

BOARD OF COMMISSIONERS

PORT OF NEW ORLEANS

MINUTES OF

THE BUDGET COMMITTEE MEETING

JUNE 28, 2016

A MEETING OF THE BUDGET COMMITTEE OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, HELD IN THE PRESENTATION ROOM ON THE 4TH FLOOR AT ITS OFFICES AT 1350 PORT OF NEW ORLEANS PLACE, NEW ORLEANS, LOUISIANA, WAS CALLED TO ORDER BY COMMITTEE CHAIRMAN MICHAEL W. KEARNEY AT 1:37 P.M. ON TUESDAY, JUNE 28, 2016.

**COMMITTEE MEMBERS
PRESENT:**

Michael W. Kearney, Committee Chairman
William T. Bergeron, Member
Robert R. Barkerding, Jr., Member
Arnold B. Baker, Member

**COMMITTEE MEMBERS
ABSENT:**

Gregory R. Rusovich, Member
Scott H. Cooper, Member
Laney J. Chouest, Member

STAFF:

G. LaGrange, President and Chief Executive Officer
B. Christian, Chief Operating Officer
C. Bonura, Director, Business Development
C. Dunn, Director, Port Development
B. Gussoni, Executive Counsel
J. Penton, Chief Information Officer
R. Wendel, Chief Financial Officer
F. Tharp, Deputy Director, Port Development
M. Gresham, Director, External Affairs
A. Fant, Assistant to the Chief Operating Officer
R. Aragon Dolese, Manager, Communications
B. Ethridge, Manager, Business Development
W. Stokes, Administrative Assistant
H. Fontenot, Paralegal

GUESTS:

J. Holt, Government Consultants
L. Traweck, *City Business*
Q. Hollins, *Times-Picayune*, Nola Media Group

A. Determination of Quorum and Call to Order

Committee Chairman Kearney determined the existence of a quorum and called the meeting to order at 1:37 P.M.

B. Public Comment

Committee Chairman Kearney deferred any public comment until after the briefings.

C. Briefing and Discussion Items

1. Review of May, 2016, Financial Statement

Mr. Wendel briefed the committee on the May, 2016, financial statement. He distributed a report detailing the financial information, a copy of which is made part of these minutes. Mr. Wendel stated that for revenues in the month of May, container business remained strong. He mentioned that May continues to see weak breakbulk numbers and will be below budget by more than \$2 million this year. Mr. Wendel stated that weak numbers were expected for the last six months, but the container business had been above what was expected and slightly ahead of the budget. He stated that cruise had another good month on wharfage, year to date only approximately \$100,000 below budget. Mr. Wendel mentioned that the new *Carnival Triumph* has really been helping the numbers. Mr. LaGrange commented that there are no plans to have any more 21-day cruises. Mr. Wendel stated that on the expense side, we are under budget by 7.7% for the month and will come under budget in cost, just a little over compared to last year because of labor and benefits. He stated that the good news is that operating income before depreciation is approximately \$200,000 above budget at \$1.7 million compared to \$1.5 million.

After this discussion, the committee indicated it would refer acceptance of this financial statement to the Board at its next regularly scheduled meeting.

2. Briefing on and Discussion of a Resolution Approving the Board of Commissioners of the Port of New Orleans Financial and Operating Plan for Fiscal Year 2017.

Mr. Wendel briefed the committee on a resolution approving the Port of New Orleans Financial and Operating Plan for fiscal year 2017. He distributed a handout detailing the proposed fiscal year 2017 budget, a copy of which is made part of these minutes.

Mr. Wendel stated that this plan has been discussed for the past two years and that none of the major assumptions from last month have changed. Terminal operations are a conservative 2.5% increase from FY2016. The estimate for cruise is 6.5% over FY 2016, and real estate is flat compared to FY 2016.

Commissioner Baker asked if there were expenses that we should be prepared for through the remainder of the year. Mr. Wendel replied that expenses will be below the budget ending this fiscal year in June and that there will not be any surprises because of expenses.

Commissioner Bergeron asked if anyone tried to identify how much of a loss there was to the St. Bernard Port with regard to breakbulk being down and how much of it was market and how much competition. Ms. Christian replied that overall there is a big market issue and that every port is suffering with breakbulk cargo. She stated that there would have to be talks with Coastal Cargo in order to get more details and answers. Commissioner Kearney asked if there was an audit conducted on St. Bernard's tonnage figures. Mr. Gussoni stated that they have to publish that information in public reports and that this Board does not have the right to audit any port authority or tenants of theirs. He stated that the Board could enforce provisions issued by the judge's decree issued in the 1990's. Commissioner Kearney asked Mr. Gussoni to think about what can be done from a legal perspective. Mr. Gussoni replied that a public records request can be made and research would be done to determine what annual reports St. Bernard was required to send to the governor.

There was additional in-depth conversation between staff and commissioners regarding breakbulk, the St. Bernard Port, and maintenance of bridges.

Mr. Wendel gave a brief summary of expenses that included labor and benefits, the proposed fiscal 2017 budget operating revenues comparison, budgeted positions, the proposed fiscal 2017 budget income statement

comparison, historical operating revenues and expenses. He also reviewed the fiscal capital equipment spending that includes information technology, vehicles, operations, and cruise. Mr. Wendel went over the fiscal 2017 capital investment program and new projects.

