

**THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS
MINUTES OF THE REGULAR BOARD MEETING
THURSDAY MARCH 24, 2022**

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 CHARLES H. PONSTEIN AT 1:17 P.M.

MEMBERS

PRESENT:

Charles H. Ponstein, Chairman
Jack. C. Jensen, Jr., Vice-Chairman
Joseph F. Toomy, Secretary-Treasurer
William H. Langenstein, III, Member
Walter J. Leger, Jr., Member
James J. Carter, Jr., Member

MEMBER

ABSENT:

Darryl D. Berger, Member

STAFF:

B. Christian, President and Chief Executive Officer
M. Ganon, Vice President, Chief of Staff
R. Wendel, Chief Financial Officer
A. Evett, Vice President, Chief Engineer
J. Escudier, Executive Counsel
R. Aragon Dolese, Director, Marketing & Communications
M. Gresham, Chief Governmental Affairs Officer
E. Pansano, Director, Internal Audit
M. Scelson, General Counsel
G. Palermo, Deputy General Counsel
B. McManus, Staff Attorney
C. Coats, Director, Operations & Real Estate
G. Brown, Director, Human Resources
C. Gilmore, Director, Engineering
M. Verderame, Director, Records
S. Gauthier, Director, Cruise
J. Mansour, Commercial Director
G. Rose, Deputy Director, Planning
C. Labat, Director, Procurement
A. Taylor, Procurement
J. Gommel, Manager, Berthing
J. Ragusa, Manager, Communications
C. Falgoust, Real Estate
P. Jackson, Legal Assistant
D. Feraci, Engineering & Facilities
M. Singley, Board Secretariat

GUESTS:

M. Stolzman, NOPB

C. Kocur, NOPB
A. Ferrand-Rodgers, NOPB
T. Bryant, NOPB
T. Banks, NOPB
C. Calkins, New Orleans Terminal, LLC
J. Nee, Moran Towing
W. Evans, GIS

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 1:17 p.m.

II. Approval of Meeting Minutes for February 2022

Chairman Ponstein called for a motion to approve the public meeting minutes for February 2022, as previously circulated.

Commissioner Leger moved to accept the minutes and Commissioner Langenstein 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.

IV. Action Items:

A. Acceptance of the Consolidated Financial Statements for February 2022

Mr. Wendel presented the consolidated financial statements for February 2022, a copy of which is made a part of these minutes.

Ms. Mansour provided an overview of the Board's cargo volumes and reported that breakbulk volumes were 145% higher than last year at this time. Volumes for major commodities such as steel, rubber, and plywood were also strong. Breakbulk warehousing has become a challenge and staff is exploring new ways to store additional cargo. Staff is looking forward to the 2022 Breakbulk & Project Cargo Conference, which is being hosted in New Orleans at the end of April, and the opportunities it may bring.

Container volumes were down in February due to continued market challenges, backlogs in foreign ports and vessel omissions. The Board is diligently working with carriers to implement empty repositioning programs and increase imports. Export demand seems to be rebounding and returning to healthier levels with stronger resin and poultry markets. That positive trend is anticipated to continue in the next months.

There were twenty (20) ocean cruise vessel calls in February, compared to fourteen (14) the month before, and two (2) river cruise vessel calls. Passenger occupancy is approaching 100% and volumes are in line with budget expectations. March should be the strongest post-Covid month for cruise to date.

Commissioner Jensen commented on the challenge of limited warehousing. Ms. Mansour stated that multiple strategies are currently being evaluated to promptly remedy the problem.

Mr. Wendel presented February 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 the New Orleans Public Belt Railroad Commission for the Port of New Orleans (“NOPB”). He reported that the Board’s container revenue continued to be below projections but consistently strong breakbulk revenue is offsetting this deficit, bringing the total terminal operations revenue \$302,000 over budget and \$206,000 above the year-to-date budget projections.

Cruise revenues were below budget projections this month due to the cancellation of Royal Caribbean’s calls and the lingering effect of the rise of Covid-19 cases at the start of the year. Real estate revenues remained strong and were \$127,000 over the year-to-date budget. Overall, the Board’s revenues were \$402,000 below budget, due to the cruise deficit, but still \$7.5 million above last year’s numbers at this time.

Mr. Wendel noted that NOPB’s overall revenue was \$178,000 over budget for February and \$857,000 above the year-to-date projections. On a consolidated basis, total operating revenue was \$223,000 below budget for the month but still \$11 million over last year’s numbers at this time.

