

Maryland Port Commission
Open Session Minutes
September 5, 2024

The Four Hundredth and Tenth Session of the Maryland Port Commission was called to order at 9:00 a.m. by Secretary of Transportation Paul J. Wiedefeld. The Commission met in Open Session from 9:00 a.m. until 10:55 a.m. in the Stanton Room, 20th floor, World Trade Center, 401 E. Pratt Street, Baltimore, MD 21202.

Present: Secretary Wiedefeld and Commissioners Barber, Brewer, Neuman (via telephone), Richardson, Roberts and Webb.

Staff: Samantha Biddle (MDOT Deputy Secretary), Jonathan Daniels (Executive Director), Robert Munroe (Deputy Executive Director, Administration and Environment), Matthew Wypyski (Deputy Executive Director, Commercial Development), Jason Sayers (Assistant Attorney General and Deputy Counsel), Bradley Smith (Director of Maritime Commercial Management & Strategic Initiatives), Dominic Scurti (Director of Planning), Holly Miller (Director of Harbor Development), Jennifer Guthrie (Director of Office of Government Relations and External Affairs), John Boden (Director of Human Resources), John Thornton (Director of Procurement), Mary Kay Radford (Acting Chief Financial Officer & Treasurer), Richard Powers (Director of Business Development), Richard Scher (Director of Communications), Ryan Barry (Director of Operations), Steve Johnson (Director of Engineering), William Richardson (Director of the Environment), Cindy Burman (Deputy Director of Business Development and Cruise), Jasmin Todman (Budget Manager), Adam Lance (Classification, Compensation, & Recruitment Manager), Kimberly Houck (Classification, Compensation, and Recruitment HR Generalist), Jayson Knott (Maryland Department of Commerce Senior Director, Office of Business Development), Marvis Harden (Special Assistant to the Executive Director), Paul Wainaina (Office of Information Security and Technology) and Krystal Jones (Executive Office).

Minutes of the Four Hundredth and Ninth Open Session and Closed Session Meeting

Commissioner Barber moved to approve the Open Session and Closed Session Minutes of the Four Hundredth and Ninth Maryland Port Commission meeting. Commissioner Richardson seconded the motion. The Commission then voted unanimously to approve the Open Session and Closed Session Minutes.

Ship's Wheel Presentation to Former Commissioner Dandy

At the beginning of the meeting, Executive Director Daniels and Secretary Wiedefeld presented an engraved Port of Baltimore ship's wheel to former Commissioner Brenda Dandy for her faithful and valuable service on the Maryland Port Commission. Commissioner Dandy's term on the Commission concluded at the end of the month of June. This was Commissioner Dandy's

second stint with the Maryland Port Commission after serving a previous appointment under a different administration.

Executive Director's Update, Jonathan Daniels, Executive Director

Executive Director Daniels provided the Commission with an update on issues impacting the Port of Baltimore. The numbers presented are preliminary and subject to revision as additional data is received.

Cargo and Cruise Activity

The months of July and August were filled with activity associated with the return of cargo to Port of Baltimore resulting from the availability of the full main shipping channel since the channel's reopening on June 10, 2024. The MPA continues to conduct outreach to Port stakeholders to ensure that their needs are being addressed and to keep them informed on the Port's progress as MPA moves forward after the channel's reopening.

Preliminary reports show that gate transactions continued to grow during the past two months. Preliminary data at Seagirt Marine Terminal shows there were approximately 2,700 gate transactions per day which is below the pre-Key Bridge incident normal average activity of approximately 3,500 gate transactions per day. Preliminary reports at Dundalk Marine Terminal show that activity for automobiles, roll-on/roll-off cargo, breakbulk cargo, and paper are nearing pre-Key Bridge incident levels.

Preliminary reports indicate that container cargo continues to pick up and MPA is beginning to observe the increase in the amount of cargo onboard each vessel. MPA is tracking an increase of container moves on vessels on a consistent basis, but the number is still below Key Bridge incident levels.

Preliminary reports show a return of cruise ship business at full capacity for the Port's homeport cruise ship operations of Royal Caribbean Vision of the Seas and Carnival Pride. MPA continues to promote the cruise business and hopes to report on our efforts in the upcoming months ahead.

Even as MPA sees a return in cargo and cruise activities, MPA's goal is to return to pre-Key Bridge incident levels. A preliminary review of year-over-year comparisons indicates that all lines of business were impacted due to the blockage of the Port's main shipping channel. MPA recognizes the need to identify strategic options and for business diversification which will allow it to more effectively address future revenue/budget impacts and unexpected future events. The need for diversification will be a consideration as MPA develops its Strategic Business Plan and Master/Vision Plan.

