

Maryland Port Commission
Open Session Minutes
October 11, 2023

The Four Hundred and First Session of the Maryland Port Commission was called to order at 9:03 a.m. by Secretary of Transportation Paul J. Wiedefeld. The Commission met in Open Session from 9:03 a.m. until 9:53 a.m. in the Stanton Room, 20th floor, World Trade Center, 401 E. Pratt Street, Baltimore, MD 21202.

Present: Secretary Wiedefeld and Commissioners Barber, Dandy, McDonald, Richardson, Roberts and Webb.

Staff: Samantha Biddle (MDOT Deputy Secretary), Brian Miller (Interim Acting Executive Director), Robert Munroe (Deputy Executive Director, Administration and Environment), Jason Sayers (Assistant Attorney General and Deputy Counsel), Richard Scher (Director of Communications), Dominic Scurti (Director of Planning), Holly Miller (Director of Harbor Development), Steve Johnson (Director of Engineering), Richard Powers (Director of Marketing), Bradley Smith (Director of Maritime Commercial Management & Strategic Initiatives), Jennifer Guthrie (Director of Office of Government Relations and External Affairs), William Richardson (Director of the Environment), John Boden (Director of Human Resources), John Arnold (Director of Internal Audits), Rockye Truelove (Deputy Director of Operations), Cindy Burman (Deputy Director of Business Development and Cruise), Mary Kay Radford (Finance Manager), John Thornton (General Manager of Procurement), Paul Wainaina (Information Services Division), and Krystal Jones (Executive Office).

Minutes of the Four Hundredth Closed Session and Open Session Meeting

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

Interim Acting Executive Director's Update, Brian Miller,

Interim Acting Executive Director Miller stated that it has been a busy month for the Maryland Port Administration. He thanked the entire MPA team for their contributions and the MPA's outstanding executive team which supports Mr. Miller in his role as Interim Acting Executive Director and has allowed the MPA to set cargo records and achieve other goals.

Cargo Update

The Maryland Port Administration (Port of Baltimore) set a record of 11.6 million tons of general cargo moving across its terminals during the 2023 fiscal year. That surpasses the previous record of 11 million tons set during fiscal year 2019. The MPA was pleased that Governor Moore's office released the good news of this record-setting year.

The MPA's latest cargo numbers through July show that Roll-on/Roll-off cargo is up 30 percent. Containers are up seven percent. Overall, general cargo is up five percent.

Cruise Update

Last month, the MPA and Cruise Maryland welcomed back Norwegian Cruise Line to the Port of Baltimore. The Port will have two Norwegian ships based in Baltimore – the Norwegian Sky and the Norwegian Sun. The Norwegian Sky has already made two voyages from Baltimore to New England and Canada. The Norwegian Sun arrives to Baltimore on November 22, 2023, for the first of three cruises to Bermuda and the Caribbean. All cruise ships out of Baltimore are back to sailing at full capacity.

Federal Agency Quality Workgroup

Last week at the annual Industry Day event, Mr. Miller joined MPA's federal agency quality workgroup partners to sign a new pledge to continue to work together and communicate effectively on issues from port security to safeguarding cargo from the spread of environmental invasive insects and pests. This workgroup includes U.S. Customs and Border Protection, the Maryland Coordination and Analysis Center and the U.S. Department of Agriculture, among other entities, and has proven to be very effective in helping to keep the Port of Baltimore operating smoothly and cohesively.

Consolidated Transportation Program (CTP) Tour

The Consolidated Transportation Program (CTP) tour season has begun during which the MPA joins the Maryland Department of Transportation (MDOT) and our fellow transportation agency modes on a tour to the major state municipalities and counties to discuss the state of transportation in Maryland and to provide an outlook on the capital budget for transportation projects for the next six years. This tour is conducted every year with fresh updates on the status of the Department, its modes and transportation projects.

Bob Munroe, MPA Deputy Director of Administration and Environment, attended the Dorchester County meeting last week and briefed officials on the Mid-Bay project and the latest Port news.

Mr. Miller and Mr. Munroe will each be attending separate upcoming CTP meetings, sharing the representation of MPA at the remaining meetings. Mr. Miller explained that the meetings are open to the public and encouraged the Commissioners to attend if they have not already done so. The meetings are very informative and beneficial for local jurisdictions, allowing them to hear directly from the different transportation modes in the state.

Discussion

Commissioner Richardson asked about the status of cruises at the Port of Baltimore post-pandemic versus pre-pandemic. Cindy Burman, Deputy Director of Business Development and Cruise, responded that cruising out of the Port of Baltimore is on par with pre-pandemic levels, and in addition, the Port has added Norwegian Cruise Line and port calls to the cruise schedule. Commissioner Barber relayed a story from friends who commented on the smooth-running operations at the cruise terminal. Mr. Miller replied that the MPA receives a lot of positive feedback on the ease of cruising out of Baltimore.

Secretary Wiedefeld asked about data on the available seats versus the filling of seats for cruises out of Baltimore, and metrics for the availability of seats versus actual bookings.

