

Page 1 of 22 **BOARD OF COMMISSIONERS  
OF  
THE PORT OF NEW ORLEANS**

**MINUTES OF  
THE REGULAR MEETING  
OF  
DECEMBER 14, 2011**

**MEETING NO. 6, FISCAL YEAR 2012, 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 AT 11:15 A.M. ON WEDNESDAY, DECEMBER 14, 2011, BY CHAIRMAN J. WAYNE MUMPHREY.**

**COMMISSIONERS PRESENT:**

J. Wayne Mumphrey, Chairman  
Valerie S. Cahill, Vice Chair  
Thomas D. Westfeldt  
John F. Fay, Jr.  
Daniel F. Packer, Jr.  
Gregory R. Rusovich

**COMMISSIONER ABSENT:**

Joseph F. Toomy, Secretary-Treasurer

**STAFF:**

G. LaGrange, President & Chief Executive Officer  
P. Gallwey, Chief Operating Officer  
B. Gussoni, Executive Counsel  
D. Keller, Director, Port Development  
T. Knight, Executive Assistant  
C. Miller, Director, Business Development  
S. Ordoyne, Special Assistant  
E. Pansano, Director, Internal Audits  
J. Ruckert, Director, Finance and Administration  
C. Swain, Director, Administration  
C. Bonura, Manager, Communications  
J. Cefalu, Deputy Director, Cruise and Tourism  
R. Dolese, Communications  
C. Dunn, Deputy Director, Port Development  
A. Fant, Operations  
S. Fauria, Manager, MIS  
D. Guarino, Port Development  
G. Hager, Director, Human Resources

H. Horan, Human Resources  
B. Langer, Claims Manager  
J. Lynch, General Counsel  
J. Fritz, Deputy General Counsel  
T. Martin, Port Manager, Administration  
M. Rubino, Staff Attorney  
L. Richardson, Business Development  
G. Lynch, Operations  
C. Donner, Business Development  
S. Gauthier, Cruise and Tourism  
P. Grandpre, Marketing  
J. Mansour, Marketing  
C. Ogborne, Special Assistant, Executive  
A. Rivera, Administration  
J. Labarriere, Harbor Police Department

**GUESTS:**

S. Price, CDM  
J. Hightower, Cooper/T. Smith  
D. Mannella, Coastal Cargo  
R. Gonzales, GSMA  
M. Flint, Flint Group  
M. Mata, MDM Design Group  
M. Kearney, Kearney Cos.  
L. Jemison, Jemison & Partners  
C. Balthazar, Riverworks  
S. Westfeldt, Westfeldt Bros.  
L. Westfeldt, Westfeldt Bros.  
R. Westfeldt, Westfeldt Bros.  
R. McKinnon, Westfeldt Bros.  
W. Evans, URS  
B. Rushia, WS Njelson  
T. Wells, WS Nelson  
J. Baldwin, WSSOL-Norway

**I. Determination of a Quorum**

Chairman Mumphrey determined the existence of a quorum and called the meeting to order.

**II. Pledge of Allegiance**

Chairman Mumphrey asked Commissioner Westfeldt to lead the saying of the Pledge of Allegiance. Mr. Westfeldt led the Board and the audience in saying the Pledge of Allegiance.

### **III. Approval of Minutes of November, 2011, Meetings**

On motion duly made and seconded, the Board unanimously approved the minutes of its meetings of November, 2011, as previously circulated.

### **IV. Acceptance of Financial Statements**

On motion duly made and seconded, the Board unanimously accepted the October, 2011, and November, 2011, Financial Statements.

### **V. Public Comment**

Chairman Mumphrey announced that the meeting was open to the public and asked if any member of the public present would like to comment. There were no requests to address the Board.

### **VI. Actions Required**

- A. **Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Contract with Burk-Kleinpeter, Inc., for Professional Engineering Services for Hurricane Recovery Program Management Services - Ms. Keller presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into a contract with Burk-Kleinpeter, Inc., for professional engineering services for hurricane recovery program management services. Commissioner Cahill advised the Board that the Planning and Engineering Committee had reviewed the resolution and moved its adoption. MOTION CARRIED UNANIMOUSLY. (Resolution attached)**
- B. **Consider Approval of a Resolution Authorizing the President and Chief Executive Office to Enter into a Contract with MDM Design Group, LLC, for Professional Engineering Services for the Creation of a Port of New Orleans Resilient Design Guidelines Manual, a State of Louisiana, Division of Administration, Office of Community Development, Approved Project - Ms. Keller presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into a contract with MDM Design Group, LLC, for professional engineering services for the creation of a Port of New Orleans Resilient Design Guidelines Manual, a State of Louisiana, Division of Administration, Office of Community Development, Approved Project. Commissioner Cahill advised the Board that the Planning and Engineering**

Committee had reviewed the resolution and moved its adoption. **MOTION CARRIED UNANIMOUSLY.** (Resolution attached)