ILA Contract Negotiations

Mr. Daniels reported on the status of master contract negotiations with the ILA for East Coast and Gulf Coast ports. The current master contract with the ILA expires on September 30, 2024.

There is a potential for a strike if there is no agreement is reached by the time the contract expires. The primary contract issue concerns wages. If the ILA and management group can agree on wages, there may be flexibility to extend the contract deadline in order to work on other contract details. Both sides are preparing for a strike. Cruise and military activities will be exempt from any strike actions.

MPA Operations and MPA Security are working on MPA's strike plan which will include allowing for picket lines while minimizing the impact to traffic on roads around the terminals, and protecting assets of MPA and the state. The MPA team will present a plan for MPA's response and approach to the Executive Director in the next few days.

CSX/Howard Street Tunnel Expansion Project Update

MPA recently conducted a meeting with CSX to review the status of the Howard Street Tunnel (HST) Expansion Project. The meeting included a discussion on a proposed plan to change the construction schedule and to review milestones for the project. CSX is preparing to close the tunnel for six to eight months beginning in February 2025 which will allow it to complete the project with limited disruptions and to minimize the impact on productive construction time. CSX will utilize an alternate "northern route" during that time to maintain access to the Midwest. It will send a clearance truck over that route next week to ensure the safety and viability in the usage of the alternate route before the route opens. CSX will also commence double-stack trial operations over that route in a few weeks which will provide it with the opportunity for proof-of-concept before it begins future contract negotiations with shippers.

European Travel

Commissioner Barber asked about the scheduled travel to Europe discussed at the last Port Commission meeting, which was to include meetings with Mediterranean Shipping Company (MSC), Terminal Investment Limited (TiL), and MSC Cruises. Mr. Daniels stated that the planned trip had been canceled due to budget constraints. The travel to Europe may be revisited at a later time.

Maryland Port Commission Powers & Duties, Jason Sayers, Assistant Attorney General and Deputy Counsel

Mr. Sayers provided the Commission with an overview of the Maryland Port Commission and its powers and duties. The Maryland Port Commission was created by the Transportation Article of the Code of Maryland. The Transportation Article also establishes the Maryland Port Administration and gives the Maryland Port Commission supervisory authority over the MPA and its use of these powers. The qualifications, appointment, and compensation of up to 12 management personnel employees, the review and approval of certain port-related procurements, and the promulgation of regulations relating to the port are the main responsibilities of the Maryland Port Commission.

By December 1 of each year, the Commission is required to submit a report on management personnel actions taken each fiscal year to the Governor of Maryland and the Maryland General

Assembly's Legislative Policy Committee. By January 15 of each year, the Commission is required to submit a report to the Maryland legislature on its activities and that of the Maryland Port Administration. The report is a review of port activities for the previous year.

The Commission has a duty to meet no less than quarterly and the meetings are subject to the Open Meetings Act.

Open Meetings Act – Training Requirement for Public Entities, Jason Sayers, Assistant Attorney General and Deputy Counsel

Mr. Sayers provided the Commission with an overview of the Maryland Open Meetings Act and its training requirements for public bodies.

The Maryland Open Meetings Act is a statute that sets forth the requirement that state and local public bodies conduct meetings in an open and public way. The Act also sets forth the statutorily defined reasons that a public body may close a meeting, and the reasons for closing a meeting, along with the process for closing a meeting, were reviewed with the Commission.

The Open Meetings Act requires that a public body which is subject to the Act must designate a member, employee, or officer to take the training on the Open Meetings Act itself. The designee must take and complete the training within 90 days of the designation. The training is offered as an online class or through classes provided by state approved entities.

As of October 1, 2017, a public body subject to the Open Meetings Act is not permitted to meet in closed session unless it has designated a member to take the training. If a member designated to take the training is unable to attend the open session of a meeting, then the Open Meetings Act's Compliance Checklist must be completed by the public body and attached to the minutes of the open session.

A motion was made by Commissioner Roberts to designate Marvis Harden, Special Assistant to the MPA Executive Director, to take the training for Maryland's Open Meetings Act. The motion was seconded by Commissioner Richardson and approved unanimously by the Commission.

