

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

A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, PROPERLY NOTICED AND AUTHORIZED IN ACCORDANCE WITH PROCLAMATION 182 JBE 2021, CONVENED REMOTELY VIA ZOOM VIDEOCONFERENCE ON THURSDAY, OCTOBER 21, 2021 AT 1:44 P.M.

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

MEMBERS ABSENT: William H. Langenstein, III, Chairman
Joseph F. Toomy, Member

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
T. Rives, Vice President, Commercial
R. Aragon Dolese, Director, Marketing and Communications
C. Coats, Director, Operations & Real Estate
E. Pansano, Director, Internal Audit
M. Verderame, Director, Records
J. Guidry, Director, Maintenance
G. Brown, Director, Human Resources
M. Gresham, Director, External Affairs
C. Labat, Director, Procurement
C. Gilmore, Director, Engineering
D. Cordell, Chief Information Officer
M. Scelson, General Counsel
G. Palermo, Assistant General Counsel
S. Gauthier, Director, Cruise
J. Crist, Deputy Director, Operations & Real Estate
B. McManus, Staff Attorney
J. Mansour, Director, Commercial
G. Rose, Deputy Director, Planning
C. Alfonso, Manager, Community Engagement
J. Ragusa, Manager, Communications
A. Gennaro, Real Estate
P. Beard, Real Estate
A. Coates, Commercial
J. Gommel, Deputy Director, Marine Operations

H. Horan, Human Resources
M. Cloos, Geographic Information Systems
C. Falgoust, Procurement
J. Moran, Procurement
M. Singley, Board Secretariat
P. Jackson, Legal Assistant
Chief R. Hecker, Harbor Police Department
Capt. M. Montroll, Harbor Police Department

GUESTS:

M. Stolzman, NOPB
C. Kocur, NOPB
F. Hasbun, NOPB
A. Ferrand-Rodgers, NOPB
A. Wondolowski
Barnesk
B. Rushing, Waldemar S. Nelson and Company, Incorporated
B. Strahin
B. Law
B. Adams, Volkert, Inc.
Chinnk
J. Byrne
J. Martin
Jkdawes
K. Price
M. LeCompte, Arthur J. Gallagher & Co.
M. Garriott, Evens Graves Engineers, Inc.
R. Chauvin
Ujjal
W. Evans, GIS Engineering, L.L.C.

I. Roll Call & Determination of Quorum

Following a roll call of Board members, and in the absence of Board Chairman Langenstein, Vice-Chairman Ponstein confirmed a quorum and called the meeting to order at 1:44 p.m.

II. Approval of Meeting Minutes for September 2021

Vice-Chairman Ponstein called for a motion to approve the public meeting minutes for September 2021, as previously circulated.

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

III. Public Comment

Vice-Chairman Ponstein asked 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 September 2021.

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

Mr. Rives provided an overview of the Board's cargo volumes. He attributed the significant volume decrease to the loss of working days post Hurricane Ida and to the twenty-one (21) vessel omissions. Ten (10) omissions were caused by the hurricane but eleven (11) vessels by-passed the Board's facilities in order to remediate line schedule disruptions. Consequently, import and export volumes declined in September but should rebound next month unless the current congestion in the Port of Houston creates traffic delays. On a positive note, four (4) new cranes should arrive to the Board's terminals by the end of November, which will significantly increase productivity once they are operational. The Commercial team is also actively promoting the Board's cargo abilities with new customers.

Breakbulk volumes were up by 50% in September and 114% over last year's numbers at this time. These are the highest volumes recorded since 2018 and, if this positive trend continues, a total breakbulk volume of 2 million tons could be achieved by the end of fiscal year 2022.

Mr. Rives reported two (2) ocean cruise departures and three (3) river sailings in September. Hurricane Ida negatively impacted river cruising resulting in a decrease in passengers from the previous month. Ocean sailing should increase to five (5) departures in October and more services in the following months. Because of the resumption of cruising, parking numbers reached 3,677 vehicles this month and should continue to increase as more passengers will use the Board's parking facilities.

Vice-Chairman Ponstein emphasized the major impact of cruising on the City and its tourism industry. Commissioner Hernandez inquired about the source of the increase in breakbulk revenues. Mr. Rives attributed this surge to the onset of a strong plywood market while steel and rubber volumes remain steady and robust. Commissioner Hernandez asked if, like other ports in the country, the Board's facilities were facing labor shortages. Mr. Rives responded that operators are being challenged as they are trying to accommodate additional vessels arriving to the Board's terminals.

