

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE JOINT AIRPORT/FINANCE COMMITTEE MEETING
THURSDAY APRIL 9, 2015 – 3:30 P.M.**

The special Joint meeting of the Airport Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, April 9, 2015 at 3:30 p.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 Heaton called the meeting to order at 3:42 p.m. and led in the Pledge of Allegiance.

The roll was called which constituted a quorum.

PRESENT: (AIRPORT COMMITTEE)

Chairman Wilma Heaton
Comm. Michael Stack
Comm. Pearl Cantrelle

ABSENT:

Comm. Romona Baudy

PRESENT: (FINANCE COMMITTEE)

Chairman Michael Stack
Comm. Wilma Heaton
Comm. Patrick DeRouen
Comm. Eugene Green

FURTHERMORE PRESENT:

Comm. Thomas Fierke

STAFF:

Cornelia Ullmann - Chief Operating Officer
Sharon Martiny – Administrative Assistant
Dawn Wagener – Comptroller

ALSO PRESENT:

Gerry Metzger – Legal Counsel
Sandra Stokes – Louisiana Landmarks
Bill Koch – Hawthorne
Richard Speer - AECOM
David Kerstein – Helis Foundation
Steve Nelson – Stuart Consulting Group
Al Pappalardo – Real Estate Consultant
Brayton Matthews – Flightline First
Addie Fanguy – Landmark Aviation
Chad Farishan – Landmark Aviation
Walter Baudier – DEI
Jim Martin – DEI
John Holtgreve - DEI
Lynn Long – LVPOA
Gerry Gillen – Flood Authority

OPENING COMMENTS

Waived by Finance Chair Stack and Airport Chair Heaton

The COO suggested that Presentations be heard in order followed by New Business No. 1 and back to order for Old Business.

ADOPT AGENDA

Comm. Heaton offered a motion to adopt the Agenda as amended, seconded by Comm. Fierke and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Comm. Cantrelle offered a motion to approve the minutes of the January, February and March 2015 Airport Committee meeting minutes, seconded by Comm. Stack and unanimously adopted. Approval of the March 5, 2015 Finance Committee minutes has been deferred.

REPORT ON CURRENT AIRPORT ISSUES

The COO advised that the gates at the Airport were remarked numerically as opposed to east and west. A formal emergency staging area was set up for the NOFD and OLD police at Mosquito Control. Staff is moving forward to find a permanent Airport Director. Chair Heaton noted that Fred Pruitt has officially returned to his prior position as Manager of the Fuel Farm. An interim Airport Director will be retained to get the Airport stabilized, and a national search will be advertized thereafter for a permanent Airport Director.

Finance Chair Stack suggested a temporary contract assignment from Civil Service based on an hourly rate in which the Authority does not pay benefits. The temporary assignment can last up to twelve months.

PRESENTATIONS

Discussion regarding interim and long-term plans for the Fountain of Four Winds at New Orleans Lakefront Airport

David Kerstein – President, Helis Foundation

Mr. Kerstein stated that the Helis Foundation is a private foundation containing two funds: one for providing community needs in New Orleans and one for providing funds for various public art projects throughout New Orleans. Currently, Helis has one major project underway; the establishment of an Enrique Alferez Sculpture Garden at City Park. Helis acquired 11 major pieces of Alferez art which will be installed in the sculpture garden within the Botanical Garden at City Park. Helis has a keen interest in public art, particularly in preserving the legacy of Enrique Alferez and the Four Winds Fountain. The Fountain is presently in a deteriorated state and very perilous. Helis long-term interest is to create an acceptable plan allowing for complete restoration, funding and relocating the Fountain adjacent to the Alferez Garden in the Botanical Garden at City Park. Short term there is a public obligation regarding the current condition of the Fountain. The coping around the Fountain has fallen off along with one eagle sculpture, which is deteriorated and lying in the dirt. There is no cast available for recreation of the coping or the eagle.