After discussion, the committee indicated it would refer this matter favorably to the Board at its next regularly scheduled meeting.

3. Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Professional Services Contract with KMPG Corporate Finance, LLC, for the Purpose of Evaluating and Planning for Potential Board Facilities Development and Redevelopment in Conjunction with the Master Plan.

Mr. Wendel briefed the committee on and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into a professional services contract in an amount not to exceed \$135,000 with KMPG Corporate Finance, LLC, to provide financial advisory services to the Board for the purpose of evaluating and planning for facility development and redevelopment in conjunction with the master plan.

After discussion, the committee indicated it would refer this matter favorably to the Board at its next regularly scheduled meeting.

4. Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Enter into Contracts with CENTRET Technologies, Inc., Transformyx, Inc., and CDW-G, LLC, for Computer and Network Hardware to Upgrade the Board's Computer and Network Infrastructure.

Mr. Penton briefed the committee on and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into contracts with CENTRET Technologies, Inc., Transformyx, Inc., and DCW-G, LLC, at a total cost not to exceed \$527,139.17 to provide computer and network hardware for the purposes of upgrading the Port's computer and network infrastructure.

After discussion, the committee indicated it would refer this matter favorably to the Board at its next regularly scheduled meeting.

5. Briefing on and Discussion of a Resolution Declaring the Official Journal of the Board for Fiscal Year 2017.

Mr. Gussoni briefed the committee on a resolution declaring the official journal of the Board for fiscal year 2017. He stated that at last month's meeting, the commissioners had asked for additional information on the total cost for advertisements in newspapers and how the costs broke down between the cost of publishing the minutes and advertising for public contracts. He reported that staff had gathered this additional information on both *The Times Picayune* and *The New Orleans Advocate*. Mr. Gussoni mentioned that state law does not require advertisements for public bid contracts to be published in the official journal, though the Port has always done that.

He gave the total cost for newspaper advertisements for last fiscal year and this year through June 16th and stated that last year the cost was greater for public bid advertisements than for minutes. This year it has been reversed. Therefore, based on research findings concerning the total advertising expenditures and how much was attributable to the minutes and to advertisements for public contracts, Mr. Gussoni said the staff recommended going forward with *The Times Picayune* as the Board's official journal as its bid was one quarter that of *The New Orleans Advocate*.

After discussion, the committee indicated it would refer this matter favorably to the Board at its next regularly scheduled meeting.

D. Adjournment

There being no further business to come before the committee, Committee Chairman Kearney adjourned the meeting at 2:18 P.M.

BOARD OF COMMISSIONERS

PORT OF NEW ORLEANS

MINUTES OF

THE EXECUTIVE COMMITTEE MEETING

JUNE 30, 2016

A MEETING OF THE EXECUTIVE COMMITTEE OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, HELD IN THE PRESENTATION ROOM ON THE 4TH FLOOR AT ITS OFFICES AT 1350 PORT OF NEW ORLEANS PLACE, NEW ORLEANS, LOUISIANA, WAS CALLED TO ORDER BY COMMITTEE CHAIRMAN WILLIAM T. BERGERON AT 9:16 A.M. ON THURSDAY, JUNE 30, 2016.

COMMITTEE MEMBERS

PRESENT:

William T. Bergeron, Chairman
Scott H. Cooper, Member (departed at 10:00 A.M.)
Michael W. Kearney, Member
Robert R. Barkerding, Jr., Member
Arnold B. Baker, Member (arrived at 9:42 A.M.)

COMMITTEE MEMBERS

ABSENT:

Gregory R. Rusovich, Member
Laney J. Chouest, Member

STAFF:

G. LaGrange, President and Chief Executive Officer
B. Christian, Chief Operating Officer
D. Allee, Director, Cruise and Tourism
B. Gussoni, Executive Counsel
B. Landry, Chief Commercial Officer
J. Penton, Chief Information Officer
R. Wendel, Chief Financial Officer
P. Zimmermann, Director, Operations
A. Fant, Assistant to the Chief Operating Officer
M. Gresham, Director, External Affairs
W. Stokes, Administrative Assistant
H. Fontenot, Paralegal

GUESTS:

W. Evans, River Consultants
K. App, J.W. Allen
K. Calkins, New Orleans Terminal
K. Palmisano, Ports America
T. Wright, Ports America

1. Determination of Quorum and Call to Order.

Committee Chairman Bergeron determined the existence of a quorum and called the meeting to order at 9:16 A.M.

2. Public Comment.

Chairman Bergeron called for public comment, but there was none.

3. Chairman's Comments.

Commissioner Bergeron had no comments.

4. President and Chief Executive Officer's Comments.

Mr. LaGrange commented that Safety of Life at Sea (SOLAS) and verified gross mass (VGM) issues will be discussed in the meeting this morning.

5. Briefing and Discussion Items.

A. Discussion of SOLAS with Ports America and New Orleans Terminal, LLC.

Mr. Keith Palmisano of Ports America introduced Mr. Travis Wright, the operations manager who oversees containers at Ports America, and asked him to present a flow chart of their weigh-in procedures. Mr. Wright did so and provided a short summary and description of their procedure with a weigh-in-motion scale for containers.

