THE BOARD OF COMMISSIONERS OF
THE PORT OF NEW ORLEANS

MINUTES OF
THE BUDGET COMMITTEE MEETING
MONDAY, AUGUST 19, 2019

A MEETING OF THE BUDGET COMMITTEE OF THE BOARD OF COMMISSIONERS
OF THE PORT OF NEW ORLEANS, HELD IN THE PRESENTATION ROOM ON THE
FOURTH FLOOR AT ITS OFFICES LOCATED AT 1350 PORT OF NEW ORLEANS
PLACE, NEW ORLEANS, LOUISIANA, WAS CALLED TO ORDER BY PRO TEMPORE
COMMITTEE CHAIRMAN WILLIAM H. LANGENSTEIN AT 1:34 P.M. ON MONDAY,
AUGUST 19, 2019.

COMMITTEE
MEMBERS
PRESENT:
William H. Langenstein, Pro Tempore Committee Chairman
Arnold B. Baker, Member
Laney J. Chouest, Member
Darryl D. Berger, Member
Charles H. Ponstein, Member
Jack C. Jensen, Jr., Member

ABSENT:
Tara C. Hernandez, Committee Chair

STAFF:
A. Fant, Vice President, Planning and Facilities
M. Ganon, Vice President, Public Affairs
R. Wendel, Chief Financial Officer
A. Evett, Director, Engineering
M. Verderame, Director, Records
E. Pansano, Director, Internal Audit
C. Coates, Director, Real Estate
M. Scelson, Assistant General Counsel
J. Ragusa, Manager, Communications
C. Alfonso, Manager, Community Engagement
R. Aragon Dolese, Director, Communications
J. Guidry, Director, Maintenance
G. Palermo, Port General Agent

GUESTS:
M. Stolzman, NOPB
T. Haver, NOPB
J. Sleeth, NOPB
L. Traweek, New Orleans City Business
M. Miller, NOCS
J. Casanova, NOCS
I. Determination of Quorum and Call to Order

In the absence of Committee Chair Hernandez, Board Chairman Baker appointed Commissioner Langenstein to serve as Pro Tempore Committee Chairman for the purposes of holding this meeting. Pro Tempore Committee Chairman Langenstein determined the existence of a quorum and called the meeting to order at 1:34 p.m.

II. Briefing and Discussion Items:

A. Recommend to the Board at its Regular Monthly Meeting the Acceptance of the Consolidated Financial Statements for July 2019.

Mr. Wendel distributed the July 2019 financial reports to the Board, a copy of which is made a part of these minutes. He provided an overview of the Board’s and the New Orleans Public Belt Railroad Corporation’s (“NOPB’s”) expenses, revenues, and budgets on both a monthly and fiscal year-to-date basis.

Mr. Wendel provided a volume report to the Committee. He stated there was a reduction in the cargo volume which he attributes to Hurricane Barry. He noted there was an increase in container business for the month, but the overall volume is down compared to this month last year. He noted that breakbulk volumes continue to be impacted by tariff issues.

Mr. Wendel noted the most significant impact to the Board’s revenue from Hurricane Barry was the loss of cruise ships that were rerouted to Mobile, Alabama to disembark passengers.

Commissioner Baker questioned if any of the cargo revenue decreases were due to weather-related issues, as opposed to political issues or effects of the tariffs. Mr. Wendel stated that the ongoing tariff issues have caused breakbulk volume to remain below 200,000 tons.

Ms. Gannon stated the mouth of the Mississippi River is now back down to forty-five feet.

Pro Tempore Committee Chairman Langenstein noted that in comparison to previous months, there still appeared to be budget impacts to cargo volumes which may be attributable to the weather. Mr. Wendel confirmed there were some cargo ships delayed due to the weather conditions.

Mr. Wendel provided an overview of business line volumes for NOPB. He noted Class I and local switching remain strong with consistent activity. Class I switching remains in the 11,000 car range, local switching remains in the 2,000 range.

Mr. Wendel stated the Board’s terminal operations revenues came in at $3.4 million. He noted container revenues continue to remain strong. Cruise revenues came in below budget which he attributes to Hurricane Barry. Real estate revenue came in at $941,000 for the month, which is $10,000 over budget for the month. For the month, the Board is $278,000 below budget in operating income.
The NOPB is continuing at $2.7 million per month in revenue, against a budget of $2.5 million. On a consolidated basis, Mr. Wendel stated total revenues came in at $8 million for the month.

Mr. Wendel noted there was a significant increase in the Board’s July labor expenses due to Hurricane Barry, putting labor expenses $100,000 over budget for the month. He noted total expenses came in at $1.2 million against a budget of $1.5 million, which made up for the loss in operating income revenues.

Mr. Wendel stated that for the month, NOPB has $2.7 million in revenues, against a budget of $2.5 million. He noted the labor expenses for NOPB were not impacted as heavily during Hurricane Barry with staff expenses for overtime and other emergency preparedness staffing. Expenditures for operating expenses came in $54,000 below budget, and operating income came in at $464,000 against a budget of $120,000.

On a consolidated basis, operating income came in at $1.75 million against a budget of $1.6 million.

Commissioner Baker asked staff to reiterate the strategy for offsetting dredging expenses. Mr. Wendel explained the rollover numbers in the budget from the previous fiscal year, and he stated there is a dredging maintenance contract in place this fiscal year, which has been allocated in the budget. Ms. Fant noted the purpose of the maintenance dredging contract is to maintain a certain water level throughout the year to avoid having to expend extra funding for emergency dredging.

