

Maryland Port Commission
Open Session Minutes
September 10, 2019

The Three Hundred and Fifty Sixth Session of the Maryland Port Commission was called to order at 11:00 am by Chairman Earl Lewis at the World Trade Center, 401 E. Pratt Street, Stanton Room, 20th Floor, Baltimore, Maryland 21202. The Commission met in Open Session from 11:00 am until 11:35 am.

Present: Chairman Earl Lewis and Commissioners Dandy, Dean, Huber, Lunn, and Tilley.

Staff: Jim White (Executive Director), Dave Thomas (Deputy Director), Bob Munroe (MPA Principal Counsel), Phil Whaling (MPA Deputy Counsel), Mike Miller (Director of Maritime Commercial Management), Richard Powers (Director of Marketing), Richard Scher (Director of Communications), Steve Johnson (Director of Engineering), Dave Espie (Director of Security), Brian Miller (Director of Operations), Jim Dwyer (Director of Planning), John Thornton (Manager of Procurement), Jill Lemke (Planning), Cindy Burman (Marketing) and Chris Nichols (Executive Office).

Minutes of the Three Hundred and Fifty Fifth Open Session Meeting

Commissioner Dandy moved to approve the Open and Closed Session Minutes of the Three Hundred and Fifty Fifth Port Commission meeting. Commissioner Dean seconded the motion. The minutes were approved unanimously without discussion.

MPC Report to the Maryland General Assembly, Jill Lemke, Strategic Planning and Special Projects

Ms. Lemke presented the first draft of the Annual MPC Report to the Legislature and asked the commission members to review the report and provide her with any changes or comments by September 25, 2019. Ms. Lemke will request approval for the final report at the October 1, 2019, MPC meeting in order to meet the deadline to submit to the Maryland Department of Transportation for approval.

Cruise Market Update, Cynthia Burman, General Manager, Cruise Marketing

Ms. Burman provided an overview of the cruise market industry. Highlights of Ms. Burman's presentation included:

- Homeport Cruises
 - Carnival Cruise Line is celebrating their 10-year anniversary of year-round cruising at the Port of Baltimore this year.
 - Royal Caribbean International and Carnival account for a total of 94-year-round cruises in 2019.

- The following Cruise lines make Port Calls to the Port of Baltimore:
 - Azamara Cruise Lines
 - Crystal Cruises
 - Europa Cruises
 - Aida Cruise Lines
- Cruise Maryland is located off Interstate 95, 2.5 miles to the Inner Harbor, 11.5 miles to BWI Thurgood Marshall Airport, and two hours from National, Dulles and Philadelphia airports. Baltimore attracts passengers from the Northeast, Mid-Atlantic, Midwest and South-Central Areas. 40 million people are within a six-hour drive and 200 million people are within an overnight drive.
- Economic Impact of Cruising based on 2014 data
 - \$62 million in business revenue
 - 378 jobs generated by cruise activity
 - 209 direct jobs in Maryland
 - 88 induced jobs and 81 indirect jobs
- Strong repeat business – 77% of American cruisers are planning another cruise.
- 30 million people have cruised in the last three years.
- Industry forecasts 33 million in the next three years.
- Average cruiser has taken 3.4 cruises and 4 out of 5 cruisers are interested in taking another cruise

TIGER Project Status, Jim Dwyer, Director, Planning

Mr. Dwyer presented the status of MDOT MPA’s Transportation Investment Generating Economy Recovery (TIGER) Project.



Fill Wet Basin and Develop Fairfield Marine Terminal

- Relocate storm drain.
- Fill Basin and stabilize site.
- Develop Basin for cargo.

Widen Seagirt Access Channel

Because container ships continue to evolve, widening and removing some of the channel’s dog legs was MPA highest priority project at the time. Some of the dredged material was used to fill the Wet Basin.

Extend Rail to Fairfield Marine Terminal Berth and Yard

FMT was the last MPA terminal to get rail by connected rail at Masonville. Also paved Beverley Slip.

World Trade Center Property Management Audit, John Arnold, Manager, Internal Audit

Mr. Arnold informed the Commission of an anonymous complaint made to the fraud, waste, and abuse hotline at the Department of Legislative Services Office of Legislative Audits in November 2018. The allegation related to possible violations of State laws, regulations, and policies involving an employee at MPA directing a property management contractor to use specific vendors and subcontractors for building and management services at the World Trade Center. Mr. Arnold noted that the auditors did an exhaustive investigation of MPA's property management contract covering the period of 2008 through June 2019, as well as examination of the MPA employee's corporate purchase card activity. Mr. Arnold stated that the audit did not identify any issues of waste or fraud that warranted referral to the Office of the Attorney General as alleged, but that it did make two findings: (1) that MPA did not ensure that certain construction-related services were properly procured in accordance the terms of the MPA's property management contract, and (2) MPA did not always approve project estimates prior to the start of work, and did not have the required support for certain contractor invoices tested. The recommendations of the audit were to establish and strengthen existing procurement and contract management processes to address the findings. MPA concurred and policies and procedures have been put in place by MPA management to address those issues.

Mr. White commented that it is always good to strengthen our internal controls.

Contracts for Approval

Mr. Thornton requested approval for the following contracts:

1. Contract #515909 – Survey Services; AB Consultants, Inc., Lanham, MD; Term: 10/01/19 – 09/30/22; \$500,000 NTE
Presented by: John Thornton

Motion to approve made by Commissioner Huber, seconded by Commissioner Dandy and approved unanimously by the Commission without discussion.

2. Contract 290042-EP-2 – Energy Performance Contract (Modification #12, Settlement); Constellation NewEnergy, Inc., Baltimore, MD; (\$11,171,749)
Presented by: John Thornton

Motion to approve made by Commissioner Tilley, seconded by Commissioner Dean and approved unanimously by the Commission without discussion.

3. Contract 219001-S – Building Operations and Management Services for the World Trade Center; AAA Complete Building Services, Inc., Washington, DC; Term: 11/01/19 – 10/31/24 (w/two, 3 yr. renewal options); \$28,124,555 NTE (Base Contract, 5 yrs.), \$65,024,527 NTE (total contract including renewal options)
Presented by: John Thornton

Motion to approve made by Commissioner Tilley, seconded by Commissioner Lunn approved unanimously by the Commission without discussion.

4. Contract 219031-IT – Programming Support Services; Krishna Tech, Inc., Lutherville, MD; Term: 11/01/19 – 10/31/24 (with one, 5-yr renewal option); \$859,200 (Base Contract 5 yrs.), \$1,766,000 (total contract including renewal option)
Presented by John Thornton

Motion to approve made by Commissioner Dandy, seconded by Commissioner Huber and approved unanimously by the Commission without discussion.

Move into Closed Session

At 11:35 am, in accordance with State Government Article, Section 10-508 (a)(4), Annotated Code of Maryland, Commissioner Huber moved that the Commission meet in Closed Session, and Commissioner Lunn seconded the motion. The motion was approved unanimously. See attached Closing Statement. The Commission met in Closed Session from 11:35 am until 12:15 pm: Jim White (Executive Director), Bob Munroe (MPA Principal Counsel), and Chris Nichols (Executive Office) were present. The Closed Session ended at 12:14 pm and the meeting returned to Open Session. No votes were taken during the Closed Session.

Adjournment

There being no further business, a motion to adjourn was made by Commissioner Dean and seconded by Commissioner Huber. The motion carried unanimously. The meeting adjourned at 12:15 pm.