Without any obligation, the Helis Foundation is offering to provide services to preserve the Fountain. Professionals will box the eagles and fragments, identify the fragments for restoration purposes and have the boxes put in an acceptable storage area. A chain link fence will be built around the fountain for protection against further damage or vandalism. Helis would have master craftsmen make a mold of the coping as a base to duplicate the coping if necessary. These services would be provided with approval from the Authority with no obligation whatsoever. The long-term interest is to discuss the possibility of relocating the Fountain in the Botanical Garden in City Park adjacent to the Alferez Garden with appropriate acknowledgement of the Levee Board.

Chair Heaton thanked Mr. Kerstein and noted that the Fountain has been a financial issue. Relocation of the Fountain is a Board decision. As Chair of the Airport Committee I support the short term proposal, but any long term agreement or relocating the Fountain is a last resort. The Airport Committee goal is to prepare plan of action to restore the Fountain. Comm. Cantrelle stated that she agreed to the short term plan, but is opposed to moving the fountain. A fence around the Fountain is not needed unless there is a threat of vandalism. A fence around the Fountain would make it look ugly for the rest of the Airport.

Chair Heaton advised that there are other issues that need to be explored regarding the long term plan for the Fountain. Mr. Kerstein advised that as stewards of the Fountain, the Authority is under obligation to take the appropriate

steps to remedy the existing issues regarding the Fountain. The Helis Foundation is concerned with the condition of the Fountain and would like to assist in preventing further damage. It is a social responsibility and Helis has offered steps to assist in protecting this work of art.

Chair Stack agreed and offered a motion to recommend to the full board to accept the Helis Foundation's short-term plan, seconded by Comm. Green.

PUBLIC COMMENTS

Sandra Stokes – Louisiana Landmarks

Ms. Stokes thanked the Helis Foundation and Mr. Kerstein for the generous offer and requested that the Authority determine a way to fund the Fountain. The Fountain is important to the preservation of the art community and to New Orleans. The Fountain is part of the art deco of Lakefront Airport and comes together with the murals in the Terminal Building. The Fountain showcases the entire area. It is important to first stabilize the fountain. It is incumbent upon this Board to look at ways to complete the set of this art deco gem at Lakefront Airport.

OLD BUSINESS

1) Discussion and recommendation regarding continuing Lakefront Airport Wildlife Survey (Airport)

The COO recommended that this project move forward as there is an issue with wildlife at Lakefront Airport. AECOM continued on with the project and suggested an amendment to the contract to complete this particular project. The contract could be extended until the study is complete. Chair Heaton advised that the study is 100% funded. The COO noted that URS was recently bought by AECOM, who purchased everything including the obligations, there were no exceptions. Comm. Stack offered a motion to continue the Lakefront Airport Wildlife Survey, seconded by Comm. Cantrelle and unanimously adopted.

2) Update / discussion on the Interim Flood Protection (Airport/Finance)

Steve Nelson, Stuart Consulting, advised that GOHSEP does not have house funding for interim flood protection to purchase or deploy a system at Lakefront Airport in advance of a storm. There are other options such as a stand-by contractor who will deploy the flood protection system. The Authority can purchase the equipment and materials and another entity can install the system when a storm hits the Gulf.

Chair Stack suggested an RFP be issued that does not limit types of flood control systems. The RFP will be a two step process: to pay a mobilization fee and to deploy the system. The Corps cannot assist in deploying a system, but may provide HESKO baskets. The cost may be reimbursable if a declaration is issued. Stuart Consulting can present the RFP at the April full Board meeting.

3) Status of Flightline McDermott hangar lease execution (Airport)

Chair Heaton advised of recent negotiations and a possible agreement on a final document. The COO advised of one environmental document that is needed. Chair Heaton advised that this does not require a vote of the Board as they have already voted.

4) Status of PAPI lights (Airport)

Chair Heaton advised that a full report will be provided at the April Board meeting.

5) Status of Mardi Gras Fountain. 3/20/15 update: fountain will need to be drained to be cleaned due to excessive silting, should be coordinated with Waterworks visit.

