

**THE NEW ORLEANS PUBLIC BELT RAILROAD COMMISSION
FOR THE PORT OF NEW ORLEANS
MINUTES OF THE REGULAR BOARD MEETING
TUESDAY, FEBRUARY 22, 2022**

A REGULAR MEETING OF THE NEW ORLEANS PUBLIC BELT RAILROAD COMMISSION FOR THE PORT OF NEW ORLEANS, HELD IN THE FIRST FLOOR AUDITORIUM OF THE PORT OF NEW ORLEANS' OFFICES, LOCATED AT 1350 PORT OF NEW ORLEANS PLACE, NEW ORLEANS, LOUISIANA, WAS CALLED TO ORDER BY CHAIRMAN CHARLES H. PONSTEIN ON TUESDAY, FEBRUARY 22, 2022 AT 1:33 P.M.

MEMBERS Charles H. Ponstein, Chairman
PRESENT: William H. Langenstein, III, Vice-Chairman
Joseph F. Toomy, Secretary-Treasurer
Darryl D. Berger, Member
Walter J. Leger, Jr., Member
James J. Carter, Jr., Member

STAFF: B. Christian, Chief Executive Officer
M. Stolzman, General Manager
C. Kocur, Vice President, Engineering
I. McPherson, Superintendent, Transportation
A. Ferrand-Rodgers, Director, Organization Development
T. Bryant, Manager, Marketing and Sales
S. Guernsey, Manager, Mechanical
J. Escudier, Executive Counsel
M. Scelson, General Counsel

GUESTS: R. Wendel, Port of New Orleans
A. Evett, Port of New Orleans
R. Aragon Dolese, Port of New Orleans
M. Gresham, Port of New Orleans
E. Pansano, Port of New Orleans
C. Gilmore, Port of New Orleans
C. Coats, Port of New Orleans
M. Verderame, Port of New Orleans
C. Labat, Port of New Orleans
D. Cordell, Port of New Orleans
G. Palermo, Port of New Orleans
S. Gauthier, Port of New Orleans
Capt. Montroll, Harbor Police Department
J. Ragusa, Port of New Orleans
C. Falgoust, Port of New Orleans
M. Singley, Port of New Orleans
P. Jackson, Port of New Orleans
B. Applefeld, Legal Department Extern
B. Boyd, ILA 1491
S. Price, PD Consulting

I. Roll Call & Determination of Quorum

Following a roll call, Chairman Ponstein confirmed a quorum and called the meeting to order at 1:33 p.m.

II. Pledge of Allegiance

Chairman Ponstein asked Commissioner Carter to lead the Pledge of Allegiance.

III. Approval of Meeting Minutes for January 2022

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

Commissioner Langenstein moved to approve the minutes and Commissioner Berger seconded. **MOTION CARRIED UNANIMOUSLY**

IV. Public Comment

Chairman Ponstein asked Ms. Verderame to provide an overview of the Commission's process for submitting public comment. Chairman Ponstein called for any agenda-related or general public comments, but there were none.

V. Action Items:

A. Acceptance of the Financial Statement for January 2022

Mr. Wendel presented the Commission's January financial statement, a copy of which is made a part of these minutes. He provided an overview of the monthly and fiscal year-to-date revenues and expenses for the period ending January 31, 2022. He reported that January was another strong month with revenues continuing to exceed \$3 million. Switching volumes remained above budget while other revenues were in line with expectations for the month. Payroll expenses were slightly higher to accommodate increased switching activity. The overall operating income was \$312,000 over budget this month and more than \$1.5 million higher than last year at this time.

Commissioner Toomy moved to accept the financial statement and Commissioner Leger seconded. **MOTION CARRIED UNANIMOUSLY**

B. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Renew the Board's Property and Casualty Insurance Policies for Primary and Excess Property, Boiler and Machinery/Equipment Breakdown, Primary and Excess Liability Insurance, Hull and Machinery and P&I Insurance, Vessel Pollution Liability Insurance, Public Official's Liability Insurance, Law Enforcement Liability Insurance, Government Crime Insurance, Cyber Insurance and Business Automobile

Liability Insurance at a Not to Exceed Cost of \$6,424,737, all Arranged Through Arthur J. Gallagher Risk Management Services, Inc.

