

**THE NEW ORLEANS PUBLIC BELT RAILROAD COMMISSION
FOR THE PORT OF NEW ORLEANS
MINUTES OF THE REGULAR BOARD MEETING
THURSDAY, JUNE 24, 2021**

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 LANGENSTEIN, AT 1:32 PM.

MEMBERS PRESENT: William H. Langenstein, III, Chairman
Charles H. Ponstein, Vice-Chairman
Darryl D. Berger, Secretary-Treasurer
Tara C. Hernandez, Member
Joseph F. Toomy, Member

MEMBERS ABSENT: Walter J. Leger, Jr., Member

STAFF: B. Christian, Chief Executive Officer
M. Stolzman, General Manager
C. Kocur, Vice President, Engineering
J. Oldham, Vice President, Transportation & Mechanical
A. Ferrand-Rodgers, Director, Organizational Development
T. Bryant, Manager, Marketing & Sales
J. Escudier, Executive Counsel

GUESTS: M. Ganon, Port of New Orleans
R. Wendel, Port of New Orleans
A. Evett, Port of New Orleans
B. Landry, Port of New Orleans
T. Rives, Port of New Orleans
R. Aragon Dolese, Port of New Orleans
C. Coats, Port of New Orleans
E. Pansano, Port of New Orleans
M. Verderame, Port of New Orleans
C. Gilmore, Port of New Orleans
M. Sulser, Port of New Orleans
A. Coates, Port of New Orleans
C. Alfonso, Port of New Orleans
J. Ragusa, Port of New Orleans
P. Beard, Port of New Orleans
C. Falgoust, Port of New Orleans
A. Taylor, Port of New Orleans
J. Woodward, Port of New Orleans
M. Cloos, Port of New Orleans
D. Collins, Port of New Orleans
A. Madere, Port of New Orleans

M. Singley, Port of New Orleans
Chief R. Hecker, Harbor Police Department
S. Swaczyk

I. Roll Call & Determination of Quorum

Following a roll call of Board members, Chairman Langenstein confirmed a quorum and called the meeting to order at 1:32 p.m.

II. Acceptance of Meeting Minutes for May 2021

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

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

III. Public Comment

Chairman Langenstein called for general public comment, but there were none.

IV. Action Items:

A. Acceptance of the Financial Statement for May 2021

Mr. Wendel presented the Commission's May 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 May 31, 2021. He noted that rail storage and switching volumes have remained strong this month, bringing the total operating revenue for the fiscal year almost \$2 million over the revised fiscal 2021 budget. Expenses remained controlled and in line with the budget, bringing the total operating income \$418,000 over the revised budget for the month and \$1.7 million over the year-to-date budget.

Commissioner Ponstein moved to accept the financial statement and Commissioner Toomy seconded.

B. Consider Approval of a Resolution Adopting the New Orleans Public Belt Railroad Commission for the Port of New Orleans' *Financial and Operating Plan for Fiscal Year 2022.*

Mr. Wendel presented and recommended approval of a resolution adopting the *Financial and Operating Plan for Fiscal Year 2022* ("FY 2022 Budget"). The Commission's FY 2022 Budget is presented on a consolidated basis with the fiscal year budget for the Board of Commissioners of the Port of New Orleans ("Port"), and a copy is made a part of these minutes.

Mr. Wendel provided an overview of the Commission's major budget categories including forecasts for operating revenue, expenses, capital investments, and capital equipment. He stated that the goals of the Commission's FY 2022 Budget are to increase switching and storage revenues, continue to implement the new car shop business plan, and bring overall expense up 6.5% from Fiscal Year 2021. The goals of the FY 2022 Budget are to align projections to pre-COVID numbers, as demonstrated in Fiscal Year 2020. Expenses will continue to be controlled, but increases in labor and maintenance costs are now projected. The \$5.5 million total operating income projection represents a 7% increase from Fiscal Year 2021.

Chairman Langenstein asked for clarification on the timing of scheduled payroll increases. Mr. Wendel confirmed that union employees' raises are forecasted in the FY 2022 Budget.

Mr. Wendel gave an overview of expense projections by categories and reiterated that payroll, maintenance, and utilities represent the majority of expense increases. He noted a significant raise in insurance and claims costs, due to the reduction in the accrual for liability claims from 2020. However, once the claims are finalized, the insurance cost should decrease below \$2 million.

Mr. Wendel stated that the FY 2022 capital equipment budget will increase from \$130,000 to \$525,000, in order to address needed cyber security and roadway infrastructure investment. Capital investments will increase to \$6 million.

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

C. Consider Approval of a Resolution Authorizing the Chief Executive Officer to Amend the Agreement with McCord Tie and Timber, Inc., for the As-Needed Purchase and Delivery of Cross Ties and Switch Ties, to Increase the Not-to-Exceed Cost for the Full Contract Term.