- C. **Consider Award of a Construction Contract to K-Belle Consultants, LLC, for Renovations at the Harbor Police Headquarters Building, a U.S. Department of Homeland Security Approved Project** - Ms. Keller presented and recommended approval of a resolution to award a contract in the amount of \$599,000 to K-Belle Consultants, LLC, for renovations at the Harbor Police Headquarters Building. Commissioner Cahill advised the Board that the Planning and Engineering Committee had reviewed the resolution and moved its adoption. **MOTION CARRIED UNANIMOUSLY.**
- D. **Consider Award of a Construction Contract to Cajun Constructors, Inc., for Louisiana Avenue Terminal Concrete Paving Improvements Phase I, a Port Priority Approved Project** - Ms. Keller presented and recommended approval of a resolution to award a contract in the amount of \$3,514,700 to Cajun Constructors, Inc., for Louisiana Avenue Terminal Concrete Paving Improvements Phase I, a Port Priority Approved Project. Commissioner Cahill advised the Board that the Planning and Engineering Committee had reviewed the resolution and moved its adoption. **MOTION CARRIED UNANIMOUSLY.**
- E. **Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment to the Crane Construction Contract with Doosan Heavy Industries & Construction Co., Ltd., for Additional Spare Parts for Cranes Nos. 8 and 9** - Mr. Zimmermann presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into an amendment to the crane construction contract with Doosan Heavy Industries & Construction Co., Ltd., for additional spare parts for Cranes Nos. 8 and 9. Commissioner Cahill advised the Board that the Planning and Engineering Committee had reviewed the resolution and moved its adoption. **MOTION CARRIED UNANIMOUSLY.** (Resolution attached)
- F. **Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Agreement with Bollinger Quick Repair, L.L.C., to Sandblast and Paint the Fireboat Gen. Roy S. Kelley** - Mr. Zimmermann presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into an agreement with Bollinger Quick Repair, L.L.C., to sandblast and paint the *Fireboat Gen. Roy S. Kelley*. Commissioner Cahill advised the Board that the Planning and Engineering Committee had reviewed the resolution and moved its adoption. **MOTION CARRIED UNANIMOUSLY.** (Resolution attached)

- G. **Consider Approval of a Resolution Declaring Certain IHNC Property Surplus to the Board's Needs and Authorizing the President and Chief Executive Officer to Sell that Property and Certain Servitude Rights to the Orleans Levee District and to Terminate the Board's Lease on the IHNC with Halliburton Energy Services, Inc., as Part of the Seabrook Surge Gate Project** - Mr. Miller presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to declare certain IHNC property surplus to the Board's needs and authorizing the President and Chief Executive Officer to sell that property and certain servitude rights to the Orleans Levee District and to terminate the Board's lease on the IHNC with Halliburton Energy Services, Inc., as part of the Seabrook Surge Gate Project. Commissioner Fay advised the Board that the Property and Insurance Committee had reviewed the resolution and moved its adoption. **MOTION CARRIED UNANIMOUSLY**. (Resolution attached)
- H. **Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Agreement with Orleans Materials, LLC, to Allow Orleans Materials, LLC, to Assign its Lease on the IHNC to France Road Commerce Center, LLC, and to Enter into a New Lease with France Road Commerce Center, LLC** - Mr. Miller presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into an agreement with Orleans Materials, LLC, to allow Orleans Materials, LLC, to assign its lease on the IHNC to France Road Commerce Center, LLC, and to enter into a new lease with France Road Commerce Center, LLC. Commissioner Fay advised the Board that the Property and Insurance Committee had reviewed the resolution and moved its adoption. **MOTION CARRIED UNANIMOUSLY**. (Resolution attached)
- I. **Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment to the Agreement with Cherbonnier, Mayer and Associates and IBM Credit, LLC, for Additional Software** - Mr. Ruckert recommended approval of a resolution authorizing the President and Chief Executive Officer to enter into an amendment to the agreement with Cherbonnier, Mayer and Associates and IBM Credit, LLC, to purchase additional software. In the absence of Budget Committee Chairman Toomy, Commissioner Cahill advised the Board that the Budget Committee had reviewed the resolution and moved its adoption. **MOTION CARRIED UNANIMOUSLY**. (Resolution attached)
- J. **Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Settle the Board's Claim in the Lawsuit *Board of Commissioners of the Port of New Orleans et al. v. Virginia Harbor Services, et al.*, No. SAC11-0437-GW (FFMx), on the Docket of the U.S. District Court for the Central District of California** - Mr. Gussoni presented and recommended approval of a resolution authorizing the President and Chief Executive Officer to settle the Board's claim in the

lawsuit *Board of Commissioners of the Port of New Orleans et al. v. Virginia Harbor Services et al.*, No. SAC11-0437-GW (FFMx), on the Docket of the U.S. District Court for the Central District of California. In the absence of Budget Committee Chairman. Toomy, Commissioner Cahill advised the Board that the Budget Committee had reviewed the resolution and moved its adoption. **MOTION CARRIED UNANIMOUSLY.** (Resolution attached)

## **VII. Report by President and Chief Executive Officer**

Mr. LaGrange stated that we would shortly take the opportunity to bid farewell to Commissioner Tommy Westfeldt, one of our commissioners for the last five years, and to welcome aboard a new member Mr. Scott Cooper. He also welcomed back some former commissioners, including Jimmy Baldwin.

