

**THE BOARD OF COMMISSIONERS OF
THE PORT OF NEW ORLEANS
MINUTES OF
THE BUDGET COMMITTEE MEETING
MONDAY, SEPTEMBER 23, 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 COMMITTEE CHAIR TARA C. HERNANDEZ AT 1:34 P.M. ON MONDAY, SEPTEMBER 23, 2019.

COMMITTEE Tara C. Hernandez, Committee Chair
MEMBERS Charles H. Ponstein, Member
PRESENT: Jack C. Jensen, Jr., Member
Joseph F. Toomy, Member

ABSENT: Arnold B. Baker, Member
Darryl D. Berger, Member
William H. Langenstein, 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
M. Verderame, Director, Records
E. Pansano, Director, Internal Audit
C. Coats, Director, Real Estate
M. Scelson, General Counsel
J. Ragusa, Manager, Communications
C. Alfonso, Manager, Community Engagement
A. Aragon Dolese, Director, Communications
A. Pellegrin, Director, Sustainable Development
J. Sholar, Director, Human Resources

GUESTS: M. Stolzman, NOPB
T. Haver, NOPB
M. Smith, NOPB
R. White, Senator Kennedy's Office

I. Determination of Quorum and Call to Order

Committee Chair Hernandez 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 August, 2019.

Mr. Wendel distributed the August 2019 financial reports to the Committee, a copy of which is made a part of these minutes. He provided an overview of the Port'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. Landry provided an overview of the Port's volume report to the Committee. He noted there was a decrease in container business for the month, which he attributes to empty containers delivered from other services such as container on barge services as well as rail service. He noted that while TEU volumes are slightly down from previous months, volumes for loaded containers remain strong. He stated breakbulk volumes remain steady with close to 170,000 tons for the month, with several strong months for aluminum. He noted that overall volumes are down compared to this month last year.

Mr. Landry noted there was a slight decrease in cruise business as opposed to this time last year, which he attributed to the additional number of cruises that occurred last July. He noted it is a good season even though the numbers are down.

Commissioner Hernandez questioned if there is an impact on breakbulk volumes in connection with the decrease in steel imports. Mr. Landry noted breakbulk impacts are continuing as a result of steel tariffs. He anticipates a continued decrease in steel imports in the upcoming months, but noted there are possibilities for aluminum imports to help offset the decrease. He also noted that wind energy and natural rubber imports continue to remain strong.

Mr. Wendel provided an overview of business line volumes for NOPB. Mr. Stolzman noted that for the NOPB's year-to-date, there is a reduction in Class I switching volume of approximately 700 cars, which was offset by an increase of 700 cars switching locally.

Mr. Wendel stated the Port's terminal operations revenue came in at \$3.5 million, which is \$96,000 below budget for the month. He noted container crane revenue continues to increase. He stated cruise revenue came in at \$930,000, which is \$60,000 above budget for the month and \$185,000 below budget for the year thus far. He noted real estate revenue remains steady and is on budget for the year. For the month, the Port is \$33,000 below the \$5.1 million budget in operating income.

Mr. Wendel stated that for the month, NOPB is \$635,000 above budget in operating

revenue. He noted that car repair volume is down, but that railcar storage is up by \$82,000.

Ms. Christian asked Mr. Landry to provide an update on the container on barge service from New Orleans. Mr. Landry noted that the service brings empty containers from Dallas, Texas through to Baton Rouge, Louisiana. The service, which started approximately fifteen months ago, has continued to grow steadily.

Commissioner Hernandez questioned whether the Port is continuing to receive empty containers from Memphis, Tennessee. Mr. Landry confirmed that was accurate, but not as frequently as in the past. He noted the volume fluctuates based on need, and he anticipates this to continue.

Mr. Wendel stated that for the month, there was a decrease in the Port's labor expenses, coming in at \$2.5 million against a budget of \$2.7 million. On a year-to-date basis, labor is \$9,000 above budget. He noted maintenance expenses were \$90,000 below budget, but he expects that figure to fluctuate with the maintenance requirements on a month-to-month basis. He noted total expenses came in \$1.2 million versus a budget of \$950,000 for the month, which is \$231,000 above operating income. For the year, the Port is \$49,000 above budget on a year-to-date basis for operating income.

Mr. Wendel stated that for the month, NOPB revenues came in at \$2.7 million, which is \$633,000 above budget. Labor expenses were on budget and operating expenses were under budget, which he attributes to the decrease in maintenance costs. For the month, operating income is \$756,000 above budget. On a year-to-date basis, NOPB is \$1.1 million above budget for operating income.

On a consolidated basis, operating income is \$1 million above budget for the month. For the year, operating income is \$3.9 million or \$1.1 million above budget.

Commissioner Jensen moved to recommend acceptance of the August 2019 consolidated financial statements at the Regular Board meeting. Commissioner Ponstein seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

B. Recommend to the Board at its Regular Monthly Meeting a Resolution Authorizing the President and Chief Executive Officer to Enter into an Annual Contract with United Healthcare Insurance Companies to Provide Medicare Advantage Plan to the Board's Retirees.

