

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE AIRPORT COMMITTEE MEETING
TUESDAY, FEBRUARY 7, 2011 – 9:30 A.M.

The regular monthly meeting of the Airport Committee of the Non-Flood Protection Asset Management Authority was held on Tuesday, February 7, 2012 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 9:30 a.m. and led in the Pledge of Allegiance.

The roll was called which constituted a quorum.

PRESENT:

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

STAFF:

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

ALSO PRESENT:

Gerard Metzger
Steve Nelson
Albert Pappalardo
Valentino Rovere
Addie Fanguy
Wesley Mills
Charles Curtis

APPROVAL OF AGENDA

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

APPROVAL OF PRIOR MINUTES

Commissioner Cantrelle offered a motion to approve the minutes of the January 12, 2012 Airport Committee meeting, seconded by Commissioner Hoffman and unanimously adopted.

REPORT ON CURRENT AIRPORT ISSUES

Fred Pruitt, Acting Director of Aviation, reported that the recent NBAA event went well and introduced Addie Fanguy with Landmark Aviation to speak regarding the event.

Mr. Fanguy informed the committee that Landmark hosted the NBAA regional event that attracted people from all over the United States and several people from out of the country. Landmark put on a good show with good public relations from New Orleans and Lakefront Airport. Mr. Davis gave a presentation that included the history of Lakefront Airport. The static display went well and the weather cooperated.

Bringing back the NBAA national convention to New Orleans Lakefront Airport could bring in \$100 million to the City in economic impact generating approximately 40,000 people for the show which could possibly occur 3-4 years down the road. Of all of the locations for the NBAA convention, New Orleans is the favorite spot by far. Chairman Saizan noted that the next available date for the NBAA convention is 2016 or 2017 and suggested a committee be put together to attract people as the NBAA conference is a high ticket convention.

Mr. Fanguy informed that Landmark is considering performing an extensive study with respect to bringing the Charter Department to Lakefront Airport. Landmark charters and manages 70 planes throughout the United States and hopes to expand that network. Landmark is in discussions with private aircraft owners to place their aircraft on a charter certificate with Landmark so aircraft can generate funding when not in use. This would provide an array of available aircraft for charter use. Landmark is moving forward on this issue because there are no professional charter operations in New Orleans and would bring national and international marketing as well as top notch maintenance and aircraft to New Orleans Lakefront Airport. Additional runways would not be needed at Lakefront Airport to accommodate a charter operation because the infrastructure is fine.

Landmark is also considering the possibility of a complete MRO (maintenance, repair and overhaul) facility which is an FAA certified maintenance facility that would partner with Delgado to form a maintenance operation and training program for the youth of the city. Currently, there is a lack of maintenance technicians and air traffic controllers. There may also be a federal program available based on the need for maintenance technicians.

Mr. Fanguy informed that there are 50 Landmark facilities in the United States, 2 in Canada and 2 in France. The majority of charter aircraft coming out of New Orleans would be mid-size and smaller jets with 6-9 seats as they are the most common.

Mr. Fanguy addressed the issue of noise from the aircraft in the surrounding neighborhoods and informed that most pilots are familiar with noise abatement procedures. Based on weather conditions and directions given by air traffic control, aircraft may be directed over surrounding neighborhoods. Flight paths are based on safety issues in which the FAA performs extensive studies. Paths cannot be changed as the FAA has the ultimate decision on paths that aircraft follow. The flight paths at Lakefront Airport were established 10 years ago. Mr. Pruitt advised that there would be noise from aircraft the entire week of the Air Show. Chairman Saizan informed of an upcoming meeting with the promoters of the Air Show to advise residents of what to expect with the upcoming event.

Mr. Pruitt informed that the Lakefront Tower had the yearly safety meeting. The Airport was toured and the FBOs brought people in along with the fire captains and the FAA's Runway Safety Team. Some hot spots were found on the Airport. Hot spots are FAA designations on an airport where there are repeated incidents of a pilot having deviation and confusion on a regular basis. The FAA puts out a diagram for the Airport that shows the hot spots with a dialog box and the problem area to be aware of. Markings are increased to keep an accident or incident from occurring. Some surface painting lines that faded within the past few months will need to be repainted to bring Lakefront Airport up to standard. The Tower conducted the Operation Rain Check safety meeting for all pilots in the area which produced approximately 75 attendees. The FAA gave a good presentation and everything went well.