Mr. LaGrange stated that one of the things we like to do at this time each month is to give recognition to deserving staff. He then read a brief letter from former commissioner Captain A.J. Gibbs

describing how Harbor Police Officer Ivory Scott helped one of the Crescent River pilots who was bringing in a cruise ship by allowing the pilot to park in the Port of New Orleans lot because the Crescent parking lot was under renovation and therefore unavailable.

Mr. LaGrange reported the good news concerning the third TIGER grant application for the intermodal railyard which the Port was finally awarded in the amount of \$17 million. He said that, with the help of Deborah Keller, Lydia Jemison, and Cathy Dunn, we finally got it, and he asked them to stand up and be recognized. He explained that this grant will be for the new intermodal rail yard located at Milan Street adjacent to Tchoupitoulas Street. It will allow us to open up more space where the existing intermodal yard is for more container storage and marshalling yard area.

Mr. LaGrange gave a few statistics which were reported yesterday at a recent conference he attended. He stated that as of September of this year, general cargo for 2011 is up 10% over the record of last year, which was a record-breaking year. Containers are up 14% over the record-breaking numbers of 31% last year, and poultry is up 48%. The London Metal Exchange shows a positive gain. Rubber, plywood, and steel cargo is up, and cruise ships are well beyond pre-Katrina days with four home-ported cruise ships here every weekend bringing us 11,000 passengers a weekend, each passenger staying at a rate of 1.9 nights in our hotels and spending money in our restaurants and other establishments. The average cruise passenger in New Orleans spends \$335 a day in direct spending out of his pocket whereas, at other cruise ports, the average is \$92 a day. He stated that the Port of New Orleans is happy that New Orleans continues to be such a great destination city allowing us to team up with and partner with the Convention and Visitors Bureau and the City of New Orleans.

He also mentioned that he learned from the metals conference he attended in Miami last week that here in New Orleans we have more copper, zinc and steel stored in our warehouses than are stored at any other port in the United States. This is significant. He stated that therein lies the reason for the anomaly of why our numbers were up during the global recession when everybody else's were down. The LME ships were coming in.

Mr. LaGrange mentioned a couple of ribbon-cutting ceremonies which would be coming up in the months ahead. He mentioned that the Port should have the two new 100-foot gauge cranes received from Doosan Heavy Industries & Construction Company in Korea operable by mid-January or thereabouts, and, when that happens, it will be quite a commemorative day. He told the audience that informal discussions began with others interested in helping the Port to finance a seventh and eighth crane at the terminal once other improvements are completed in Phase II of Napoleon. He spoke about Cold Storage, the blast-freezing facility at Henry Clay, which will be opened with another ribbon-cutting ceremony in June or July. He mentioned that the intermodal railyard that was funded by the TIGER Grant will no doubt be opened at some point next year. Last, he mentioned that after his trip to Washington last week it appears as though the Port is in good stead with the opportunity of regaining Poland Avenue and a transfer agreement to build yet a third cruise ship terminal for which the Port has already garnered approximately \$15 million of what is going to be a \$35 to \$40 million terminal to be built there. He ended by saying that it was a good way to end the year and thanked everyone.

## **VIII. Old Business**

Mr. LaGrange and the present commissioners thanked Mr. Westfeldt for his service and acknowledged his contribution to the Board's business for the past five years, wishing him well in his future endeavors. Mr. Westfeldt expressed his pleasure in working with the various commissioners he served with on the Board and welcomed his successor Scott Cooper, telling him that being a commissioner is a very interesting and rewarding experience. He also thanked staff members for all their good hard work in making the Port a success.

## **IX. New Business**

The ceremonial swearing in of Scott H. Cooper as the new commissioner took place.

## **X. Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 11:35 A.M. by Chairman Mumphrey.

**NEXT MEETING:**

11:00 A.M., Wednesday, January 26, 2012

I.

