

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY  
MINUTES OF THE AIRPORT COMMITTEE MEETING  
TUESDAY MARCH 6, 2014 – 9:30 A.M.**

The regular meeting of the Airport Committee of the Non-Flood Protection Asset Management Authority was held on Tuesday, March 6, 2014 at 9:30 a.m., in the Lake Vista Community Center, 2<sup>nd</sup> 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 Heaton called the meeting to order at 9:50 a.m. and led in the Pledge of Allegiance.

The roll was called which constituted a quorum.

**PRESENT:**

Chairman Wilma Heaton  
Commissioner Pearl Cantrelle  
Commissioner Darrel Saizan  
Commissioner Pearl Cantrelle

**FURTHERMORE PRESENT:**

Commissioner Robert E. Smith Lupo

**STAFF:**

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

**ALSO PRESENT:**

Gerard Metzger – Legal Counsel  
Al Pappalardo – Real Estate Consultant  
Steve Nelson – Stuart Consulting Group  
Brayton Matthews – Flightline First  
Bonnie Schumaker – Flightline First  
Alton Davis – Richard C. Lambert  
Frank Rivette – NOAA  
Richard Spiers – URS  
Ron Murlina - ServiceMaster

**APPROVAL OF AGENDA**

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

**APPROVAL OF PRIOR MINUTES**

Commissioner Baudy offered a motion to approve the minutes of the Special Airport Committee meeting on November 21, 2013 and the Airport Committee minutes of December 5, 2013, seconded by Commissioner Stack and unanimously adopted *in globo*.

**REPORT ON CURRENT AIRPORT ISSUES**

Fred Pruitt, Airport Director, reported February fuel sales of \$243,000. Tim Gaines, the Authority's URS contact, is leaving URS and Richard Spiers will be taking Mr. Gaines' place. The two projects that Lakefront Airport will be applying for next year are the construction phase of the taxiway rehab and improved Airport drainage design. The Wildlife Hazard Assessment is underway, the taxiway rehab is in the design phase and pilot controls are 99% installed. Next year the state will fund an additional \$100,000 for electrical improvements to the transformer vault.

The latest correspondence regarding PAPI lights received from Frank Landrum stated that PAPIs for 36-L (main runway coming in over the canal) were near completion. The FAA is compiling a study to determine how many technicians it would take to bring the rest of the PAPIs back on line and did not give any time frame for completion. Chairman Heaton requested a meeting to determine how the Authority can expedite completion of the PAPI lights as it is a critical issue for Lakefront Airport. The item will be kept on the Agenda and updated monthly until the project is complete because many calls have been received on this issue.

## **PRESENTATIONS**

### **Frank Rivette, NOAA**

Mr. Rivette requested approval to utilize Lakefront Airport for a Hurricane Awareness event on May 21, 2014. The NOAA Hurricane Reconnaissance Aircraft travels along the Gulf Coast providing media interviews and general hurricane awareness. The NOAA P3 hurricane reconnaissance aircraft will be open to school tours and news media will interview meteorologists, on-flight engineers and pilots. This is a good public relations item that raises awareness before the hurricane season. The event wraps up at 6:00 p.m. and there is no cost to the Authority. The NOAA aircraft will purchase fuel from one of the FBOs. Chairman Heaton requested the item be placed on the Board Agenda. Mr. Rivette is invited to attend the full Board meeting and give a presentation to further publicize the event as the Board Agenda is circulated publicly and to the media. Mr. Rivette advised that NOAA public relations will release a statement listing airport location stops for the Hurricane Awareness tour

## **NEW BUSINESS**

### **1) Update regarding the CAF/WW2 Museum Air Show**

Steve Watson, World War II Museum, stated that the WWII Museum has a partnership with the Commemorative Air Force (CAF) and would like to establish an annual air show at Lakefront Airport. The first public event, the Air Power History Tour, is scheduled for October 25 and 26, 2014. The CAF will bring in the only flying B-29 in the world and other WWII aircraft. This event will not be a flying air show, but the public will have the opportunity to board the cockpit and pay for rides in all aircraft as well. There will be a large quantity of fuel consumed during the event. The WWII Museum hosts large international conferences and has a good team that can execute this event in partnership with the CAF. Mr. Watson requested the Airport Committee's support and approval to host this event at Lakefront Airport.

Chairman Heaton recognized Commissioner Lupo for paving the way for the event and noted that Commissioner Cantrelle is very active in the community and can further market the event as there are many citizens that would visit Lakefront Airport to see these aircraft. Commissioner Lupo added that the WWII Museum is an incredible plus to New Orleans and the surrounding region. This is an exciting event that will boost fuel sales and raise public relations and exposure for Lakefront Airport and the Terminal Building. The event will be a big plus for Messina's, the Authority's catering and restaurant operator. Commissioner Lupo thanked Mr. Watson for bringing the event to Lakefront Airport and looks forward to a partnership between the WWII Museum and Lakefront Airport for future events.

