

**THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS
MINUTES OF THE REGULAR BOARD MEETING
THURSDAY, MAY 21, 2020**

A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, PROPERLY NOTICED AND AUTHORIZED IN ACCORDANCE WITH SECTION 2(C) OF THE GOVERNOR'S MAY 14, 2020 PROCLAMATION 59 JBE 2020, CONVENED REMOTELY VIA ZOOM VIDEOCONFERENCE AT 1:32 P.M. ON THURSDAY, MAY 21, 2020.

COMMISSIONERS PRESENT: Tara C. Hernandez, Chair
Darryl D. Berger, Vice-Chairman
William H. Langenstein, III, Secretary-Treasurer
Arnold B. Baker, Member
Charles H. Ponstein, Member

COMMISSIONERS ABSENT: Jack C. Jensen, Member
Joseph F. Toomy, Member

STAFF: B. Christian, President and Chief Executive Officer
M. Ganon, Vice President, Public Affairs
A. Fant, Vice President, Planning and Facilities
B. Landry, Vice President, Commercial
R. Wendel, Chief Financial Officer
J. Escudier, Executive Counsel
M. Scelson, General Counsel
A. Evett, Director, Engineering
C. Coats, Director, Real Estate
R. Aragon Dolese, Director, Marketing and Communications
J. Guidry, Director, Maintenance
J. Ragusa, Communications
M. Verderame, Director, Records
E. Pansano, Director, Internal Audit
T. Carter, Director, Procurement
J. Crist, Deputy Director, Real Estate
G. Palermo, Assistant General Counsel
R. Bylsma, Construction
J. Woodward, Permitting
M. Sulser, Manager, Engineering
A. Madere, Manager, Records

GUESTS: M. Stolzman, NOPB
T. Haver, NOPB
C. Kocur, NOPB
J. Oldham, NOPB
G. Rose, NOPB
L. Traweek, *New Orleans City Business*

K. Calkins
K. Price
B. Adams
T. Mcauley
J. Ming

I. Determination of Quorum and Call to Order

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

II. Briefing & Action Items:

A. Acceptance of the Consolidated Financial Statements for April, 2020.

Mr. Wendel presented the consolidated financial statements for April 2020, a copy of which is made a part of these minutes. He noted April and fiscal year-to-date figures for gross revenues, labor costs, operating costs, and operating incomes for the Board, as well as on a consolidated basis with the New Orleans Public Belt Railroad Corporation (“NOPB”). Mr. Landry provided an overview of cargo volumes, and Mr. Stolzman provided an overview of railroad volumes for NOPB.

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

B. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment to the Agreement with PFM Financial Advisors, LLC, to Extend the Contract for a Period of Three Years, for an Amount Not to Exceed \$97,430 for Base Services Plus \$1.00 per \$1,000 of Bonds Issued.

Mr. Wendel presented and recommended approval of the resolution. Staff reviewed proposals from two municipal advisory firms, and based on pricing structures and services needed, determined it was in the best interest of the Board to extend the current contract with PMF Financial Advisors, LLC (“PMF”). The proposed amendment will extend the current contract for a period of three (3) years, for an estimated annual cost of \$31,800. Funds for base services are allocated in the Operating Expense Budget, and services related to bond issuance assistance will include a supplemental rate of \$1.00 per \$1,000 of bonds issued by the Board.

Chair Hernandez asked for clarification on the pricing structure. Mr. Wendel stated there is a base annual service fee of \$31,800, which includes an annual Consumer Price Index (CPI) increase. In addition, PMF will be paid a fee of \$1.00 per \$1,000 of bond issued for assistance with said issuance.

Commissioner Langenstein inquired as to the timing of the current contract expiration, and how PMF’s pricing structure compared with other companies that were considered. Mr. Wendel confirmed that PMF’s current contract would expire at the end of June, and that

the pricing structure and resources of PMF were determined to be more cost-effective and beneficial to the Board's needs. The pricing structure of the other company was \$2.50 per \$1,000 of bonds issued, with no annual fee.

Chair Hernandez asked whether the other company considered was local. Mr. Wendel confirmed the other company considered was a smaller firm in Louisiana, but not local to New Orleans.

Chair Hernandez inquired as to the term for PMF's current contract. Mr. Wendel stated PMF's current contract was for a term of three (3) years, and expires at the end of June.

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

C. 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 \$134,330.40 for the Annual Renewal of FinancialForce Accounting and Procurement Software.

Mr. Wendel presented and recommended approval of the resolution. He noted 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. The license agreement is for a period of one year, commencing on May 31, 2020, and covers licensing for 165 users. Mr. Wendel noted that while the number of licenses increased, the cost decreased from the previous year due to the licensing structure for different levels of users. Funds for this contract are allocated in the Information Technology Operating Expense Budget.