**1 BOARD OF COMMISSIONERS  
OF  
THE PORT OF NEW ORLEANS  
  
MINUTES  
OF  
THE EXECUTIVE COMMITTEE MEETING  
DECEMBER 14, 2011**

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**A MEETING OF THE EXECUTIVE COMMITTEE OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, HELD IN THE PRESENTATION ROOM ON THE 4<sup>TH</sup> FLOOR AT ITS OFFICES AT 1350 PORT OF NEW ORLEANS PLACE, NEW ORLEANS, LOUISIANA, WAS CALLED TO ORDER BY COMMITTEE CHAIRMAN J. WAYNE MUMPHREY AT 9:40 A.M., ON WEDNESDAY, DECEMBER 14, 2011.**

**COMMITTEE MEMBERS** J. Wayne Mumphrey, Chairman

**PRESENT:**

Thomas D. Westfeldt, Member

John F. Fay, Jr., Member

Valerie S. Cahill, Member

Daniel Packer, Member

Gregory R. Rusovich, Member

**COMMITTEE MEMBER**

**ABSENT:**

Joseph F. Toomy, Member

**STAFF:**

G. LaGrange, President & Chief Executive Officer  
P. Gallwey, Chief Operating Officer  
B. Gussoni, Executive Counsel  
J. Ruckert, Director, Finance and Information Technology  
(arrived at 9:53 A.M.)  
R. Jumonville, Director, Cruise and Tourism  
(arrived at 10:15 A.M.)  
M. Rubino, Staff Attorney  
Cory Ogburn, Special Assistant, Executive

**GUESTS:**

Bruce Steckler, Baron & Budd, P.C., Dallas, Texas  
Scott Cooper, newly appointed commissioner  
(arrived at 10:20 A.M.)

**I. Call to Order**

Committee Chairman Mumphrey called the meeting to order.

**II. Determination of a Quorum**

Committee Chairman Mumphrey determined the presence of a quorum.

**III. Public Comment**

Committee Chairman Mumphrey called for public comment, but there was no request for public comment.

**IV. Chairman's Comments**

Committee Chairman Mumphrey made no comments.

**V. Executive Session - Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Settle the Board's Claim in the Lawsuit *Board of Commissioners of the Port of New Orleans v. Virginia Harbor Services, et al.*, No. SAC11-0437-GW (FFMx) on the Docket of the U.S. District Court for the Central District of California.**

Ms. Cahill moved to go into executive session, and Mr. Westfeldt seconded the motion. The Board went into executive session at 9:45 A.M. Mr. Gussoni gave a general summary

of the class action plastic piling litigation (in which the Board is the lead plaintiff) and then introduced Mr. Bruce Steckler of Baron & Budd, P.C., which with other counsel in New York City represents the Board in this litigation. Mr. Steckler then gave the Board a more detailed status report on the litigation concerning the settlement of the marine pilings claims between the plaintiffs and two of the four defendants. The Port is still in the suit against the two remaining defendants. Mr. Gussoni and Mr. Steckler answered any questions the Commissioners had.

Committee Chairman Mumphrey called the executive session to an end at 10:00 A.M. Then the Committee indicated it would refer this item favorably to the Board at its next regularly scheduled meeting later this morning.

## **VI. President & Chief Executive Officer's Comments**

Mr. LaGrange indicated that he had bad news and good news, and the Board asked to hear the good news first.

Mr. LaGrange indicated that “the third time was a charm” in that the Port had been awarded a \$16.7 million TIGER Grant on its third attempt to secure this grant. He indicated that the staff had a better idea of what the federal government was looking for this time and that it helped to have matching funds from the State in the amount of \$4 million. These monies will go towards Napoleon Avenue and Louisiana Avenue improvements. The project will open up the Milan Street Marshaling Yard for more container storage. He said it was a well thought out application.

Mr. LaGrange next spoke about the Port's loan to help it recover from Katrina-related revenue loss. The Port obtained this loan from the Division of Administration, Office of Community Development, Disaster Recovery Unit. Mr. Ruckert explained that the Port was flatly denied a five-year extension to pay the loan. The first payment of \$133,000 is due on January 15<sup>th</sup>. The Port will pay about \$1.3 million a year for 15 years. Mr. LaGrange said that he would pursue further discussions with Commissioner of Administration Paul Rainwater in order to secure an extension on the loan or a forgiveness of it. Committee Chairman Mumphrey said this would be a mission for Commissioner Toomy. Commissioner Fay wanted to know if the borrowers are local. Mr. Ruckert indicated that they are mostly local. Committee Chairman Mumphrey asked who else had this problem, and Mr. Ruckert informed the Board that he thought the Sewerage and Water Board of New Orleans and the Orleans Parish School Board were also in the same situation. Commissioner Rusovich indicated that, if other ports were involved, it would be a maritime trade issue that could be discussed with State representatives.

Commissioner Fay stated that we should not have to pay back this debt if no one else is going to. He thought that we might want to make a payment on a “without prejudice” basis.

Mr. Ruckert told the Board that he would put together a list of the other borrowers for the Board and that he would meet with the other borrowers to develop a strategy. Mr. LaGrange said that the Chamber of Commerce, which is now 600 members strong, would like to join forces with the Port on this issue. Mr. Ruckert indicated that this debt will not affect the Port’s bond covenants because this is a separate debt that is owed to the State.

## **VII. Legislative Auditor’s Report on the Harbor Police Retirement System**

Mr. Gallwey discussed the three options the Legislative Auditor presented concerning a potential merger of the Harbor Police Retirement System with LASERS. He also spoke about the exit meeting with the auditor and indicated that the staff had submitted detailed comments on both the performance audit and the actuarial valuation.