Mr. Wendel presented and recommended approval of the resolution. He provided an overview of the Port's retiree healthcare and benefits included in the Advantage Plan. This annual contract will be effective January 1, 2020. He stated the Port pays 60% of the premium costs for Medicare-eligible retirees, aged 65 and over, and that there is a 6% anticipated increase in cost for this year's plan. There are currently 109 eligible retirees in the plan.

Commissioner Toomy inquired as to the broker used to procure this service. Mr. Wendell

stated that the Port's current healthcare broker is Gallagher Benefits Services, Inc.

Commissioner Ponstein moved to recommend approval of the resolution at the Regular Board meeting. Commissioner Toomy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

III. Public Comment

Committee Chair Hernandez called for public comment, but there was none.

IV. Adjournment

There being no further business to come before the Committee, Committee Chair Hernandez called for a motion to adjourn. Commissioner Toomy moved, and Commissioner Jensen seconded. **MOTION CARRIED UNANIMOUSLY** and the meeting was adjourned at 1:50 p.m.

**THE BOARD OF COMMISSIONERS OF
THE PORT OF NEW ORLEANS
MINUTES OF
THE PLANNING AND ENGINEERING COMMITTEE MEETING
MONDAY, SEPTEMBER 23, 2019**

A MEETING OF THE PLANNING AND ENGINEERING 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 JACK C. JENSEN, JR., AT 1:51 P.M. ON MONDAY, SEPTEMBER 23, 2019.

COMMITTEE

Jack C. Jensen, Jr., *Pro Tempore* Committee Chairman

MEMBERS

Tara C. Hernandez, Member

PRESENT:

Darryl D. Berger, Member

Charles H. Ponstein, Member

Joseph F. Toomy, Member

ABSENT:

Arnold B. Baker, Member

William H. Langenstein, III, Committee Chairman

STAFF:

B. Christian, President & 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

M. Verderame, Director, Records

E. Pansano, Director, Internal Audit

C. Coats, Director, Real Estate

M. Scelson, General Counsel

J. Ragusa, Manager, Communications

C. Alfonso, Manager, Community Engagement

A. Aragon Dolese, Director, Marketing & Communications

A. Pellegrin, Director, Sustainable Development

J. Sholar, Director, Human Resources

GUESTS:

M. Stolzman, NOPB

T. Haver, NOPB

M. Smith, NOPB

R. White, Senator Kennedy's Office

I. Determination of Quorum and Call to Order

In the absence of Committee Chairman Langenstein, Board Vice-Chair Hernandez appointed Commissioner Jensen to serve as *Pro Tempore* Committee Chairman for the purposes of holding this meeting only. *Pro Tempore* Committee Chairman Jensen determined the existence of a quorum and called the meeting to order at 1:51 p.m.

II. Briefing and Discussion Items:

A. Recommend to the Board at its Regular Monthly Meeting a Resolution Certifying to the Louisiana Department of Transportation and Development Requirements to Advertise Phase III of the Nashville Terminal Conversion to Container and Crane Rail Extension Project, a Port Priority Project.

Mr. Evett presented and recommended approval of the resolution. He stated that the Board received \$15 million in grant funding through the Louisiana Department of Transportation and Development's ("DOTD") Port Construction and Development Priority Program ("Port Priority Program") in connection with the Nashville Avenue Terminal Conversion to Container and Crane Rail Extension Project ("Project"). Prior to issuing the invitation to bid for this phase of the Project, the Board must certify to DOTD that it has fulfilled certain obligations, such as assuring that the Board has the required funding match, rights-of-ways, and permits, and that the Board will indemnify DOTD. Mr. Evett stated that the work covered under this phase of the Project will include: pile repairs, warehouse demolition, fender installation, and construction of the crane rail extension.

Commissioner Hernandez questioned as to the Board's funding match. Staff responded the match is ten-percent (10%).

Pro Tempore Committee Chairman Jensen questioned as to the previously discussed pile repairs. Mr. Evett stated that the previously discussed pile repairs are for a different wharf.

Commissioner Berger joined the meeting at 2:02 p.m.

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

B. Recommend to the Board at its Regular Monthly Meeting a Resolution Authorizing the President and Chief Executive Officer to Enter into an Agreement with the Louisiana Department of Transportation and Development under the Port Construction and Development Priority Program for the Nashville Avenue Terminal Paving Improvements Project.

Mr. Evett presented and recommended approval of the resolution. He stated the Board was successful in securing a \$15 million grant from DOTD's Port Priority Program for the Nashville Avenue Terminal Paving Improvements Project ("Project").

Mr. Evett stated that this resolution, in the required DOTD standard template, authorizes the President and Chief Executive Officer to execute a Project Agreement and a Statement of Sponsorship, represent the Board regarding the receipt of funds, and sign and approve all documents that are necessary to accomplish the Project.

Mr. Evett stated the Project includes installation of 17.3 acres of heavy-duty concrete paving and replacing 3,887 linear feet of railroad tracks for a total cost of approximately \$25 million.

Commissioner Toomy questioned as to whether the Project is awaiting the grant funds. Mr. Evett responded that this is a step in the process of securing the funds to move forward with the Project. He noted the Board anticipates the funds will be received in approximately two (2) years.

