

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE AIRPORT COMMITTEE MEETING
THURSDAY, OCTOBER 4, 2011 – 9:30 A.M.

The regular monthly meeting of the Airport Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, October 4, 2011 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 Saizan called the meeting to order at 9:39 a.m. and led in the Pledge of Allegiance.

The roll was which constituted a quorum.

PRESENT:

Chairman Darrel Saizan
Commissioner Pearl Cantrelle
Commissioner William Hoffman
Commissioner Romona Baudy

FURTHERMORE PRESENT:

Robert E. Smith Lupo

ABSENT:

Commissioner Wilma Heaton

STAFF:

Louis Capo, Executive Director
Sharon Martiny, Non-Flood
Fred Pruitt – Airport
Dawn Wagener – Non-Flood

ALSO PRESENT:

Alton Davis
Gerard Metzger
Charles Curtis
Steve Nelson
Albert Pappalardo

APPROVAL OF AGENDA

Commissioner Cantrelle offered a motion to adopt the Agenda, seconded by Commissioner Hoffman and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Commissioner Cantrelle offered a motion to approve the minutes of the September 8, 2011 Airport Committee meeting, seconded by Commissioner Hoffman and unanimously adopted.

REPORT ON CURRENT AIRPORT ISSUES

Mr. Pruitt reported that fuel sales were down in September by approximately 40,000 gallons which could be contributed to Tropical Storm Lee. There were virtually no fuel sales for a five day period. The operations count was up slightly from August (21.2) to September (21.8). The Airport is doing well on off-hour operations and moving toward extending tower hours.

The pre-construction meeting for the Bastian-Mitchell Hangar project was held last Thursday. The contractors will begin mobilizing with permanent fencing and getting ready to start that project. Flightline First was informed of two temporary areas that will be assigned during the project.

Mr. Pruitt advised that there is a possibility of getting stimulus money from the federal government if projects are shovel ready, if DEI and URS are working on those projects and if the AG's opinion comes in. This will enable the Airport to use the AIP money for other projects.

It is a state requirement that a Board resolution be passed for CIP funding. Mr. Pruitt advised to pass the resolution for future projects in the second half of the year so everything is in place. Requirements to obtain funding are to submit a summary of all Airport projects. The state will review the projects, grade them on priorities at state level and decide what Airport gets what. There is \$600,000 in the bank for this Authority to possibly use.

The Airport's general aviation inspection will be held on October 20th and 21st. GCR will be performing a class on airport inspections for airport inspectors around the country. This will benefit the Airport with extra training and a free class. GCR is the company that the FAA has contracted with for 5010 information and for training of airport inspectors.

Commissioner Saizan questioned if the Airport will get increased business with the public transit organization and the leisure parks conventions in town. Mr. Pruitt advised there will be a small increase in business but there is no large influx of aircraft. There is the FAA Conference in November which Mr. Pruitt will attend.

Mr. Pruitt informed that Mr. Velayos is expecting the federal government to release another pool of stimulus money. This stimulus money goes directly to the FAA and possibly the federal highway system for shovel ready projects. Commissioner Saizan informed that some of this stimulus money goes to the state in the form of a grant fee through the FAA. For the Authority to receive the stimulus money, DEI and URS will have to have projects the Authority has given them ready to go to bid. These projects include runway seal coating, painting and crack fill on Taxiway Bravo and the regulator building. These projects must be ready to go to bid and we have to have the AGs opinion. Mr. Metzger stated that he contacted the Attorney General's office and Jimmy Harris with Congressman Richmond's office who will look into the issue of the Attorney General's opinion. Commissioner Saizan added that Mr. Harris has worked for the Attorney General's office and is helping the Authority in making sure the issues are handled in a timely manner.

Mr. Capo informed the aviation counsel requested the Authority maintain a good relationship with Mr. Velayos because of ongoing issues with the Airport and the FAA. Mr. Capo requested approval for Mr. Pruitt to attend the FAA conference in Ft. Worth, TX. The cost of the conference is approximately \$2,000 which includes hotel and airfare. Commissioner Hoffman moved to approve Mr. Pruitt attending the convention and requested this item be put on the Agenda for the Finance Committee.

Chairman Lupo informed that Mr. Winthrop Perkins will be helping with real estate issues at Lakefront Airport as a result of the new buildings coming on line and possibly GLO Air coming to the Airport. Mr. Perkins will be arriving on October 13th and will meet with several committee members for a tour and briefing regarding the Airport, the construction team, the Lakefront Airport staff and the Executive Director's staff. There was a meeting with GLO Air and their finance consultant and there were questions which will require further meetings with the Authority and GLO Air in order to move forward with a commercial air carrier at Lakefront Airport. At that time, we will work out issues with the architect regarding what part of the Terminal Building they are going to use. Mr. Perkins will then provide estimates on what that space is worth to us and to the air carrier.

