

**THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS
MINUTES OF THE REGULAR BOARD MEETING
THURSDAY, JANUARY 20, 2022**

A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, PROPERLY NOTICED AND AUTHORIZED IN ACCORDANCE WITH PROCLAMATION 7 JBE 2022, CONVENED REMOTELY VIA ZOOM VIDEOCONFERENCE, ON THURSDAY, JANUARY 20, 2022 AT 1:41 P.M.

MEMBERS

PRESENT:

Charles H. Ponstein, Chairman
Jack. C. Jensen, Jr., Vice-Chairman
Joseph F. Toomy, Secretary-Treasurer
William H. Langenstein, III, Member
Darryl D. Berger, Member
Walter J. Leger, Jr., Member
James J. Carter, Jr., 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
M. Gresham, Chief Governmental Affairs Officer
E. Pansano, Director, Internal Audit
M. Scelson, General Counsel
B. McManus, Staff Attorney
C. Gilmore, Director, Engineering
J. Mansour, Director, Commercial
M. Verderame, Director, Records
G. Brown, Director, Human Resources
C. Labat, Director, Procurement
C. Coats, Director, Operations & Real Estate
L. Mellem, Director, Emergency Management
D. Cordell, Chief Information Officer
S. Gauthier, Director, Cruise
Captain M. Montroll, Harbor Police Department
G. Rose, Deputy Director, Planning
E. Federer, Manager, Environmental
D. Collins, Environmental
C. Alfonso, Manager, Community Engagement
J. Ragusa, Manager, Communications
A. Lopez-Salazar, Commercial Market Manager
A. Coates, Commercial Manager
C. Falgoust, Real Estate
M. Sulser, Manager Engineering

R. Bylsma, Manager, Construction
M. Cloos, GIS Manager
A. Taylor, Procurement
K. Howells, Procurement
P. Jackson, Legal Assistant
M. Singley, Board Secretariat

GUESTS:

M. Stolzman, NOPB
C. Kocur, NOPB
J. Oldham, NOPB
T. Banks, NOPB
Agraves
B. Applefeld
C. Sepulveda
C. Foreman
James
K. Price, New Orleans Terminal, LLC
K. Calkins, New Orleans Terminal LLC
L. Traweek
Nmahoney123
R. Chauvin
W. Roesch, ILA 2036

I. Roll Call & Determination of Quorum

Following a roll call of Board members Chairman Ponstein confirmed a quorum and called the meeting to order at 1:41 p.m.

II. Approval of Meeting Minutes for December 2021

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

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

III. Public Comment

Chairman Ponstein asked Ms. Verderame to provide an overview of the Board's process for submitting public comment. 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 December 2021.

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

Ms. Mansour provided an overview of the Board's cargo volumes. She reported that even though breakbulk volumes were slightly down from the previous month, December was another good month and still at an average of 200,000 tons. For the first time in over 30 years, a breakbulk coffee vessel was serviced at the Board's facilities. Ms. Mansour attributed this positive occurrence to the many challenges and delays the container business is currently facing thus forcing importers to convert their shipments to breakbulk.

The container volumes increased by 6% from the previous month. It was a very strong month for imports, with a 25% increase, but exports are slowly recovering and still hindered by vessel space and market challenges.

Cruise volumes were the highest since the resumption of cruise operations. The CDC conditional sail order has expired, however most cruise lines are maintaining their safe cruising Covid protocols.

Ms. Mansour gave an overview of the volume numbers over the last 12 months. She attributed the strong breakbulk surge to increases in imported steel, natural rubber and the significant rise in plywood cargo. Container volumes were down by 15% but some commodities, such as plywood, decreased in container volumes but showed a strong increase on the breakbulk side. Export volumes were down by 12% this past year compared to 18% in other U.S. Gulf ports. There were 121 cruise calls in 2021 including ocean going and river cruises. The goal for the coming year is to reach 1 million passengers.

Mr. Wendel presented December's volume report for the New Orleans Public Belt Railroad Commission for the Port of New Orleans ("NOPB") and stated that Class-I switching numbers slightly decreased in December but remained above 10,000 cars per month. Local switching and car storage volumes remained strong and continued their upward trend.