Commissioner Ponstein made a motion to recommend acceptance of the July, 2019 consolidated financial statements at the Regular Board meeting. Commissioner Berger seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

### III. Public Comment

*Pro Tempore* Committee Chairman Langenstein called for any public comment, but there was none.

### IV. Adjournment

There being no further business to come before the Committee, *Pro Tempore* Committee Chairman Langenstein called for a motion to adjourn. Commissioner Baker so moved, and Commissioner Ponstein seconded. **MOTION CARRIED UNANIMOUSLY** and the meeting was adjourned at 1:44 p.m.
THE BOARD OF COMMISSIONERS OF
THE PORT OF NEW ORLEANS

MINUTES OF
THE PLANNING AND ENGINEERING COMMITTEE MEETING
MONDAY, AUGUST 19, 2019


COMMITTEE

William H. Langenstein, III, Committee Chairman

MEMBERS

Arnold B. Baker, Member

PRESENT:

Tara C. Hernandez, Member
Laney J. Chouest, Member
Darryl D. Berger, Member
Charles H. Ponstein, Member
Jack C. Jensen, Jr., Member

STAFF:

A. Fant, Vice President, Planning and Facilities
M. Ganon, Vice President, Public Affairs
R. Wendel, Chief Financial Officer
A. Evett, Director, Engineering
M. Verderame, Director, Records
E. Pansano, Director, Internal Audit
C. Coates, Director, Real Estate
M. Scelson, Assistant General Counsel
J. Ragusa, Manager, Communications
C. Alfonso, Manager, Community Engagement
R. Aragon Dolese, Director, Communications
J. Guidry, Director, Maintenance
G. Palermo, Port General Agent

GUESTS:

M. Stolzman, NOPB
T. Haver, NOPB
J. Sleeth, NOPB
L. Traweek, New Orleans City Business
M. Miller, NOCS
J. Casanova, NOCS
I. Determination of Quorum and Call to Order

Committee Chairman Langenstein determined the existence of a quorum and called the meeting to order at 1:44 p.m.

II. Briefing and Discussion Items:

A. Recommend to the Board at its Regular Monthly Meeting a Resolution Awarding a Contract to Durr Heavy Construction, LLC, in the Amount of $1,142,468 for Phase 1 of the Nashville and Napoleon Avenue Trench Drain Repair Project.

Mr. Evett presented and recommended approval of the resolution. He noted there are concrete-walled trench drains with steel gratings located throughout the Nashville and Napoleon Avenue container marshalling yards. The older drains are in various states of disrepair due to the heavy repetitive loads that are imparted on them. This Phase I work consists of partially demolishing and reconstructing trench drain walls, installing new or salvaged grates, repairing selective portions of adjacent pavement, and drain cleaning.

Mr. Evett noted Durr Heavy Construction, LLC was the lowest of three responsive and responsible bidders. Funds for this project are allocated in the Board’s Capital Investment Plan.

Commissioner Hernandez joined the meeting at 1:46 p.m.

Commissioner Ponstein questioned whether the bids were competitive in price. Mr. Evett responded the bids were relatively close.

Commissioner Chouest asked for clarification on the procedure if the pre-bid estimated cost for a project is lower than the original funds allocated in the budget. Mr. Wendel responded the remaining funds are held in reserve until the end of the year to supplement any projects that may require additional funding.

Commissioner Chouest moved to recommend approval of the resolution at the Regular Board meeting. Commissioner Jensen seconded the motion. MOTION CARRIED UNANIMOUSLY.

B. Recommend to the Board at its Regular Monthly Meeting a Resolution Awarding a Contract to Cuzan Services, LLC, in the Amount of $412,000 for Phase III of the Canal Street Wharf Substructure Repair Project.

Mr. Evett presented and recommended approval of the resolution. He stated the Canal Street Wharf was constructed in the 1920’s with a timber substructure that requires periodic repair. The Board performed two similar repairs within the past four years. Phase III of this project includes repairs to over sixty timber piles, as well as repairs and replacement of the pile caps and bracing.
Mr. Evett stated Cuzan Services, LLC was the lowest of three responsive and responsible bidders. Funds for this project are allocated in the Board’s Capital Investment Plan.

Commissioner Ponstein asked for clarification on the location of this project in relation to the Canal Street ferry landing. Mr. Evett confirmed that the wharf repair work will occur adjacent to the ferry landing.

Committee Chairman Langenstein asked for clarification if the sixty timber piles were being replaced or repaired. Mr. Evett responded that the timber piles were being repaired, not replaced.

Commissioner Berger questioned whether there is a proposal to lease it from the Board. Ms. Coats stated that neither the Howard Hughes Corporation nor the International River Center, LLC currently lease wharf space from the Board. The Board generates revenue when special events permits are issued for that area.

Commissioner Berger asked if the waterfront space had been evaluated for maritime use, and Ms. Coats stated that there were proposals being considered for potential vessel berthing.

Commissioner Hernandez moved to recommend approval of the resolution at the Regular Board Meeting. Commissioner Chouest seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**C. Recommend to the Board at its Regular Monthly Meeting a Resolution Authorizing the President and Chief Executive Officer to Enter into a Professional Services Contract with AECOM Technical Services, Inc., for an Amount Not to Exceed $275,000, to Provide Engineering Support for the Department of the Army’s Feasibility Study to Deepen the Mississippi River Channel Approaches to the Board’s Container Terminals.**

Mr. Evett presented and recommended approval of the resolution. He noted in December 2018, the Board approved participating in a study with the United States Department of the Army Corps of Engineers (“Corps”) to evaluate the feasibility of deepening the Mississippi River channel approaches to the Nashville Avenue and Napoleon Avenue container terminals. This contract is required to support the study and the cost is included in the Board’s $1.5 million commitment. AECOM Technical Services, Inc. (“AECOM”) will provide high-level engineering planning support to evaluate existing Board facilities with regard to deepening the channel approaches.