Commissioner Hernandez asked for clarification on what procedure was needed to trigger the receipt of the funds by the Board. Ms. Fant responded and stated the Project could start before the funds were received. She noted that solicitation of design proposals is in the queue of projects.

Ms. Christian noted the Board has pre-funded Port Priority Projects in the past, contingent on staffing and financial resources available at the time.

Commissioner Toomy questioned the anticipated Project start date, including when the design phase will begin. Ms. Fant noted the Project is in queue, and she anticipates that the Project would begin before the funds are received. Ms. Christian added that the Engineering Department has staffing limitations, and that staff are working to efficiently phase the Project to mitigate effects to ongoing operations.

Ms. Fant stated the grant will be funded at a rate of \$5 million per year and that she anticipated that the first \$5 million would be received in approximately two (2) years.

Commissioner Hernandez questioned as to what triggers receipt of the first \$5 million in funding. Ms. Fant stated the funds would not be available in the Port Priority Program for approximately two (2) years. She noted this is a state funding issue.

Commissioner Hernandez questioned the length of the Project. Mr. Evett stated that staff anticipates that the design process would take one (1) year and construction would take one (1) to two (2) years.

Commissioner Hernandez moved to recommend approval of the resolution at the Regular Board Meeting. Commissioner Toomy 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 Award a Contract for an Amount Not

to Exceed \$777,000 for the Purchase of Marine Fender Components for Installation at Napoleon Avenue Wharf “A.”

Mr. Evett presented and recommended approval of the resolution. Mr. Evett stated that bids for the materials were received on September 18, 2019. Staff is recommending that the Board authorize the President and Chief Executive Officer to award this contract to the lowest responsive and responsible bidder, up to the amount of the second low bid in the event the apparent low bidder is deemed nonresponsive.

Mr. Evett stated an intermediate fender system is needed at Napoleon Wharf “A” until a permanent fender system can be installed upon completion of the Nashville Crane Rail Terminal Extension Project (the “Project”) in approximately 2021/2022.

He stated it is critical that these materials are received before the next phase of the Project.

Commissioner Hernandez asked for clarification as to whether the temporary fenders are reusable. Mr. Evett confirmed that the temporary fenders would be reused depending on their condition.

Pro Tempore Committee Chairman Jensen questioned whether the temporary fenders will be sufficient until the new, permanent fender system is installed. Mr. Evett noted that while these types of fenders have not been previously used by the Board, staff are confident that this is a good interim solution based on its research.

Pro Tempore Committee Chairman Jensen questioned whether installation will be done from the wharf or the river. Mr. Evett stated the installation procedure would be the contractor’s option.

Pro Tempore Committee Chairman Jensen questioned as to the amount award. Ms. Fant clarified that the resolution would authorize Ms. Christian to award a contract in an amount not to exceed the second low bid, in the event the first low bid was deemed nonresponsive.

Commissioner Toomy questioned as to the bidders who were previously determined to be nonresponsive. Mr. Evett confirmed that the current bidders are the same two (2) whose bids were previously determined to be nonresponsive. Ms. Fant noted this is a procurement of materials, as opposed to a public works contract, and that the vendors were not as familiar with the public bid process in this instance.

Commissioner Ponstein moved to recommend approval of the resolution at the Regular Board meeting. Commissioner Hernandez 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 an Amendment in the Amount of \$447,800 to the Contract with D&D Construction LA, LLC, to Perform Additional Deck Repairs at First Street Wharf.**

Mr. Evett presented and recommended approval of the resolution. He explained that the bids for this project were significantly below budget and that Staff recommends additional repairs be performed with the remaining excess budgeted funds. He noted the change order would increase the amount of concrete deck repair by 2,500 square feet and 340 linear feet of expansion joint using the original bid unit prices. He noted funds have been budgeted in the Capital Improvement Project Budget.

Commissioner Toomy moved to recommend approval of the resolution at the Regular Board meeting. Commissioner Ponstein seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

E. Recommend to the Board at its Regular Monthly Meeting a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment for an Amount Not-to-Exceed \$400,000 to the Contract with Cycle Marine Group, Inc., to Provide Divers to Perform Substructure Repair Work at Nashville Avenue Wharf “A.”

Mr. Evett presented and recommended approval of the resolution. He stated that the Board previously awarded a contract to Cycle Marine Group, Inc., for approximately \$20 million to repair the substructure at Nashville Avenue Wharf “A.” He explained that consideration is being given to using divers to accomplish work when the river’s elevation is a hindrance. Staff has directed the contractor to perform a test utilizing divers which will establish production rates that can be used to estimate the overall benefits and added cost for diver assistance. Staff will use this experience and time to evaluate next steps and formulate recommendations to complete the work. Funds have been budgeted in the Capital Improvement Project Budget.

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

F. Recommend to the Board at its Regular Monthly Meeting a Resolution Awarding a Contract to Industrial & Crane Services, Inc., in the Amount of \$499,270, to Provide Structural and Mechanical Inspection Support and Repairs for Container Crane Nos. 6 and 7.