Chairman Heaton noted that the item will be on the Board Agenda and requested Mr. Metzger, legal counsel, prepare a Resolution of Support that lays out the event for any future relationship with Lakefront Airport. Commissioner Lupo stated that the Resolution of Support will show both the Museum and the CAF that the Board supports this event.

## **2) Update by Stuart Consulting Group on Airport projects**

Steve Nelson, Stuart Consulting, reported that the James Wedell Hangar should have substantial completion by the end of March. The State Fire Marshall walk through is scheduled for March 12, 2014.

The Terminal exterior has issues with the portico roof, which have to be addressed by Lathan. No major complaints have been received, but there may be minor issues. It must be determined that the contractor has made the repairs as agreed and confirm that the warranties are in place going forward. New sweeps were placed in the doors and seals on the window sills were replaced. Mr. Pruitt noted that windows and door sills still have issues. Mr. Nelson has requested a response from Lathan for that particular issue, but no response has been received. Stuart Consulting will continue to coordinate with Lathan to ensure that all issues are addressed.

Mr. Metzger received information regarding the Terminal interior and will contact Belou-Magner's attorneys to discuss handling of the liquidated damages (LDs). The Authority has the money for LDs in the bank, which has not yet been an issue with the contractor. That project is complete with the exception of discussions between legal counsel.

Site paving at the Bastian-Mitchell Hangar will be addressed in Agenda Item 7. A meeting is scheduled with FEMA to discuss minor change orders and to secure the remaining reimbursement. There is one minor IDIQ project regarding subsidence on the airfield and drain repairs. A contract was awarded in the amount of \$32,000 and the contractor is expected to begin the CCTV next week.

Mr. Nelson noted that the Biggers-Water Act is more of a residential issue with homeowners, but that is not to say it could not affect the Airport. Commissioner Lupo noted that the Act upsets the V-zones, and the Authority's rates are based on V-zones. Mr. Nelson advised that he would research information on the Act and provide Mr. Capo with the information.

## **3) Discussion and approval of a janitorial service contract with Servicemaster for an amount not to exceed \$34,042.92 per year plus waxing as requested at \$3,245 per wax for the Terminal Building at Lakefront Airport**

Ron Murlina, ServiceMaster, informed the Committee that ServiceMaster is a certified green cleaner and the only GS42 Green Seal independent. ServiceMaster will bring its products, systems and method of cleaning to Lakefront Airport. These are no VOCs, dyes, or sulfates in the non-allergenic products. Due to the new facings, casings and materials at Lakefront Airport, it is critical those surfaces be maintained to avoid scarring. ServiceMaster is pleased to be selected as the custodians of the Terminal Building and look forward to the opportunity.

Mr. Pruitt advised that five (5) bids were received for janitorial service: ARC, Corvis, Elite, JaniKing and ServiceMaster. The bid also went to Joan Coates in Compliance. The dollar amount on the contract represents all available space in the building and is the maximum amount of the contract. As the building is not 100% occupied, a dollar amount of \$26,616 was calculated on current occupancy. Mr. Murlina informed that the contract provides a stone stripping and re-finishing of the terrazzo and floors. Burnishing is provided two times per month and should maintain the surface on the first and second floor and the stairwell. ServiceMaster bid \$3,245 per floor waxing, which waxing would be requested by staff depending on the amount of traffic in the building. The bid includes both common areas and office space. Janitorial service is one component of the rent.

Commissioner Lupo requested to review the contract to determine what is offered. The quality of ServiceMaster is impeccable and the Terminal Building requires a company of that stature. Commissioner Heaton noted that the Terminal Building requires that level of service, but due to the dire budget circumstances requested to move the contract forward subject to funding. The item will be placed on the Board Agenda and the Finance Committee will review the contract and cost.

Mr. Capo informed the Committee that Messina's expressed a desire to buff the floors at certain times due to events in the atrium. Commissioner Lupo suggested meeting with Messina's to discuss waxing charges as Messina's would be impacted the most and those charges require discussion with the tenant using that space. This may be the tenant's responsibility and could be an issue that can be negotiated. Mr. Capo stated that Messina's expressed an interest to have the restaurant open by mid-March. Chairman Heaton requested George Messina attend the next Board meeting on March 20, 2014.

Commissioner Stack offered a motion to recommend a contract with ServiceMaster depending upon funding, seconded by Commissioner Baudy and unanimously adopted. Chairman Heaton requested the contract be distributed to the Board members.

