

**THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS
MINUTES OF THE REGULAR BOARD MEETING
THURSDAY, MAY 20, 2021**

**A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE PORT OF
NEW ORLEANS, PROPERLY NOTICED AND AUTHORIZED IN ACCORDANCE
WITH PROCLAMATION 80 JBE 2021, CONVENED REMOTELY VIA ZOOM
VIDEOCONFERENCE ON THURSDAY, MAY 20, 2021 AT 1:34 P.M.**

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

MEMBERS ABSENT: Charles H. Ponstein, Vice-Chairman

STAFF: B. Christian, President and Chief Executive Officer
M. Ganon, Vice President, Public Affairs
R. Wendel, Chief Financial Officer
A. Evett, Vice President, Chief Engineer
J. Escudier, Executive Counsel
B. Landry, Vice President, Commercial
T. Rives, Vice President, Commercial
M. Scelson, General Counsel
R. Aragon Dolese, Director, Marketing and Communications
D. Cordell, Chief Information Officer
M. Verderame, Director, Records
C. Labat, Director, Procurement
G. Palermo, Deputy General Counsel
B. McManus, Staff Attorney
M. Gresham, Director, External Affairs
J. Mansour, Director, Commercial
S. Gauthier, Director, Cruise
C. Gilmore, Director, Engineering
M. Sulser, Manager, Engineering
R. Bylsma, Manager, Construction
A. Coates, Commercial
C. Alfonso, Manager, Community Engagement
L. Lofton, Manager, Internal Audit
C. Falgoust, Procurement
A. Taylor, Procurement
P. Herring, Internal Audit
J. Woodward, Sustainable Development
M. Cloos, Sustainable Development

A. Madere, Manager, Records
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
J. Oldham, NOPB
F. Hasbun, NOPB
A. Baker, Commissioner Emeritus
H. Nichols
J. Kever
N. Junius
R. Chauvin
R. Graves
W. Evans

I. Roll Call & Determination of Quorum

Following a roll call of Board members, Chairman Langenstein confirmed a quorum and called the meeting to order at 1:34 p.m.

II. Approval of Meeting Minutes for April 2021

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

Commissioner Jensen moved to accept the minutes and Commissioner Toomy seconded the motion. **MOTION CARRIED UNANIMOUSLY**

Ms. Hernandez joined the meeting at 1:36 p.m.

III. Public Comment

Chairman Langenstein 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 April 2021.

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

Mr. Rives provided an overview of the Board's cargo volumes, noting that April was the strongest month this year for both imports and exports. Breakbulk volumes were slightly down for April but already began improving in early May. Cruise activity has resumed with twelve (12) riverboats sailing in April and fifteen (15) departures in the forecast for May. Ocean-going cruises are currently expected to resume in the late summer.

Mr. Stolzman presented the volume report for the New Orleans Public Belt Railroad Commission for the Port of New Orleans ("NOPB"). He reported that April was the strongest month for NOPB in Fiscal Year 2021. Class I and local switching volumes have remained on a strong upward trend throughout the year and April's car storage volumes were exceptional, approaching an average of 1,000 cars a day.

Commissioner Jensen asked for an update on the sale of the Kansas City Southern Railway Company. Mr. Stolzman responded that the transaction has not been completed but any merger should not directly impact NOPB beyond some initial car rerouting.

Commissioner Jensen asked Mr. Rives for precisions on the potential impact from the new steel tariffs and Mr. Rives responded that most of our steel imports originate from Asia. However, the ongoing tariff negotiations with Europe will have significant consequences on our steel trade.

Mr. Wendel presented the April 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 reported that April's revenues for both the Board and NOPB clearly reflect the positive trends described earlier. The Board's terminal operating revenue was \$238,000 over the projections of the revised budget for the month. River cruise operations are slowly resuming, but the budgeted revenues for ocean-going cruises during the months of May and June will not be met due to postponed sailings. Overall, the Board's revenues are \$478,000 over the revised budget and \$1.2 million above the year-to-date revised forecast, but still almost \$13 million below last year's revenues. NOPB's overall year-to-date operating revenues continue to exceed the revised budget by \$549,000 for the month, but remain \$2.2 million below last year's revenues. Total operating revenues were more than \$1 million over the revised budget for the month, resulting in a \$2.5 million excess over the year-to-date revised budget but almost \$15 million below last year's revenue.