Mr. Wendel presented December and fiscal year-to-date figures for gross revenues, labor costs, operating costs, and operating revenue for the Board, as well as, on a consolidated basis with the NOPB. He reported that container revenues remained below budget but breakbulk numbers ended \$448,000 over budget projections. Total terminal operations revenues were \$437,000 above budget in December and \$1.8 million above last year's revenues at this time.

Cruise revenues were \$177,000 below budget in December, as one cruise operator did not resume sailing as expected. The year-to-date revenue is still \$2.7 million above last year's revenue. Real Estate revenues remained strong and slightly above projections.

All of NOPB's revenue sources performed above expectations in December, with the total income \$346,000 over budget for the month and more than \$3 million over last year-to-date's revenues at this time.

Commissioner Toomy asked if the Covid-19 protocols on river cruises are similar to the ocean sailing requirements. Ms. Mansour responded that, since river cruises accommodate less than 250 passengers, they are not regulated by mandatory CDC guidelines. However, all carriers continue to follow strict public health measures to protect staff and passengers.

Mr. Wendel reported that the Board's total operating revenues were \$278,000 over budget for the month. Operating expenses remained controlled with labor expenses \$182,000 below budget. He added that payroll and health benefit expenses should get closer to projections in the second half of the year as additional vacant positions will be filled. Total operating expenses were \$206,000 below projections for the month, bringing the total operating income \$484,000 over budget. The year-to-date operating income is now almost \$6 million above last year at this time and this surplus will be used towards the hurricane Ida deductible. Mr. Wendel attributed the significant surplus in non-operating revenue to the \$28 million provided by the State in December for Port Covid-Relief.

NOPB's labor costs were slightly above budget for the month but remained \$228,000 below the year-to-date budget. This rise in labor costs is associated with increased activity and business revenue. Overall operating expenses were higher than expected in December but the total operating income was still \$218,000 over budget for the month and \$1.4 million higher than last year at this time.

On a consolidated basis, the total operating income is \$703,000 above expectations for the month and \$3.4 million over the year-to-date budget. Consequently, the budget will not need to be revised this year.

Commissioner Carter moved to accept the consolidated financial statements and Commissioner Leger 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 Carahsoft Technology Corp., in the Amount of \$252,671.29, for the Annual Renewal of Salesforce Analytical Software Services.

Mr. Cordell presented and recommended approval of the resolution. He stated that the Board has been using Salesforce since 2016 as a service application for Berthing Operations, Commercial, Real Estate, Cruise, Cargo Operations, Accounting, Procurement, Engineering, Project Management and Contract Administration. The proposed annual renewal of Salesforce software includes 10 additional licenses for a total license count of 132 for the one-year license term, commencing on February 1, 2022. Contract rates are based on state contract pricing, and include a 12% discount.

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

C. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Execute an Amendment to the Board's Contract with Next Generation Security, LLC, to Extend the Contract Term for a Period of 90 Days, at a Cost Not to Exceed \$300,000 for the Full Contract Term.

Captain Montroll presented and recommended approval of the resolution. She stated that on September 17, 2021, following Hurricane Ida, the Board entered into a short-term contract with Next Generation Security, LLC, to provide security guard services for the Board's Administration Building and three (3) terminal Facility Access Stations (FAS). The initial contract term was for a period of ninety (90) days with two (2) 30-day renewal options. The Board has issued a Request for Proposals for these services, and in order to ensure continuity of operations during the procurement process, staff recommends extending the current contract for a period of ninety (90) days. Costs under this contract are incurred based on the established hourly rates, and staff request a total not to exceed authority of \$300,000 for the full contract term.

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

D. Consider Approval of a Resolution Awarding a Contract to John Stone Oil Distributor, L.L.C., for the As-Needed Purchase and Delivery of Marine Diesel Fuel, for a Term of Two Years.