## **VIII. Claiborne Avenue Overpass**

Mr. Gallwey gave a power point presentation of the proposal to remove the Claiborne Avenue Expressway from the Ponchartrain Expressway from I-10 at the Superdome to Elysian Fields Avenue. He told the Board that the City of New Orleans has a \$2 million TIGER Grant from the last round, and it has a matching \$800,000 to do a feasibility study of this proposal. Apparently the Claiborne Avenue Improvement Association with several national groups such as the Congress for New Urbanism and the Sierra Club is advocating this. Commissioner Rusovich recommended that we alert the Planning Commission and the City Council about this. Committee Chairman Mumphrey and Commissioner Fay also expressed their concerns about the prospects of traffic being doubled elsewhere by closing this route for trucks. Commissioner Fay indicated that Mr. Mike Kearney, who is the President of the Board of Trade, will likely want to join forces with the Port to oppose this proposal.

## **IX. Cruise Ship Traffic and Parking**

Mr. Jumonville presented a briefing updating the Commissioners on the traffic bottleneck situation and the problems the Port is having with a downtown parking garage that has been using illegal and dangerous marketing efforts to acquire more parking business. He said a letter was being sent out that day to Mr. Thomas Gigliotti, Jr., of Parking Management Services. That letter identifies the operations Mr. Gigliotti’s company is conducting that violate several City of New Orleans ordinances, Louisiana state law, Coast Guard security regulations, Port ordinances, and the cruise lines’ operating rules.

Mr. Jumonville indicated that the Port needs more and larger signs in the location of the cruise terminal which indicate where the passengers need to drive. He said they were also looking at expansion of the intersection of Henderson Street and Port of New Orleans Place, where the bottleneck occurs. He said this would be an expensive proposition and also might be tough to accomplish since it would mean putting a walkway through the floodwall. He said, in essence, we need to move people into and out of the terminal more quickly. He also spoke about another problem with the passengers walking to the terminal from hotels. He said this was acceptable for passengers going to the Julia St. Cruise Terminal, but presents a problem for passengers going to the Erato St. Cruise Terminal because it has no sidewalk. Mr. Jumonville said he was going to speak with the RTA to see if it could run a trolley shuttle between Julia Street and the cruise terminal.

#### **X. Poland Avenue Lease - Cruise Terminal**

Mr. LaGrange told the Commissioners that Mr. Joe Cocchiara and he had been in Washington, D.C. , to discuss Poland Avenue with MARAD. He explained that the Port's lease with MARAD expired in 2009 and the Port wants to renew it or to get MARAD to transfer the property to us. He said MARAD might be willing to accept 60% of the \$300,000 we owe from last year's rental payments because we had only thirteen poultry ships using one area at Poland Avenue which amounted to only 50% usage. Mr. LaGrange was told by a MARAD official that they would use our lease payments for necessary substructure work under Poland Avenue. Mr. LaGrange said he was pleased by this news because he was under the impression that we had to pay for it ourselves. The repair of the pilings will be the first step in the construction of a new cruise ship terminal at Poland Avenue. Mr. LaGrange thought that we should have the property transferred to us by July, 2013.

#### **XI. Inner Harbor Navigation Canal Lock**

Mr. LaGrange told the Board that it must review the three options available: (1) continue pushing for a new deep draft lock; (2) press for a new lock without a deep draft increment and ask for the return of approximately \$20 million of Board funds being held in escrow since 2001 to pay some of the cost of the deep draft increment; or (3) accept the present lock and lobby the U.S. Army, Corps of Engineers (USACE), to fund at its cost all necessary maintenance to keep it functional for the indefinite future. Unfortunately because of the Olmstead Lock and Dam on the upper Ohio River consuming all of the federal funds available, other locks and dams in the U.S. will receive no or only minimal funding for the indefinite future.

Mr. LaGrange raised the dredging issue in a meeting with the USACE . Mr. Steve Stockton, who heads the Civil Works Division of USACE, agreed to allow the reprogramming of funds for use on the Mississippi River, which is apparently a reversal of

their previous position on this.

## **XII. Vessel Calls**

Mr. LaGrange informed the Board that this year the Port of New Orleans has had more than 250 ship calls. Only October, November and May were negative months this year compared to last year. He explained that this was caused by the difficult national economy, which has impacted all ports across the country in a similar manner.

## **XIII. Other Business**

As this would be the last Board meeting for which Mr. Westfeldt would serve as a Commissioner, other Commissioners and Mr. LaGrange expressed their thanks and praises to Commissioner Westfeldt for his service on the Board for the past five years and wished him well in his future endeavors.

## **XIV. Adjournment**

There being no further business to come before the Committee, Commissioner Cahill moved to adjourn, which motion was seconded, and Committee Chairman Mumphrey adjourned the meeting at 11:00 A.M.

I.