Mr. Evett presented and recommended approval of the resolution. He stated that the scope of work covered under this contract includes furnishing all labor, material and equipment to replace the boom hinges on Crane No. 6, as well as providing the necessary equipment and support to facilitate thorough structural and mechanical inspections of Crane Nos. 6 and 7. Additionally, at the engineers’ discretion, selective removal and replacement of coatings will be conducted to facilitate the inspections and make necessary repairs to both cranes. The contract will include unit prices for various equipment and types of repairs to accomplish the anticipated work. Funds are budgeted in the Capital Investment Plan.

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

G. Briefing on Progress of the Port Inner Harbor Economic Revitalization (“PIER”) Plan

Ms. Pellegrin briefed the Committee on the progress of the Board’s Port Inner Harbor Economic Revitalization (“PIER”) Plan. She provided an overview of the impacted areas, assessments conducted to date, and additional outreach and planning anticipated to continue.

Commissioner Hernandez commended Ms. Pellegrin on a job well done and provided additional suggestions with regards to the visual presentation. She suggested that the original base map identify the Board’s tenants along with proposed projects including the rail. She noted the Board can be more strategic in planning with all information included and visually seen.

Pro Tempore Committee Chairman Jensen questioned whether the Six Flags property is within the layout of the PIER Plan. Commissioner Hernandez suggested a meeting with the City and Industrial Development Board regarding this property.

Pro Tempore Committee Chairman Jensen questioned if there were anticipated future improvements to the connecting streets to the Board’s property. Commissioner Hernandez stated the mayor has been briefed and is supportive of the revitalization program. She noted further review is needed to identify the owner of the street. Ms. Christian noted a land use map of the interior harbor would be interesting to identify city streets versus Board’s streets to indicate what city streets are in the Board’s footprint.

III. Public Comment

Pro Tempore Committee Chairman Jensen called for public comment, but there was none.

IV. Adjournment

There being no further business to come before the committee, *Pro Tempore* Committee Chairman Jensen called for a motion to adjourn. Commissioner Ponstein moved to adjourn and Commissioner Toomy 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 PROPERTY AND INSURANCE COMMITTEE MEETING
MONDAY, SEPTEMBER 23, 2019**

A MEETING OF THE PROPERTY AND INSURANCE 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 COMMITTEE CHAIRMAN DARRYL D. BERGER AT 2:36 P.M. ON MONDAY, SEPTEMBER 23, 2019.

COMMITTEE Darryl D. Berger, Committee Chairman

MEMBERS Tara C. Hernandez, Member

PRESENT: Charles H. Ponstein, Member
Jack C. Jensen, Jr., Member
Joseph F. Toomy, Member

ABSENT: Arnold B. Baker, Member
William H. Langenstein, 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
M. Verderame, Director, Records
E. Pansano, Director, Internal Audit
C. Coats, Director, Real Estate
M. Scelson, General Counsel
J. Ragusa, Manager, Communications
C. Alfonso, Manager, Community Engagement
R. Aragon Dolese, Director, Marketing & Communications
A. Pellegrin, Director, Sustainable Development
J. Sholar, Director, Human Resources

GUESTS: M. Stolzman, NOPB
T. Haver, NOPB
M. Smith, NOPB
R. White, Senator Kennedy's Office

I. Determination of Quorum and Call to Order

Committee Chairman Berger determined the existence of a quorum and called the meeting to order at 2:36 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 Enter into an Amended and Restated Lease Agreement Between the Board and Seabrook Marine, LLC, to Adjust the Lease Premises by 27,808 SF and Update Other Terms and Conditions.

Ms. Coats presented and recommended approval of the resolution. She stated that Seabrook Marine, LLC (“Seabrook”) is seeking to amend their current lease at 5801 France Road to extend their fence line by 34.5 feet, thereby adding 27,808 square feet, for a total of 13.07 acres. The proposed addition includes utility and inactive rail servitudes. Under the terms of this amendment, Seabrook will not be allowed to erect any structures on the proposed addition, and will be required to remove fencing should any utility need to access the area or if New Orleans Public Belt Railroad Corporation elects to bring the rail into operation.

Ms. Coats stated that the rent for the additional area will be 75% of the current market rate of \$0.318 per square foot, which will generate an additional \$8,800 in annual revenue for the Board. Since this would be Amendment No. 12 to Seabrook’s current lease, staff recommend executing a restated lease agreement to incorporate all prior amendments and, where appropriate, incorporate the Board’s updated terms and conditions.

Commissioner Jensen asked for clarification on responsibility for the fencing on the proposed addition. Ms. Coats stated Seabrook is paying for the fence and if NOPB or a utility company need to access the area, Seabrook would be required to move the fence line back.

Commissioner Ponstein moved to recommend approval of the resolution at the Regular Board meeting. Commissioner Toomy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

B. Recommend to the Board at its Regular Monthly Meeting a Resolution Authorizing the President and Chief Executive Officer to Enter into a Servitude Agreement Between the Board, the Board of Commissioners of the Ernest N. Morial New Orleans Exhibition Hall Authority, the City of New Orleans, the Sewerage and Water Board of New Orleans, and RiverSphere One, L.L.C., in Connection with the Race Street Floodgate.