Mr. Evett presented and recommended approval of the resolution. This contract is for the as-needed purchase of marine diesel fuel for all dredge and other floating equipment. In compliance with Louisiana law, the Board will pay for each gallon of fuel ordered and delivered based on the S&P Global Platts Index for the type of fuel ordered plus a "markup" and applicable taxes. John Stone Oil Distributor, L.L.C. was the sole responsive and responsible bidder. The contract term is for a period of two (2) years, and the annual estimated cost is a not-to-exceed amount of \$390,569 per year, for a total estimated not-to-exceed cost of \$781,193 for the two-year term. Funding for this contract is allocated in the Expense Budget.

Chairman Ponstein asked for precisions on the fixed markup and inquired about previous fuel delivery contracts. Mr. Evett confirmed the rate of \$0.215 per gallon, and added that John Stone Oil Distributor, L.L.C. has provided fuel to the Board for the past six (6) years.

Commissioner Toomy moved to accept the resolution and Commissioner Carter seconded. **MOTION CARRIED UNANIMOUSLY**

E. Consider Approval of a Resolution Awarding a Contract to Sunbelt Rentals, Inc. in the Amount of \$272,478.24 for the Purchase and Delivery of a Telescopic Boom Lift.

Mr. Evett presented and recommended approval of the resolution. He stated that a telescopic boom lift is necessary to provide proper service, maintenance, and repairs to the gangways at the Erato and Julia Street Cruise Terminals, and to ensure continued operations. Two (2) bids were received for this contract and Sunbelt Rentals, Inc. was the lowest bidder. Funding for this purchase is allocated in the Capital Equipment Budget, and staff anticipate up to \$191,000 of the cost may be reimbursable through FEMA grant funding.

Commissioner Langenstein inquired about the number of telescopic boom lifts used in operations. Mr. Evett responded that only one boom lift is needed at the cruise terminals, and the equipment is movable if needed at other locations.

Commissioner Carter asked if this would be a new piece of equipment and Mr. Evett confirmed.

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

F. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Contract with A-1 Elevator Services, LLC, to Provide Elevator and Escalator Maintenance and Repair Service, for a Period of One Year, with Two One-Year Renewal Options at a Cost Not Exceed \$270,000 for the Full Term of the Contract.

Mr. Evett presented and recommended approval of the resolution. Scope of work under this contract includes providing routine and as-needed elevator and escalator maintenance and repair services for both the Julia and Erato Street Cruise Terminals, as well as the Board's Administration Building. Due to the high volume of passengers at the cruise terminals and the importance of continued operations at our Administration Building, it is necessary to have a repair and maintenance service contractor on standby to perform as-needed repairs, in addition to performing routine maintenance.

The initial contract term is for one (1) year, with two (2) one-year renewal options. The annual cost to the Board is expected to be approximately \$90,000, for a total aggregate cost not to exceed \$270,000. The funding for this contract is allocated in the Expense Budget.

Chairman Ponstein asked if this vendor has previously provided elevator services for the Board and Mr. Evett confirmed, adding that the performance and pricing of this vendor was consistently satisfactory.

Commissioner Langenstein inquired as to the number of responses received for the solicitation. Mr. Evett responded that another vendor had also submitted a proposal but was deemed unresponsive.

Commissioner Toomy moved to accept the resolution and Commissioner Carter seconded. **MOTION CARRIED UNANIMOUSLY**

G. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Agreement with the Louisiana Department of Environmental Quality to Receive a Grant in the Amount of \$346,180 for the Clean Truck Replacement Incentive Program (Clean TRIP).

Ms. Federer presented and recommended approval of the resolution. This will be the fifth United States Environmental Protection Agency (“EPA”) Grant received to support the Board’s Clean Truck Replacement Incentive Program (“Clean TRIP”). These funds will be used to expand Clean TRIP’s application criteria to include drayage truck drivers throughout the Board’s tri-parish jurisdiction. Clean TRIP reimburses truck drivers up to 50% of the cost, not to exceed \$35,000, to replace their trucks with newer, cleaner-engine models. Since its inception in 2016, Clean TRIP has helped replace 76 trucks, reducing local air pollutants from those trucks by over 90%. This grant is expected to support a minimum of thirteen (13) truck replacements in 2022, with an anticipated grant period ending on September 30, 2022.

