

**THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS
MINUTES OF THE REGULAR BOARD MEETING
THURSDAY, FEBRUARY 25, 2021**

A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, PROPERLY NOTICED AND AUTHORIZED IN ACCORDANCE WITH PROCLAMATION 18 JBE 2021, CONVENED REMOTELY VIA ZOOM VIDEOCONFERENCE ON THURSDAY, FEBRUARY 25, 2021 AT 1:32 P.M.

MEMBERS PRESENT: Darryl D. Berger, Chairman
William H. Langenstein, III, Vice Chairman
Charles H. Ponstein, Secretary-Treasurer
Tara C. Hernandez, Member
Jack C. Jensen, Jr., Member
Walter J. Leger, Jr., Member

MEMBERS ABSENT: Joseph F. Toomy, Member

STAFF: B. Christian, President and Chief Executive Officer
M. Ganon, Vice President, Public Affairs
B. Landry, Vice President, Commercial
R. Wendel, Chief Financial Officer
A. Evett, Vice President, Chief Engineer
J. Escudier, Executive Counsel
T. Rives, Vice President, Commercial
M. Scelson, General Counsel
C. Coats, Director, Real Estate
R. Aragon Dolese, Director, Marketing and Communications
M. Verderame, Director, Records
J. Guidry, Director, Maintenance
E. Pansano, Director, Internal Audit
C. Labat, Director, Procurement
G. Palermo, Deputy General Counsel
M. Gresham, Director, External Affairs
J. Mansour, Director, Commercial & Cruise
J. Sholar, Director, Human Resources
D. Cordell, Chief Information Officer
C. Gilmore, Director, Engineering
A. Coates, Commercial
E. Federer, Manager, Environmental
J. Ragusa, Public Affairs
C. Alfonso, Manager, Community Engagement
C. Falgoust, Procurement
J. Woodward, Sustainable Development
A. Madere, Manager, Records
P. Jackson, Legal Assistant

M. Singley, Board Secretariat
E. Abadie, Commercial
K. Barnes, Human Resources
Chief R. Hecker, Harbor Police Department
Capt. M. Montroll, Harbor Police Department

GUESTS: M. Stolzman, NOPB
C. Kocur, NOPB
F. Hasbun, NOPB
B. Adams
C. Sepulveda
D. Pierson, Secretary for Louisiana Economic Development
E. Potts
J. Martin
J. Surface
J. Tumminello
K. Horton
N. Reins
Tiffany
W. Hughs

I. Roll Call & Determination of Quorum

Following a roll call of Board members, Chairman Berger confirmed a quorum and called the meeting to order at 1:32 p.m.

Chairman Berger announced on behalf of the Board, that the meeting was being convened in dedication to former Commissioner, William “Bill” T. Bergeron, who passed away on February 2, 2021. Mr. Bergeron served on the Board of Commissioners for the Port of New Orleans from November 9, 2012 through March 22, 2018, and was a committed advocate and leader for the maritime industry. Chairman Berger celebrated Mr. Bergeron’s long and impressive career, as well as his endless dedication to the Parish of St. Bernard, the State of Louisiana, and the Port of New Orleans. Commissioner Leger echoed Chairman Berger’s comments, highlighting his own cherished professional relationship with Mr. Bergeron and praising his qualities as a leader and as a friend.

II. Approval of Meeting Minutes for January 2021

Chairman Berger called for a motion to approve the public meeting minutes for January 2021, as previously circulated.

Commissioner Langenstein moved to accept the minutes and Commissioner Leger seconded the motion. **MOTION CARRIED UNANIMOUSLY**

III. Public Comment

Chairman Berger called for any agenda-related or general public comments, but there were none. Ms. Verderame confirmed that no public comments were submitted in advance or via the Zoom Chat feature.

IV. Action Items:

A. Acceptance of the Consolidated Financial Statements for January 2021.

Mr. Wendel presented the consolidated financial statements for January 2021, a copy of which is made a part of these minutes.

Mr. Landry provided an overview of the Board's cargo volumes, noting that weather-related ship delays negatively affected anticipated volumes. However, overall industry trends were positive and should reflect more accurately through February's volume report. As in past years, January was a volatile month for breakbulk and this trend is anticipated to continue in the next few months due to ongoing steel tariffs and a slow-moving metal trade.

Mr. Stolzman presented the volume report for the New Orleans Public Belt Railroad Commission for the Port of New Orleans ("NOPB"). He stated that Class I switching volume continued to increase in January, with over 12,000 cars. Local switching volume dropped for the month of January, but is expected to recover. Although railcar storage volume slightly decreased in January, they still exceeded overall projections and that trend is anticipated to continue in the next few months.