Mr. LaGrange asked Mr. Palmisano if he did a comparative analysis from other terminal operators at other ports. Mr. Palmisano stated that he did and that the SOLAS group has been comparing notes on what other terminal operators are doing compared to what is being done at the Port of New Orleans. He mentioned that, as far as operations go, what he does is a little different from most ports with regard to terminal operators on the south Atlantic and in the northeast.

Mr. Kris Calkins of New Orleans Terminal (NOT) spoke briefly on the matter and stated that NOT will not make any major changes from what it has been doing in past years. He gave a brief summary of the weighing process from beginning to end.

Mr. Zimmermann asked Mr. Calkins if he had any idea on what percent would be using NOT's weights as opposed to generating their own. Mr. Calkins stated that some have said they would use NOT's and some have not said anything.

Ms. Kristi App with J.W. Allen commented that she was concerned about what she was hearing from NOT and asked Mr. Calkins if conversations are with carrier customers or shippers. Mr. Calkins stated that contracts are with the carriers and that is with whom they are having conversations.

There was in-depth discussion among staff members, guests, and commissioners regarding the process and formalities of container weights.

Commissioner Baker arrived midway through discussion of this item.

B. Discussion of Inauguration of Expanded Panama Canal.

Mr. LaGrange briefly discussed his participation in the inauguration of the expansion of the Panama Canal that took place in Panama on June 26, 2016. He stated that there were 9,000 people in attendance for the celebration and inauguration. He mentioned that Savannah, Miami, Tampa, Houston, LA/Long Beach, and the Port of New Orleans were all represented at the event.

Commissioner Cooper excused himself from the remainder of the meeting after this item.

C. Recognition of Messrs. J. Michael Orlesh, Jr., Joseph G. Cocchiara, Jr., and J. Robert Jumonville for Their Years of Service.

Mr. LaGrange notified the committee of the many years of service of these senior level employees who would be retiring today: Mr. Orlesh with 43years, Mr. Cocchiara with 29 years, and Mr. Jumonville with 27 years. He stated that further recognition will be made during the Board's regular monthly meeting later this morning.

D. Report on Cargo Activity.

Mr. Landry reported that May was another good month for containers. For the year, it is up 1.5% over last fiscal year at this time. He stated that there were 50,000 TEU's for the third month in a row. Mr. Landry said that breakbulk is still down, but that is typical during summer months, but it is expected to see some improvement toward the end of summer and into the fall.

E. Report on Vessel Calls.

Mr. LaGrange reported that ship calls through May were up at 452 from 425 last year. On the year there have been 2,288 compared to 2,231 last year at this time.

Commissioner Bergeron asked Mr. Allee to share information that he has regarding the new cruise line going to Gretna in Jefferson Parish. Mr. Allee stated that the new cruise line is French America Line and that he did not have any information on where the vessel is currently. He stated that at this time, there is not a berthing agreement between the cruise line and the port. Mr. Allee commented that there is no involvement whatsoever between the two.

Mr. LaGrange mentioned that the City of Gretna fire station for which the Port of New Orleans sold the land to Gretna is being dedicated today and will be acknowledged during the Board's regular meeting.

Mr. Gresham briefed the committee on some advertising opportunities and said that a decision is needed by July. The first opportunity is the WDSU Channel 6 coverage of the upcoming August Olympic games in Brazil. He stated that a proposal was made that involves a broadcast every evening during the Olympics, focusing on local athletes and Louisiana ties to the games. Mr. Gresham stated that the purpose of the opportunity from WDSU Channel 6 is to showcase the Port of New Orleans and promotion of the state.

The second opportunity is the WWL Channel 4 New Orleans Saints campaign which the Board approved last year. It is up for renewal. Mr. Gresham stated that this advertising campaign commercial would air from September through January of the NFL football season.

Ms. Christian commented that there was discussion between Mr. Gresham and her regarding the timing issues of advertising opportunities and suggested that Mr. Gresham reach out to the news stations to obtain additional information, pricing, and terms. Commissioner Kearney suggested approaching the Port's stakeholders to ask for investment regarding the upcoming AAPA convention here and focus on making it successful.

Mr. Gresham asked what direction he should take. Ms. Christian and Mr. LaGrange suggested that the New Orleans Saints campaign made more economical sense in terms of getting more outreach and coverage for the price.

F. Upcoming Events.

1. June 30, 2016, 9:00 A.M. – Noon, Port June executive committee and regular monthly meeting
2. July 20, 2016, Bertel Luncheon – Sheraton Hotel

3. July 21, 2016, National Black Chamber of Commerce – Port of New Orleans Cruise Terminal
4. July 25, 2016, 1:30 P.M. – Port monthly committee meetings
5. July 28, 2016, 9:00 A.M. – Port July executive committee and regular monthly meetings
6. August 10, 2016 – Port of New Orleans Night in Chicago
7. August 22, 2016 – 1:30 P.M. – Port monthly committee meetings
8. August 25, 2016, 9:00 A.M. – Port August executive committee and regular monthly meetings

6. Other Business.

None reported.

7. Adjournment.

There being no further business to come before the committee, Committee Chairman Bergeron adjourned the meeting at 10:41 A.M.