Chairman Ponstein inquired about the application process for truck drivers. Ms. Federer listed the multiple application options, and added that truck model specifications vary each year according to the specifications of that grant period.

Commissioner Jensen expressed his support for Clean TRIP, adding that truckers are eager to receive the funding assistance with replacing their older trucks.

Commissioner Langenstein asked for specifications on the Board’s maximum cost per truck and how many applications had been received in 2021. Ms. Federer replied that Clean TRIP reimburses up to 50% of the replacement cost, not to exceed \$35,000 per truck. She stated that over 40 applications were processed last year.

Commissioner Leger inquired about the source of the funding for the grant and the success rate of the application process. Ms. Federer responded that the grant is funded by the Louisiana Department of Environmental Quality through the EPA’s Diesel Emission Reduction Act. She added that 18 trucks were replaced in 2021 and that this current grant award allows for expanded jurisdictional requirements that include any Board terminals throughout the three parishes. Commissioner Leger and Chairman Ponstein emphasized that accordingly, truckers servicing the potential Louisiana International Terminal would theoretically be eligible for similar grant programs in the future.

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

V. Closed Executive Session to Discuss the Matter of: *Board of Commissioners, as Owner of the M/V W.T. Hogg Pray for Exoneration from and/or Limitation of Liability, United States District Court, Eastern District of Louisiana, Civil Action No. 20-780. (convened in accordance with La R.S. 42:17A(2))*

Chairman Ponstein 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 *Board of Commissioners, as Owner of the M/V W.T. Hogg Pray for Exoneration from and/or Limitation of Liability, United States District Court, Eastern District of Louisiana, Civil Action No. 20-780*.

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

Following the conclusion of the discussion, Commissioner Leger moved to end the closed executive session and return to the open meeting. Commissioner Langenstein 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: *Board of Commissioners, as Owner of the M/V W.T. Hogg Pray for Exoneration from and/or Limitation of Liability, United States District Court, Eastern District of Louisiana, Civil Action No. 20-780*.

Mr. Escudier presented and recommended approval of the resolution.

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

VII. Report by the President and Chief Executive Officer

Ms. Christian announced that the United States Army Corps of Engineers (USACE) have approved the submittal of the Board's Louisiana International Terminal permit application, which will be posted on the Federal Register beginning next week. Ms. Christian noted that there would be a thirty (30) day public comment period facilitated by the USACE, and encouraged the public to consult the information posted on the USACE website and to share their thoughts and ideas. She added that this permit application only constitutes the beginning of the due diligence process, as multiple studies will be conducted to evaluate the impact of the project on the quality of life in the community.

Chairman Ponstein asked if USACE would act as a third party during the impact study. Ms. Christian responded that USACE will oversee the Request for Proposal to hire a consultant to perform the study.

Commissioner Toomy asked if all public comments would be submitted directly via the USACE website and Ms. Christian confirmed.

Ms. Christian congratulated Harbor Police Officer Johnny Heilre for his promotion to the rank of Corporal. She expressed her gratitude to the entire Harbor Police Department for ensuring the safety of the Board's tenants, employees, and facilities. She also announced

that Harbor Police is actively recruiting for multiple positions. Staff will host a virtual recruitment information session on January 28 at 11:00 a.m., and additional information on the application process can be found on the Board's website, as well as social media platforms.

Ms. Christian gave an update on the installation of the new gantry cranes at the Napoleon Avenue Terminal, confirming that all four new cranes are anticipated to be operational by mid-May.

Lastly, Ms. Christian announced that Mr. Todd Rives, the Board's Commercial Vice-President, is returning to Lagos, Africa. She thanked Mr. Rives for his contributions during his time with the Board.

VIII. Commissioners' Comments

Chairman Ponstein opened the floor for Commissioners' comments but there were none.

IX. Adjournment

There being no further business to come before the Board, Chairman Ponstein called for a motion to adjourn. Commissioner Carter so moved and Commissioner Leger seconded. **MOTION CARRIED UNANIMOUSLY** and Chairman Ponstein adjourned the meeting at 2:40 p.m.