

**THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS
MINUTES OF THE REGULAR BOARD MEETING
THURSDAY, JANUARY 21, 2021**

A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, PROPERLY NOTICED AND AUTHORIZED IN ACCORDANCE WITH PROCLAMATION 7 JBE 2021, CONVENED REMOTELY VIA ZOOM VIDEOCONFERENCE ON THURSDAY, JANUARY 21, 2021 AT 1:32 PM.

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
Joseph F. Toomy, Member
Walter J. Leger, Jr., 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
M. Scelson, General Counsel
C. Coats, Director, Real Estate
S. Gauthier, Director, Cruise
R. Aragon Dolese, Director, Marketing and Communications
M. Verderame, Director, Records
J. Guidry, Director, Maintenance
E. Pansano, Director, Internal Audit
T. Carter, Director, Procurement
G. Palermo, Deputy General Counsel
M. Gresham, Director, External Affairs
J. Crist, Deputy Director, Terminal Operations
J. Mansour, Director, Commercial & Cruise
J. Sholar, Director, Human Resources
C. Gilmore, Director, Engineering
A. Coates, Commercial
J. Ragusa, Public Affairs
C. Alfonso, Manager, Community Engagement
A. Taylor, Procurement
C. Falgoust, Procurement
J. Woodward, Sustainable Development
M. Sulser, Manager, Engineering
A. Madere, Manager, Records
D. Collins, Environmental
P. Jackson, Legal Assistant

M. Singley, Board Secretariat
Chief R. Hecker, Harbor Police Department
Capt. M. Montroll, Harbor Police Department

GUESTS:

M. Stolzman, NOPB
C. Kocur, NOPB
F. Hasbun, NOPB
Rep. R. Garofalo, Jr.
B. Adams
Candance for Rep. Illg. Jr.
F. McCormack
Justin
K. Price
K. Galloway
K. Palmisano
L. Barback
L. Jackson
R. Archey
R. Greg
R. Rhonda
R. White
Ryan G
W. Wachel

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.

II. Approval of Meeting Minutes for December 2020

Chairman Berger called for a motion to approve the public meeting minutes for December 2020, as previously circulated.

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

III. Public Comment

Chairman Berger welcomed Louisiana State Representative Mr. Raymond E. Garofalo, Jr. to the meeting. Mr. Garofalo expressed his support for the efforts of the Board regarding the announcement of future development in St. Bernard Parish.

Chairman Berger called for any agenda-related or general public comment, but there was 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 December 2020.

Mr. Wendel presented the consolidated financial statements for December 2020, a copy of which is made a part of these minutes. Mr. Wendel presented the December 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 New Orleans Public Belt Railroad Commission for the Port of New Orleans (“NOPB”).

Mr. Landry provided an overview of the Board’s cargo volumes, noting the continued slow increase towards target volumes. He added that these numbers are the highest since March 2020 and a return to normal volumes could be expected by February of this year. Breakbulk volumes remain below projections but are showing encouraging signs of improvement, with a 40% increase since November, and strong steel import activity is forecasted in upcoming months.

Mr. Stoltzman presented the volume report for the NOPB. He reported that revenues continue to increase. Class I and local switching volumes remain in an upward trend with very strong December numbers, and continued growth anticipated in calendar year 2021.

Mr. Wendel noted that for the first time this fiscal year, the Board’s container revenues were above budget and overall operating revenue for December was \$202,000 over budget for the month. The prolonged interruption of cruise business continues and overall revenue remains below budget. NOPB’s revenues were slightly under projections for the month, with strong railcar storage and real estate revenues but below-budget switching and car shop numbers. The overall consolidated revenues were \$313,000 below budget for the month of December, bringing the fiscal year-to-date deficit close to \$4.6 million.

Mr. Wendel noted that the continued monitoring of controllable expenses for the Board and NOPB has facilitated operating expenses remaining under budget in December. Overall operating income was \$305,000 over budget for the month bringing the fiscal year-to-date numbers \$226,000 under budget projections.

Chairman Berger praised Mr. Wendel and staff for their proficient financial management during such challenging times.