Ms. Ganon presented and recommended approval of the resolution. She stated that this resolution would authorize the execution of a servitude agreement in connection with the Cooperative Endeavor Agreement executed in August by the President and Chief

Executive Officer. Parties to both agreements include the Board of Commissioners of Ernest N. Morial New Orleans Exhibition Hall Authority, the Board of Commissioners of the Port of New Orleans, Riversphere One, LLC, the City of New Orleans and the Sewerage and Water Board of New Orleans. This servitude agreement will provide accessibility via the Race Street floodgate for the Board's commercial, pedestrian, and emergency traffic.

Commissioner Hernandez asked for clarification on the location of the specific floodgate, and Ms. Ganon presented a map image to verify which floodgate this agreement would cover.

Commissioner Jensen moved 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 and Commissioner Hernandez seconded. **MOTION CARRIED UNANIMOUSLY** and the meeting adjourned at 2:40 p.m.

**BOARD OF COMMISSIONERS OF THE
PORT OF NEW ORLEANS
MINUTES OF
THE NOMINATING COMMITTEE MEETING
MONDAY, SEPTEMBER 23, 2019**

A MEETING OF THE NOMINATING 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 COMMITTEE CHAIRMAN CHARLES H. PONSTEIN AT 2:34 P.M. ON MONDAY, SEPTEMBER 23, 2019

COMMITTEE MEMBERS PRESENT: Charles H. Ponstein, Committee Chairman
Jack C. Jensen, Jr., Member
Joseph F. Toomy, Member

BOARD MEMBERS PRESENT: Darryl D. Berger, Member
Tara C. Hernandez, Member

BOARD MEMBERS ABSENT: Arnold B. Baker, Member
William H. Langenstein, 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
M. Verderame, Director, Records
E. Pansano, Director, Internal Audit
C. Coats, Director, Real Estate
M. Scelson, General Counsel
J. Ragusa, Manager, Communications
C. Alfonso, Manager, Community Engagement
A. Aragon Dolese, Director, Marketing and Communications
A. Pellegrin, Director, Sustainable Development
J. Sholar, Director, Human Resources

GUESTS: M. Stolzman, NOPB
T. Haver, NOPB
M. Smith, NOPB
R. White, Senator Kennedy's Office

I. Determination of Quorum and Call to Order

Committee Chairman Ponstein determined the existence of a quorum and called the meeting to order at 2:34 P.M.

II. Discussion and Recommendation of Officers for the Board of Commissioners of the Port of New Orleans, to Serve Terms from September 26, 2019 through June 2020.

On behalf of the Nominating Committee, Chairman Ponstein presented the following recommendation for Board officers to serve through June 2020: Tara C. Hernandez as Board Chair, Darryl D. Berger as Board Vice-Chair, and William H. Langenstein, III as Secretary-Treasurer.

He noted the recommended slate of officers would be presented for consideration and election by the full Board at the Regular Board meeting to take place on Thursday, September 26, 2019.

III. Public Comment

Committee Chairman Ponstein called for public comment but there was none.

IV. Adjournment

There being no further business to come before the committee, Committee Chairman Ponstein motioned to adjourn, and Commissioner Toomy seconded. **MOTION CARRIED UNANIMOUSLY** and the meeting was adjourned at 2:35 P.M.

**THE BOARD OF COMMISSIONERS OF
THE PORT OF NEW ORLEANS
MINUTES OF
THE REGULAR BOARD MEETING
THURSDAY, SEPTEMBER 26, 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 1:49 P.M. ON THURSDAY, SEPTEMBER 26, 2019.

**COMMISSIONERS
PRESENT:**

Arnold B. Baker, Chairman
Tara C. Hernandez, Vice-Chair
Darryl D. Berger, Secretary-Treasurer
William H. Langenstein, III, Member
Charles H. Ponstein, Member
Jack C. Jensen, Member
Joseph F. Toomy, Member

STAFF:

B. Christian, President & Chief Executive Officer
A. Fant, Vice President, Planning and Facilities
M. Ganon, Vice President, Public Affairs
R. Wendel, Chief Financial Officer
A. Evett, Director, Engineering
M. Scelson, General Counsel
J. Schecter, Manager, Marketing & Communications
W. Stokes, Administrative Assistant
D. Feraci, Administrative Assistant
E. Pansano, Director, Internal Audit
C. Coats, Director, Real Estate
R. Aragon Dolese, Director, Marketing & Communications
C. Alfonso, Manager, Community Engagement
J. Ragusa, Manager, Communications
B. Nalley, Port Attorney
G. Palermo, Port General Agent
A. Madere, Manager, Records
A. Taylor, Procurement
Chief R. Hecker, Harbor Police Department
Capt. M. Montroll, Harbor Police Department
S. Sylvas, Harbor Police Department
D. Mercadel, Harbor Police Department
C. Smith, Harbor Police Department
C. Cummings, Harbor Police Department

GUESTS:

M. Stolzman, NOPB
T. Haver, NOPB
K. Turner, NOPB
C. Kocur, NOPB
C. Bonura, NOPB
J. Sleeth, NOPB
M. Smith, NOPB
R. Zimmerle, NOPB
I. McPherson, NOPB
W. Wachel, WSP
R. Glapion, The Beta Group
J. Kerion, Cycle Marine Group
T. Wells, Waldemar S. Nelson
D. Carrere, Landmark Law Attorney
N. Junius, LH&J
H. Blackman, BDE
L. Anderson, Department of Justice
J. Keever, T. Parker Host
L. Maure, Adams & Reese
M. Bopp, Crescent Pilots
P. Roberts, Empaq Group

I. Determination of Quorum and Call to Order

Chairman Baker determined the existence of a quorum and called the meeting to order at 1:49 p.m.