Mr. Kocur presented and recommended approval of the resolution. In October 2019, the New Orleans Public Belt Railroad Corporation ("Corporation") entered into a contract with McCord Tie and Timber, Inc., for the as-needed purchase and delivery of cross ties and switch ties for a not-to-exceed amount of \$600,000 for the contract term. The agreement was for an initial one (1) year term with two (2) additional one-year option periods. The Commission exercised its first option in 2020 and intends to exercise its final option later this year. However, the not-to-exceed threshold will be met before the end of the full contract term and projected spending for the final one-year term of the contract is \$704,000. Therefore, staff recommend increasing the not-to-exceed cost by \$764,000, for a total not-to-exceed cost of \$1,364,000 for the full contract term.

Increasing the not-to-exceed cost on the current contract will allow the Commission to save money, as the lumber rates are locked-in by the 2019 contract, before the inflation of lumber costs. Funding for this contract is allocated in the Commission's Capital Planning and Operating Budgets.

Commissioner Hernandez inquired about current quotes for lumber and Mr. Kocur responded that prices have increased by approximately 75%.

Chairman Langenstein and Commissioner Ponstein asked for confirmation that the lower lumber prices were locked-in by the 2019 contract rates, and Mr. Kocur confirmed.

Commissioner Ponstein moved to approve the resolution and Commissioner Hernandez seconded. **MOTION CARRIED UNANIMOUSLY**

D. Consider Approval of a Resolution Declaring *The New Orleans Advocate* as the Official Journal of the New Orleans Public Belt Railroad Commission for the Port of New Orleans for Fiscal Year 2022.

Mr. Escudier presented and recommended approval of the resolution. He stated that, in accordance with La R.S. 43:171 *et seq.*, as an independent political subdivision of the State of Louisiana, the Commission must declare an Official Journal for the purposes of publishing various legal notices, including minutes of Commission meetings, procurement notifications, and financial statements. Like last year, *The New Orleans Advocate* is the sole qualifying publication, and the designation as Official Journal for the Commission will be effective July 1, 2021 through June 30, 2022.

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

E. Consider Approval of a Resolution Adopting the *Port of New Orleans and New Orleans Public Belt Railroad 2021 Multijurisdictional Hazard Mitigation Plan*.

Ms. Ganon presented and recommended approval of the resolution. She stated that a Hazard Mitigation Plan (“HMP”) is designed to help agencies mitigate the risks and consequences of potential hazards affecting their properties, assets and people. An HMP is updated every five (5) years and is required to qualify for Federal Emergency Management Agency (“FEMA”) disaster response funding, as well as funding for hazard prevention projects through the National Flood Insurance Program. The proposed *Port of New Orleans and New Orleans Public Belt Railroad 2021 Multijurisdictional Hazard Mitigation Plan* (“*Multijurisdictional HMP*”) builds upon the Port’s *2020 HMP Update*, and will facilitate hazard mitigation strategies between agencies. The *Multijurisdictional HMP* has received provisional approvals from FEMA and the Governor’s Office of Homeland Security Emergency Preparedness (“GOHSEP”).

Commissioner Ponstein moved to approve the resolution and Commissioner Hernandez seconded. **MOTION CARRIED UNANIMOUSLY**

V. Report of the General Manager

Mr. Stolzman presented the General Manager’s Report. He stated that the month of May and the first weeks of June were very positive for revenues, safety records and improvement projects throughout the network. Local and Class-1 volumes are back to pre-COVID numbers, despite some weather and traffic challenges. Storage volumes continue to increase with the

opening of Kingfish Yard, and storage for June is expected to average 1,000 cars. Intermodal container volumes have also returned to pre-pandemic levels and are anticipated to remain strong. Dwell numbers for the month of May slightly increased due to floodgate closures for weather events, but delays were kept to a minimum. Cross-tie and bridge tie maintenance productivity was strong for the month, but track surfacing and bridge tie production decreased due to lumber supply shortages. Car repair volumes were hampered by the mechanical failure of the mobile repair truck, but a replacement vehicle has been received and productivity should rebound.

Mr. Stolzman ended his presentation by congratulating Tomeka Watson Bryant, Manager, Marketing and Sales, for her nomination by Railway Age Magazine to its prestigious *Fast Trackers "20 Under 40"* list. Mr. Stolzman also praised Troy Banks, Manager, Bridge and Buildings, for his nomination as one of the *2021 Rising Stars* by Progressive Railroading Magazine.

Commissioner Hernandez asked for clarification on the repair truck failure. Mr. Stolzman responded that it was caused by a deficient computer chip, resulting in a 60-day period of downtime for the vehicle.

VI. Adjournment

There being no further business to come before the Commission, Chairman Langenstein called for a motion to adjourn. Commissioner Berger moved and Commissioner Hernandez seconded. **MOTION CARRIED UNANIMOUSLY** and Chairman Langenstein adjourned the meeting at 1:56 p.m.