Commissioner Toomy inquired about the status of NOPB's railcar storage expansion projects. Mr. Stolzman responded that Kingfish Yard opened a week earlier; construction for the France Yard expansion should start in July, and the Claiborne Yard is still in the feasibility phase.

Mr. Wendel stated that the Board's expenses remained controlled and below budget, with payroll expenses \$2.1 million below last year's figures. All other operating expenses remain below the revised budget projections, resulting in operating income being more than \$1 million over budget. NOPB's expenses were slightly over the revised budget for

the month of April, but overall remain controlled for the fiscal year. Operating income was \$448,000 over projections for the month resulting in a year-to-date excess of \$1.3 million.

Chairman Langenstein asked for clarification on NOPB's Capital Allocations. Mr. Wendel responded that timing and indexing of expenses affect the allocation of these credits throughout the year.

Commissioner Toomy asked for an update on the cruise industry. Ms. Christian responded that ocean-going cruise operators are currently reviewing guidelines issued by the United States Centers for Disease Control and Prevention ("CDC"), in order to ensure that adequate health and safety protocols can be enforced to protect their passengers. Some cruise operators plan to resume sailings in the summer, even though the vaccination requirements will present a considerable logistic challenge. Presently, the Board has one Carnival Cruise Line sailing scheduled for July.

Mr. Wendel gave an overview of the consolidated statement of revenues and expenses, noting that operating income was \$1.5 million over the revised budget for the month. Fiscal year-to-date consolidated income is \$4 million over the revised budget, which is still more than \$8 million less than last year's income at this time.

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

B. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a One-Year Software Licensing Agreement with FinancialForce.com, Inc., in the Amount of \$154,731.60 for the Annual Renewal of FinancialForce Accounting and Procurement Software.

Mr. Cordell presented and recommended approval of the resolution. He noted that the Board has been using FinancialForce software on the Salesforce platform since 2017 to service a variety of business functions, including Finance, Procurement, and Engineering integration with Capital Improvement Projects. The licensing agreement is for a period of one (1) year, commencing on May 31, 2021, and covers licensing for 222 users. Mr. Cordell stated that the 2021 proposed increase in license count is due to a consolidation of functionality from SalesForce to FinancialForce. He added that the annual price increase is offset by a reduction in the annual license cost for SalesForce. Labor cost savings will also be realized through more efficient operational cross-reporting. Funding for this contract is allocated in the Information Technology Operating Expense Budget.

Chairman Langenstein asked for clarification on the price increase and Mr. Cordell confirmed that the addition of Engineering integration was the primary reason.

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

C. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Contract with Boh Bros. Construction Co., L.L.C., to Provide Construction Manager at Risk (CMAR) Services for the Jourdan Road Terminal Wharf Substructure Repair Project, for an Amount Not to Exceed \$150,000.

Mr. Evett presented and recommended approval of the resolution. He stated that the Jourdan Road Terminal is located on the Gulf Intracoastal Waterway and the facility currently operates as a cold storage warehouse, in addition to open areas for cargo operations. The wharf substructure repair project will include several restoration methods to address the condition of each support pile and to provide abatement or encapsulation of any asbestos-containing pile wraps. The Pre-Construction Phase is estimated to last eighteen (18) months, during which time the contractor will work directly with the Board's Design Engineer to develop a detailed scope and fee schedule for the subsequent Construction Phase of the project. Following completion of the Pre-Construction Phase and upon acceptance of the contractor's Guaranteed Maximum Price to perform the scoped work, a contract amendment will be executed to add the established Construction Phase services.