AECOM recently performed a similar evaluation on a portion of the container terminals in connection with the Crane Rail Extension Project. Due to their experience and knowledge of the Board’s facilities, staff recommend awarding this professional services contract to AECOM, as the most cost-effective and efficient course of action. The term of the proposed contract is for two years, in an amount not to exceed $275,000.
The Board’s $1.5 million commitment to the Corps’ study, which includes the funds for this contract, is allocated in the Board’s 2020 Non-Operating Expense Budget.

Commissioner Chouest questioned whether a study is required before the Corps will commence dredging. Mr. Evett responded that there is a cost benefit analysis component to this study, which will be used by the Corps to determine the feasibility of deepening the channel approaches to the Board’s container terminals.

Commissioner Jensen asked what depth the Corps is currently dredging for the channel, and what the ideal depth would be for dredging of the Board’s container terminal approaches. Mr. Evett responded the current depth is 45 ft., and the goal depth would be 50 ft.

Ms. Fant responded that the Mississippi River channel will be funded by the Corps to a 50-foot dredged depth. She further stated that while the Corps is studying the proposed 45-foot depth, the Board requested also studying a 50-foot dredge depth for the container terminals.

Commissioner Jensen asked for clarification as to which terminals the AECOM evaluation would cover, and Ms. Fant confirmed the evaluation includes the Board’s three container terminal berths for Nashville “B”, Nashville “C”, and Napoleon “A”.

Commissioner Chouest moved to recommend approval of the resolution at the Regular Board meeting. Commissioner Berger seconded the motion. MOTION CARRIED UNANIMOUSLY.

D. Recommend to the Board at its Regular Monthly Meeting a Resolution Certifying to the Louisiana Department of Transportation and Development the Board’s Compliance with Louisiana’s Public Bid Law for the Nashville Terminal Conversion to Container and Crane Rail Extension - Electrical Modifications & Paving Improvements Project.

Mr. Evett presented and recommended approval of the resolution. He stated that in July 2019, the Board awarded a contract to Centric Gulf Coast, Inc., in the amount of $4,273,240 for the electrical modifications and paving improvements in connection with the Nashville Terminal Conversion to Container and Crane Rail Extension Project. He stated this resolution certifies to the Louisiana Department of Transportation and Development that the Board has complied with Louisiana’s Public Bid Law in the solicitation of bids for the project. Staff adhered to these laws.

Commissioner Chouest moved to recommend approval of the resolution at the Regular Board meeting. Commissioner Hernandez seconded the motion. MOTION CARRIED UNANIMOUSLY.

III. Public Comment
Committee Chairman Langenstein called for public comment, but there was none.

IV. Adjournment

There being no further business to come before the committee, Committee Chairman Langenstein called for a motion to adjourn. Commissioner Ponstein moved to adjourn and Commissioner Jensen seconded. **MOTION CARRIED UNANIMOUSLY** and the meeting adjourned at 2:01 p.m.
THE BOARD OF COMMISSIONERS OF
THE PORT OF NEW ORLEANS
MINUTES OF
THE PROPERTY AND INSURANCE COMMITTEE MEETING
MONDAY, AUGUST 19, 2019


COMMITTEE MEMBERS
Darryl D. Berger, Committee Chairman
Arnold B. Baker, Member

PRESENT:
Laney J. Chouest, Member
Tara C. Hernandez, Member
William H. Langenstein, III, Member
Charles H. Ponstein, Member
Jack C. Jensen, Jr., Member

STAFF:
A. Fant, Vice President, Planning and Facilities
M. Ganon, Vice President, Public Affairs
R. Wendel, Chief Financial Officer
A. Evett, Director, Engineering
M. Verderame, Director, Records
E. Pansano, Director, Internal Audit
C. Coates, Director, Real Estate
M. Scelson, Assistant General Counsel
J. Ragusa, Manager, Communications
C. Alfonso, Manager, Community Engagement
R. Aragon Dolese, Director, Communications
J. Guidry, Director, Maintenance
G. Palermo, Port General Agent

GUESTS:
M. Stolzman, NOPB
T. Haver, NOPB
J. Sleeth, NOPB
L. Traweek, New Orleans City Business
M. Miller, NOCS
J. Casanova, NOCS
I. Determination of Quorum and Call to Order

Committee Chairman Berger determined the existence of a quorum and called the meeting to order at 2:02 p.m.

II. Briefing and Discussion Items:

A. Recommend to the Board at its Regular Monthly Meeting a Resolution Authorizing the President and Chief Executive Officer to Consent to an Assignment of the New Orleans Cold Storage and Warehouse Company Ltd.’s Jourdan Road and Henry Clay Avenue Wharf Leases.

Ms. Scelson presented and recommended approval of the resolution. She stated that pursuant to the terms of the leases between the Board and New Orleans Cold Storage and Warehouse Company Ltd. (“NOCS”) for both Jourdan Road and Henry Clay Avenue Wharf, NOCS is required to obtain the Board’s consent to any assignment of the leases. NOCS is seeking approval of an assignment of the leases in connection with a merger that will result in a transfer of a controlling interest of its stock, resulting in NOCS being a wholly-owned subsidiary of Emergent Cold US, Inc. which is headquartered in Dallas. Emergent Cold is an international company which specializes in cold and chilled storage and NOCS will be its first operation in the United States.

Commissioner Langenstein stated that he has previously represented the Board of NOCS though he is not currently representing the company. He also stated that he has not participated in this transaction in any capacity, but is opting to recuse himself from voting on this item.