II. General Public Comment

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

III. Approval of August 2019 Public Meeting Minutes

On a motion duly made by Commissioner Berger and seconded by Commissioner Langenstein, the Board unanimously approved the minutes of its public meeting for August 2019, as previously circulated.

IV. Acceptance of August 2019 Consolidated Financial Statements

Mr. Wendel provided a summary overview of the financial statements for August 2019, a copy of which are made a part of these minutes. He noted August's 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 Jensen moved to accept the financial statements and Commissioner Ponstein seconded. **MOTION CARRIED UNANIMOUSLY.**

V. Actions Required:

A. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Annual Contract with United Healthcare Insurance Companies to Provide Medicare Advantage Plan to the Board's Retirees.

Mr. Wendel presented and recommended approval of the resolution. He stated the Board offers retirement benefits to Medicare eligible retirees and the Board's goal is to offer an affordable quality plan with nationwide coverage. He noted the Board pays 60% of the premium costs for the Medicare eligible retirees. He stated there are currently 109 eligible retirees in the plan. He stated there is a 6% anticipated increase in costs, which will bring the gross premiums to \$234.63. He also noted there is an optional buy-up plan, which offers better drug coverage. He stated the total Board cost with current enrollment is estimated to be \$184,000.

Commissioner Ponstein questioned as to whether the current eligible retirees include their spouses and what happens in the event the spouse out lives the retiree. Mr. Wendel noted that if the spouse lives longer than the retiree, the spouse may participate in the plan but must pay 100% of the cost.

Commissioner Jensen questioned whether the broker is the same as for the active employee plan. Mr. Wendel stated it is the same broker.

Commissioner Jensen questioned as to the length of the policy and whether it may be combined with the Board's current healthcare policy. Mr. Wendel stated it is always a one-year term and noted it is not beneficial nor cost efficient to combine the two policies.

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

B. Consider Approval of a Resolution Certifying to the Louisiana Department of Transportation and Development Requirements to Advertise Phase III of the Nashville Terminal Conversion to Container and Crane Rail Extension, a Port Priority Project.

Mr. Evett presented and recommended approval of the resolution. He stated the Board is planning to advertise the third phase of the crane rail extension in October. He noted the Board will receive \$15 million grant from Port Priority Program ("Program"). He stated in connection with the Program, DOTD requires that, before it will give the Board authority

to advertise for bids for each phase of the Project, the Board must certify it has fulfilled certain obligations, such as assuring that the Board has the required funding match, rights-of-way, and permits and that the Board indemnifies DOTD and requests authorization to advertise the third phase of the Nashville Avenue Terminal Conversion to Container and Crane Rail Extension Project. He noted the work items that will be performed in Phase III include: (1) pile repairs, (2) warehouse demolition, (3) fender installation, and (4) construction of the crane rail extension.

Commissioner Hernandez questioned the ETA for the advertisement date. Mr. Evett stated the third phase project is set to be advertised in October.

Commissioner Langenstein questioned as to the Board's portion of the match for this project. Mr. Evett responded the total cost of the project is between \$35-\$45 million. The Board will be responsible for the remaining funds.

Commissioner Baker questioned as to the overall construction timeline. Mr. Evett stated it is a two-year construction plan and noted it is contingent of the level of the river.

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 Hernandez motioned to approve the resolution and Commissioner Toomy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

C. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Agreement with the Louisiana Department of Transportation and Development under the Port Construction and Development Priority Program for the Nashville Avenue Terminal Paving Improvements Project.

Mr. Evett presented and recommended approval of the resolution. He stated that in 2017, the Board was successful in securing a Port Priority Grant to repave 17 acres of the marshaling yard. He noted \$15 million of grant funds are committed to the Project but will not be available for approximately two years. He stated the DOTD is requesting the Board enter into their standard agreement in preparation for receipt of the funds. DOTD requires that the Board certifies that the Board acknowledges that it has submitted an application to the Program to receive assistance for the Project. Furthermore, this resolution authorizes the President and Chief Executive Officer to (1) execute a Project Agreement and a Statement of Sponsorship, (2) represent the Board regarding the receipt of funds, and (3) sign and approve all documents that are necessary to accomplish the Project.

Mr. Evett stated the project includes installation of 17.3 acres of heavy-duty concrete paving and replacement of 3,887 linear feet of railroad track.

Commissioner Jensen questioned as to whether it is actually paving. Mr. Evett stated it is a marshaling yard and will be replacing deteriorated pavers as well as rail.

Commissioner Toomy questioned as to the timetable of the project. Mr. Evett stated this project is phased to follow the completion of the crane rail extension in approximately two years.

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 Jensen motioned to approve the resolution and Vice-Chair Hernandez seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

D. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Award a Contract for an Amount Not to Exceed \$777,000 for the Purchase of Marine Fender Components for Installation at Napoleon Avenue Wharf “A”.