**4) Discussion and approval of a service contract with Siemens Advantage Services in the amount of \$19,774 for HVAC service in the Terminal Building at Lakefront Airport for year one with escalating costs for year two in the amount of \$20,367 and year three in the amount of \$20,978**

Mr. Pruitt informed the Committee that this is the service contract for the HVAC system, which was bid to several companies. Two responses were received. HG Services withdrew their first bid of \$17,788 and submitted a higher second bid of \$28,390 annually. HG Services installed the system and did not take into account the complexity of the equipment. Siemens Advantage Services bid \$19,774 annually and offered two additional years that escalate slightly with year two being \$20,367 and year three being \$20,978.

Mr. Pruitt advised that a scope was sent to all large companies that did HVAC maintenance work in the area and the one DBE on Ms. Coates' list and only two responses were received. The bid went to five companies, but was not advertised in the paper or posted on the website. Chairman Heaton advised that there was a major association of air conditioning dealers and stated that the bid may not have reached the appropriate conduits that have lists. This is a critical issue and an expensive item for the Authority. Mr. Pruitt stated that the HVAC system requires immediate servicing and the Authority does not have the staff, ability or expertise to service the system properly, which could void the warranty. Commissioner Cantrelle suggested checking the state contract, advertising the bid on the website and sending the bid to additional companies.

Alton Davis, RCL, advised that the Authority is tempting the warranty by not servicing the system in a six month period and recommended hiring the contractor who installed the system to perform a one-time HVAC service immediately to protect the warranty. The cost is approximately \$5,000, and it gives time to appropriately bid the contract.

Chairman Heaton requested this item be put on the Board Agenda without recommendation. A one-time maintenance can be performed and bids can be sent to companies approved on the state contract. A full report can then be given to the Board and the Committee could move forward and address the maintenance issue.

**5) Discussion regarding the status of the PAPI lights at Lakefront Airport**

This item was addressed under Presentations.

**6) Discussion and approval of RCL's additional services and fees due to construction delays on the James Wedell Hangar which will be compensated from the liquidated damages assessed to the contractor, GM&R Construction Company, Inc.**

Mr. Davis stated that the RCL contract expires March 30, 2014 and requested the Authority extend the contract on the same terms and conditions. The contract extension is for an additional three months in the event there is a warranty issue that has to be addressed. There is a liability issue in working without a contract. A contract extension is not a direct cost to the Authority. The cost is due to additional services that come out of liquidated damages. Mr. Nelson explained that this is a hidden condition the contractor includes in the bid. FEMA will cover the cost of the change order and ancillary costs including project management and contract administration. FEMA looks at who is responsible for the delay and wants the cost paid out of liquidated damages. The contractor is responsible so the LDs cover that cost.

Commissioner Baudy offered a motion to recommend a contract extension for RCL, seconded by Commissioner Cantrelle and unanimously adopted.

**7) Discussion of apron repairs at the Bastian-Mitchell and Flightline leaseholds by Walton Core Construction due to damage caused during construction**

Mr. Nelson informed that the concrete issue in front of the Bastian-Mitchell Hangar has to be resolved before the contract is complete. The contractor elected to pour site concrete and place structural cranes on the site concrete. There is correspondence in which the contractor was warned of the potential for overloading site concrete. There are two options for Committee and Board consideration. RCL, the engineer of record, recommended the contractor remove and replace several areas of cracked concrete on the apron. The contractor prefers to mill and overlay. The contractor must be advised in writing of preferred method of repair. If the contractor has an issue with the, he will have to proceed accordingly. Mr. Davis noted that the contractor could sue the Authority as the retainage has not been released to make the repairs.

Mr. Davis added that DOTD's recommendation was to remove and replace the concrete. An RCL engineer assessed the damage and marked areas that required replacement and areas that could be repaired and meet DOTD specs. The contractor's engineer stated repairs could be made with asphalt. Commissioner Heaton noted that the Authority rejected the asphalt repair option. Commissioner Stack advised that the Authority must set a time line for the repairs. The contractor must make a decision or the Authority will pay for the repairs and sue the contractor for repair costs. Mr. Nelson advised that notification would be sent to the contractor demanding action be taken by a certain date. If the contractor does not take action, the Authority will obtain prices and move forward with repairs.

Mr. Metzger advised that no motion was needed for this item. The Authority will put the contractor on notice of the repairs and advise of a deadline. If the contractor does not perform the required repairs, the Authority will hire a contractor. Mr. Nelson advised that FEMA money is retainage that the Authority is holding in the bank. The Authority has not been reimbursed for this project and the money will come out-of-pocket for the repair work. Mr. Nelson noted that funding will be determined between GOHSEP and FEMA to ensure money is in the bank prior to the repairs.

Chairman Heaton advised legal counsel and staff have to keep an accurate record of what the Authority's consulting engineer recommended should it be required later.