Commissioner Jensen and Chairman Ponstein commented on the challenges faced by cruise parking customers. Mr. Wendel responded that multiple solutions are currently being reviewed to provide more parking availability for cruise passengers.

Even though vacant position are being filled, the Board’s labor expenses remained below budget by \$282,000 this month and are now more than \$1.7 million below projections for the fiscal year. Other operating expenses remained controlled, ending \$85,000 below budget. The total operating income was in line with the budget for the month and \$8.2 million over last year’s numbers at this time.

NOPB’s labor costs remained below budget while operating revenues exceeded expectations by \$178,000, resulting in an overall operating income \$215,000 over the monthly budget and \$1.9 million above February 2021.

On a consolidated basis, February’s operating income was \$180,000 over budget for the month, \$4.1 million over the year-to-date projections and more than \$10 million over last year’s numbers at this time.

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

B. Consider Approval of a Resolution Awarding a Contract to Industrial & Crane Services, Inc. in the Amount of \$530,000 for the Purchase and Installation of a Boom Anti-Collision System and Replacement of the Festoon System on Ship-to-Shore Cranes Nos. 4 and 5.

Mr. Gilmore presented and recommended approval of the resolution. The scope of this contract includes all labor, material, and equipment for the addition of a boom anti-collision system and replacement of the festoon system on the cranes located at the Nashville-Napoleon Container Terminal. Two (2) bids were received for this project and the funding is allocated in the Board's Capital Investment Plan.

Chairman Ponstein asked if Industrial & Crane Services, Inc.'s bid was in line with pre-bid estimates and Mr. Gilmore confirmed that it was within the range. Commissioners Toomy and Langenstein commented on the significant difference between the two (2) bids. Mr. Gilmore and Evett responded that cost estimation for this contract was challenging, as it is a combination of two (2) very specialized projects rarely submitted for bid request. Mr. Evett added that this contractor has worked for the Board previously and has the ability to complete the project at the right price.

Mr. Toomy asked if the bidders were aware of the budgeted contract cost estimate, which could explain the wide difference in the bids amounts. Mr. Evett responded that this information is not shared with prospective bidders until bid opening.

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

C. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Effect the Preparation and Submission of an Application to the Louisiana Port Construction and Development Priority Program for the Napoleon Avenue Wharf Modernization Project.

Mr. Gilmore presented and recommended approval of the resolution. He stated that a Port improvement project consisting of a new empty container gate complex, 200 electrified refrigerated container plugs, reconstruction and strengthening of three berths, underdeck wharf bracing, and a new fendering system, for a cost of \$27.5 million, will be submitted for a \$15 million grant application to the Louisiana Port Construction and Development Priority Program (the "Program"). The application process is administered by the Louisiana Department of Transportation and Development ("DOTD"). If successful, a combination of funds from the Board and the tenant will provide the remaining funds. In order to process the grant application, the DOTD requires a Board resolution acknowledging that an application will be prepared and submitted to the Program. Upon approval of funding and prior to the commencement of work, the Board will execute an

agreement and a statement of sponsorship with DOTD and will authorize the President and Chief Executive Officer to effect the grant application process. The resolution also clarifies that the President and Chief Executive Officer's responsibilities only pertain to technical matters.

Commissioner Langenstein asked if the Board was also approving the remaining funding for the project. Mr. Gilmore responded that the present resolution only authorizes the grant application. If the grant is approved, another resolution will be presented to the Board to authorize the remaining funding for the project.

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

D. Consider Approval of a Resolution Awarding a Contract to Juneau Odenwald, Inc., in the Amount of \$166,400 to Perform the Office Building Roof Replacement at 4000 France Road Parkway which was Damaged by Hurricane Ida.

Mr. Gilmore presented and recommended approval of the resolution. The scope of this contract includes all labor, materials, and equipment for the removal and replacement of 8,300 square feet of sprayed polyurethane foam roofing as well as removing and replacing the flashing and roof drains. The cost estimate for this work was below the public bid threshold so the Board requested three (3) quotes for this work and Juneau Odenwald, Inc. was the lowest bidder. Funding for this project is included in Hurricane Ida Insurance Proceeds.

Commissioner Toomy inquired about the status of the Hurricane Ida insurance settlement and Mr. Wendel stated that the Board is close to a settlement with the insurance provider. Mr. Wendel added that, although the Board has already received advance funding of \$10 million, it will continue to negotiate with the insurance adjuster as bids to complete the repair work are received.