Commissioner Berger asked if as a condition of the approval of assignment, whether there would be the guarantee of a letter of credit. Ms. Coates confirmed a letter of credit will be provided as part of this transaction.

Commissioner Langenstein questioned whether the resolution should include language noting that approval of the assignment is subject to the delivery of the letter of credit. Ms. Coates stated that due to the timelines for NOCS closing their transaction, they are not being required to present an updated letter of credit prior to approval of the lease assignments.

Commissioner Langenstein asked what the Board’s recourse would be if the letter of credit is not provided. Ms. Coates stated if a letter of credit is not provided, the Board may place NOCS in default of both leases.

Ms. Scelson clarified that Ms. Christian would issue a letter requiring NOCS’ counter-signature, stating that the Board is consenting, subject to the receipt of the additional security.
Commissioner Jensen asked for clarification on the amount of the requested letter of credit. Ms. Coates stated there is currently a total of $850,000 in security between the two leases. The Board is requesting an additional $500,000 in security.

Commissioner Baker asked for clarification on the structure and location of Emergent Cold US, Inc. Ms. Scelson introduced Mr. Matt Miller and Mr. Jack Casanova of Baldwin Haspel Burke & Mayer, LLC, both representing NOCS in the merger transaction. Mr. Miller clarified that parent company is headquartered in Dallas, Texas, with operations in Australia, New Zealand, Peru, and Vietnam.

Commissioner Langenstein asked if staff had reviewed the company’s financials to evaluate if the stability of the company to whom the assignment was being proposed. Mr. Wendel verified that staff has performed a preliminary review of financials, and were confident in the current NOCS management team, who will remain with NOCS.

Commissioner Jensen made a motion to recommend approval of the resolution at the Regular Board meeting. Commissioner Chouest seconded the motion. Commissioner Langenstein recused himself from voting on this item. **MOTION PASSED.**

**B. Recommend to the Board at its Regular Monthly Meeting a Resolution Ratifying Action Taken by the President and Chief Executive Officer to Enter into a Lease Agreement with the General Services Administration of the United States for Property Located at 400 Edwards Avenue for a Term of Ten Years with One Five-Year Option to Extend.**

Ms. Coates presented and recommended approval of the resolution. She stated in late 2017, the Board acquired the property located at 400 Edwards Avenue in Harahan, Louisiana from the United States Maritime Administration. The property consists of a 200,000-sqft. warehouse composed of five 40,000-sqft. bays, surrounding land and a former maintenance garage. After acquiring the property, staff responded to a Request for Lease Proposal issued by the General Services Administration of the United States (“GSA”), seeking 10,000-sqft. warehouse space for the storage of emergency vehicles for an initial term of ten years, with one five-year option to extend at GSA’s discretion. The Board was the successful respondent of the Request for Lease Proposal and the GSA required prompt execution and return of the lease. This resolution is to ratify action taken by the President and Chief Executive Officer in executing the lease agreement on July 25, 2019.

Ms. Coates provided an overview of the lease terms, citing the Board’s proposed maintenance work to repair the warehouse, as well as tenant-required improvements to the warehouse, electrical, and telecommunications systems. She noted that all of these repairs and improvements would need to be completed prior to commencement of the lease. She also provided an overview of the rental rates and anticipated revenue for the lease.

Commissioner Hernandez questioned whether the maintenance work for building repairs will be publicly bid. Ms. Coates confirmed that the maintenance and improvement work would be publicly bid. The tenant-required improvements are estimated to cost $300,000
and additional Board-required repairs, including roofing repairs, are estimated to cost approximately $675,000.

Commissioner Ponstein asked if staff were anticipating leasing out the remaining warehouse space. Ms. Coats stated that having GSA an anchor tenant would allow the Board to begin recouping costs necessary to make the warehouse operational and attractive to additional future tenants.

Commissioner Langenstein made a motion to recommend approval of the resolution at the Regular Board meeting. Commissioner Ponstein seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Commissioner Jensen recused himself from any discussion of remaining agenda items in connection with TCI Packaging, LLC and he left the meeting at 2:20 p.m.

C. **Recommend to the Board at its Regular Monthly Meeting a Resolution Authorizing the President and Chief Executive Officer to Enter into Amendment No. 1 to the Lease and Relocation Agreement Between the Board and TCI Packaging, LLC, to Amend Lease Terms Associated with the Installation of Rail at 4325 France Road.**

Ms. Coates presented and recommended approval of the resolution. She stated that pursuant to the Board’s Lease and Relocation Agreement (“Lease”) with TCI Packaging, LLC (“TCI”) for property located at 4325 France Road, the Board agreed to provide TCI with the equivalent rail capacity as existed at its former leased space at the Governor Nicholls and Esplanade Avenue wharfs.

As part of the Lease with TCI, the Board agreed to coordinate with the New Orleans Public Belt Railroad Corporation (“NOPB) to install said rail. Ms. Coates gave a current summary regarding the efficient and optimal ways to deliver rail service to the property.

Ms. Coats stated that the Board, NOPB, and TCI have worked to identify the most optimal design for installing the rail, after which additional analysis of the site had to be conducted, including potholing for potential conflicts with utilities. This additional investigative work has delayed the project beyond the date originally contemplated in the Lease. Additionally, the optimal layout design results in 2,945 linear feet, which is a reduction of 280 linear feet from what existed at the former leased space.

Ms. Coats noted that the proposed Lease amendment will update various terms in connection with the installation of rail at 4325 France Road. The required completion date for the rail installation, the rent commencement date, and term of the Lease, will all be adjusted relative to the current project schedule for the rail installation. The Lease term will remain twenty years from the rent commencement date.