**1 BOARD OF COMMISSIONERS  
OF  
THE PORT OF NEW ORLEANS**

**MINUTES  
OF  
THE BUDGET COMMITTEE MEETING  
DECEMBER 12, 2011**

**A MEETING OF THE BUDGET COMMITTEE OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, HELD IN THE PRESENTATION ROOM ON THE 4<sup>TH</sup> FLOOR AT ITS OFFICES AT 1350 PORT OF**

**NEW ORLEANS PLACE, NEW ORLEANS, LOUISIANA, WAS CALLED TO ORDER BY AD HOC COMMITTEE CHAIRMAN THOMAS D. WESTFELDT AT 1:40 P.M., ON MONDAY, DECEMBER 12, 2011.**

**COMMITTEE MEMBERS** Thomas D. Westfeldt, Ad Hoc Committee Chairman

**PRESENT:**

John F. Fay, Member  
J. Wayne Mumphrey, Member  
Valerie S. Cahill, Member  
Daniel F. Packer, Jr., Member  
Gregory R. Rusovich, Member (arrived at 1:45 P.M.)

**COMMITTEE MEMBER**

**ABSENT:**

Joseph F. Toomy, Committee Chairman

**STAFF:**

G. LaGrange, President & Chief Executive Officer  
P. Gallwey, Chief Operating Officer  
B. Gussoni, Executive Counsel  
B. Landry, Director, Marketing  
E. Pansano, Director, Internal Audit  
J. Ruckert, Director, Finance & Information Technology  
S. Fauria, Manager, Information Technology  
M. Rubino, Staff Attorney

**GUEST:**

John Holt

**I. Determination of Quorum**

In the absence of Committee Chairman Toomy, Board Chairman Mumphrey designated Committee Member Westfeldt to serve as ad hoc chairman of this committee only for the purposes of holding this meeting. Ad Hoc Committee Chairman Westfeldt determined the presence of a quorum and called the meeting to order.

**II. Public Comment**

Ad Hoc Committee Chairman Westfeldt called for public comment, but there was none.

**III. Review of October, 2011, and November, 2011, Financial Statements and Accounts Receivable**

Mr. Ruckert discussed the October, 2011, monthly and year-to-date performances and provided an analysis comparing Fiscal Year 2011 to Fiscal Year 2010. Mr. Ruckert then discussed the November, 2011, monthly and year-to-date performances and provided analysis comparing Fiscal Year 2011 to Fiscal Year 2010. He also discussed the aging

accounts receivable memorandum for October, 2011, and November, 2011, copies of which are incorporated into these Minutes. For November, 2011, Mr. Ruckert made the following observations concerning these tenants:

- day.
- (1) Lafarge Corporation's late quarterly payment of \$33, 251 was expected to arrive any
  - (2) Heniff Transportation's outstanding amount due of \$13,939 is for water bills not yet paid.
  - (3) Better Boxing Company's outstanding amount due of \$44,080 will be pursued by Mr. Clay Miller, Director of Business Development.

Ad Hoc Committee Chairman Westfeldt said he would recommend acceptance of the October, 2011, and November, 2011, financial statements to the Board at its next regularly scheduled meeting.

Thereafter, Mr. Ruckert and the committee discussed the 18 percent of total operating income which is generated from cruise operations. The committee members and Mr. LaGrange indicated they were all very satisfied with the cruise revenue. Mr. LaGrange indicated that 2012 should be the Board's best financial year yet because of cruising revenue. He believed the Port would have one million passengers in 2012.

A brief discussion between Ad Hoc Committee Chairman Westfeldt and Mr. Ruckert took place regarding mitigating circumstances for Coastal Cargo. Mr. Ruckert explained that the company missed its minimum rent guarantee last year by approximately \$600,000 and has been paying it off this year pursuant to a payment plan.

Commissioner Rusovich asked for a list of the top tenants from Mr. Ruckert.

**IV. Briefing and discussion of a resolution authorizing the President and Chief Executive Officer to enter into an amendment to the lease of an IBM iSeries Model 8203 with Cherbonnier, Mayer and Associates and IBM Credit, LLC, for additional software at an additional cost of \$874.06 per month for a total cost of \$31,466.16 over the contract term.**

Mr. Fauria explained that this extra software was needed because the software in the original lease did not meet all of the replication needs for the recovery site in Shreveport and the Port's current headquarters. Commissioner Fay wondered if our original lease was intended to cover the two sites. Mr. Fauria explained that two site replication of all of our servers was not anticipated when the original lease was concluded; therefore, the price for software to accommodate two recovery sites was not included in the original contract.

**V. Adjournment**

There being no further business to come before the Committee, Ad Hoc Committee

Chairman Westfeldt adjourned the meeting at 2:10 P.M.

I.