BOARD OF COMMISSIONERS
PORT OF NEW ORLEANS
MINUTES OF
THE REGULAR MEETING
OF
JUNE 30, 2016

MEETING NO. 12, FISCAL YEAR 2016, A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, HELD IN THE MAIN AUDITORIUM AT ITS OFFICES AT 1350 PORT OF NEW ORLEANS PLACE, NEW ORLEANS, LOUISIANA, WAS CALLED TO ORDER BY CHAIRMAN WILLIAM T. BERGERON AT 11:06 A.M. ON THURSDAY, JUNE 30, 2016.

MEMBERS PRESENT:

William T. Bergeron, Chairman
Michael W. Kearney, Vice Chairman
Robert R. Barkerding, Jr., Secretary-Treasurer
Scott H. Cooper, Member
Arnold B. Baker, Member

MEMBERS ABSENT:

Gregory R. Rusovich, Member
Laney J. Chouest, Member

STAFF:

G. LaGrange, President and Chief Executive Officer
B. Christian, Chief Operating Officer
D. Allee, Director, Cruise and Tourism
C. Bonura, Director, Business Development
C. Dunn, Director, Port Development
B. Gussoni, Executive Counsel
B. Landry, Chief Commercial Officer
E. Pansano, Director, Internal Audit
J. Penton, Chief Information Officer
R. Wendel, Chief Financial Officer
P. Zimmermann, Director, Operations
J. Cefalu, Deputy Director, Cruise & Tourism
A. Fant, Assistant to the Chief Operating Officer
G. Hager, Director, Human Resources
R. Hecker, Chief, Harbor Police Department
M. Gresham, Director, External Affairs
J. Lynch, General Counsel
S. Ordoyne, Special Assistant
W. Stokes, Administrative Assistant
C. Catchings, Deputy General Counsel
K. Ordoyne, Staff Attorney

P. Booker, Manager, Dredge
R. Aragon Dolese, Manager, Communications
B. Ethridge, Manager, Business Development
K. Frankic, Manager, Real Estate Development
J. Millet, Construction Manager
A. Pellegrin, Manager, Environmental Services
P. Matthews, Community Affairs Manager
L. Richardson, Industrial Real Estate Manager
S. Naser, Manager, Accounting
M. Villarreal, Safety Officer/Claims Manager
L. Sawatsky, Financial Accounting
D. Cordell, Information Technology
D. Hinson, Human Resources
H. Horan, Human Resources
E. Ralph, Human Resources
W. Womack, Human Resources
H. Fontenot, Paralegal
B. Cromartie, Engineering
D. Austin, Engineering
J. Crist, General Operations
H. Wilbert, Marketing
A. Menes, Marketing
S. Gauthier, Cruise and Tourism
P. Noble, Berthing
A. Brandenburg, Internal Audit
B. Parent, Internal Audit
L. Lofton, Internal Audit
E. Federer, Port Development
P. Sirisophon, General Operations
S. Reames, Cruise & Tourism
A. Hanks, Cruise & Tourism
N. Polk, Communications
D. Feraci, Safety Assistant
R. Munsch, Administrative Assistant
A. Taylor, Services
L. Martin, Services
J. Scheck, Communications
B. Spangenberg, Intern
M. Orlesh, Special Counsel
J. Cocchiara, Business Development Consultant
R. Jumonville, Cruise Consultant

GUESTS:

L. Traweek, *City Business*
D. Magee, Sr., ILA
G. Davis, ILA
J. Ruckert, retired CFO of Port

K. Calkins, New Orleans Terminal
T. Wells, Waldermar S. Nelson Company
W. Evans, River Works
V. Cisotto, Digital Engineering
A. Sen, HNTB
F. Hebert, Net App
D. McDaniel, Parsons Brinkerhoff
U. Dasgupta, ECM Consultants, Inc.
J. Koefer, Holy Cross Neighborhood Association
D. Lambert, Hatch *Mott* MacDonald
W. Baraldi, Buck Kreihs Marine Repair, LLC

I. Determination of Quorum and Call to Order

Chairman Bergeron determined the presence of a quorum and called the meeting to order at 11:06 A.M.

II. Pledge of Allegiance

Chairman Bergeron asked Commissioner Barkerding to lead the Board and the audience in saying the Pledge of Allegiance, and he did so.

III. Approval of Minutes of May, 2016, Meetings

On motion duly made by Commissioner Kearney and seconded by Commissioner Baker, the Board unanimously approved the minutes of its public meetings of May, 2016, as previously circulated.

IV. Acceptance of Financial Statement for May, 2016

On motion duly made by Commissioner Kearney and seconded by Commissioner Cooper, the Board unanimously accepted the May, 2016, financial statement as previously circulated.

V. Public Comment

Chairman Bergeron announced that the meeting was open to the public and directed any member of the public present who would like to comment to see Mr. Matthew Gresham.

VI. Actions Required

- A. Consider Approval of a Resolution Awarding a Contract to Baker Pile Driving and Sitework, LLC, for the Demolition and Removal of the Former Westwego Barge Fleeting Facility.

Ms. Dunn presented and recommended approval of a resolution awarding a contract to Baker Pile Driving and Sitework, LLC, in the amount of \$194,500 for all labor, materials, and equipment for the demolition and removal of seventeen steel pipe pile mooring structures at the former Westwego Barge Fleeting Facility.