Mr. Wendel presented September's volume report for the New Orleans Public Belt Railroad Commission for the Port of New Orleans ("NOPB") and stated that Class-I and local switching volumes were considerably down but storage volumes remained strong.

Mr. Wendel presented September 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, for NOPB. He reported that Hurricane Ida caused some significant loss in container revenues but breakbulk numbers ended \$822,000 over budget projections. Total terminal operations revenues were \$219,000 below budget in September but with stronger than anticipated cruise revenues, the total revenues were \$239,000 over budget for the month and \$1.4 million above last year's revenues at this time.

Mr. Wendel stated that NOPB's revenue was also negatively impacted by Hurricane Ida, and ended up being \$431,000 below the budget for the month, but still remaining \$1.3 million above last year's revenues at this time. On a consolidated basis, total operating revenues were \$191,000 below budget for the month but \$1.3 million over last year's revenues at this time.

Mr. Wendel noted that this month's statement of revenues and expenses does not include any of the hurricane related costs and insurance recoveries. These amounts will be reflected in subsequent statements. He also reported that some of the overtime labor costs will be recoverable. Total operating expenses remained \$577,000 under budget, allowing for a Total operating Income of \$816,000 over budget for the month and \$2.4 million over last year's statement at this time.

Because of Hurricane Ida, NOPB's total operating income was \$421,000 under budget for the month but still \$864,000 over last year's numbers at this time. On a consolidated basis, the operating income was \$395,000 over budget for September, and almost \$3.3 million above last year's operating income at this time.

Commissioner Hernandez 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 Annual Agreements Providing for Employee Benefits for Health, Dental, Vision, Long-Term Disability, Accidental Death and Dismemberment, and Life Insurance Coverage.

Mr. Wendel presented and recommended approval of the resolution. He provided an overview of current and proposed employee benefits for health, dental, vision, long-term disability ("LTD"), accidental death and dismemberment ("AD&D"), and life insurance coverages, as well as an overview of the different benefit coverages. He stated that the High Deductible Health Plan ("HDHP") is the most popular plan with 80% of the employees and 40% of retirees. Eighty (80) retirees are on the Board's health plans and most of them are under the age of sixty-five (65).

The proposed coverage options for 2022 were limited to only Blue Cross Blue Shield of Louisiana (“BCBS”) submitting a quote for health benefits. The 2022 renewal is estimated to be \$4.6 million in total premium, which represents a 24% increase over last year. The significant changes in the 2021 plan design resulted in a savings of approximately \$1.2 million for the Board. The renewal plan will remain similar to last year’s design.

Additionally, staff recommends continuing contracts with United Healthcare for vision and dental coverages with a 5% increase in premium cost. Aflac, Inc. will continue to provide life, AD&D and LTD coverages for an estimated annual cost of \$80,000, with increased base benefits for the employees. The proposed benefit coverages will be effective January 1, 2022.

Commissioner Hernandez 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 Axon Enterprise, Inc. in the Amount of \$216,969, to Provide Body-Worn Cameras to the Harbor Police Department.

Captain Montroll presented and recommended approval of the resolution. She stated that Axon Enterprise, Inc., (“Axon”) was selected, from State contracts, for this five (5) year contract to provide forty-one (41) body-cameras for the Harbor Police Department (HPD). This contract will include maintenance, camera refresh, cloud data storage and initial training for the entire department. HPD is currently using equipment provided by this vendor, which should eliminate compatibility issues. Captain Montroll emphasized that body-worn cameras will promote safety and transparency. The funding source will be the Board’s Capital Equipment and Operating Budgets.

Commissioner Leger asked for clarifications on the duration of the maintenance services provided under the contract. Captain Montroll responded that the maintenance services will be provided for the entire duration of the contract, including free replacement of deficient cameras.

Commissioner Hernandez asked if the forty one (41) cameras will all be used at the same time. Captain Montroll responded that some spare cameras will always be available in case of equipment malfunction.