OLD BUSINESS

1) Update on Airport Terminal Interior Renovation

Mr. Davis informed that the Terminal interior restoration is scheduled to be finished in late July or early August with no additional expected surprises. Several shop drawings were received which required some lighting circuits to be reworked, but nothing to change the schedule. There was discussion regarding interior construction to build out tenant spaces. There is a method for tenant build out without impacting operations at the terminal. The interior build out can proceed and the Terminal will still be accessible.

2) Update on construction of the Bastian-Mitchell Hanger and James Wedell Hangar

The Bastian-Mitchell Hangar is scheduled for completion December 15th. This includes delays with the pile driving operations which the FAA limited in terms of IFR and the height of the crane. There should be no further delays and Mr. Pruitt has been very helpful with that. Walton has been very aggressive in trying to push the schedule up as they want to complete the project as soon as possible. Mr. Davis is confident that the schedule will be met and the project will be complete before the Super Bowl.

A bid recommendation was made on the James Wedell Hangar for GM&R Construction as the low bidder who met all requirements. A bid recommendation letter was issued to the Authority. We have spoken to GM&R regarding providing breakdowns for FEMA funding. There are items that are not eligible such as the canopy and some of the parking area and a breakdown of that was provided to Stuart Consulting. The contracts are underway with Mr. Metzger which will be signed in the next week or two with construction commencing in the next 2-3 weeks. This schedule is 10 months and should be completed at the end of the year.

The Walter Wedell Hangar has not been put to bid. This project may be postponed due to FEMA issues and the need for additional funding.

Chairman Saizan informed that DBE participation is important. DBE's from Orleans Parish need to be employed as part of the rebuilding process. The FAA is serious about DBE participation and we have a goal as a Board because it will have an impact long term. We need to have as much inclusion as possible from Orleans Parish residents in rebuilding these facilities.

Mr. Davis informed that he worked with Ms. Marchand on the James Wedell and Bastian-Mitchell Hangars and all DBE's were invited to the pre-bid conferences. All contractors have been informed that this is not about voluntary DBE requirements, it is about local employment. Most of the companies are using local providers as much as possible even if the DBE requirement is not met. GM&R is a good company who will work with those goals. The by-laws written by the Orleans Levee District state that there is a 16% voluntary disadvantaged business enterprise, it is not mandatory. Some of the DBE goals at the Airport are unrealistic because they exclude people who are better qualified from bidding the job.

Commissioner Hoffman clarified that the DBE standard and the Orleans resident standard are two entirely different standards which conflict numerous times and is an issue that needs to be solved. Mr. Davis informed that the Authority is starting from scratch and could meld the two into something that would work locally and disadvantage wise. That is what needs to happen to make it effective and this Authority could be a model.

Nina Marchand, Compliance Director for the Authority, informed of a successful disparity study that was made in which the Orleans Levee District did not participate. This Board came up with an agreement to put the 16% in place for

non federal projects. When a goal is put on non-federal projects those goals are met. When a non federal project is being pre-bid the 16% participation is mandatory. You want the non federal projects to be mandatory because the contractors want to come back and do business and try to get that 16%.

Commissioner Hoffman added that DBE participation has been a topic of the Board and should be revisited at least once a year to make sure that it is current. We need to conduct a survey of what other entities are doing. Standards need to be set that people can actually achieve.

Chairman Saizan questioned the cost to relocate the Four Winds Fountain. Mr. Davis informed that it is not that much to move the fountain but you have to build a new foundation and decide if it will be an operational fountain. It was in a good place until they built the Seabrook overpass. The fountain needs to be fixed and operational because if it is running people would look at it. There are options to enhance the current location of the Four Winds Fountain such as erecting mounds behind the fountain to create a backdrop so the fountain can stand out or placing new signage in front of the fountain. There is a bluff near Downman Rd. that the fountain can be placed on that is framed by palm trees that would catch the eye. There is a section of seawall which in the near future will no longer be useable. This concrete wall blocks the view of the fountain from Downman Road. Demolition of the wall and creating mounds is a minimal cost. Mr. Pruitt advised that the Airport through the FAA is pressuring the Corps to remove the wall as it is an obstruction to air traffic and is no longer a functioning wall. Chairman Saizan requested a schematic of what could be done to enhance the fountain along with what each option costs.