Commissioner Baker advised the Board that the Planning and Engineering Committee had met and reviewed the resolution with staff, and he moved for its approval. Commissioner Kearney seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

B. Consider Approval of a Resolution Awarding a Contract to Ray Bros., Inc., for the Nashville Avenue Terminal Shed “A” Roof Replacement Phase III.

Ms. Dunn presented and recommended approval of a resolution awarding a contract to Ray Bros., Inc., in the amount of \$8,275,177 for all labor, materials, and equipment for the removal of existing built up roofing and its replacement with a new metal roof, gutters, and skylights at the Nashville Avenue Terminal Shed “A” Phase III.

Commissioner Baker advised the Board that the Planning and Engineering Committee had met and reviewed the resolution with staff, and he moved for its approval. Commissioner Cooper seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

C. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment to the Professional Services Contract with ECM Consultants, Inc., for the Nashville Avenue Shed “A” Roof Replacement Phase III.

Ms. Dunn presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into an amendment to the professional services contract with ECM Consultants, Inc., in an amount not to exceed \$475,000 for the Nashville Avenue Shed “A” Roof Replacement Phase III.

Commissioner Baker advised the Board that the Planning and Engineering Committee had met and reviewed the resolution with staff, and he moved for its approval. Commissioner Kearney seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

D. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Professional Services Contract with Modjeski and Masters, Inc., for As-Needed Bridge Inspection and Load Rating Services for Movable and Fixed Railroad Bridges.

Ms. Dunn presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into a professional services contract with Modjeski and Masters, Inc., in an amount not to exceed \$500,000 for as-needed bridge inspection and load rating services for movable and fixed railroad bridges.

Commissioner Baker advised the Board that the Planning and Engineering Committee had met and reviewed the resolution with staff, and he moved for its approval. Commissioner Cooper seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

E. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Professional Services Contract with Parsons Brinckerhoff, Inc., and HNTB Corporation for As-Needed Engineering and Professional Services for Movable Bridges.

Ms. Dunn presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into professional services contracts with Parsons Brinckerhoff, Inc., and HNTB Corporation, each in an amount not to exceed \$500,000, for as-needed engineering and professional services for movable bridges.

Commissioner Baker advised the Board that the Planning and Engineering Committee had met and reviewed the resolution with staff, and he moved for its approval. Commissioner Cooper seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

F. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Purchase from Alimak Hek, Inc., a Drive Motor Assembly for the Access Elevator on Container Crane No. 5.

Mr. Zimmermann presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to purchase a drive motor assembly for the elevator on Container Crane No. 5 from Alimak Hek, Inc., for a price not to exceed \$41,000.

Commissioner Barkerding advised the Board that the Property and Insurance Committee had met and reviewed the resolution with staff, and he moved for its

approval. Commissioner Kearney seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

- G. **Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Consent to a Sublease by International Rivercenter, LLC (IRC), of a Portion of its Lease to an Affiliate Real Estate Investment Trust Subsidiary of Park Hotels & Resorts, Inc. (formerly known as Hilton Worldwide, Inc.), to be named New Orleans Riverside Lessee, LLC, for the Hilton New Orleans Riverside Hotel and to Amend the Board's Lease with IRC for This Purpose.**

Mr. Allee presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to consent to a sublease by International Rivercenter, LLC (IRC), of a portion of its lease to an affiliate real estate investment trust subsidiary of Park Hotels & Resorts, Inc. (formerly known as Hilton Worldwide, Inc.), to be named New Orleans Riverside Lessee, LLC, for the Hilton New Orleans Riverside Hotel and to amend the Board's lease with IRC for this purpose.

Commissioner Barkerding advised the Board that the Property and Insurance Committee had met and reviewed the resolution with staff, and he moved for its approval. Commissioner Baker seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

- H. **Consider Approval of a Resolution Approving the Board of Commissioners of the Port of New Orleans Financial and Operating Plan for Fiscal Year 2017.**

Mr. Wendel presented and recommended approval of a resolution approving the Board of Commissioners of the Port of New Orleans financial and operating plan for fiscal year 2017.

Commissioner Kearney advised the Board that the Budget Committee had met and reviewed the resolution with staff, and he moved for its approval. Commissioner Barkerding seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

- I. **Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Professional Services Contract with KPMG Corporate Finance, LLC, for the Purpose of Evaluating and Planning for Potential Board Facilities Development and Redevelopment in Conjunction with the Master Plan.**

Mr. Wendel presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into a professional services contract with KPMG Corporate Finance, LLC, in the amount of \$135,000 to provide financial advisory services to the Board for the purpose of evaluating and planning for Board facilities development and redevelopment in conjunction with the master plan.

Commissioner Kearney advised the Board that the Budget Committee had met and reviewed the resolution with staff, and he moved for its approval. Commissioner Cooper seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

J. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into Contracts with CENTRE Technologies, Inc., Transformyx, Inc., and DCW-G, LLC, for Computer and Network Hardware to Upgrade the Board's Computer and Network Infrastructure.

Mr. Penton presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into contracts with CENTRE Technologies, Inc., Transformyx, Inc., and DCW-G, LLC, in a total amount not to exceed \$527,139.17 to provide computer and network hardware for the purposes of upgrading the Port of New Orleans' computer and network infrastructure.