**BOARD OF COMMISSIONERS  
OF  
THE PORT OF NEW ORLEANS**

**MINUTES  
OF  
THE PLANNING AND ENGINEERING  
COMMITTEE MEETING  
DECEMBER 12, 2011**

**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 4<sup>TH</sup> FLOOR AT ITS OFFICES AT 1350 PORT OF NEW ORLEANS PLACE, NEW ORLEANS, LOUISIANA, WAS CALLED TO ORDER BY COMMITTEE CHAIR VALERIE S. CAHILL AT 2:45 P.M. ON MONDAY, DECEMBER 12, 2011.**

**COMMITTEE MEMBERS**

**PRESENT:**

Valerie S. Cahill, Committee Chair  
Thomas D. Westfeldt, Member  
John F. Fay, Jr., Member  
J. Wayne Mumphrey, Member  
Daniel F. Packer, Jr., Member  
Gregory R. Rusovich, Member

**COMMITTEE MEMBERS**

**ABSENT:**

Joseph F. Toomy, Member

**STAFF:**

G. LaGrange, President & Chief Executive Officer  
P. Gallwey, Chief Operating Officer  
B. Gussoni, Executive Counsel

D. Keller, Director, Port Development  
P. Zimmerman, Director, Operations  
M. Rubino, Staff Attorney  
J. Meliet, Manager, Construction Administration  
(arrived at 3 P.M.)

**GUEST:**

Carol Balthazar, RiverWorks

**I. Determination of a Quorum**

Committee Chair Cahill determined the presence of a quorum and called the meeting to order.

**II. Public Comment**

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

**III. Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Contract with Burk-Kleinpeter, Inc., for Professional Engineering Services for Hurricane Recovery Program Management Services** – Ms. Keller presented and recommended a resolution authorizing the President and Chief Executive Officer to enter into a contract with Burk-Kleinpeter, Inc., for professional engineering services for hurricane recovery program management services.

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

**IV. Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Contract with MDM Design Group, LLC, for Professional Engineering Services for the Creation of the Port of New Orleans Resilient Design Guidelines Manual, a State of Louisiana, Division of Administration, Office of Community Development, Approved Project** – Ms. Keller presented and recommended a resolution authorizing the President and Chief Executive Officer to enter into a contract with MDM Design Group, LLC, for professional engineering services for the creation of the Port of New Orleans Resilient Design Guidelines Manual, a State of Louisiana, Division of Administration, Office of Community Development, Approved Project.

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

**V. Briefing on and Discussion of the Award of a Construction Contract to K-Belle Consultants, LLC, for Renovations at the Harbor Police Headquarters Building, a U.S.**

**Department of Homeland Security Approved Project** – Ms. Keller presented and recommended the award of a contract in the amount of \$599,000 to K-Belle Consultants, LLC, the lowest bidder, for renovations at the Harbor Police headquarters building. The funding source is 100% through the U.S. Department of Homeland Security.

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

**VI. Briefing on and Discussion of the Award of a Construction Contract to Cajun Constructors, Inc., for Louisiana Avenue Terminal Concrete Paving Improvements Phase I, a Port Priority Approved Project** – Ms. Keller presented and recommended the award of a contract in the amount of \$3,514,700 to Cajun Constructors, Inc., the lowest bidder, for Louisiana Avenue terminal Concrete Paving Improvements Phase I.

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

**VII. Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment to the Board's Contract with Doosan Heavy Industries and Construction Company, Ltd., of Seoul, Korea, for the Procurement of Two New Gantry Cranes (Nos. 8 & 9) for the Board's Napoleon Avenue Terminal Complex for Necessary Spare Parts to Keep in Stock for Use for Maintenance and Repair or Replacement** – Mr. Zimmerman presented and recommended a resolution authorizing the President and Chief Executive Officer to enter into an amendment to the contract with Doosan Heavy Industries and Construction Company, Ltd., for the procurement of two new gantry cranes (Nos. 8 & 9) for the Board's Napoleon Avenue Terminal Complex to add \$1,087,798 to the cost of the contract for necessary spare parts to keep in stock for use for maintenance and repair or replacement as the need arises.

Mr. Jay Meliet of the Port's engineering department answered various questions from the Board members about the wisdom of purchasing spare parts, particularly from Doosan. Mr. Meliet told the Committee members that, when the cranes go full tilt 250 days a year, there will be no time to lose in replacing parts should the need occur. Therefore, it is critical to have spare parts ready and available so that down time of the cranes is minimized. Mr. Meliet told the Board that he was confident that the cranes would be operational in mid-January, 2012, and that he has confidence in Doosan's ability to correctly manufacture the spare parts. He also indicated that Board employees would have oversight in the manufacture of these parts.

Mr. Gallwey indicated that the spare parts will be offset from the \$3 million in liquidated damages assessed against Doosan for the cranes' overweight problems and consequential delays in being operational. In addition, Mr. Gallwey gave an update on the payment

schedule to Doosan.

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

**VIII. Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Agreement with Bollinger Quick Repair, L.L.C., to Sandblast and Paint the *Fireboat Gen. Roy S. Kelley*** – Mr. Zimmermann presented and recommended a resolution authorizing the President and Chief Executive Officer to enter into an agreement with Bollinger Quick Repair, LLC, to sandblast and paint the *Fireboat Gen. Roy S. Kelley*.