3) Discussion on the Non-Flood Protection Asset Management Authority's participation in the Louisiana Unified Certification Program (LAUCP)

In 2004, an agreement with the State of Louisiana Dept. of Transportation along with a Memorandum of Understanding with other public entities formed the New Orleans Metropolitan Certifying Agency. The entity certifies that disadvantaged businesses are placed on the LAUCP list. Staff recommends that the Authority not perform certifications but continue using firms placed on the list that were certified by the Dept. of Transportation, the RTA or the Louis Armstrong Airport. The Authority lacks the financial resources and manpower to perform certifications. Chairman Hoffman informed that certifications are performed by the RTA and Louis Armstrong and this Authority should be able to use that list. The certification process can be cut without damaging any programs as it does not impact any policies or goals of the Authority.

Mr. Capo informed that there are presently 2 employees in the Compliance Dept. One person will be retained to handle compliance for DBE and FAA requirements and will work in the Airport offices saving the Authority over \$120,000 per year. A Board resolution is needed to release the Authority from performing certifications. A recommendation from Louisiana UCP's executive group to the U.S. Dept. of Transportation will release this Authority from the certification process. This Authority is presently a certifying entity recognized by the U.S. Dept. of Transportation and cannot unilaterally stop certifying due to a contractual obligation with the La. UCP.

Commissioner Heaton suggested language in the resolution be drafted that reflects sensitivity to the Authority's goals. We also need to know what agencies in this area certify and the status of that certification. Mr. Curtis noted that RTA, Armstrong and the Levee District perform certifications in this District. DBE certifications are updated yearly so there is work on an ongoing basis. In amending the agreement the entire workload is transferred to the other certifying agencies with the agreement.

Ms. Marchand noted that the U.S. Dept. of Transportation informed that the process to release the Authority from performing certifications could take 180 days because of the legal documents. Commissioner Hoffman advised that the Authority's legal counsel is involved in the process to make sure the Board goes through the proper procedures as to not abandon our responsibility.

Commissioner Hoffman moved to recommend the Authority withdraw participation in the Louisiana Unified Certification Program, seconded by Commissioner Cantrelle and unanimously adopted.

4) Discussion on Fiscal Year 2013 Budget

Mr. Capo advised that at the January 24, 2012 budget hearing the combined budgets for the Fuel Farm and Airport Admin. reflect a \$635,480 loss. Adjustments were made to the budget including additional revenues and reductions in expenses for a combined loss at the Airport of approximately \$220,000. The buildings included were the Terminal Building, Bastian-Mitchell Hangar, James Wedell Hangar and the National Guard Building for a \$90,000 increase to the land rents revenue. Fuel Farm projections include the upcoming Super Bowl in February of next year which will produce an anticipated revenue increase at the Fuel Farm of \$29,000.

On the expense side, the FAA is not going to increase the hours of the tower which presently operates from 8:00 a.m. until 6:00 p.m. We had proposed to hire 3 additional firemen. In this budget we will replace the one fireman that resigned. The three additional firemen are being removed until we go through the Part 139 process resulting in a \$200,000 savings. Professional Services for the Airport was reduced by \$124,000. That is how we got to the \$220,000 loss for the Airport. Last year's loss was approximately \$156,000.

A meeting is scheduled with the insurance broker to project the cost of the new buildings coming on line. To insure the James Wedell as a \$7 million building will cost approximately \$60,000 or \$5,000 per month between flood, wind and fire. This does not include rent or other costs that are passed to the tenant. There will be discussions regarding what value the buildings should be insured for. The building will not be insured for \$7.3 million because there will not be a total loss of pilings or slab. We will further refine the Airport budget and go back to Mr. Perkins with better numbers on the insurance to obtain rental rates and how it can be projected going forward.

Chairman Saizan questioned if there was any hope of FEMA reversing their decision on the roadway repair. Mr. Nelson informed this was possible but we have to get something from FEMA in writing so we can formally appeal that decision. If the criteria for reimbursement is "inundation followed by heavy loads" this seems to be an arbitrary decision rather than one based on the survey. The cost to repair the roadway is approximately \$160,000-\$180,000 although there are cheaper options to put a superficial fix on the roadway. The best option would be to mill, overlay and then stripe because the base is not failing. We will continue to push the issue.

ADJOURNMENT

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

ANNOUNCEMENT OF NEXT MEETING

The next Airport Committee meeting is scheduled for Tuesday, March 6, 2012 at 9:30 a.m.

The meeting adjourned at 10:42 a.m.