Additionally, the amendment will clarify maintenance requirements for the proposed rail installation and crossings, as well as stipulating TCI’s responsibility to reimburse the Board for costs associated with installing a required swing gate and truck crossing in connection
with the new rail track.

She also advised that there was a separate agenda item between the Board and NOPB, regarding the various obligations of the parties in connection with the project.

Committee Chairman Berger noted that the negotiation relative to this Lease and Relocation Agreement with TCI predated Commissioner Jensen’s term on the Board.

Commissioner Langenstein made a motion to recommend approval of the resolution at the Regular Board meeting. Commissioner Ponstein seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

D. **Recommend to the Board at its Regular Monthly Meeting a Resolution Authorizing the President and Chief Executive Officer to Enter into a Memorandum of Understanding Between the Board and the New Orleans Public Belt Corporation in Connection with the Rail Construction Project at 4325 France Road.**

Ms. Coates presented and recommended approval of the resolution. She stated the Memorandum of Understanding (“MOU”) will set forth the obligations between the Board and NOPB in connection with the rail installation project at 4325 France Road. Pursuant to the Lease and Relocation Agreement with TCI for the property located at 4325 France Road (“Lease”), the Board agreed to provide TCI with equivalent rail capacity as existed at its former leased space at the Governor Nicholls and Esplanade Wharves. The proposed work consists of the installation of approximately 3,000 linear feet of rail, a turnout to connect the rail to NOPB’s main line, new fencing, a swing gate and a truck crossing.

Ms. Coats stated that the NOPB will, in accordance with Louisiana’s Public Bid Law, contract out the work to install the rail, fence, swing gate and truck crossing. NOPB will use its own forces to install the rail turnout.

The Board will be responsible for maintaining the rail in compliance with Federal Railroad Administration Class 2 Track Safety Standards and in accordance with American Railway Engineering & Maintenance-of-Way Association (“AREMA”) standards.

The Board will reimburse the NOPB for all costs associated with the installation of the new fencing, swing gate and truck crossing. Pursuant to the proposed amendment to the Lease, TCI will be required to fulfill the Board’s maintenance obligations and reimburse the Board for the costs associated with the installation of the swing gate and truck crossing.

Commissioner Hernandez made a motion to recommend approval of the resolution at the Regular Board meeting. Commissioner Ponstein seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

III. **Public Comment**

Committee Chairman Berger called for public comment, but there was none.
IV. Adjournment

There being no further business to come before the committee, Committee Chairman Berger called for a motion to adjourn. Commissioner Ponstein moved to adjourn. Commissioner Hernandez seconded. **MOTION CARRIED UNANIMOUSLY** and the meeting adjourned at 2:34 p.m.
THE BOARD OF COMMISSIONERS OF
THE PORT OF NEW ORLEANS
MINUTES OF
THE EXECUTIVE COMMITTEE MEETING
THURSDAY, AUGUST 22, 2019


COMMITTEE Members
Arnold B. Baker, Committee Chairman
Tara C. Hernandez, Member
Laney J. Chouest, Member
Darryl D. Berger, Member
William H. Langenstein, III, Member
Charles H. Ponstein, Member

ABSENT:
Jack C. Jensen, Jr., Member

STAFF:
B. Christian, President and Chief Executive Officer

I. Determination of Quorum and Call to Order

Committee Chairman Baker determined the existence of a quorum and called the meeting to order at 12:42 p.m.

II. Briefing and Discussion Item:

A. Executive Session to Discuss the Annual Performance Evaluation of Ms. Brandy Christian as the Board’s President and Chief Executive Officer.

Committee Chairman Baker called for a motion to enter into closed executive session to discuss the annual performance evaluation of Ms. Brandy Christian, as the Board’s President and Chief Executive Officer.

Commissioner Langenstein motioned to enter into a closed executive session and Commissioner Ponstein seconded. The MOTION CARRIED UNANIMOUSLY and the Committee entered into closed session.

Following conclusion of the discussion, Commissioner Berger called for a motion to end executive session and return to the open meeting. Commissioner Hernandez seconded. MOTION CARRIED UNANIMOUSLY and the executive session ended.
III. Public Comment

Committee Chairman Baker called for any public comment, but there was none.

IV. Adjournment

There being no further business to come before the Committee, Committee Chairman Baker called for a motion to adjourn. Commissioner Berger so moved, and Commissioner Langenstein seconded. **MOTION CARRIED UNANIMOUSLY** and the meeting was adjourned at 1:27 p.m.
THE BOARD OF COMMISSIONERS OF
THE PORT OF NEW ORLEANS
MINUTES OF
THE REGULAR BOARD MEETING
THURSDAY, AUGUST 22, 2019

A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, HELD IN THE FIRST FLOOR AUDITORIUM AT ITS OFFICES LOCATED AT 1350 PORT OF NEW ORLEANS PLACE, NEW ORLEANS, LOUISIANA, WAS CALLED TO ORDER BY CHAIRMAN ARNOLD B. BAKER, AT 1:51 P.M. ON THURSDAY, AUGUST 22, 2019.