Draft of the Annual Maryland Port Commission Report to the Legislature, Jennifer Guthrie, Director, Office of Government Relations and External Affairs

Ms. Guthrie informed the Commission that the draft of the FY2024 Maryland Port Commission Report to the Maryland General Assembly's Senate Budget and Taxation Committee and House Appropriations Committee is under internal review. The report, which documents the status of the port, its revenues and operations, will be submitted to the Commission for its review and comments after the internal review. Ms. Guthrie reiterated to the Commission that the report must be submitted to the Maryland General Assembly by January 15 of each year.

FY2024 Financials Results, Mary Kay Radford, Acting Chief Financial Officer & Treasurer

Ms. Radford provided the Commission with a summary of the preliminary FY2024 MPA operating financial results. The data presented is preliminary and subject to revision.

Preliminary results show that total revenues were down in FY2024 from the previous fiscal year, and that revenue was impacted due to the Key Bridge incident. The full extent of the cargo and economic losses to the Port resulting from the Key Bridge collapse remain to be determined. Preliminary results show that total operating expenses continue to rise and were up in FY2024 from the previous fiscal year.

Preliminary data shows that revenues were down at Dundalk Marine Terminal, International Container Transfer Facility, North Locust Point, South Locust Point, Cruise Maryland Terminal (South Locust Point), Fairfield and Masonville. Preliminary data shows that revenues were up at Seagirt Marine Terminal, the Seagirt Extension/Point Breeze and the World Trade Center. The sources of revenues include facility rental, wharfage, dockage, security, and vessel services, however, the dockage, wharfage, and security revenue decreased due to the Key Bridge incident.

Preliminary data shows that certain operating expenses increased due to increased expenditures for salaries and benefits, security services, contracted services and insurance. Preliminary data shows that operating expenses for fuel and utilities decreased, and held steady in debt payments. Mr. Daniels noted that costs incurred by MPA for work done in the aftermath of the Key Bridge incident increased MPA's operating expenses. Expenses for salaries and benefits have risen due to MPA's hiring efforts, and Mr. Daniels commended MPA's Office of Human Resources for its recruitment initiatives, as MPA's employment vacancy rate is under 7%.

Secretary Wiedefeld provided the Commission with the status of the transportation budget as a whole and an updated forecast of budget challenges and the department's approach to meet those challenges.

Contracts for Approval, John Thornton, Director of Procurement

John Thornton presented the following contracts for approval.

1. Contract #2220021-S, Modification No. 1 – Railroad Maintenance Services at Maryland Port Administration (MPA) Marine Terminals, Amtrac Railroad Contractors of Maryland, Inc., Hagerstown, Maryland; \$2,115,099. Term: September 12, 2024 – February 28, 2026. Modification No. 1 increases the contract value to replenish funds used for repairs to date and to complete additional necessary repairs and upgrades.

After discussion, a motion to approve Modification No. 1, Contract #2220021-S was made by Commissioner Webb, seconded by Commissioner Brewer and approved unanimously by the Commission.

2. Contract #220005I-S – Innovative Reuse of Dredged Material, HarborRock Holdings, LLC dba HarborRock Reuse, LLC., Somers Point, New Jersey; \$291,640. Term: One Year from Notice to Proceed. This contract will provide the Maryland Port Administration (MPA) with a study of the use of dredged material as lightweight aggregate and supplementary cementitious material.

After discussion, a motion to approve Contract #220005I-S was made by Commissioner Richardson, seconded by Commissioner Barber and approved unanimously by the Commission.

Move into Closed Session

At 10:20 a.m., in accordance with State General Provisions Article, Sections 3-305(b)(1)(i)(ii) of the Annotated Code of Maryland, Commissioner Barber moved that the Commission meet in Closed Session, and Commissioner Roberts seconded the motion. The motion was approved unanimously. See attached Closing Statement. The Commission met in Closed Session from 10:20 a.m. until 10:55 a.m. Secretary Wiedefeld and Deputy Secretary Biddle and Commissioners Barber, Brewer, Neuman, Richardson, Roberts, and Webb, and Jonathan Daniels (Executive Director), Robert Munroe (Deputy Executive Director, Administration and Environment), Jason Sayers (Assistant Attorney General and Deputy Counsel), John Boden (Director of Human Resources), Marvis Harden (Special Assistant to the Executive Director), and Krystal Jones (Executive Office) were present for the closed session.

The following topic was discussed in closed session:

State General Provisions Article Citation #	Topics Discussed
§ 3-305(b)(1)(i)(ii)	MPC Personnel Issue: Personnel Matter

No votes were taken during the Closed Session.

Adjournment

There being no further business, a motion to adjourn was made by Commissioner Webb, and seconded by Commissioner Brewer. The motion carried unanimously. The meeting was adjourned at 10:55 a.m.