Mr. Wendel presented the January and fiscal year-to-date figures for gross revenues, labor costs, operating costs, and operating revenue for the Board, as well as on a consolidated basis with the NOPB. He noted the Board's overall operating revenue was \$195,000 over the amended budget for the month, while NOPB's consolidated revenues were \$356,000 above the amended budget as a result of strong switching numbers.

Mr. Wendel stated that the Board's controllable expenses continue to be monitored, which resulted in the total operating income being \$334,000 above budget for the month. He also announced that, compared to last year, the Board had reduced its expenses by \$2.6 million, in spite of the pandemic and the absence of cruise activity. Thanks to strong switching revenues and efficient monitoring of expenses, NOPB's overall operating income was \$421,000 over budget for January.

Finally, Mr. Wendel stated that the consolidated statement of operating income for the month of January is \$755, 000 over budget. He added that this excess in revenue would be enough to offset the absence of cruise revenue for the rest of the year, if the no-sail order is prolonged.

Commissioner Jensen moved to accept the consolidated financial statements and Commissioner Langenstein seconded. **MOTION CARRIED UNANIMOUSLY**

B. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Renew the Board’s Property and Casualty Insurance Policies for Primary and Excess Property, Boiler and Machinery/Equipment Breakdown, Primary and Excess Liability Insurance, Hull and Machinery and P&I Insurance, Vessel Pollution Liability Insurance, Public Official’s Liability Insurance, Law Enforcement Liability Insurance, Government Crime Insurance, Cyber Insurance and Business Automobile Liability Insurance at a Not to Exceed Cost of \$6,424,737, all Arranged through Arthur J Gallagher Risk Services, Inc.

Mr. Wendel presented and recommended approval of the resolution. He gave an overview of the current state of the insurance market, noting that property insurance, which represents more than half of the Board’s premium, has been severely affected by high hurricane and wild fire claims in 2020. The Board has negotiated a property insurance renewal rate increase of 14.8% with its domestic and international providers, underlining the absence of claims in over 10 years. A river blockage endorsement has been added with no additional premium. The Marine Liability renewal increased minimally, the Workers’ Compensation premium decreased but the Hull and P&I premium increased by 78.2%, with Lloyds of London being the only provider at this time. In total, the April 1, 2021 overall property and casualty insurance yearly renewal will amount to a premium increase of 16.2%.

Chairman Berger asked about the “government crime insurance.” Mr. Wendel responded that it covers the risk of internal thievery by Port employees although there has never been a claim.

Commissioner Leger moved to approve the resolution and Commissioner Langenstein seconded. **MOTION CARRIED UNANIMOUSLY**

C. Consider Approval of a Resolution Awarding a Contract to LA Contracting Enterprise, L.L.C., in the Amount of \$217,500, for the Rehabilitation of the Water Main at the Napoleon Avenue Gate.

Mr. Evett presented and recommended approval of the resolution. He stated that the existing 12” water main running from the Napoleon Avenue gate to the terminal complex, which is a redundant source of fire and domestic water for the terminal complex, is currently inoperable due to deterioration and leaks. This contract would serve to replace the existing underground Sewage & Water Board of New Orleans’ meter with an above-ground assembly and replace the water main from the meter to the tie-in point adjacent to the Clarence Henry Truckway, restoring redundant water service to the Terminal Complex. The Board received four (4) bids for this project and the work should be performed within forty-five (45) calendar days. The funding source is the Board’s Capital Investment Plan.

Commissioner Langenstein inquired about the location of the water main and if the work would disrupt railroad traffic. Mr. Evett confirmed the location of the water main on the map noting that it crosses the railroad and ties back into the existing line, and added that this project will not have a detrimental effect on the railroad traffic.

Commissioner Ponstein asked if the existing line was going to be repaired and Mr. Evett clarified that it was going to be replaced with a new line.

Commissioners Ponstein moved to approve the resolution and Commissioner Jansen seconded. **MOTION CARRIED UNANIMOUSLY**

D. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Cooperative Endeavor Agreement with the Louisiana Department of Transportation and Development and the City of New Orleans in Connection with the Almonaster Avenue Bridge Rehabilitation Project.

Mr. Evett presented and recommended approval of the resolution. He stated that the Board had previously entered into a Cooperative Endeavor Agreement (“CEA”) with the Louisiana Department of Transportation and Development (“DOTD”) and the City of New Orleans to replace the Almonaster Avenue Bridge. Recent federally mandated changes to adjacent structures eliminated the need for a wider navigable opening and a plan to rehabilitate the bridge in lieu of replacement was adopted. Consequently, the Board must enter into a new CEA with DOTD and the City of New Orleans (the “Rehabilitation Project CEA”). Per the terms of the Rehabilitation Project CEA, in order to receive \$20 million in federal highway funds for the construction phase of the bridge rehabilitation project, the Board will be required to reimburse \$4,549,738 of the federal portion of pre-construction services rendered for the original bridge replacement project. Additionally, the CEA commits the City of New Orleans to fund up to a maximum of \$1,500,000 towards the construction phase of the bridge rehabilitation project.