Commissioner Hoffman, Commissioner Saizan and Chairman Lupo are in the process of establishing a master business plan for Lakefront Airport regarding grants and a master plan for developing the Airport. The Airport is losing approximately \$630,000 per year. There will be a substantial change in that when the infrastructures come on line. The Authority has to produce income in order for the Airport to stand on its own feet and will then be able to get back the money that was loaned from the Authority to the Airport.

OLD BUSINESS

1) Update on Airport Terminal Interior Renovation and discussion on change order for hazard mitigation

Mr. Davis stated that the Airport Terminal project has been delayed approximately two weeks due to asbestos and lead paint found in the building. The contractor has agreed to a change order which will take approximately 1½ weeks. All paperwork will be in order by next Friday and ready for approval and signature. This can be done without an official Authority meeting and the abatement contractor should be on site one week from Monday. Abatement is an 8 week process so we will have lost 3 months, not 5 months. Construction will not begin until after abatement because of liability issues. The time frame is approximately June. RCL is working with Belou-Magner regarding ways to process shop drawings and materials. There was discussion regarding pay applications to be processed so the contractor can purchase materials in order to pick some time up. Belou-Magner is entitled to a delay time but there is nothing to say that this project can't be finished one month early. Belou-Magner is working with us to try to accomplish that. The contractor cannot physically be working in the building but can do things to keep it on track. Worst case scenario we are looking at three months. The cost of the abatement is \$450,000. Mr. Metzger is getting the legal language written as well as numbers for a formal change order price with the contractor's mark up and delays. We have money in the budget so that is not an issue; it is more of a schedule issue. Mr. Nelson added that through the insurance funding currently in the bank and through Mr. Davis' efforts and walking the site with FEMA, FEMA has agreed to pick up a portion of this cost. It does not look like we are going to have issues on the budget or with sacrificing any alternate projects.

2) Update on construction of the Bastian-Mitchell Hanger

Mr. Davis informed that there was a pre construction meeting and there are crane studies underway with the FAA. RCL is working with Mr. Pruitt to determine the staging and scope of work and how the area might be impacted by repairs to the ramps. The footprint may be reduced initially because it is all demolition of concrete. When cranes are erected, the footprint needs to be enlarged. By that time, the ramp repair may not be an issue. Staging will begin next week so plans need to be finalized regarding how to work around that. The schedules and paperwork are in order and the completion date is 12 months from when the contract is signed. Notice to proceed has been given.

Commissioner Saizan questioned the DBE interface. Mr. Davis informed that the contractor will submit the first pay application along with the DBE information. A final list of sub-contractors will be submitted before construction begins. That would be the basis for the first pay app in DBE participation. Ms. Marchand has to get all of that information. Mr. Davis stated that on the interior project, Belou-Magner's labor forces are from a local DBE laborer and most of the painting is by local DBE participants. Some of the specialty work on the interior is out of state given the nature of the trade. On the Bastian-Mitchell project, participation is going to far exceed the voluntary DBE requirements.

Chairman Lupo questioned what areas are presently being used by Flightline and where they are going to be when construction starts. Mr. Davis informed that the new hanger is almost the same footprint. The old hangar had entrances on both sides which was inefficient. The new hangar will have one large entrance.

Space could be limited pretty tight for demolition but when they erect the steel there will be several cranes so the area will need to be enlarged. Mr. Curtis questioned if the cranes would infringe upon Flightline's leasehold because the legal complaint to the FAA states that ramp repairs will block an area of ingress and egress and there will be virtually no space for them to get in and out. The repair should be made as soon as possible. The area of construction will have to wait until the repair is made. Once the repair is made, they can come in and out. Mr. Davis advised that the area Mr. Curtis is referring to is only demolition and new concrete. All of the pilings are in another area so we can work around this.

Commissioner Hoffman questioned Flightline's permanent leasehold and what is month to month. Mr. Curtis informed that Flightline's month to month lease is the Bastian-Mitchell space. Chairman Lupo questioned how their permanent space could be directly in front of Bastian-Mitchell. Mr. Metzger stated that when Randy Taylor was Aviation Director, that was his footprint for the space. When Flight Line's lease was signed in 2007, the Bastian-Mitchell structure itself was still in place. There was no discussion at that time of making them a new hangar with access from the main runway. When Flightline came in 2007, they wanted additional space as part of their permanent leasehold. Commissioner Hoffman requested an exact outline of Flightline's permanent lease for the next meeting to understand what Flightline has and whether there is egress into Bastian-Mitchell. Commissioner Saizan requested Mr. Metzger review the lease and inform the Board exactly what it is.