Commissioner Kearney advised the Board that the Budget Committee had met and reviewed the resolution with staff, and he moved for its approval. Commissioner Baker seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

K. Consider Approval of a Resolution Declaring the Official Journal of the Board for Fiscal Year 2017.

Mr. Gussoni presented and recommended approval of a resolution declaring *The Times-Picayune* as the official journal of the Board for fiscal year 2017.

Commissioner Kearney advised the Board that the Budget Committee had met and reviewed the resolution with staff, and he moved for its approval. Commissioner Cooper seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

L. Consider Approval of a Resolution Ratifying the President and Chief Executive Officer's Declaration of Extreme Public Emergency at the Henry Clay Avenue Terminal and Wharf and His Award of a Contract for Emergency Fire Pump Replacement.

Ms. Dunn presented and recommended approval of a resolution ratifying the President and Chief Executive Officer's June 24, 2016, declaration of extreme public emergency at the Henry Clay Avenue Terminal and Wharf and his award of a contract with Stewart & Stevenson in the amount of \$50,465.63 for emergency procurement and installation of a replacement fire pump.

Commissioner Baker advised the Board that the Planning and Engineering Committee had met and reviewed the resolution with staff, and he moved for its approval. Commissioner Barkerding seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

VII. Report by the President and Chief Executive Officer

Mr. LaGrange began his report by recognizing three employees of the Port of New Orleans who were retiring today: Mr. J. Michael Orlesh, Jr., for 43 years of service as a Port senior manager, including serving as Executive Counsel; Mr. J. Robert Jumonville, for 27 years as a Port senior manager and former Director of Cruise & Tourism; and Mr. Joseph G. Cocchiara, Jr., for 29 years of service as a Port senior manager and former Director of Business Development. He asked that they stand and take a bow for their 100 years of service to the Dock Board, and they did so. The commissioners and the audience clapped in recognition of their many years of service.

Mr. LaGrange welcomed to the Port Mr. Joe Toomey, former Dock Board chairman and commissioner and Louisiana state legislator. Mr. Toomey presented proclamations from the City of Gretna to Port staff and the Board for their assistance in transferring property for Gretna's new David Crocket Fire Station.

Mr. LaGrange congratulated Mr. Jumonville, Mr. Allee, and the staff for a successful cruise marketing event that was held at Harrah's Hotel.

He then read a letter from Ms. Kathy Broadwater, Deputy Executive Director with the Port of Baltimore, expressing her sincere appreciation of Ms. Amelia Pellegrin's excellent work on behalf of the U.S. seaport industry.

Mr. LaGrange read a letter from Mr. Stephen Gauthier, Director of the Government Finance Officers Association, notifying Board management that the Port's comprehensive annual financial report for the fiscal year ended June 30, 2015, qualified for a Certificate of Achievement for Excellence in Financial Reporting. Mr. LaGrange stated that an award for this Certificate of Achievement

has been mailed to Mr. James E. Ruckert, the Port's former Chief Financial Officer, who was in attendance at the meeting today.

Mr. LaGrange read a letter from Mr. David Duplantier, Chairman of Louisiana State Civil Service, regarding the commendation for the Outstanding Human Resources Program Evaluation Report. Mr. Duplantier commended Ms. Gwen Hager and the entire human resources staff for their excellence of management in state government.

Mr. LaGrange read the following quotations from the Mayor of New Orleans' State of the City speech this year: "As the crown jewel in one of the world's largest port systems, what happens on the river is vital to not only our local economy, but the nation's economy as well." and "Since 2012, another \$100 million has been invested in the port. We just opened a massive new terminal with space for 2,000 more huge shipping containers. That means new jobs and faster movement of goods, which means even more business and more jobs."

Mr. LaGrange read a letter from Ms. Mary Pitz of MEP&A Economic Development, thanking Ms. Stacie Ordoyne for her wonderful help and cooperation leading up to the Rail Supply Chain Summit at the Union League Club in Chicago on June 14, 2016.

Mr. LaGrange read a letter from Ms. Nancy Brown, CEO of the American Heart Association, congratulating the Port on becoming a Gold Fit-Friendly Worksite.

Chairman Bergeron closed out the report by saying a few words on the retirements of Messrs. Ruckert, Orlesh, Jumonville, and Cocchiara. He complimented them personally and on behalf of the Board for their service and hard work. Commissioner Kearney also commended their service and wished them well in their retirement.

VIII. Old Business

None reported.

IX. New Business

None reported.

X. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 11:40 A.M.

NEXT MEETING:

11:00 A.M., Thursday, July 28, 2016

BOARD OF COMMISSIONERS

PORT OF NEW ORLEANS

MINUTES OF

**THE PLANNING AND ENGINEERING
COMMITTEE MEETING**

JUNE 28, 2016

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 4TH FLOOR AT ITS OFFICES AT 1350 PORT OF NEW ORLEANS PLACE, NEW ORLEANS, LOUISIANA, WAS CALLED TO ORDER BY AD HOC COMMITTEE CHAIRMAN ARNOLD B. BAKER AT 2:19 P.M. ON TUESDAY, JUNE 28, 2016.