**8) Discussion on leases at Lakefront Airport with New Orleans Mosquito and Termite Control Board**

Mr. Metzger advised that the Authority adopted two Resolutions in the summer of 2012 authorizing two leases requested by the City. In December 2012, the Authority pressed Mosquito Control to sign the leases and Mosquito Control came back with a Cooperative Endeavor Agreement. The Authority advised Mosquito Control of its position regarding the two Resolutions. At the Special Finance Committee meeting there was a unanimous vote regarding the Mosquito Control leases. A Notice of Default giving final notice to move out was sent to Mosquito Control which caused an explosion at City Hall. Mosquito Control then responded with another Cooperative Endeavor Agreement.

Commissioner Lupo advised that this issue has been formally addressed multiple times. As I was Chairman at that time, there is reference in Mr. Grant's letter regarding comments made that are not correct or truthful. This Authority has acted appropriately, understanding the delicacy of two authorities working together. The City is taking an obstinate position. Chairman Heaton requested an answer be prepared in response to the letter from Mr. Grant for signature by the former Chairman and current Chairman to correct the inaccuracies of Mr. Grant's letter. The Authority has a fiduciary responsibility regarding this matter. Commissioner Lupo added that the letter could correct the inaccuracies and advise Mosquito Control that the Authority is proceeding forward with eviction.

Mr. Capo noted for the record that the Mosquito Control leases total approximately \$41,000 per year. Mosquito Control advised it would provide the Authority with in-kind services such as mosquito spraying. Chairman Heaton noted that Mosquito Control's legal representatives came before the Board and made public representations and requested the Board's support. A price was agreed upon and it is unfortunate that representations were made and that something else occurred. The Chairman requested that this issue be wrapped up as quickly as possible.

**9) Discussion to allow Flightline Ground, Inc. to acquire property and flood insurance**

Brayton Matthews, Flightline First, requested approval to purchase building, wind and fire insurance. A good bit of information was presented to the Board along with certified appraisals of the property. Flightline is looking forward to a vote authorizing this request and to amend the lease.

Mr. Capo advised that the appraisal, which has not been reviewed by the Insurance Committee, was \$2.5 million. There is no Insurance Committee meeting scheduled at this time. Chairman Heaton requested that the item be placed on the Insurance and Legal Committees Agendas. Mr. Metzger advised that it is legal to allow Flightline to purchase its own insurance. Chairman Heaton advised that this item is a public policy issue. All issues were resolved with GOHSEP and Mr. Nelson regarding reimbursement issues. This is an issue of whether the Committee recommends to the Board to change policy.

Mr. Capo advised that the appraisal Mr. Matthews provided is \$2.5 million and the Authority is using \$9.1 million. In 2012 the building was insured for \$3.4 million. Chairman Heaton advised that Flightline would have to insure the building in accordance to what the Board dictates, which amount has to be a

rational factual basis for what the Board requires. A vote is needed at this point to keep this issue moving forward as it has been delayed way to long. It is a policy decision for Flightline to secure the insurance and a legal issue as the amount and how that amount will be determined.

Mr. Metzger noted that the motion from this Committee is to authorize an amendment to the lease allowing the tenant to procure property and flood insurance; the tenant presently carries liability insurance. The provision requires the approval of the lessor in terms of coverage amount and insurance company. That addresses who will procure the insurance; the amount does not require a vote at this time. If the amount is not acceptable to the Executive Director, the issue will be brought back before the Board.

Chairman Heaton requested a motion allowing Flightline to purchase insurance and urged the Insurance Committee address the issue. Commissioner Cantrelle offered a motion to approve an amendment to the lease of Flightline authorizing the tenant to secure insurance, seconded by Commissioner Baudy and unanimously adopted. Commissioner Stack suggested amending the lease for all FBOs. Mr. Metzger advised that this was not required as this is a policy change.

Al Pappalardo, Real Estate Consultant, advised that the Authority should be listed as a named insured on the policy. The Insurance Committee will determine guidelines, one of which would be to secure an appraisal on the building to be insured. The appraisal should be reviewed by a qualified appraiser. The Insurance Committee, the Board and the Legal Committee will determine what the new requirements will be.

Commissioner Cantrelle offered a motion to recommend to the Board a change in the policy to allow tenants to procure their own insurance, seconded by Commissioner Baudy and unanimously adopted.

**10) Discussion and approval of a contract with H3 Electric in the amount of \$5,700 to build racks and raise the airfield regulators, which is eligible for state grant funding**

Mr. Pruitt advised that H3 Electric is a contract that was bid out to raise the regulators in the regulator building. It is covered 100% by a state grant which has been awarded to the Authority. This is an informational item only.

**ADJOURNMENT**

Commissioner Baudy offered a motion to Adjourn, seconded by Commissioner Stack and unanimously adopted.

**ANNOUNCEMENT OF NEXT MEETING**

The next Airport Committee meeting is scheduled for Tuesday, April 1, 2014 at 9:30 a.m.

The meeting adjourned at 11:15 a.m.