,561.01	\$130
24	515 3RD	1644	57376	0.0287	\$53,280.60	\$1,526.65	\$127
25	519 2ND	1693	57376	0.0295	\$53,280.60	\$1,572.16	\$131
26	519 3RD	1727	57376	0.0301	\$53,280.60	\$1,603.73	\$134
27	527 2ND	1608	57376	0.0280	\$53,280.60	\$1,493.22	\$124
28	527 3RD	1687	57376	0.0294	\$53,280.60	\$1,566.58	\$131
29	531 2ND	1682	57376	0.0293	\$53,280.60	\$1,561.94	\$130
30	531 3RD	1550	57376	0.0270	\$53,280.60	\$1,439.36	\$120
31	535 2ND	1622	57376	0.0283	\$53,280.60	\$1,506.22	\$126
32	535 3RD	1526	57376	0.0266	\$53,280.60	\$1,417.08	\$118
33	539 2ND	1603	57376	0.0279	\$53,280.60	\$1,488.58	\$124
34	539 3RD	1586	57376	0.0276	\$53,280.60	\$1,472.79	\$123
35							
36	COMMON AREA FEES FOR FISCAL YEAR 2017/2018						
37							
38	<u>ADDRESS</u>	<u>SQUARE FEET</u>	<u>TOTAL RENTABLE</u>	<u>FACTOR</u>	<u>CAM COSTS</u>	<u>ANNUAL COST</u>	<u>MONTHLY COST</u>
39							
40	<u>COMMERCIAL</u>						
41	507 ST ANN	350	57376	0.0061	\$53,280.60	\$325.02	\$27
42	513 ST ANN	1292	57376	0.0225	\$53,280.60	\$1,199.78	\$100
43	517 ST ANN	1290	57376	0.0225	\$53,280.60	\$1,197.92	\$100
44	521 ST ANN	1287	57376	0.0224	\$53,280.60	\$1,195.14	\$100
45	525 ST ANN	1165	57376	0.0203	\$53,280.60	\$1,081.84	\$90
46	533 ST ANN	1290	57376	0.0225	\$53,280.60	\$1,197.92	\$100
47	537 ST ANN	1257	57376	0.0219	\$53,280.60	\$1,167.28	\$97
48	547 ST ANN	2942	57376	0.0513	\$53,280.60	\$2,732.01	\$228
49	529 ST ANN	1290	57376	0.0225	\$53,280.60	\$1,197.92	\$100
50	810 DECATUR	2405	57376	0.0419	\$53,280.60	\$2,233.34	\$186
51	809 DECATUR	1017	57376	0.0177	\$53,280.60	\$944.41	\$79
52	808 CHARTRES	1017	57376	0.0177	\$53,280.60	\$944.41	\$79
53							
54							
55							
56							
57		Sererage & Water	\$38,526.00				
58		Pest Control	\$1,320.00				
59		Alarm/Fire	\$7,815.00				
60		Garbage/Waste Coll.	<u>\$5,619.60</u>				
61			\$53,280.60				

Seeking Irby Repair Approvals for:

Pontalba Interior Roofs and Tuck point	Replace each interior roof section (14 sections). Water intrusion is a constant battle at the copper flashings, gutters, and seams at the roof lines, causing damage to the exterior and interior of the building. Additionally, mortar work is necessary above the flashing and repair/replacement of loose and missing slates through the complex in the rear sections of roof is required. Each roof section can be handled as an individual job.	\$30,000 per section	\$420,000 all sections (contractor)
Pontalba Gables	Brick and Stone Restoration Contractor proposes to cut out any lose or deteriorated mortar and 100% tuck-point to match using historically correct mortar.	\$15,050 per gable	\$45,150 (contractor)
Arsenal ironwork	Gate and Window Guard Installation of fence and window guard to protect building from loitering.		\$19,000 (contractor)
Creole House	Back Wall Cleaning, Caulking and Repairs Thorough cleaning to remove all foreign materials to insure a proper bond; Cut out and reseal the flashing on the balcony; repairs to cracks and/or spalled areas; any necessary tuck pointing of exterior brick using a soft mortar, matching as closely as possible.		\$1,650 (contractor)
531 3 rd Floor	Apartment preparation for rental Refinish flooring, repaint entire apartment, Central AC in main section, leaving balcony area open.		\$45,000
535 2 nd Floor	Apartment preparation for rental Installation of central AC, refinish flooring, total remodel of kitchen and floors.		\$66,000 (materials only)
Pontalba	Paint all fascia, soffit, and all doors; (Tricentennial)		\$65,000
TOTAL			\$661,800

DCRT Major Repair Fund Requests (listed by order of priority)

1. Madame John's Roof Project (Estimated Cost \$190,000)

Madame John's Legacy's is one of the finest eighteenth-century complexes in Louisiana. It is a rare example of colonial Creole architecture in the New Orleans French Quarter, because fires in 1788 and 1794 devastated the French Quarter and destroyed the colonial cityscape. Madame John's was rebuilt after the 1788 fire but followed the architectural style that prevailed prior to the disaster.