Mr. Curtis advised that Flightline was evicted from their month-to-month lease from the Bastian-Mitchell space and the Authority agreed to give Flightline alternate space to lease on a month-to-month basis to replace the Bastian-Mitchell. This is not a legal requirement. Chairman Lupo requested Mr. Pruitt provide the Airport Committee with a colored-in rendition of a map of the area showing what is under lease permanently and to who. Mr. Davis added that something may be able to get worked out with Aero Premier to get access from that side. There may be options to resolve this. Mr. Metzger informed that Flightline and Aero Premier's leases are 20 year leases. The leases were signed in 2007 and 2008 and there is an option to renew next year. You cannot change what would be their permanent lease when they have an option to renew. They have an option to renew their existing lease just like any other option to renew in a lease.

3. Discussion and approval to repair sections of air side ramp

Mr. Capo informed that the approval needed is on the budget obligated list. The vendor is Durr Heavy Construction for ramp panel repair for Flightline. This went out to bid and Mr. Steve Nelson of Stuart Consulting put together the specs. Two bids were received and Durr is the low bid at \$76,000.00. We are ready to move forward with approval. Mr. Capo requested committee approval to move forward so the contractor can begin. The contract can then be ratified at the Board meeting on October 20, 2011. Commissioner Hoffman made the motion to proceed with the repair of the side ramp, seconded by Commissioner Cantrelle.

Mr. Nelson added that there is one alternate item for addition of sand in the event the sink hole is due to a subsurface condition. That amount is \$8,000 for 300 cubic yards and it is a unit price contract. The contract documents specify that it will be paid only when the sand is inserted. Mr. Nelson recommended adding the alternate. Commissioner Hoffman amended his motion to add the alternate, seconded by Commissioner Baudy and unanimously adopted.

4. Discussion on the 2102 proposed budget revisions for Lakefront Airport

Mr. Capo advised that one of the budgeted adjustments for the Airport is BLD Services for a broken sewer line which was repaired at a cost of \$14,987.00. Mr. Win Perkins, Airport Aviation expert on real estate, was also added. Mr. Perkins

cost is \$20,000 for all upcoming Airport work. Another sink hole has developed that may have been caused by directional drilling by Landmark. Quotes were received and CT Traina was the lowest bid at \$1,500 for the 1st day and \$1,200 each subsequent day. It appears the tenant caused this problem as there are scrape marks where the directional drilling bit went through. This will be investigated and the data and facts will be presented to Landmark. There may be some reimbursement on that. There are issues with couplings and pipes which will be investigated and repaired if any damage is found. That cost is approximately \$20,000. The ramp repair was just passed for \$80,000 and the sign and site plan for Richard Lambert was approved at the previous budget meeting for \$25,000.

NEW BUSINESS

1) Discussion and approval to repair sink hole located on south access road near Aviation director's office

Mr. Nelson informed that five quotes were received for repair of the sink hole and the lowest bidder was C.T. Traina at \$1,500 for the first day and \$1,200 for each additional day. This should be finished by Friday. The FBO responsible has inspected the site. Mr. Pruitt added that the General Manager and Line Manager were notified and both viewed the hole. Neither was notified in writing. Mr. Metzger added he would notify them in writing of the sink hole repair costs.

2) Discussion and approval to provide Flightline Ground, Inc. comparable ramp parking space during ramp repair and construction of the Bastian-Mitchell Hangar

Commissioner Hoffman advised to defer this issue until more information was obtained regarding the lease and ramp space.

3) Discussion on marketing plan for Lakefront Airport

Chairman Lupo stated that it is important to get the message to the community regarding the story of the Airport Terminal Building. We need to get in front of the stories with positive reports relating to the Authority. Chairman Lupo suggested that a public relations firm speak on behalf of the Authority so we can be on the offensive regarding news stories. Mr. Vincent Caire informed the Board that he has a background in marketing and previously produced a documentary on the Airport. Mr. Caire offered to assist the Management Authority with marketing the Airport. Mr. Tom Long stated that he is a resident of Orleans Marina and would also assist in marketing the Airport and South Shore Harbor. The Times Picayune is working on a major story about sailing in Lake Pontchartrain because we are hosting a world championship that will bring in about 60 boats from all over the United States, Germany, Canada and the Cayman Islands.

4) Discussion on State of Louisiana, Department of Transportation and Development, Division of Aviation's Capital Improvement Program (CIP) funding for Airport projects for the upcoming year

Commissioner Hoffman offered a motion to approve CIP funding request for Airport projects for the upcoming year, seconded by Commissioner and unanimously adopted.

ADJOURNMENT

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

ANNOUNCEMENT OF NEXT MEETING

The next Airport Committee meeting is scheduled for Thursday, October 4, 2011 at 9:30 a.m.

The meeting adjourned at 10:55 a.m.