Chairman Ponstein asked if the recent tornado in St. Bernard Parish had affected any of the Board's facilities and Mr. Wendel responded that no tornado damages were reported, however, some storm related flooding occurred at the Julia Street terminal.

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

E. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Lease Agreement with Cox Communications Louisiana, L.L.C. for Property Located at 400 Edwards Avenue, Harahan, LA.

Ms. Coats presented and recommended approval of the resolution. She stated that, post Hurricane Ida, Cox Communications Louisiana, L.L.C. ("Cox") entered in a short-term lease with the Board to store materials and equipment in a warehouse and storage yard

located at 400 Edwards Avenue, in Harahan, Louisiana. This lease is set to expire by term on April 30, 2022 and Cox requested to enter into a new lease for up to nine (9) years.

The lease would be for an initial term of three (3) years, commencing on May 1, 2022, with two (2) 3-year extended term options. The primary term rent will be \$149,400 with a 5% increase at the commencement of each extended term.

Cox will invest in substantial improvements of the warehouse space, including interior air circulation, interior lighting, IT infrastructure, gates, and security systems for a total estimated cost of \$100,000. The Board has agreed to provide Cox with a \$30,000 tenant improvement allocation upon completion of these upgrades.

Commissioner Jensen asked for the total square footage of the leased space. Ms. Coats responded that the size of the facility is 30,000 square feet inside and approximately 20,000 square feet outside.

Commissioner Langenstein inquired about the possibility of extending the initial term. Ms. Coats confirmed that after the initial term, the lessee will have the option to extend the lease agreement for two (2) 3-year terms.

Commissioner Jensen asked for clarifications on annual rent increases. Ms. Coats stated that, if the initial term is extended, the annual rent will increase by 5% on the commencement of each new extended term.

Chairman Ponstein asked if lease agreement includes both the inside and outside spaces. Ms. Coats confirmed it does. Commissioner Langenstein asked about the location of the entrance to the facility. Ms. Coats responded it is located on Edwards Avenue.

Commissioner Jensen inquired about the two buildings in the front of the property. Ms. Coats stated that they are currently used for storage of Cox electric and IT equipment.

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

F. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Execute Amendments to the Board's Two Agreements with SP Plus Corporation, to Extend Each Respective Agreement Term for a Period of Six Months, with Two 3-Month Renewal Options.

Mr. Gauthier presented and recommended approval of the resolution. He stated that in 2013, the Board entered into two (2) separate agreements with SP Plus Corporation (f/k/a/ Standard Parking Corporation) to provide parking services for cruise operations. In May 2020, due to COVID, the terms of both agreements were suspended and extended by amendment. The current terms expire April 1, 2022 and staff recommends extending the term of each respective agreement for an additional six (6) months, with two (2) 3-month

renewal options, to ensure continuity of services as cruise business resumes. The Cruise Expense Budget will provide funding for these services.

Chairman Ponstein asked for specifications on the resumption of cruise activity. Mr. Gauthier stated that Royal Caribbean should resume operations in November, Norwegian is expected to sail from November 2022 to April 2023 and Disney has scheduled seven (7) additional calls for next year.

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

V. Report by the President and Chief Executive Officer

Ms. Christian briefed the Board on the impact of the tornadoes that touched down in St. Bernard Parish the previous week. The Board's properties were minimally affected but the parish suffered severe property damage and one death. Ms. Christian emphasized that the Board will continue to assist with recovery efforts and extended her condolences to those affected by the violent storm.

Ms. Christian announced the upcoming change of command and swearing-in ceremony for the Harbor Police Department's new Chief, Melanie Montroll, as well as the celebration of Chief Hecker's retirement after 26 years of service.

Ms. Christian reported that the three (3) Louisiana International Terminal open houses were very successful, with over 200 people attending. These meetings allowed the Board to convey accurate information to residents, officials, business owners, and maritime industry stakeholders. Ms. Christian thanked all staff involved in the organization of these events.

Lastly, Ms. Christian announced that Ms. Verderame, Director of Records, will be leaving the Board after more than five (5) years of service. She expressed her gratitude to Ms. Verderame for efficiently reorganizing the Records department and successfully implementing virtual Board meetings throughout the pandemic.

Chairman Ponstein and Commissioner Langenstein also praised Ms. Verderame for her dedication and proficient work and extended their best wishes for her next endeavor.

VI. Commissioners' Comments

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

VII. 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 Langenstein seconded. **MOTION CARRIED UNANIMOUSLY** and Chairman Ponstein adjourned the meeting at 1:56 p.m.