COMMISSIONERS
PRESENT:
Arnold B. Baker, Chairman
Tara C. Hernandez, Vice-Chair
Darryl D. Berger, Secretary-Treasurer
William H. Langenstein, III, Member
Laney J. Chouest, Member
Charles H. Ponstein, Member
Joseph F. Toomy, Member (sworn in at end of meeting)

COMMISSIONER
ABSENT:
Jack C. Jensen, Member

STAFF:
B. Christian, President and Chief Executive Officer
B. Landry, Vice President, Commercial
A. Fant, Vice President, Planning and Facilities
M. Ganon, Vice President, Public Affairs
R. Wendel, Chief Financial Officer
A. Evett, Director, Engineering
J. Guidry, Director, Maintenance
M. Scelson, General Counsel
J. Schecter, Manager, Communications
W. Stokes, Administrative Assistant
D. Feraci, Administrative Assistant
E. Pansano, Director, Internal Audit
C. Coates, Director, Real Estate
J. Mansour, Director, Commercial
J. Woodward, Manager, Permitting
J. Swartout, Commercial
M. Villarreal, Risk Management
A. Brandenburg, Risk Management
A. Taylor, Procurement
L. Swatsky, Director, Finance
S. AbuNaser, Manager, Finance
M. Sulser, Engineering
I. Determination of Quorum and Call to Order
Chairman Baker determined the existence of a quorum and called the meeting to order at 1:51 p.m.

II. General Public Comment

Chairman Baker called for general public comment, but there was none.

III. Approval of July 2019 Public Meeting Minutes

On motion duly made by Commissioner Berger and seconded by Vice-Chair Hernandez, the Board unanimously approved the minutes of its public meetings for July 2019, as previously circulated.

IV. Acceptance of July 2019 Consolidated Financial Statements

Mr. Wendel provided a summary overview of the financial statements for July, 2019, a copy of which are made a part of these minutes. He noted June 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”).

Chairman Baker advised the Board that the Budget Committee had reviewed the financial statements and voted to recommend them for acceptance at this meeting. Commissioner Ponstein motioned to accept the financial statements and Commissioner Langenstein seconded. **MOTION CARRIED UNANIMOUSLY.**

V. Actions Required:

A. Consider Approval of a Resolution Awarding a Contract to Durr Heavy Construction, LLC, in the Amount of $1,142,468 for Phase I of the Nashville and Napoleon Avenue Trench Drain Repair Project.

Mr. Evett presented and recommended approval of the resolution. He noted that this Phase I work includes partially demolishing and reconstructing concrete-walled trench drains, installing new or salvaged grates, repairing portions of adjacent pavement, and cleaning of drains.

Mr. Evett noted that Durr Heavy Construction, LLC was the lowest of three responsive and responsible bidders. Funds for this project are allocated in the Board’s Capital Investment Plan.

Chairman Baker advised the Board that the Planning and Engineering Committee had reviewed the item and voted to recommend it for approval at this meeting. Commissioner Langenstein motioned to approve the resolution and Vice-Chair Hernandez seconded the motion. **MOTION CARRIED UNANIMOUSLY.**
B. Consider Approval of a Resolution Awarding a Contract to Cuzan Services, LLC, in the Amount of $412,000 for Phase III of the Canal Street Wharf Substructure Repair Project.

Mr. Evett presented and recommended approval of the resolution. He stated the Canal Street Wharf was constructed in the 1920’s with a timber substructure that requires periodic repair. The Board performed two similar repairs within the past four years. Phase III of this project includes repairs to over sixty timber piles, as well as repairs and replacement of the pile caps and bracing.

Mr. Evett stated Cuzan Services, LLC was the lowest of three responsive and responsible bidders. Funds for this project are allocated in the Board’s Capital Investment Plan.

Commissioner Ponstein asked for clarification if this would involve the Canal Street ferry landing. Mr. Evett confirmed that this Phase III work would occur on the wharf structure adjacent, but would not impact the ferry landing.

Commissioner Langenstein asked if the materials being used to repair the timber piles were also timber, or composed of composite materials. Mr. Evett confirmed that timber materials would be used to perform the repair work on the existing timber structure.

Chairman Baker advised the Board that the Planning and Engineering Committee had reviewed the item and voted to recommend it for approval at this meeting. Commissioner Ponstein motioned to approve the resolution and Commissioner Berger seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

C. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Professional Services Contract with AECOM Technical Services, Inc., for an Amount Not to Exceed $275,000, to Provide Engineering Support for the Department of the Army’s Feasibility Study to Deepen the Mississippi River Channel Approaches to the Board’s Container Terminals.

Mr. Evett presented and recommended approval of the resolution. He noted that in December 2018, the Board approved participating in a study with the United States Department of the Army Corps of Engineers (“Corps”) to evaluate the feasibility of deepening the Mississippi River channel approaches to the Nashville Avenue and Napoleon Avenue container terminals. This contract is required to support the study and the cost is included in the Board’s $1.5 million commitment. AECOM Technical Services, Inc. (“AECOM”) will provide high-level engineering planning support to evaluate existing Board facilities with regard to deepening the channel approaches.

AECOM recently performed a similar evaluation on a portion of the container terminals in connection with the Crane Rail Extension Project. Due to their experience and knowledge of the Board’s facilities, staff recommends awarding this professional services contract to AECOM, as the most cost-effective and efficient course of action. The term of the proposed contract is for two years, in an amount not to exceed $275,000.
The Board’s $1.5 million commitment to the Corps’ study, which includes the funds for this contract, is allocated in the Board’s 2020 Non-Operating Expense Budget.

Vice-Chair Hernandez asked if there was a timeline established for the study to be completed. Mr. Evett confirmed that the contract is for a two-year period, but that there is not yet a defined timeline for completion of the study.

Commissioner Langenstein asked if the study produced under this contract would be completed collaboratively with the Corps, or if the Board’s final study would be provided to the Corps to supplement their independent study. Mr. Evett confirmed that AECOM would complete the study of the Board’s facilities, and provide a copy of that report to the Corps once complete.