COMMITTEE MEMBERS

PRESENT:

Arnold B. Baker, Ad Hoc Committee Chairman
William T. Bergeron, Member
Michael W. Kearney, Member
Robert R. Barkerding, Jr., Member

COMMITTEE MEMBERS

ABSENT:

Gregory R. Rusovich, Member
Scott H. Cooper, Member
Laney J. Chouest, Committee Chairman

STAFF:

G. LaGrange, President and Chief Executive Officer
B. Christian, Chief Operating Officer
C. Bonura, Director, Business Development
C. Dunn, Director, Port Development
B. Gussoni, Executive Counsel
R. Wendel, Chief Financial Officer
P. Zimmermann, Director, Operations
F. Tharp, Deputy Director of Port Development
A. Fant, Assistant to the Chief Operating Officer
M. Gresham, Director, External Affairs
B. Burger, Manager, Cranes
B. Ethridge, Manager, Business Development
W. Stokes, Administrative Assistant
H. Fontenot, Paralegal

GUEST:

L. Traweek, *City Business*

A. Determination of Quorum and Call to Order

In the absence of Committee Chairman Chouest, Board Chairman Bergeron appointed Commissioner Baker to serve as Ad Hoc Chairman of this Committee for the purpose of holding this meeting only. Ad Hoc Committee Chairman Baker determined the existence of a quorum and called the meeting to order at 2:19 P.M.

B. Public Comment

Ad Hoc Committee Chairman Baker deferred any public comment until after the briefings.

C. Briefing and Discussion Items

1. Briefing on and Discussion of a Resolution Awarding a Contract to Baker Pile Driving and Sitework, LLC, for the Demolition and Removal of the Former Westwego Barge Fleeting Facility.

Ms. Dunn briefed the committee on and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into a contract in the amount of \$194,500 with Baker Pile Driving and Sitework, LLC, the lowest of eight responsive bidders, for all labor, materials, and equipment for the demolition and removal of seventeen steel pipe pile mooring structures located at the former Westwego Barge Fleeting Facility. The contract is funded by the Board's FY 2016 capital improvement program.

After discussion, the committee indicated it would refer this matter favorably to the Board at its next regularly scheduled meeting.

2. Briefing on and Discussion of a Resolution Awarding a Contract to Ray Bros., Inc., for the Nashville Avenue Terminal Shed "A" Roof Replacement Phase III.

Ms. Dunn briefed the committee on and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into a contract in the amount of \$8,275,177 with Ray Bros., Inc., the lower of two responsive bidders, for all labor, materials, and equipment for the removal of existing built up roofing and its replacement with a new metal roof, gutters, and skylights at the Nashville Avenue Terminal Shed. The contract is funded by the Board's FY 2016 capital improvement program.

After discussion, the committee indicated it would refer this matter favorably to the Board at its next regularly scheduled meeting.

3. Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment to the Professional Services Contract with ECM Consultants, Inc., for the Nashville Avenue Shed “A” Roof Replacement Phase III.

Ms. Dunn briefed the committee on and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into an amendment in an amount not to exceed \$475,000 to the professional services contract with ECM Consultants, Inc., to provide construction administration inspection, and material testing for the Nashville Avenue Shed “A” Roof Replacement Phase III.

After discussion, the committee indicated it would refer this matter favorably to the Board at its next regularly scheduled meeting.

4. Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Professional Services Contract with Modjeski and Masters, Inc., for As-Needed Bridge Inspections and Load Rating Services for Movable and Fixed Railroad Bridges.

Ms. Dunn briefed the committee on and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into a professional services contract in an amount not to exceed \$500,000 with Modjeski and Masters, Inc., the lowest of five responsive bidders, for as-needed bridge inspection and load rating services for movable and fixed railroad bridges. The contract is funded by the Board’s FY 2017 operating budget.

After discussion, the committee indicated it would refer this matter favorably to the Board at its next regularly scheduled meeting.

5. Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Professional Services Contract with Parsons Brinckerhoff, Inc., and HNTB Corporation for As-Needed Engineering and Professional Services for Movable Bridges.

Ms. Dunn briefed the committee on and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter

into professional services contracts with Parsons Brinckerhoff, Inc., and HNTB Corporation, each in an amount not to exceed \$500,000, for as-needed engineering and professional services for movable bridges. The contract is funded by the Board's FY 2017 capital improvement program.

After discussion, the committee indicated it would refer this matter favorably to the Board at its next regularly scheduled meeting.

6. Briefing on and Discussion of a Resolution Ratifying the President and Chief Executive Officer's Declaration of Extreme Public Emergency at the Henry Clay Avenue Terminal and Wharf and His Award of a Contract for Emergency Fire Pump Replacement.

Ms. Dunn briefed the committee on and recommended approval of a resolution ratifying the declaration of an extreme public emergency by the President and Chief Executive Officer on June 24, 2016, and the President and Chief Executive Officer's entry into a contract with Stewart & Stevenson in the amount of \$50,465.63 for emergency procurement and installation of a replacement fire pump at the Henry Clay Avenue Terminal and Wharf. Ms. Dunn stated that the pump is still under a five-year warranty and we therefore will investigate the matter after the new pump is installed.

After discussion, the committee indicated it would refer this matter favorably to the Board at its next regularly scheduled meeting.

D. Adjournment

There being no further business to come before the committee, Ad Hoc Committee Chairman Baker adjourned the meeting at 2:34 P.M.