Commissioner Jensen asked if additional administrative staff will have to be hired to manage the camera data. Captain Montroll stated that all officers will be trained in data management. Two (2) officers will receive extra training to become certified instructors for new recruits as well as act as liaisons with Axon’s 24/7 technical support.

Commissioner Leger and Commissioner Hernandez thanked Captain Montroll and HPD for taking the initiative to get these cameras in place.

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

D. Consider Approval of a Resolution Awarding a Contract to American Refrigeration, LLC, in the Amount of \$2,699,400, for the Jourdan Road Terminal Cold Storage Expansion Refrigeration System Installation Project.

Mr. Gilmore presented and recommended approval of the resolution. This project is part of an ongoing cold storage facility expansion. The work consists of furnishing all labor and materials for the installation of a new ammonia refrigeration system. Three (3) proposals were received and the funding source is the Capital Outlay Grant.

Commissioner Hernandez asked about the duration of the contract. Mr. Gilmore responded that the duration of the contract is one hundred thirty-four (134) consecutive days after Notice to Proceed.

Vice-Chairman Ponstein asked if the two (2) other bids were in a close price range. Mr. Gilmore responded that American Refrigeration's bid was significantly lower but entirely in line with the design objectives of the project.

Commissioner Jensen asked if the use of ammonia for refrigeration complied with all EPA regulations. Mr. Gilmore responded that it is still one of the most efficient refrigeration systems and that the contractor will be required to follow all current regulations.

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

E. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into Separate Professional Services Contracts with (1) Waldemar S. Nelson and Company, Incorporated, (2) ECM Consultants, Inc., and (3) Evans-Graves Engineers, Inc., to Provide As-Needed Civil Engineering Services for a Period of Three Years, for an Amount Not to Exceed \$500,000 Per Contract.

Mr. Gilmore presented and recommended approval of the resolution. He stated that the Board requires civil engineering services to support a variety of capital program projects and the current contracts are set to expire. The new three (3) year contracts will include a wide range of as-needed services and the Board's Capital Investment Plan will provide funding.

Commissioner Hernandez and Commissioner Jensen asked for clarification on the cost limit of the contracts. Mr. Gilmore responded that each contract should not exceed \$500,000.

Commissioner Leger asked for confirmation that these contracts were only for as-needed services. Mr. Gilmore stated that projects will only be assigned when needed and payments will be due only if a service is provided. Mr. Evett added that, although the projects have

not yet been determined, the Board will need such services and will use the funds allocated in the five (5) year Capital Investment Program to complete those projects.

Commissioner Hernandez moved to accept the resolution and Commissioner Jensen seconded. **MOTION CARRIED UNANIMOUSLY**

F. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Professional Services Contract with Waldemar S. Nelson and Company, Incorporated, to Provide As-Needed Mechanical and Electrical Engineering Services for a Period of Three Years, at a Cost Not to Exceed \$500,000 for the Full Contract Term.

Mr. Gilmore presented and recommended approval of the resolution. Commissioner Leger asked if this item is similar to Item E. Mr. Gilmore confirmed that it is similar to the previous item but under this item, the consultant will provide mechanical and electrical engineering for as-needed services. This contract term is also for a duration of three (3) years and will not exceed \$500,000 for the full term. The funding will be provided by the Board's Capital Investment Plan.

Commissioner Jensen asked for confirmation that only one (1) contract was being awarded for these services. Mr. Gilmore confirmed and noted that it was determined that only one (1) consultant was required for these services.

Commission Leger asked about sub-consultants and Mr. Gilmore stated the sub-consultants will only be assigned projects through the main consultant, Waldemar S. Nelson & Company, Incorporated.

Commissioners Jensen and Leger inquired about the selection process for these services. Mr. Gilmore stated that six (6) other firms were considered and the Selection Committee reviewed the proposals and ranked the firms based on set criteria.

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

G. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Professional Services Contract with IMC Consulting Engineers, Inc., to Provide Design Services in Connection with the Nashville "A" Shed Sprinkler System Replacement Project, for a Period of Three Years, at a Cost Not to Exceed \$500,000 for the Full Contract Term.

Mr. Gilmore presented and recommended approval of the resolution. The existing sprinkler system for the Nashville "A" Shed, built in the early 1960s, has reached the end of its useful life. This contract will provide professional services including inspection, evaluation, and design services for an upgraded sprinkler system. Only one firm responded to the request for proposal for this specialized contract. The contract is for a three (3) year term and the Board's Capital Investment Plan will provide funding.