Due to the age of the building along with environmental conditions the roof structure and exterior roof conditions, extensive roof repair and restoration is vital to ensure the structure's survival. As water intrusion is detrimental to the building structure, the improper installation of the copper gutters systems allow water to overshoot the gutter system causing water to run down the exterior of the building causing water damage to the building. Catch basins should be installed at the bottom of the downspouts to properly channel the rain water. The main structure is a two-story structure with a high double-pitched roof featuring small dormers that were added in the 1800's. The rear building is a single pitch lean to roof. Due to the improper installation of the roof substrate on the main building in the past an additional load is bearing down on the roof structure and causing the main room beams to sway and sag under the load. A structural engineer should be included in this project.

The museum is planning on a major reinterpretation of Madame John's for our visitors, and this project can only be put into place after the building is stabilized and conserved properly.



1 Interior view of roof lean

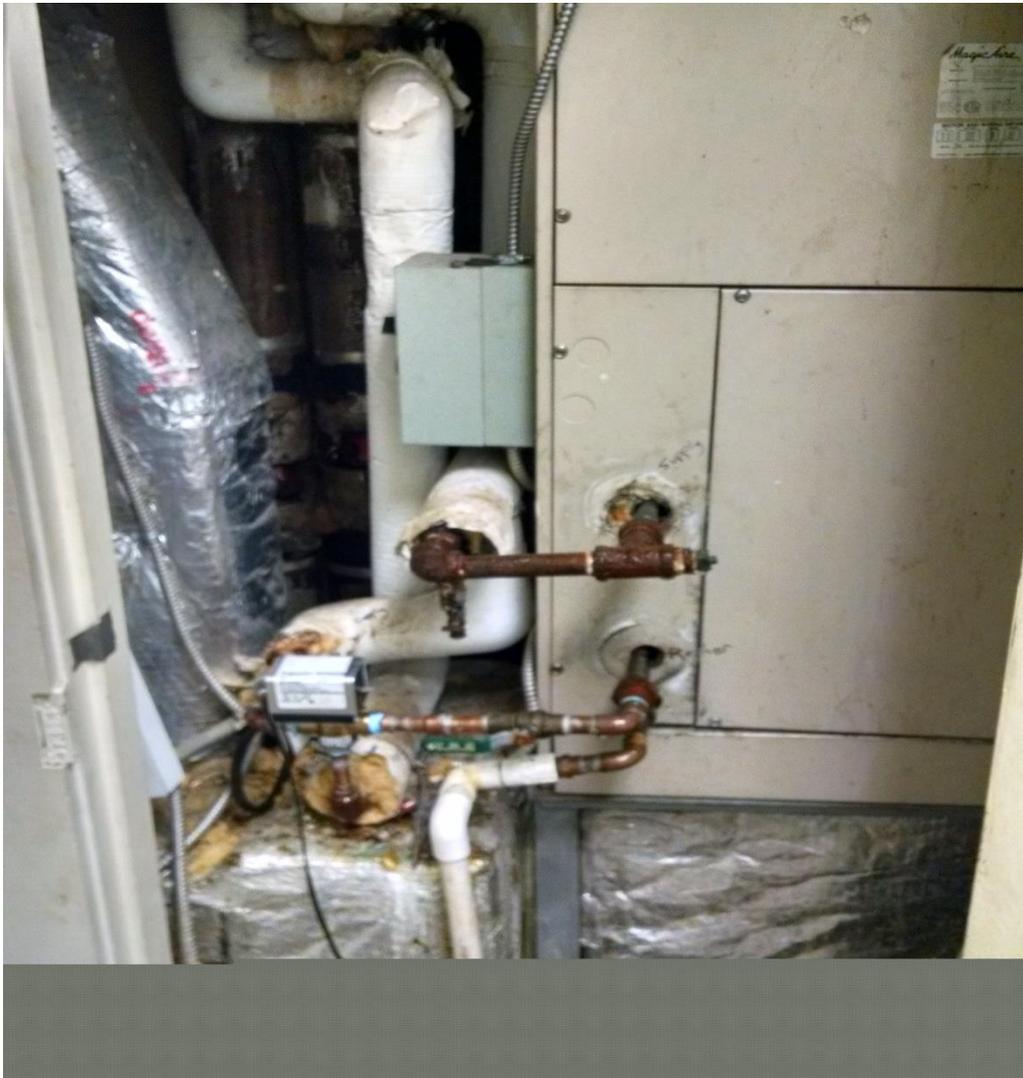
2. Madame John's Legacy HVAC Equipment Replacement (Estimated Cost \$280,000)