The COO advised to move forward and have WaterWorks examine and assess the fountain and the current operation system, assess the water level and wind speed sensors, and monitor and operate the system for a period, both here and remotely, at a cost of \$4,500. The company that currently maintains the

fountain will coordinately with Waterworks, clean out the excess silt and refill the fountain. Currently the water is clean, but there is excessive sand from ongoing work on Lakeshore Dr. Comm. Cantrelle noted that the fountain has never operated properly. This Authority paid a lot of money to someone to restore the Fountain, which continues to have issues. DEI gave final approval on the Fountain. Mr. Baudier of DEI advised that Waterworks built the fountain and would like to solely operate the fountain to determine the issues. If there are issues with the Fountain itself that are covered under warranty, WaterWorks will make those repairs at no cost. Waterworks must operate the fountain in a controlled environment to determine what issues there are. Waterwork's is willing to maintain the Fountain operationally as well as cleaning it and would like the opportunity to do that. That can be addressed once Waterworks is here.

6) Discussion regarding Lake Terrace Fountain (Finance)

Mr. Baudier advised that water is caught in the rim of the Fountain. There are twelve nozzles around the perimeter and five nozzles on the inside, which are complex to deal with. The inside of the fountain has deteriorated over the years. One possibility is to have electricians and plumbers get the Fountain operational. The vault where the electrical is stored must be rebuilt. The estimated cost to repair the fountain and restore it to a fully functional fountain is approximately \$750,000 to \$850,000. The electrical vault was hit by a lawnmower and there are basic electrical issues. When the electrical vault was opened, it contained cloth wires, which are a concern for anyone working on the fountain.

Jim Martin (DEI) advised that the Lake Terrace Fountain does not hold water. There may be cracks in the piping or in the bowl. The water is very clear and the Fountain does not overflow. An earlier estimate is from 2012 and does not include items such as rewiring or a new pump. Comm. Stack noted that the Fountain is not operational and is a potential health hazard. The Authority does not have funds to repair the Fountain, but could seek funding sources such as State Capital Outlay. The Fountain could be demolished and replaced with something else at the site that is not heavily dependent on maintenance.

Walter Baudier (DEI) added that there are no PWs for this Fountain as it was operational when Katrina struck. Chair Heaton noted added that the Fountain repair is an alternate project down the line on a \$10 million dollar wish list. (In the next fiscal year, \$100,000 has been budgeted for this fountain.

7) Discussion regarding cross walk lighting-Lakeshore Drive (Finance)

The COO advised that the cross walk by Shelter No. 1 has been rectified and remaining crosswalks are set to be repaired or replaced along with the seawall rehab. An electrician checked the broken crosswalks and advised that there are interior functional issues; not just replacing a bulb or ballast. Contractors are providing temporary crosswalk signs at all construction sites along Lakeshore Dr.

8) Status regarding 2015 music event with developer, Studio Network-Lakefront, LLC, at the South Shore Harbor Marina Terminal Site at South Shore Harbor Marina (Finance)

Chair Heaton noted that this is the Location Agreement the Board approved subject to Real Estate and Legal Committee review. A site map of the area has been provided and will become part of the Location Agreement.

NEW BUSINESS

1) Discussion regarding proposed assumption of lease by Landmark Aviation of the Hawthorne lease (Airport)

Bill Koch, Hawthorne Aviation, requested an assignment and assumption of the leasehold interest be transferred to Landmark Aviation. The appropriate documentation has been provided for legal reviews.

Chair Heaton offered a motion to recommend to the full Board to allow for the assignment, seconded by Comm. Stack and unanimously adopted.

2) Review of YTD Budget to Actual Fiscal Year 2014-2015 (Finance)

Mrs. Wagener advised that no money was used out of the Bally's account. Fuel flowage fees are approximately \$30,000 more than last year at this time.

Chair Stack addressed the \$90,000 slip charge at Orleans Marina and requested a report for the Marina Committee to show what the money was spent on.