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

**IX. Adjournment**

There being no further business to come before the Committee, Committee Chair Cahill adjourned the meeting at 3:10 P.M.

I.

**BOARD OF COMMISSIONERS  
OF  
THE PORT OF NEW ORLEANS**

**MINUTES  
OF  
THE PROPERTY AND INSURANCE  
COMMITTEE MEETING  
DECEMBER 12, 2011**

**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 4<sup>TH</sup> FLOOR AT ITS OFFICES AT 1350**

**PORT OF NEW ORLEANS PLACE, NEW ORLEANS, LOUISIANA, WAS CALLED TO ORDER BY COMMITTEE CHAIRMAN JOHN F. FAY, JR., AT 2:10 P.M. ON MONDAY, DECEMBER 12, 2011.**

**COMMITTEE MEMBERS** John F. Fay, Jr., Committee Chairman  
**PRESENT** Thomas D. Westfeldt, Member (left at 2:25 P.M.)  
J. Wayne Mumphrey, Member  
Valerie S. Cahill, Member  
Daniel F. Packer, Member  
Gregory R. Rusovich, Member

**COMMITTEE MEMBER**  
**ABSENT:**

Joseph F. Toomy, Member

**STAFF:**

G. LaGrange, President & Chief Executive Officer  
P. Gallwey, Chief Operating Officer  
B. Gussoni, Executive Counsel  
C. Miller, Director, Business Development  
E. Pansano, Director, Internal Audits  
J. Ruckert, Director, Finance  
M. Rubino, Staff Attorney  
C. Donner, Business Development

**I. Determination of a Quorum**

Committee Chairman Fay determined the existence of a quorum and called the meeting to order.

**II. Public Comment**

Committee Chairman Fay called for public comment, but there was none.

**III. Briefing on and Discussion of a Resolution Declaring Certain IHNC Property Surplus to the Board's Needs and Authorizing the President and Chief Executive Officer to Sell That Property and Certain Servitude Rights to the Orleans Levee District and to Terminate the Board's Lease on the IHNC with Halliburton Energy Services, Inc., as Part of the Seabrook Surge Gate Project** – Mr. Miller presented and recommended a resolution declaring certain IHNC property surplus to the Board's needs and authorizing the President and Chief Executive Officer to sell that property and certain servitude rights to the Orleans Levee District and to terminate the Board's lease on the IHNC with Halliburton Energy Services, Inc., as part of the Seabrook Surge Gate project.

Mr. Miller discussed the compensation settlement in the amount of \$3,613,469, of which the Port's share is \$2,978,506 and Halliburton's share is \$674,963 for the use and sale of Board-owned properties for the construction and placement of the Seabrook Surge Gate. He explained that the U.S. Army, Corps of Engineers, has to approve this settlement, but that all indications are that the approval is only a formality and that the Port could be paid its share of these funds within 30 days. For information on the valuation, Mr. Miller passed out a handout, which is incorporated into these minutes.

Mr. Miller explained that the Seabrook Surge Gate will add flood protection to the Port's IHNC properties and increase their values.

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

**IV. Briefing on and Discussion of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Agreement with Orleans Materials, LLC, to Allow Orleans Materials, LLC, to Assign its Lease on the IHNC to France Road Commerce Center, LLC, and to Enter into a New Lease with France Road Commerce Center, LLC –** Mr. Miller presented and recommended a resolution authorizing the President and Chief Executive Officer to enter into an agreement with Orleans Materials, LLC, to allow it to assign its lease on the IHNC to France Road Commerce Center, LLC, and to allow the President and Chief Executive Officer to enter into a new lease with France Road Commerce Center, LLC.

A discussion took place concerning the beneficial use of this property by France Road Commerce Center, LLC, in that the company will make approximately \$15 million in improvements and remove and/or improve rundown property for the Board while at the same time bring in London Metal Exchange cargo storage to the New Orleans market. All agreed that improvements made by this tenant to the currently existing dilapidated buildings will help to market other nearby IHNC properties.

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

**V. Briefing on proposed long-term lease of the Esplanade Avenue Wharf to TCI Packaging.**

Mr. Miller briefed the Board on the proposed long-term lease and details of the planned business operations of TCI at the Esplanade Avenue Wharf which will bring plastic pellets, a new product, to the Port of New Orleans. The property will be used to unload pellets employing new technology and packaging them in SuperSaks. Commissioner Rusovich commented that there is a great commercial rationale for leasing this property to TCI for this endeavor in that New Orleans can win some of this business from Houston.

According to Mr. Miller, the plastic pellet business will equal what the Board's coffee business is at the Port. All agreed that it is an important commercial opportunity and thanked Mr. Miller for pursuing this business. Mr. Miller indicated that he hoped to be coming back to the Board in January, 2012, for final approval of this deal.

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

## **VI. Adjournment**

There being no further business to come before the Committee, Committee Chairman Fay adjourned the meeting at 2:45 P.M.