Commissioner Jensen asked about the specialized specifications of this contract. Mr. Gilmore stated that fire suppression services require a consultant with certified professional expertise in that field of service. Commissioner Jensen inquired about the square footage of the shed. Mr. Gilmore responded that he would research and provide this information as soon as possible.

Commissioner Hernandez asked for clarification on the duration of the design phase and process. Mr. Gilmore and Mr. Evett responded that, once the contract is awarded, the consultant will propose a construction plan within the design phase.

Commissioner Jensen asked if the contractor will actively be involved in the construction of the sprinkler system. Mr. Evett responded that the design engineering consultant will not participate directly in the construction phase but will be involved in the bidding process and will ensure that the selected contractor is in compliance with all the design requirements. Commissioner Jensen asked if all the sheds at the Nashville terminal needed an upgraded sprinkler system. Mr. Evett stated that only Shed A is in need of an updated system.

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

H. Consider Approval of a Resolution Awarding a Contract to Lou-Con, Inc. in the Amount of \$785,820 for the Julia Street Wharf Water Main Repairs Project.

Mr. Gilmore presented and recommended approval of the resolution. The water main at the Board's Julia Street Wharf is in need of repairs due to corrosion and other issues. Since cruise ships have returned to the Board's facilities these repairs are urgently needed. The scope of services under this contract includes all labor, materials, and equipment for realignment and support of the existing 12" main water line under the wharves, as well as removal and replacement of select ship service lateral feeds. Three (3) bids were received for those repairs but, due to high cost of material, the selected contract amount is above the pre-bid estimate range. The Board's Capital Investment Plan will provide the funding

Commissioner Leger asked for confirmation that, under the Public Bid Law, the Board has to award a contract to the lowest bidder as opposed to the request for proposals that were used to select consultants for prior items. Mr. Gilmore confirmed and stated that Lou-Con was the lowest qualified bidder.

Commissioner Leger asked for more clarifications on a request for proposals versus an invitation to bid. Mr. Escudier stated that the request for proposal rating is more subjective since based on qualifications whereas bids are awarded according to bid amounts.

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

I. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Professional Services Contract with Design Engineering, Inc., for the Nashville Avenue Wharf “A” Substructure Repair Phase 2 Project for a Period of Three Years, at a Cost Not to Exceed \$2,000,000 for the Contract Term.

Mr. Gilmore presented and recommended approval of the resolution. The Nashville Wharf “A” has been repaired multiple times since its construction in 1961. In 2019, a Phase 1 substructure repair project was completed, with approximately 1,800 repaired piles. The Phase 2 project will develop designs to repair the remaining piles. The scope of the contract for the Phase 2 project will include all project management services. Due to the magnitude and complexity of the repairs at the facility, the Construction Management at Risk (CMAR) alternative delivery method will be used for the construction phase. Once the Phase 2 designs are approximately 30% completed, the CMAR contract will be brought before the Board. The Board’s Capital Investment Plan will provide funding for this project.

Commissioner Ponstein inquired about the number of proposals received and Mr. Gilmore stated that six (6) qualified contractors responded to the request.

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

J. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment in the Amount of \$175,442.30 to the Contract with Orion Industrial Construction, LLC for the Nashville Terminal Conversion to Container and Crane Rail Extension Project.

Mr. Gilmore presented and recommended approval of the resolution. The original contract with Orion Industrial Construction, LLC, which was awarded by the Board in December 2019, need to be amended in order to install a new comfort station at the Nashville Avenue Wharf “C” to replace previously demolished comfort stations that were inside Shed C. As a result, a change order to this contract is proposed to install the necessary water and sewer utilities. The funding source for this additional project will be the Board’s Capital Investment Plan.

Commissioner Leger asked for confirmation that Shed C has already been demolished. Mr. Gilmore confirmed.

Commissioner Jensen asked for specifications on the scope of the work included in the cost of the amendment. Mr. Evett responded that it includes installing water and sewer utilities in order to support a future comfort station.

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

K. Consider Approval of a Resolution Awarding a Contract to Eco Roof and Solar, Inc., in the Amount of \$235,389.99, for the Robin Street Wharf Office Temporary Roof Project.