Mr. Evett presented and recommended approval of the resolution. Mr. Evett stated bids were received on September 18, 2019. Staff is recommending that the Board authorize the President and Chief Executive Officer to award this contract to the lowest responsive and responsible bidder, up to the amount of the second low bid in the event the apparent low bidder is deemed nonresponsive.

Mr. Evett stated the fender components will serve as an interim system at the Napoleon “A” until the installation of the permanent fender system can be installed in 2021/2022 following the completion of the Nashville Crane Rail Terminal Extension Project.

Funds for this project are allocated in the 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 Commissioner Ponstein seconded the motion. **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 \$447,800 to the Contract with D&D Construction LA, LLC, to Perform Additional Deck Repairs at First Street Wharf.

Mr. Evett presented and recommended approval of the resolution. He stated excellent bids were received and staff would like to perform additional work with the previously budgeted funds. He noted the change order will increase the amount of concrete deck repair by 2,500 square feet and 340 linear feet of expansion joint utilizing the original bid unit prices. He noted funds have been allocated in the Capital Improvement Project Budget.

Commissioner Langenstein questioned as to the original budgeted amount for the project and whether the change order will increase that amount. Mr. Evett stated the original budget was \$1.5 million and noted the change order will not increase the previously budgeted amount. He stated funds previously allocated for this project will be used.

Vice-Chair Hernandez questioned the timeframe and impact on terminal operators. Mr. Evett stated seventy-seven (77) days have been added for the additional work. He noted there will be impact to the tenant operations but staff is coordinating with the tenants to minimize that impact.

Commissioner Jensen questioned as to whether this project brings First Street up to the tenant's standards. Mr. Evett noted it restores the deck which is most critical.

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 Jensen motioned to approve the resolution and Vice-Chair Hernandez seconded the motion.

MOTION CARRIED UNANIMOUSLY.

F. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment for an Amount Not-to-Exceed \$400,000 to the Contract with Cycle Marine Group, Inc., to Provide Divers to Perform Substructure Repair Work at Nashville Avenue Wharf "A".

Mr. Evett presented and recommended approval of the resolution. He stated at the Board's June 2017 meeting, the Board awarded a contract to Cycle Marine Group, Inc., for approximately \$20 million to repair the substructure at Nashville Avenue Wharf "A". Some of the work is at a low elevation, so consideration is being given to the use of divers to accomplish work when the river's elevation is a hindrance. Staff has directed the contractor to perform a test utilizing divers which will establish production rates that can be used to estimate the overall benefits and added cost. If proven to be beneficial, staff would use these requested funds to continue to use divers to take advantage of the current low river window. Staff will use this experience and time to evaluate next steps and formulate recommendations to complete the work. Funds have been allocated in the Capital Improvement Project Budget.

Commissioner Ponstein requested more information about the river's water levels, including how low it needs to be for the work. Mr. Evett stated some of the work requires substantial lower level of the river. Commissioner Ponstein also questioned as to what level can the divers still perform. Mr. Evett responded that it has not been determined at this time and may not be fully evaluated because the river elevation is at 4.5-5 feet.

Commissioner Langenstein questioned as to the probability of 1½ foot elevation. Mr. Evett stated not all of the work requires a low river level. He noted there is some changes to the required repair to eliminate chipping so it can be performed at a higher level. He noted, although rare, the river will eventually, for a very short period of time, get to 1.5 feet. He noted there may not be a need for that depending on the integrity of the piles.

Commissioner Langenstein questioned as to whether the contract will include not only the test work but any decision to use divers. Mr. Evett stated this will allow us to use diver assistance so tests can be reviewed and evaluate the feasibility and benefit so the project can be completed on time and within budget.

Commissioner Ponstein questioned as to the whether there is a sunset clause in the contract. Mr. Evett stated the contract does have annual mobilization and demobilization and did not have an end date but includes provisions for interruption of work due to the river stage.

Ms. Fant stated that in 2017 when the contract began, there were a number of low river days where the river elevation was very low, and a lot of the work could have been done.

Mr. Evett noted a representative from Cycle Marine is in attendance at the meeting.

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 Jensen seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

G. Consider Approval of a Resolution Awarding a Contract to Industrial & Crane Services, Inc., in the Amount of \$499,270, to Provide Structural and Mechanical Inspection Support and Repairs for Container Cranes Nos. 6 and 7.

Mr. Evett presented and recommended approval of the resolution. He stated this work consists of (1) furnishing all labor, material and equipment to replace the boom hinges on Crane No. 6; (2) providing the necessary equipment and support to provide the Board's outside consulting engineers with access to all parts of the crane so that the engineers can perform a thorough structural and mechanical inspection of both cranes; and, (3) at the direction of the engineers, perform selective coating removal to facilitate inspection, make necessary repairs, and replace any removed coatings. The contract will include unit prices for various equipment and types of repairs to accomplish the anticipated work. Funds are allocated in the Capital Investment Plan.

Commissioner Jensen questioned as to whether this is the lowest bid. Mr. Evett stated two bids were received and this was the lowest bid.

Commissioner Jensen questioned whether this company has worked on the Board's cranes before. Mr. Evett clarified there were three bidders and two out of the three bidders have experience working on the cranes.