Mr. Wendel presented and recommended approval of the resolution. He gave an overview of various insurance coverages included in the proposed annual renewal. He reported that a more stable market and the absence of significant claims in the last year resulted in a rate increase of less than 2%. Staff will continue to explore all possibilities to reduce premiums. For the first time in three (3) years, the Huey P. Long Bridge Catastrophic Damage Policy saw a rate increase of 44% as the insured value of the bridge was increased by 21%. The Commission receives a cost share of over 95% from certain Class 1 railroads for this coverage. The Commission also consolidates certain coverage categories with the Board of Commissioners of the Port of New Orleans (“Port”), including property, auto, cyber, crime, terrorism, and public officials insurance.

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

C. Consider Approval of a Resolution Awarding a Contract to Griffin Consolidated Services, LLC d/b/a Griffin Railcar Services for the As-Needed Purchase and Delivery of New and Reconditioned Air Brake Valves for a Period of One Year with Two One-Year Renewal Options, at a Cost Not to Exceed \$135,000 for the Full Contract Term.

Mr. Guernsey presented and recommended approval of the resolution. The scope of this contract includes the as-needed purchase and delivery of new and reconditioned air brake valves for the Commission’s Car Shop. An invitation to bid was issued in November but no bids were received. Accordingly, the invitation to bid was re-issued in December 2021 and Griffin Consolidated Services, LLC d/b/a Griffin Railcar Services, LLC was the sole responsive bidder. The initial term will be for a period of one (1) year, with two (2) one-year renewal options, at a cost not to exceed \$45,000 per year, or \$135,000 in aggregate. Funding for this contract is allocated in the Commission’s Operational Budget.

Chairman Ponstein asked if this would be a new contract and Mr. Guernsey responded that it is a new contract.

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

D. Consider Approval of a Resolution Awarding a Contract to Norman Lumber Company, Inc. for the As-Needed Purchase and Delivery of Unseasoned Lumber for a Period of One Year with Two One-Year Renewal Options, at Cost Not to Exceed \$1,720,875 for the Full Contract Term.

Mr. Kocur presented and recommended approval of the resolution. The scope of this contract is for the as-needed purchase and delivery of unseasoned lumber, which will be used to manufacture the specific ties used on the Huey P. Long Bridge (the “Bridge”). An invitation to bid was issued in November 2021, but no bids were received. Accordingly, the invitation to bid was reissued, and Norman Lumber Company, Inc. was the sole

responsive bidder. The initial term is for one (1) year, with two (2) one-year renewal options. Funding for this contract is allocated in the Commission's Operating Budget and a large portion of the cost is reimbursable through the Joint Maintenance Agreement with other railroads.

Chairman Ponstein asked about the specificities of this material. Mr. Kocur responded that it is special timber that undergoes a dual treatment in order to last beyond 15 years.

Commissioner Langenstein inquired about the number of ties used on the Bridge and the lack of responses to the invitations to bid. Mr. Kocur and Mr. Stolzman explained that more than 37,700 ties are used on the Bridge with 1,500 different cuts. While this specific type of wood is in low supply, small lumber companies are also challenged by the magnitude of the Commission's requirements. Commissioner Langenstein asked if this contractor has been used before and if the prices remain similar. Mr. Kocur responded that this is a new contractor since the previous contractor, which is located in Mississippi, was unable to provide the quantities needed. The new contract represents a price increase of 76% due to the scarcity of the material and the increase in transportation costs, given that the new contractor is located in Arkansas.

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

VI. Report of the General Manager

Mr. Stolzman presented the General Manager's Report. He reported that the January volume numbers were even stronger than anticipated for local and Class I switching, noting that local switching volumes were 37% higher than in January of last year. Railcar storage remained strong, with a daily average of 938 cars for the month. Mr. Stolzman also noted a much faster car turnover than in the previous years, which is beneficial to switching volumes. Import and export volumes for intermodal containers remained steady for the month of January, and are expected to increase in February. Dwell time for the month of January averaged 10.5 hours.

With improved productivity and increased access to certain materials, roadway tie replacement averaged 200 ties per day. However, bridge tie replacements experienced a significant decrease due to ongoing supply shortages. Track surfacing productivity increased in January but tie mill production faced supply challenges. Car shop repairs increased in January and met budget projections. Mr. Stolzman anticipates that positive trend to continue.

Chairman Ponstein inquired about the number of old locomotives still in the fleet. Mr. Stolzman stated that six (6) old locomotives remain. Staff is looking into the option of converting four (4) of those locomotives into back-up power generators. A full report on this issue will be provided next month.

VII. Adjournment

There being no further business to come before the Commission, Chairman Ponstein called for a motion to adjourn. Commissioner Berger moved and Commissioner Leger seconded. **MOTION CARRIED UNANIMOUSLY** and Chairman Ponstein adjourned the meeting at 1:55 p.m.