Chair Stack requested information on the Airport red phone service. The COO advised that red phone is part of the 139 certification and the charges are approximately \$1,100-\$1,300 per month. It is a dedicated line from the tower to the fire station. The FAA would not approve a proposed plan with Universal ComOne, and Mr. Pruitt is following up on that issue.

Chair Stack requested the procedure for Shelter No. 3 construction payments to DEI as payments may result in a cash flow issue. Mrs. Wagener advised that the Authority pays invoices as they come in and they are sent out for reimbursement from the Corps. The Corps normally reimburses within 30 days.

Chair Stack questioned checks for Boh Brothers (\$278,000), Major Maintenance (\$336,000) and Stuart Consulting (\$59,000). John Holtgreve, DEI, advised that the utility crossing project included reimbursement from the Corps for the cost of utility relocations disrupted by the Corps during heavy construction. Three items there not covered by the Corps. The payment to Boh Brothers is for an item not reimbursable by the Corps. Mrs. Wagner advised that the \$336,000 for pavement repair and restriping is a 100% grant reimbursement.

3) Discussion regarding contractual insurances for FY 2015-2016 (Finance)

Chair Stack noted Contractual Insurance was budgeted at \$1.2 million. Mrs. Wagener advised that there will be a \$161,000 decrease in the insurance budget. The COO advised that many contractual insurances renew July 1. An adjustment can be made to the budget for this item.

Comm. DeRouen questioned the \$107,000 budget for anticipated legal expenses, which was decreased from the previous year budget. The COO advised that the budget was based on outstanding legal issues.

4) Discussion re Lakefront Airport property not currently under written lease

The COO advised that Comm. Higgins requested each department focus locating any additional boat slips or office space that the Authority could rent to find extra income. The Airport identified and focused on space that could be rented with a different method of advertising to advise people that there is office space available. An updated list is available of office space, as well as other airport buildings.

5) Discussion regarding aircraft ramp area near Terminal Building (Airport)

The COO advised of daily disputes at the Airport regarding ramp space. Comm. Stack requested that the Operations Manager handle those issues.

6) Update on civil service issues (Airport)

Discussed earlier in the meeting.

7) Discussion regarding RFQ responses for a real estate consultant

The COO advised that Pappalardo Consultants was the only respondent to the RFP. Mr. Pappalardo kept his billing rate the same and staff will recommend a budget which will be presented at the next Board meeting. Comm. Heaton noted for the record that the RFQ was duly advertised for six weeks. Comm. Fierke addressed the Errors and Omission Insurance. Mr. Pappalardo explained that

the La Real Estate Commission has a policy on requirements through a preferred provider. That first layer of Errors and Omissions Insurance is \$100,000-\$300,000 and that he further purchases excess Errors and Omissions insurance by the same company. They ride over what the state mandates to the \$1 million and that is in the second certificate.

EXECUTIVE SESSION

1) RCLC claim for additional compensation (Cost Curve A) Formal demand received. La. R.S. 42:17(A) (2)

Chair Heaton stated that this issue has been vetted Airport, Legal and Finance Committees. Mr. Gillen is present and has been involved with this issue from day one. It is important that the Airport Committee have the opportunity to question Mr. Gillen due to his involvement.

Chair Heaton offered a motion to go into Executive Session for the purpose of the RCL claim for additional compensation seconded by Comm. Stack and unanimously adopted by a roll call vote of both Airport and Finance Committees.

Mr. Metzger noted for the record that this item is the result of a written demand. It is prospective litigation and strategy and negotiations will be discussed in Executive Session. No action can be taken in the Executive Session and the Authority has complied with appropriate statutes.

Chair Stack announced that the Committee members returned from Executive Session and no action was taken during the Executive Session. There was discussion and progress and counsel has been instructed to proceed forward.

ADJOURNMENT

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

ANNOUNCEMENT OF NEXT MEETING

The next Airport Committee meeting is scheduled for Tuesday, March 31, 2015 at 9:30 a.m. The meeting adjourned at 10:11 a.m.