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

H. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amended and Restated Lease Agreement Between the Board and Seabrook Marine, LLC, to Adjust the Lease Premises by 27,808 SF and Update Other Terms and Conditions.

Ms. Coats presented and recommended approval of the resolution. She stated that Seabrook Marine leases 12.43 acres along France Road. With the completion of New Orleans Public Belt Railroad Corporation's Burma West Project, which was reinstallation of rail along France Road Avenue up to Seabrook's leasehold. Seabrook Marine has requested to extend their fence line by 34.5 feet which will add an additional 27,808 SF to their leasehold. She noted this area is encumbered with a rail servitude and utility servitude easement and has not been previously leased. Along with an appraiser, staff reviewed the market rate for non-encumbered land and determined it is approximately 42.5 cents per square foot. As Seabrook would be unable to build in this area, staff recommends the rental rate for this area be 75% of market. She noted should the rail be reinstalled, or utilities need to be accessed or installed in this area, Seabrook would be responsible for the removal of the fence. She noted as this would be Amendment No. 12 to the Lease, staff recommends executing an amended and restated lease. This would update the lease terms to the Board's current standards such as updates to the insurance and indemnity sections for the remaining nineteen (19) years of the lease.

Commissioner Langenstein questioned as to Seabrook's current rate per square foot. Ms. Coats stated their current rate per square foot is approximately 23 cents. She noted their current leasehold rate will remain the same and the new area will be at 75% of market.

Commissioner Ponstein questioned as to the responsibility of removing the fence. Ms. Coats stated Seabrook is responsible for installing the fence and if at any time the fence needs to be moved back, Seabrook is fully responsible for moving it.

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 Ponstein motioned to approve the resolution and Commissioner Jensen seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

I. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter Into a Servitude Agreement Between the Board, the Convention Center, the City of New Orleans, the Sewerage and Water Board of New Orleans, and RiverSphere One, L.L.C., in Connection with the Race Street Floodgate.

Ms. Ganon presented and recommended approval of the resolution. She stated this resolution is associated with the fair share agreement between the City and the hospitality industry. She noted that the agreement supports the transfer of Race Street from the City to the Convention Center so it can be part of their planned development. The Board has participated to ensure access for commercial size and emergency vehicle access through the Race Street floodgate. A servitude will ensure the floodgate remains open and accessible.

Commissioner Ponstein questioned whether an article published today regarding Mr. Yeager's current concern about abandoning streets was accurate. Ms. Ganon stated the Board's interest has to do with continued access to and through the floodgate. She noted the article referred to a report of last week's City Planning Commission meeting where the

issue was considered. Mr. Yeager's representatives did comment though the item was approved and is going to City Council.

Commissioner Langenstein questioned as to how the Board can ensure access through the floodgate. Ms. Ganon stated that the servitude will guarantee the access.

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 reported Disney made the announcement this morning that they will be home porting from New Orleans for a second season in 2021, along with positive indications for 2022 season as well. She noted the first sailing will take place this coming Mardi Gras.

Ms. Christian announced that the new MSC direct Asia service made its first call to Port NOLA on Monday, September 23. The ship is a 6,750 TEU vessel and Port NOLA's second direct service to Asia. It is very exciting for our shippers, particularly the petrochemical industry, as the Asian market is extremely important. Having now a second service is a huge feat for the Port.

Ms. Christian recognized the Harbor Police. She was pleased to announce Officer Joseph Cook was promoted to Corporal on Wednesday, September 18, 2019.

Ms. Christian also recognized officers that were awarded the medal of merit for outstanding police work involving the pursuit and apprehension of a dangerous suspect, including Sgt. Cedric Turner, Sgt. Chris Smith, Cpl. Charlonoa Cummings, and Officer Drew Mercadel.

VII. Commissioners' Comments

Commissioner Toomy announced the Gretna Heritage Festival this upcoming weekend. He noted the main stage is located on the batture in Gretna.

Commissioner Ponstein announced the Red Fish Festival in St. Bernard Parish which is three-day event.

Chairman Baker noted this is Fashion Week in New Orleans and announced various events.

VIII. Report of the Nominating Committee

Nominating Committee Chairman Ponstein reported that the Nominating Committee had met on September 23, 2019, and voted to recommend the following commissioners serve as of this day through June 2020: Ms. Tara C. Hernandez as Chairman, Mr. Darryl D. Berger as Vice-Chairman, and Mr. William C. Langenstein as Secretary-Treasurer.

Committee Chairman Ponstein moved to elect the above-listed Commissioners, and Nominating Committee Chairman Jensen seconded. **MOTION CARRIED UNANIMOUSLY.**

On behalf of the Board and staff, newly-elected Board Chairman Hernandez presented former Chairman Baker with a plaque as a token of appreciation for his service as chairman. Chairman Hernandez thanked Commissioner Baker for his service, leadership, and ongoing commitment to the community and the Port of New Orleans.

IX. Adjournment

There being no further business to come before the Board, Chairman Baker called for a motion to adjourn. Commissioner Berger motioned, and Commissioner Langenstein seconded. **MOTION CARRIED UNANIMOUSLY** and Chairman Baker adjourned the meeting at 2:33 p.m.