The Board received five (5) submittals in response to a request for qualifications, and Boh Bros. Construction Co., L.L.C. was the highest-ranked according to the Selection Committee's evaluation criteria. The Pre-Construction Phase is estimated to cost no more than \$150,000, and funding is allocated in the Board's Capital Investment Plan.

Commissioner Jensen asked if this project could cause delays in the planned expansion of the cold storage facility and Mr. Evett responded that this substructure repair work is underneath the wharf, and will not interfere with the storage facility.

Chairman Langenstein asked for precisions on the timing of the project. Mr. Evett confirmed that the Pre-Construction Phase should last eighteen (18) months while the duration of the Construction Phase will be determined after the scope of the project is fully developed.

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

D. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Agreement with the Louisiana Department of Transportation and Development Under the Port Construction and Development Priority Program for the Downriver Container Terminal Phase 1 Project.

Mr. Evett presented and recommended approval of the resolution. He stated that the Board received a \$15 million grant from the Louisiana Port Construction and Development Priority Program ("Program") for use in connection with the Downriver Container Terminal Phase 1 Project (the "Project"). The Louisiana Department of Transportation and Development ("DOTD") administers this Program and requires that with this resolution, the Board 1) acknowledge submission of an application, and 2) authorize the President and

Chief Executive Officer to execute a Project Agreement, Statement of Sponsorship, and any other documents as required for this award.

Chairman Langenstein asked for clarification on the resolutions needed in connection with this grant award. Mr. Evett confirmed that a previous resolution was approved by the Board authorizing the initial request to the Program in connection with the Project.

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

V. Closed Executive Session to Discuss the Matter of *The Board of Commissioners of the Port of New Orleans v. Zeaborn GMBH & Co KG and M/V E.R. LONDON*, United States District Court for the Eastern District of Louisiana, Case No. 21-00763.

Chairman Langenstein called for a motion to enter into a closed executive session, in accordance with La. R.S. 42:17A(2), to discuss the litigation matter of *The Board of Commissioners of the Port of New Orleans v. Zeaborn GMBH & Co KG and M/V E.R. LONDON*, United States District Court for the Eastern District of Louisiana, Case No. 21-00763.

Commissioner Leger moved to enter into a closed executive session and Commissioner Berger seconded. **MOTION CARRIED UNANIMOUSLY** and the Board entered into a closed teleconference session.

Following conclusion of the discussion, Commissioner Jensen moved to end the closed executive session and return to the open meeting. Commissioner Toomy seconded. **MOTION CARRIED UNANIMOUSLY** and the closed executive session concluded.

VI. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Settlement Agreement in the Matter of: *The Board of Commissioners of the Port of New Orleans v. Zeaborn GMBH & Co KG and M/V E.R. LONDON*, United States District Court for the Eastern District of Louisiana, Case No. 21-00763.

Mr. Escudier presented and recommended approval of the resolution. Commissioner Leger moved to approve the resolution and Commissioner Jensen seconded. **MOTION CARRIED UNANIMOUSLY**

VII. Report by the President and Chief Executive Officer

Ms. Christian announced that the Board was in the midst of its fifth annual Maritime Month celebration, honoring the contributions of the maritime industry. She described the multiple events held as part of the month-long celebration, and thanked the Communications Team for their hard work in organizing the 2021 tribute.

Ms. Christian congratulated Lt. Cedric Turner, Lt. Kendall Turner and Lt. Christopher Smith, on their promotions to the rank of lieutenant with the Harbor Police Department. She also announced the celebration of National Police week, May 9-15, and recognized the service and commitment of the Harbor Police Department.

Chairman Langenstein echoed Ms. Christian's remarks in saluting the Harbor Police Department.

VIII. Adjournment

There being no further business to come before the Board, Chairman Langenstein called for a motion to adjourn. Commissioner Toomy so moved and Commissioner Leger seconded. **MOTION CARRIED UNANIMOUSLY** and Chairman Langenstein adjourned the meeting at 2:15 p.m.