BOARD OF COMMISSIONERS

PORT OF NEW ORLEANS

MINUTES OF

**THE PROPERTY AND INSURANCE
COMMITTEE MEETING**

JUNE 28, 2016

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 4TH FLOOR AT ITS OFFICES AT 1350 PORT OF NEW ORLEANS PLACE, NEW ORLEANS, LOUISIANA, WAS CALLED TO ORDER BY COMMITTEE CHAIRMAN ROBERT R. BARKERDING, JR., AT 2:35 P.M. ON TUESDAY, JUNE 28, 2016.

**COMMITTEE MEMBERS
PRESENT:**

Robert R. Barkerding, Jr., Committee Chairman
William T. Bergeron, Member
Michael W. Kearney, Member
Arnold B. Baker, Member

**COMMITTEE MEMBERS
ABSENT:**

Gregory R. Rusovich, Member
Scott H. Cooper, Member
Laney J. Chouest, Member

STAFF:

G. LaGrange, President and Chief Executive Officer
B. Christian, Chief Operating Officer
C. Bonura, Director, Business Development
C. Dunn, Director, Port Development
B. Gussoni, Executive Counsel
R. Wendel, Chief Financial Officer
P. Zimmermann, Director, Operations
A. Fant, Assistant to the Chief Operating Officer
M. Gresham, Director, External Affairs
B. Burger, Manager, Cranes
B. Ethridge, Manager, Business Development
W. Stokes, Administrative Assistant
H. Fontenot, Paralegal

GUEST:

L. Traweek, *City Business*

A. Determination of Quorum and Call to Order

Committee Chairman Barkerding determined the existence of a quorum and called the meeting to order at 2:35 P.M.

B. Public Comment

Committee Chairman Barkerding deferred any public comment until after the presentations.

C. Briefing and Discussion Items

1. Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Purchase from Alimak Hek, Inc., a Drive Motor Assembly for the Access Elevator on Container Crane No. 5.

Mr. Zimmermann briefed the committee on a resolution authorizing the President and Chief Executive Officer to purchase a drive motor assembly from Alimak Hek, Inc., in an amount not to exceed \$41,000 for the access elevator on Container Crane No. 5.

After discussion, the committee indicated it would refer this matter favorably to the Board at its next regularly scheduled meeting.

2. Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Consent to a Sublease by International Rivercenter, LLC (IRC), of a Portion of its Lease to an Affiliate Real Estate Investment Trust Subsidiary of Park Hotels & Resorts, Inc. (formerly known as Hilton Worldwide, Inc.), to be named New Orleans Riverside Lessee, LLC, for the Hilton New Orleans Riverside Hotel and to Amend the Board's Lease with IRC for This Purpose.

Mr. Allee briefed the committee on a resolution authorizing the President and Chief Executive Officer to consent to a sublease by International Rivercenter, LLC (IRC). He asked that Mr. Gussoni elaborate on the details of the proposed transactions. Mr. Gussoni stated that this is a complex corporate restructuring process. Hilton believes that, if it takes its current company and splits it into three different companies, the three companies will have a greater net worth than the one big company. He stated that this process is merely a corporate restructuring for Hilton to create more value among its corporate assets. Mr. Gussoni mentioned that

this restructuring will not affect the Board's revenue from this lease, and Hilton is paying the Board's outside counsel fees for this transaction

.
After discussion, the committee indicated it would refer this matter favorably to the Board at its next regularly scheduled meeting.

After the discussion of the second item, Commissioner Barkerding asked Mr. Zimmermann to give additional information and a summary on the tenants and Safety of Life at Sea (SOLAS) standards. He stated that most container carriers belong to the International Maritime Organization, which established SOLAS. Mr. Zimmermann stated that SOLAS determined over a period of time that there were issues with ship stability because of inaccurate container weights on loading. He stated that, in order to correct it, they established a standard which makes the shipper responsible for providing a ship's verified gross mass (VGM), which includes and pertains to the weight of loaded containers, other cargo, and empty containers.

There was in-depth discussion among staff members and commissioners regarding shipment weight issues, incurred fees, and possible ways to resolve the issue.

3. EXECUTIVE SESSION

Executive Session to Brief the Board on the Legal Issues and Strategies Related to Prospective Litigation by this Board against Board Tenant Lake Pontchartrain Properties, LLC, After Formal Demand for Resolution of Multiple Violations of its Lease at 6001 France Road on the IHNC.

At 3:00 P.M., a motion was made by Commissioner Kearney and seconded by Commissioner Barkerding to go into executive session to allow Mr. Gussoni to brief the committee on the legal issues and strategies related to prospective litigation by this Board against Board tenant Lake Pontchartrain Properties, LLC, after formal demand for resolution of multiple violations if its lease at 6001 France Road on the IHNC. **THE MOTION PASSED UNANIMOUSLY** and the Board went into executive session at that time.

Mr. Gussoni and Mr. Bonura briefed the committee on this matter and answered any questions asked by the commissioners.

At 3:12 P.M., a motion was made by Commissioner Kearney to end the executive session and return to the open meeting. The motion was seconded by Commissioner Baker. **THE MOTION PASSED UNANIMOUSLY**, and the executive session ended at that time.

D. Adjournment

There being no further business to come before the committee, Committee Chairman Barkerding adjourned the meeting at 3:13 P.M.