Chairman Baker advised the Board that the Planning and Engineering Committee had reviewed the item and voted to recommend it for approval at this meeting. Commissioner Berger motioned to approve the resolution and Commissioner Langenstein seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

D. **Consider Approval of a Resolution Certifying to the Louisiana Department of Transportation and Development the Board’s Compliance with Louisiana’s Public Bid Law for the Nashville Terminal Conversion to Container and Crane Rail Extension – Electrical Modifications & Paving Improvements Project.**

Mr. Evett presented and recommended approval of the resolution. He stated that in July 2019, the Board awarded a contract to Centric Gulf Coast, Inc., in the amount of $4,273,240 for the electrical modifications and paving improvements in connection with the Nashville Terminal Conversion to Container and Crane Rail Extension Project. He stated this resolution certifies to the Louisiana Department of Transportation and Development that the Board has complied with Louisiana’s Public Bid Law in the solicitation of bids for the project. Staff adhered to these laws.

Chairman Baker advised the Board that the Planning and Engineering Committee had reviewed the item and voted to recommend it for approval at this meeting. Vice-Chair Hernandez motioned to approve the resolution and Commissioner Berger seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

E. **Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Consent to an Assignment of the New Orleans Cold Storage and Warehouse Company Ltd.’s Jourdan Road and Henry Clay Avenue Wharf Leases.**

Commissioner Langenstein recused himself from participation in the discussion or vote regarding this item due to his past legal representation of New Orleans Cold Storage and Warehouse Company, Ltd. He noted that he does not currently represent the company, nor is he involved in this merger transaction.
Ms. Scelson presented and recommended approval of the resolution. She stated that pursuant to the terms of the leases between the Board and New Orleans Cold Storage and Warehouse Company Ltd. (“NOCS”) for both Jourdan Road and Henry Clay Avenue Wharf, NOCS is required to obtain the Board’s consent to any assignment of the leases. NOCS is seeking approval of an assignment of the leases in connection with a merger that will result in a transfer of a controlling interest of its stock. She stated that NOCS will become a wholly-owned subsidiary of Emergent Cold US, Inc. (“Emergent Cold”) which is headquartered in Dallas. Emergent Cold is an international company which specializes in cold and chilled storage and NOCS will be its first operation in the United States.

Ms. Scelson noted that based on the recommendation of the Property and Insurance Committee, staff amended the Board resolution to provide that the consent to the assignment is subject to the condition that, within thirty calendar days of the closing of the merger, NOCS provide the Board with additional security, in the amount of $500,000, in the form of a single irrevocable letter of credit that meets all applicable requirements set forth in the leases.

Commissioner Ponstein noted that per discussion in the Property and Insurance Committee meeting, Emergent Cold is establishing their first location in the United States through this transaction, and will hopefully bring additional local growth to the cold storage industry.

Chairman Baker advised the Board that the Property and Insurance Committee had reviewed the item and voted to recommend it for approval at this meeting. Commissioner Berger motioned to approve the resolution and Commissioner Ponstein seconded the motion. Commissioner Langenstein abstained. MOTION PASSED.

F. Consider Approval of a Resolution Ratifying Action Taken by the President and Chief Executive Officer to Enter into a Lease Agreement with the General Services Administration of the United States for Property Located at 400 Edwards Avenue for a Term of Ten Years with One Five-Year Option to Extend.

Ms. Coats presented and recommended approval of the resolution. She stated in late 2017, the Board acquired the property located at 400 Edwards Avenue in Harahan, Louisiana from the United States Maritime Administration. The property consists of a 200,000-sqft. warehouse composed of five 40,000-sqft. bays, surrounding land and a former maintenance garage. After acquiring the property, staff responded to a Request for Lease Proposal issued by the General Services Administration of the United States (“GSA”), seeking 10,000-sqft. warehouse space for the storage of emergency vehicles for an initial term of ten years, with one five-year option to extend at GSA’s discretion. The Board was the successful respondent of the Request for Lease Proposal and the GSA required prompt execution and return of the lease. This Board resolution ratifies action taken by the President and Chief Executive Officer in executing the lease agreement on July 25, 2019.

Ms. Coates provided an overview of the lease terms, citing the Board’s proposed maintenance work to repair the warehouse, as well as tenant-required improvements to the warehouse, electrical, and telecommunications systems. She noted that all of the repairs
and improvements would need to be completed prior to commencement of the lease. Ms. Coates also provided an overview of revenue from the lease, noting the Board would receive approximately $60,000 in annual rent for the first five years of the lease term, which will adjust incrementally over the term of the lease. Additionally, the GSA will reimburse the Board for some of the tenant-required improvements, equating to an additional $25,000 per year for the ten-year lease term.

Commissioner Berger noted that putting this property into use was of great strategic and economic value to the Board and Jefferson Parish.

Chairman Baker advised the Board that the Property and Insurance Committee had reviewed the item and voted to recommend it for approval at this meeting. Commissioner Berger motioned to approve the resolution and Commissioner Langenstein seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

### G. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into Amendment No. 1 to the Lease and Relocation Agreement Between the Board and TCI Packaging, LLC, to Amend Lease Terms Associated with the Installation of Rail at 4325 France Road.

Ms. Coates presented and recommended approval of the resolution. She stated that pursuant to the Board’s Lease and Relocation Agreement (“Lease”) with TCI Packaging, LLC (“TCI”) for property located at 4325 France Road, the Board agreed to provide TCI with the equivalent rail capacity as existed at its former leased space at the Governor Nicholls and Esplanade Avenue Wharves. As part of the Lease, the Board agreed to coordinate with the New Orleans Public Belt Railroad Corporation (“NOPB) to install said rail.