Historical significance of Madame John's Legacy's is provided in item # 1.

The HVAC system has exceeded the life expectancy. Being outdated (2000) and ineffective, this system has become costly and contributes to the depletion of the available maintenance funding each fiscal year. Replacement of this system is critical to keeping the proper temperature and humidity of the building stable which is essential to ensuring the integrity of the structure.

Additionally, the museum is planning on a major reinterpretation of Madame John's for our visitors and guests as the loan of the current exhibit is set to expire this fiscal year. This can only be accomplished if the environmental conditions (temperature and humidity levels) can be controlled properly in order that artifacts can be housed and placed on display within this structure, without risk of damage to the items.

Along with the HVAC system, the doors and windows need to be addressed. For air infiltration to function properly, the leaks around the doors and windows needs to be greatly reduced through repairs and replacements.



2Interior HVAC

3. Old U. S. Mint Water Intrusion – Window and Gutter Repair (Estimated cost \$250,000)

The Old U.S. Mint was built in 1835. This is the only building in America to have served both as a United States and Confederate Mint. President Abraham Jackson advocated the Mint's establishment to finance the development of the western frontier.

Due to age and environmental conditions, the windows on the first and second floor need repair and water proofing. Although the gutter system is copper, the seams have leaks and are causing moisture to be trapped within the walls. This is causing the deterioration of the interior plaster within the building. Moisture that is being trapped has allowed the Formosan termite to thrive in the building in the past and there is concern for the issue returning. The termites have caused damage to the window sills and trim on the interior of the 3rd floor.



3US Mint Interior

4. Lower Pontalba Water Intrusion – Roof gables and attic window repair and waterproofing
(Estimated Cost \$230,000)

The Lower Pontalba built in the late 1840's became a National Historical Landmark in 1974 for its early and distinctive architecture. It was the first building in New Orleans recorded for the use of elaborately designed cast iron railings.

The three gables atop the building facing Jackson Square are experiencing water intrusion. Due to the age and environmental conditions, the mortar has become brittle and cracked causing water intrusion to get into the masonry walls and cause damage to the interior plaster wall and ceiling structure.

The attic windows need repair and waterproofing, further amplifying the water intrusion issues. To access the windows for repair, a wrought iron front must be removed. This project will require a lift to access the work.



4Window from Interior

5. Lower Pontalba Rear - Roof Replacement (Estimated Cost \$420,000)

The Lower Pontalba houses commercial and residential tenants, which provide a large percentage of self-generated revenues for the agency.

Due to the age and environment, the rear sections of roof need extensive repair. Water intrusion is a constant battle at the copper flashings, gutters, and seams at the roof lines, causing damage to the exterior and interior of the building. Additionally, mortar work is necessary above the flashing and repair/replacement of loose and missing slates through the complex in the rear sections of roof is required.



5Pontalba roof

State Parks

Priority	District	Park	Project Name	Scope	Proposed/Orig. Budget
6	1	Bogue Chitto State Park	Replace Group Camp Floors	Replace subflooring and top flooring. Facility is closed for safety reasons and losing revenue.	\$100,000.00
7	3	Lake Claiborne State Park	Reroof cabins & lodges	Roofs nearing 30 yrs. old - replace w/ new asphalt shingles. Leaks cause damage and deterioration of cabin structures and interior contents. Potential to close (revenue loss), and cause more expense if not repaired.	\$60,000.00
8	1	Bogue Chitto State Park	Park-wide Lift Station Renovation	Replace all broken and missing pumps, floats, control panels, etc. Sewage problems will close park, incur fines (DEQ) for lift station overflows and failures.	\$100,000.00