Chair Hernandez noted and Mr. Wendel confirmed that the total number of licenses increased to 165 from 135 the previous year, while the cost decreased from \$144,357.60, which was attributable to recalibrating licensing needs for different user levels.

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

D. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment, in the Amount of \$280,694.50, to the Contract with Complete Engineering and Construction, Inc., for Structural Repairs to the Seabrook Bridge.

Mr. Evett presented and recommended approval of the resolution. In November 2016, the Board awarded a contract to Complete Engineering and Constructions, Inc. in the amount of \$6,760,000, to perform structural repairs to the Seabrook Bridge. This change order is needed to address additional repair work related to hidden corrosion, and will include work needed to replace span lock machinery, replace the gusset at the trunnion, and balance the bridge as a result of unplanned railroad activity. This is the first change order to the original

contract, and staff have determined the amount to be fair and reasonable. Funds for this change order are allocated in the Board's Capital Investment Plan.

Chair Hernandez asked for the completion date of this work. Mr. Evett confirmed that the original contract scope and change order work are complete, but staff have been negotiating the final cost for the change order.

Commissioner Ponstein asked if there was additional work needed on the Seabrook Bridge. Mr. Evett noted there were other projects planned for the bridge, and with work about to commence on Seabrook Bridge approach span improvements.

Commissioner Langenstein asked if the balancing work was required in connection with activities by Norfolk Southern Railroad and if it was possible to recoup those costs. Mr. Evett confirmed the Board works collaboratively with the impacted railroads on different projects relating to the bridges, and that costs relating to this contract work were determined to be the responsibility of the Board.

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

E. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment, in the Amount of \$181,913, to the Contract with Centric Gulf Coast, Inc., for Electrical and Paving Modifications at the Nashville Avenue Terminal Complex.

Mr. Evett presented and recommended approval of the resolution. In July 2019, the Board awarded a contract to Centric Gulf Coast, Inc. in the amount of \$4,273,240, to perform the first phase of construction for the Nashville Terminal Conversion to Container and Crane Rail Extension – Electrical Modifications & Paving Improvements. This change order, in the amount of \$181,913, is needed as a result of an extended high-river period, which has resulted in delays that can negatively impact the overall project schedule. Work included in this change order will allow for the installation of temporary power cables to service the container cranes and allow shed demolition activities to take place during the current high-river period. Mr. Evett noted this will be the fourth change order to this contract, and funds are allocated in the Board's Capital Investment Plan.

Chair Hernandez noted concerns over high-river delays having a cumulative negative impact on ongoing projects. Mr. Evett noted that staff are regularly assessing river conditions and making adjustments to project variables that are within their means.

Commissioner Langenstein asked if it was possible to adjust the timing of issuing contracts to better accommodate the high-river season. Mr. Evett stated that high-river impacts are unpredictable, but that staff try to mitigate risks of negative impacts throughout all project planning phases.

Chair Hernandez recommended a learning session to help brainstorm creative ways to mitigate river impacts. Ms. Fant noted that staff have worked diligently to assess historical river conditions and continuously factor-in changing conditions during project planning.

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

III. Report by the President and Chief Executive Officer

Ms. Christian acknowledged Evergreen Shipping's new container service to and from the Caribbean and the Port of New Orleans, with the *Arkadia* calling at the Napoleon Avenue Container Terminal. This new service will support the exports of resins and other commodities.

Ms. Christian noted the finalization of two lease amendments between the Board and Ports America, redrawing boundaries, adjusting minimum guarantees, and extending terms of both leases to 2031.

Ms. Christian recapped the Maritime Month celebrations currently underway, noting the focus on front-line workers keeping the supply chain functioning during COVID-19. She highlighted proclamations declaring the month of May as Maritime Month, social media campaigns for internal and external stakeholders, and billboards honoring front-line workers. The Board has also partnered with WWL-TV for the fourth consecutive year to broadcast 30-second commercials, social media posts and website ads throughout the month touting the contributions of "Your Working River, Now More Than Ever."

IV. Appointment of the Nominating Committee

In anticipation of electing new Board officers in the month of June, Chair Hernandez appointed Commissioners Jensen, Toomy, and Baker to serve as the Nominating Committee. The Nominating Committee will recommend a ballot of officers to the full Board in June.

V. Adjournment

There being no further business to come before the Board, Chair Hernandez called for a motion to adjourn. Commissioner Ponstein moved, and Commissioner Baker seconded. **MOTION CARRIED UNANIMOUSLY** and Chair Hernandez adjourned the meeting at 2:08 p.m.