Ms. Coats stated that the Board, NOPB, and TCI have worked to identify the most optimal design for installing the rail, after which additional analysis of the site had to be conducted, including investigating potential conflicts with utilities. This additional investigative work has delayed the project beyond the date originally contemplated in the Lease. Additionally, the optimal layout design results in 2,945 linear feet, which is a reduction of 280 linear feet from what existed at the former leased space.

Ms. Coats noted that the proposed Lease amendment will update various terms in connection with the installation of rail at 4325 France Road. The required completion date for the rail installation, the rent commencement date, and term of the Lease, will all be adjusted relative to the current project schedule for the rail installation. The Lease term will remain twenty years from the rent commencement date.

Additionally, the amendment will clarify maintenance requirements for the proposed rail installation and crossings, as well as stipulating TCI’s responsibility to reimburse the Board for costs associated with installing a required swing gate and truck crossing in connection with the new rail track.
Commissioner Langenstein asked for clarification of the proposed change to the rent commencement date. Ms. Coats confirmed that the anticipated rent commencement date will be contingent upon completion of rail installation for the tenant.

Chairman Baker advised the Board that the Property and Insurance Committee had reviewed the item and voted to recommend it for approval at this meeting. Commissioner Berger motioned to approve the resolution and Vice-Chair Hernandez seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**H. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Memorandum of Understanding Between the Board and the New Orleans Public Belt Railroad Corporation in Connection with the Rail Construction Project at 4325 France Road.**

Ms. Coates presented and recommended approval of the resolution. She stated the Memorandum of Understanding ("MOU") will set forth the obligations between the Board and NOPB in connection with the rail installation project at 4325 France Road. Pursuant to the Lease and Relocation Agreement with TCI for the property located at 4325 France Road ("Lease"), the Board agreed to have NOPB install rail to provide TCI with equivalent rail capacity as existed at its former leased space at the Governor Nicholls and Esplanade Wharves. The proposed work consists of the installation of approximately 3,000 linear feet of rail, a turnout to connect the rail to NOPB’s main line, new fencing, a swing gate and a truck crossing.

Ms. Coats stated that the NOPB will, in accordance with Louisiana’s Public Bid Law, contract out the work to install the rail, fence, swing gate and truck crossing. NOPB will use its own forces to install the rail turnout. The Board will reimburse the NOPB for all costs associated with the installation of the new fencing, swing gate and truck crossing. Pursuant to the proposed amendment to the Lease, TCI will be required to fulfill the Board’s maintenance obligations and reimburse the Board for the costs associated with the installation of the swing gate and truck crossing.

The Board will be responsible for maintaining the rail in compliance with Federal Railroad Administration, Class 2 Track Safety Standards and in accordance with American Railway Engineering & Maintenance-of-Way Association ("AREMA") standards.

Chairman Baker advised the Board that the Property and Insurance Committee had reviewed the item and voted to recommend it for approval at this meeting. Commissioner Berger motioned to approve the resolution and Commissioner Langenstein seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**VI. Report by the President and Chief Executive Officer**

Ms. Christian announced that impending import taxes on the newly purchased container cranes were successfully deferred, thanks to the efforts of the state’s delegation and Board staff.
Ms. Christian congratulated the Finance Department for receiving the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada.

Ms. Christian also acknowledged the work of the team for both the New Orleans Public Belt Railroad Corporation and the Board for their ongoing work to modernize and streamline operations.

VII. Administration of Oath of Office to Joseph F. Toomy

Chairman Baker reported that he was pleased to announce that Mr. Joseph F. Toomy, had been appointed to the Board of Commissioners of the Port of New Orleans to replace Commissioner Chouest, whose term had expired. He asked that Judge Baron C. Burmaster administer the Oath of Office to Mr. Toomy.

Chairman Baker welcomed Mr. Toomy to the Board, and noted that he was looking forward to working with him. Mr. Toomy shared a brief speech, thanking his family for support and acknowledging his son for performing his swearing in. He noted he is eager to represent Jefferson Parish, especially, the West Bank, and looking forward to serving his term on the Board.

VIII. Commissioners’ Comments

The Commissioners welcomed Mr. Toomy. Mr. Toomy thanked for the Board for their comments, and noted Mr. Chouest’s contributions to the Board.

Mr. Chouest thanked the Board and staff for his experience on the Board.

Chairman Baker shared words of appreciation for now former Commissioner Chouest’s achievements during his tenure on the Board and presented Mr. Chouest with a commemorative plaque honoring his service on the Board of Commissioners of the Port of New Orleans, as well as the Board of Directors of the New Orleans Public Belt Railroad Corporation.

Vice-Chair Hernandez expressed her well-wishes to Mr. Chouest and thanked him for his service and vision of generating regional economic prosperity through collaborative partnerships.

Chairman Baker acknowledged several guests in attendance, including Mr. Theldon Branch of the Houston Port Commission, and Senator Borris Miles of Texas, Ms. Ingrid Vanderveldt, Ms. Donna Lemm, Mr. Glenn Smith, Mr. Jeff Novak, Mr. Mike McKenzie, and Mr. Maurice Hurst.

IX. Appointment of Nominating Committee
Chairman Baker announced the appointment of Commissioners Ponstein, Jensen, and Toomy to serve as members of the Nominating Committee for the Board of Commissioners. The Nominating Committee will make recommendations to the full Board next month regarding the changing of officers to take place at the end of the September Regular Board Meeting. Chairman Baker appointed Commissioner Ponstein to serve as Chairman of the Nominating Committee.

X. Adjournment

There being no further business to come before the Board, Chairman Baker called for a motion to adjourn. Vice-Chair Hernandez motioned, and Commissioner Berger seconded. **MOTION CARRIED UNANIMOUSLY** and Chairman Baker adjourned the meeting at 2:49 p.m.