Mr. Gilmore presented and recommended approval of the resolution. He reported that Hurricane Ida damaged the roof of the Robin Street Wharf office allowing water infiltration into the building. The scope of this contract includes all labor, materials, and equipment for the installation of a temporary roof to prevent further damage. One (1) bid was received for this project and the work should be performed within thirty (30) consecutive calendar days after the Notice to Proceed. Hurricane Ida insurance proceeds will provide the funding.

Commissioner Jensen and Leger asked about the tenant of the building. Ms. Coats responded that Mardi Gras World, LLC is operating in this facility. Commissioner Jensen and Leger inquired about insurance coverage for this damage. Mr. Wendell responded that the Board owns the building and added that a claim had already been filed with the Board's insurance.

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

L. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Amend the Board's FMC Tariff, T-No. 2.

Mr. Crist presented and recommended approval of the resolution. He stated that the annual tariff review prompted the recommendation of rate adjustments and updates. There were no rate adjustments in 2021. The majority of the cargo rates will be increased by 4%, container cranes rates by 10% and security fees will be adjusted to align with Gulf Seaports Marine Terminal Conference. Additionally, certain vessel and equipment items will be updated to streamline procedure and customer user experience.

Commissioner Leger inquired about the Board's low dockage rate compared to other ports. Mr. Crist responded that the lower dockage fees ensure that the Board's rates remain competitive despite the pilotage fees. Commissioner Leger stated that the pilot fees on the Mississippi River are actually lower than in some other ports. Mr. Rives added that the duration of travel up the River is also a determining factor for carriers.

Mr. Crist reported on additional revisions that will produce new revenues and streamline procedure with no negative impacts on income. These amendments will take effect on January 1, 2022 and a sixty (60) day formal notice will be sent to customers.

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

V. Report by the President and Chief Executive Officer

Ms. Christian congratulated the leadership of the Harbor Police Department for implementing the use of body-worn cameras. She also recognized and celebrated the promotion of officers Travis Causey, Logan Tillery, Howard Dennison and Dwayne Benjamin to Corporal. Ms. Christian also praised the seven (7) officers who were presented with a Class B Medal of Merit for their courageous actions during the apprehension of a suspect involved in a shooting incident on France Road. She thanked all officers for their bravery and dedication to duty.

Ms. Christian celebrated the recent departure of four new gantry cranes from Shanghai, currently on their way to the Board's facilities. The cranes should be operational in the Spring of 2022. Ms. Christian thanked the Board's Engineering and Operations Departments, the terminal operators and the contractor, Boos Navarre, for their tireless work to ensure the design, construction and delivery process of the cranes, despite the challenge of the COVID pandemic. Commissioner Ponstein asked if the project was on time and in line with budget projections. Ms. Christian responded that the pandemic had caused some delays and extra costs but that she was hopeful the project was going to move forward without further interruptions.

Lastly, Ms. Christian announced that Mr. James J. Carter, Jr. had been appointed by the Governor to the Board of Commissioners of the Port of New Orleans. He will succeed Ms. Hernandez in the Position E seat for Orleans Parish. She welcomed Mr. Carter to the Board family and expressed her gratitude to departing Commissioner Hernandez, noting her energetic leadership and many accomplishments since joining the Board in July 2016.

Commissioner Hernandez expressed her appreciation and gratitude for the opportunity to serve on the Board.

Vice-Chairman Ponstein echoed Ms. Christian's praise of Commissioner Hernandez and welcomed Mr. Carter to the Board.

VI. Administration of Oath of Office to Mr. James J. Carter, Jr.

Mr. Escudier administered the Oath of Office to Mr. Carter.

VII. Commissioners' Comments

Vice-Chairman Ponstein opened the floor for Commissioners' comments. All commissioners welcomed Mr. Carter to the Board and praised Commissioner Hernandez for her exceptional service.

Mr. Carter also recognized Commissioner Hernandez for her service. Mr. Carter expressed his pride and enthusiasm for the opportunity to serve on the Board and to contribute to its mission.

VIII. Adjournment

There being no further business to come before the Board, Vice-Chairman Ponstein called for a motion to adjourn. Commissioner Carter so moved and Commissioner Leger seconded. **MOTION CARRIED UNANIMOUSLY** and Vice-Chairman Ponstein adjourned the meeting at 3:09 p.m.