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

B. Consider Approval of a Resolution Amending the Board of Commissioners of the Port of New Orleans’ Financial and Operating Plan for Fiscal Year 2021.

Mr. Wendel presented and recommended approval of the resolution. As a result of continued business interruptions extending from the COVID-19 pandemic, the Board’s

projected annual revenue for Fiscal Year 2021 is currently forecasted for a variance greater than 5% from budgeted amounts. Therefore, the Board must adopt an *Amended Financial and Operating Plan for Fiscal Year 2021*. Mr. Wendel provided an overview of the budget amendments, including the revenue and expense categories impacted by the pandemic. He also reported on the various efforts the Board and NOPB have made to offset the continued revenue shortfalls. The sustained control of operating expenses continues to be essential and has compensated for half of the lost revenue to date. Mr. Wendel also listed the multiple savings in spending aimed at increasing the net cash effect and decreasing the debt coverage for both the Board and NOPB.

Other revisions include decreasing budget projections for container and breakbulk revenues, while increasing projections for real estate. Similar adjustments will be implemented for NOPB, with decreased budget forecasts for switching and car shop, while storage and real estate will be modified upward.

Commissioner Langenstein inquired as to whether any cruise revenue is included in the amended budget. Mr. Wendel confirmed that one cruise operator is expected to resume operations in New Orleans in April 2021, which would generate an anticipated \$1 million in cruise revenue for Fiscal Year 2021.

Commissioner Toomy asked if the budget had previously been revised and Mr. Wendel confirmed that this was the first formal amendment to the budget since its adoption by the Board in June 2020.

Mr. Wendel stated that the amended budget will reduce overall revenue by \$3 million. He noted that the previously approved adjustments to employees' health care and other benefits will account for a \$2.1 million reduction in labor costs. Other operating expenses will be conservatively reduced, resulting in an overall \$6.2 million decrease in the Board's operating income. A similar process involving reduction of labor costs and operating expenses will be implemented for NOPB, which will allow for a reduction of operating income of \$888,000.

Commissioner Jensen asked if railcar storage numbers had been previously adjusted based on current business trends. Mr. Wendel responded that the original Fiscal Year 2021 budget included adjusted projections.

Lastly, Mr. Wendel gave an overview of the consolidated statements of operation. He added that expenses will continue to be monitored going into the preparation of the next budget cycle, which will begin in March.

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

C. Consider Approval of a Resolution Authorizing an Agreement with JPMorgan Chase Bank, N.A., for a \$30 Million Credit Facility for the Purpose of Funding the Acquisition and Developing of Property and Providing for the President and Chief

Executive Officer to Enter into Other Matters with Respect to the Issuance of this Facility.

Mr. Wendel presented and recommended approval of the resolution. He stated that the main purpose of this \$30 million credit facility will be to authorize the borrowing of funds for the acquisition and development of land. JPMorgan Chase Bank, N.A.'s ("Chase Bank") proposal was one of two (2) proposals submitted to the Board in connection with this request for funding. Chase Bank's offer includes a three (3) year term at a variable rate of 1.00% over LIBOR. It is a performance-pricing model and each downgrade of the Board's bond rating will result in a rate increase of 0.20%, with a default rate of 7% and an unused/commitment fee of 0.10%.

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

D. Consider Approval of a Resolution Authorizing a Lease Agreement with JPMorgan Chase Bank, N.A., for \$30 Million for the Four New Ship to Shore Cranes and Providing for the President and Chief Executive Officer to Enter into Other Matters with Respect to the Issuance of this Lease.

Mr. Wendel presented and recommended approval of the resolution. He stated that the Board received six (6) proposals in connection with this funding request, and Chase Bank offered the best rate and structure. The lease structure offers a fixed rate set three (3) days before closing with non-callable fifteen (15) year term and interest only through April 1, 2022 payment. The closing date is set for February 11, 2021.

Commissioner Ponstein expressed concern about the imminence of the closing date and Mr. Wendel responded that staff and the Board's bond counsel had already reviewed the agreement, and staff are confident the closing date is feasible.

Commissioner Toomy asked if the previous item with Chase Bank had also been reviewed by the Board's legal counsel and Mr. Wendel confirmed that it had been approved that morning.