Commissioner Ponstein inquired about the duration of the project. Mr. Evett responded that it is still in the designing phase but confirmed that it will be a multiple year construction project.

Commissioner Langenstein asked for clarification regarding the total cost of the project. Mr. Evett responded that the original replacement project was expected to cost \$75-80 million. The rehabilitation project, however, is estimated to cost approximately \$30 million for the construction phase, \$5 million in professional design and construction oversight services. With the \$4.5 million repayment of federal funds, the total cost of the rehabilitation project is approximately \$40 million.

Commissioner Langenstein moved to approve the resolution and Commissioner Jensen seconded. **MOTION CARRIED UNANIMOUSLY**

Commissioner Hernandez joined the meeting at 2:03 p.m.

E. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment for an Amount Not to Exceed \$354,061.15 to the Contract with Industrial & Crane Services, Inc. for the Nashville Avenue Terminal Complex Cranes 5 & 7 Structural/Mechanical Inspection Support & Repair.

Mr. Evett presented and recommended approval of the resolution. He noted that, in September 2019, the Board awarded a contract to Industrial & Crane Services, Inc., in the amount of \$499,270, to perform inspection support and repair work on the Board's Container Cranes No. 6 and 7. The inspection work was completed on Crane No. 7 in early 2020, however, work on Crane No. 6 had not started. Following the *M/V CMA CGM Bianca* incident, in August 2020, that resulted in the total loss of Crane No. 6 and damaged Crane No. 5, Change Order No. 1 was issued to reallocate contract inspection work to Crane No. 5. The inspection of Crane No. 5 was substantially completed in December 2020. The proposed change order will compensate the contractor for changes to the scope of work including structural repairs, interior inspections and support equipment and personnel required to perform a more intensive level of inspection and repair work.

Commissioner Langenstein inquired about the status of Crane No. 6 and Mr. Evett stated that it has been decommissioned and removed from the site.

Commissioner Hernandez moved to approve the resolution and Commissioner Leger seconded. **MOTION CARRIED UNANIMOUSLY**

V. Report by the President and Chief Executive Officer

Ms. Christian first welcomed the Board's new Vice President and Chief Commercial Officer, Mr. Todd Rives, who will work in conjunction with Mr. Bobby Landry until Mr. Landry's retirement in the summer. She noted Mr. Rives' extensive maritime career, which included various roles for ocean carrier CMA CGM, in South Africa, Nigeria, France, Canada and Norfolk, Virginia. Mr. Rives has already embraced his new role, focusing on the container business and the ongoing due diligence and commercial strategy studies for the new Downriver Container Project. Mr. Landry will retire after 31 years as the Chief Commercial Officer for the Board. Cargo and container volumes have grown dramatically during his tenure, along with other essential revenue-producing activities such as cruise, tourism and real estate.

Ms. Christian also welcomed Ms. Chanel Labat as the Board's new Director of Procurement. Ms. Labat brings many years of state contracting experience having previously worked for the Ernest Morial Convention Center and the LSU Health System. As leader of the Procurement Team, Ms. Labat will also focus on outreach efforts for small and diverse local businesses.

Ms. Christian congratulated the Public Affairs Team who received seven (7) awards from the Public Relations Society Association of New Orleans for various communication campaigns including COVID-19 Outreach, Maritime Month and Disney Wonder, as well as the virtual reality video of the Napoleon Container Terminal.

On behalf of staff, Ms. Christian echoed Chairman Berger and Commissioner Leger's remarks on the passing of former Commissioner Bill Bergeron. As Board Commissioner, Mr. Bergeron became a mentor and a friend to many staff members at all levels of the organization. He remained a close and reliable adviser even after his tenure ended. Ms. Christian expressed her gratitude for Mr. Bergeron's tremendous contributions throughout the years and offered her condolences to his family and friends. In closing her comments, Ms. Christian reiterated that today's meeting was in honor of Mr. Bergeron.

VI. Appointment of Nominating Committee

In anticipation of electing new Board officers in the month of March, Chairman Berger appointed Commissioners Toomy, Leger, and Hernandez to serve as the Nominating Committee. The Nominating Committee will recommend a ballot of officers to the full Board in March.

VII. Adjournment

There being no further business to come before the Board, Chairman Berger called for a motion to adjourn. Commissioner Leger so moved and Commissioner Jensen seconded. **MOTION CARRIED UNANIMOUSLY** and Chairman Berger adjourned the meeting at 2:19 p.m.