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

E. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a One-Year Software Licensing Agreement with Carahsoft Technology Corp., in the Amount of \$229,800.94, for the Annual Renewal of Salesforce Analytical Software Services.

Mr. Wendel presented and recommended approval of the resolution. He stated that the proposed annual renewal of Salesforce software includes a reduction in license count from 160 to 122, resulting in a \$78,000 cost reduction. Since 2016, the Board has used Salesforce

in a variety of functions, including berthing operations, lease management, procurement and project management.

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

F. Consider Approval of a Resolution Awarding a Contract to Byers Industrial Services, LLC, in the Amount of \$1,146,580, for the Repairs on the Nashville Avenue Terminal Complex Crane No. 5 Damaged by *M/V CMA CGM Bianca* on August 2, 2020.

Mr. Evett presented and recommended approval of the resolution. On August 2, 2020, Crane No. 5 suffered near-catastrophic damage while working the *M/V CMA CGM Bianca*. In response to the Board's invitation to bid, Byers Industrial Services, LLC ("Byers") was the sole responsive and responsible bidder. The scope of work for this contract includes repairing the electrical and mechanical components. The contract time to perform the work is 60 calendar days. Funding for this contract is allocated in the Board's Capital Investment Plan, and the Board has filed a lawsuit against the *M/V CMA CGM Bianca* in an effort to recover these costs.

Commissioner Ponstein inquired as to the status of insurance claims filed in connection with the damage event and Mr. Escudier confirmed that the Board's insurance provider was placed on notice while a lawsuit was filed against the vessel and the vessel's interests.

Commissioner Toomy asked if there were other bidders for this contract and Mr. Evett confirmed that Byers was the sole responsive bidder, though other bidders did attend the pre-bid meeting. Mr. Evett also noted that Byer's bid was in line with staff's pre-bid estimate.

Commissioner Langenstein asked whether this contractor previously performed similar work for the Board. Mr. Evett stated this contractor previously served as a sub-contractor on other Board projects, and that Byers specializes in the type of work required for these repairs.

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

Commissioner Hernandez joined the meeting at 2:15 p.m.

V. Report by the President and Chief Executive Officer

Ms. Christian first reported that, following approval of the resolution at the Board's Regular Board Meeting on December 17, 2020, the Board had executed a Purchase and Sale Agreement ("PSA") to acquire property in Violet, Louisiana. This PSA will enable the Board to effectively begin exploration and study of development opportunities for an international container terminal in St. Bernard Parish. This project will meet growing demand and create considerable job and business opportunities in the area.

Ms. Christian proudly announced that Tomeka Watson Bryant, NOPB's Marketing and Sales Manager, was the recipient of the Railway Age Magazine's "Fast Tracker - 20 under 40" Award. She acknowledged Ms. Bryant's successful and fast-evolving career, as well as her substantial contributions to the improved productivity and safety operations at NOPB.

Ms. Christian celebrated NOPB's commendable safety record with zero reportable injuries and zero reportable human factor derailments in over 365 days. This is a first time milestone for NOPB and a significant accomplishment in the railroad industry. She attributed this remarkable achievement to collaborative and efficient teamwork, as well as diligent training

Ms. Christian acknowledged the passing of Mr. Lloyd Lazard, a dedicated community advocate for the creation of an African American Heritage Cultural Center on the Mississippi River. Ms. Christian honored Mr. Lazard's commitment and willingness to share his passion with the Board.

Lastly, Ms. Christian acknowledged the impending departure of Ms. Tiffany Carter as the Board's Director of Procurement. Since taking the helm in May 2016, Ms. Carter overcame many challenges to centralize all procurement functions while successfully expanding and diversifying the Board's vendor base. Ms. Christian expressed her congratulations and gratitude for Ms. Carter's contributions, wishing her well in her next professional endeavor.

Commissioner Hernandez echoed Ms. Christian's sentiments in celebrating Ms. Carter's achievements in her time with the Board.

VI. 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 Hernandez seconded. **MOTION CARRIED UNANIMOUSLY** and Chairman Berger adjourned the meeting at 2:20 p.m.