Commissioner Richardson commented that he would like to view a complete “snapshot” of all commodities at the Maryland Port Administration from 2019 vs. 2023 including cruise data. He believes that this “snapshot” will enable the Commission to obtain a better overview of business at the MPA. Commissioner Richardson would also like to view the status of commodities for the same timeframe within the entire Port of Baltimore (public terminals and private terminals). Mr. Miller commented that data from the private sector would be difficult to obtain because the private entities may not readily provide their proprietary information.

Summary of FY2023 Financials, Mary Kay Radford, Executive Finance Manager

Mary Kay Radford, Executive Finance Manager, presented a summary of the FY2023 MPA financials. The report focused on the operating side of MPA’s financials. The MPA exceeded its anticipated revenue budget by nearly \$2.1 million. Overall, cargo has increased.

Overview: Auto processors are regaining inventory levels. Cruises are back to full year-round sailings for the first time since the pandemic. Cruisers are parking at the South Locust Point Cruise Terminal more than they did since 2018/2019, generating additional parking revenue. Containers experienced a dip in 2022 but improved in 2023. Mr. Miller added that the improvement in container numbers is not being experienced by other ports, so this is good news for the Port of Baltimore.

FY2022 vs. FY2023 Revenues:

Dundalk Marine Terminal – Revenues are up. Wallenius Wilhelmsen is one of MPA’s largest revenue generating customers.

Seagirt Marine Terminal – Revenues increased in FY2023. Seagirt is operated by Ports America Chesapeake (PAC). The MPA retains security fees on full containers handled.

Cruise Maryland Terminal (South Locust Point) – Numbers are back to prior years and may be ahead for 2023. MPA receives revenue from per passenger fees for cruises and from parking. Parking revenues are a net revenue of the incentives that are given the cruise lines.

World Trade Center – Two tenants were added, while one lease was terminated for the reporting period. The occupancy rate is slightly above 70%.

Fairfield – This is an automobile terminal. The automobile industry slowed down significantly during the pandemic, but current performance is strong.

South Locust Point – South Locust Point is home to forest products which have been stable year-to-year. A few automobiles are also processed through South Locust Point.

Masonville Auto Facility – Masonville is home to Mercedes-Benz. MPA worked with Mercedes-Benz to amend its lease for a ten-year extension through 2034.

International Container Transfer Facility (ICTF) – This is a container facility which is leased to PAC. PAC has options to renew its lease through 2060 for future expansion of the container facility.

Seagirt Extension/Point Breeze – This is property around the Point Breeze facility. This property is leased to PAC and is slated to be transformed into a container depot. Currently, there are tenants that are still located in the buildings on the property.

Other Revenues – Sources for these revenues include Clinton Street, East Alco, vehicle sales, and the selling of assets.

North Locust Point – The main operator at North Locust Point is Project Stevedoring. The main commodities flowing through this location are salt, metals and slag. Revenues were down.

FY2023 Revenues by Source:

Ms. Radford reviewed FY2023 revenues by source which include facility rental, wharfage, dockage, security fees, vessel services, and other various sources. Operating revenues are up approximately 7.2%.

FY2023 Operating Expenditures:

Ms. Radford reviewed the FY2023 operating expenditures which include salaries and benefits, security services, contracted services, fuel and utilities, debt payments, insurance, and other various expenditures. This is the first time that the MPA has spent 100% of its appropriated operating expense budget. Expenditures were up by 6.3%.

FY2023 Net Operating Income:

MPA's operating revenue, expenses and net income resulted in a nearly \$2.1 million increase, even as both revenues and expenses increased.

Discussion:

The Commissioners asked how the Port of Baltimore compares to other ports with revenues and costs. Mr. Miller stated that the best determinant is to compare the tariffs of the MPA with other ports. Commissioner Richardson stated that airports have a metric called a cost per enplanement (CPE) which allows them to determine revenues per boarded passenger. This allows airports to determine rates and charges and enables them to conduct an easy comparison with other airports. He inquired whether a similar metric existed for ports and the cruise industry. Mr. Miller responded that there isn't that type of metric for ports because ports are different, with many variables in ships, commodities, cargo, etc. Ms. Radford added that fees and charges are different per commodity at other ports depending on the commodity and even within the Port of Baltimore which makes it difficult to develop a universal metric.

Secretary Wiedefeld provided the Commission with an update on the status of the Transportation Trust Fund and the current economic outlook for the state.

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

Jennifer Guthrie presented the draft Maryland Port Commission Report to the Legislature which included all comments and updates from the MPC. Ms. Guthrie requested the Commission’s approval on the report.

After no further comments or discussion on the report, Commissioner Richardson moved to approve the MPC Report to the Legislature, and Commissioner Barber seconded the motion. The Commission approved the report unanimously.

Procurement Agency Activity Report (PAAR), John Thornton, General Manager, Procurement

John Thornton, General Manager of Procurement, presented the Procurement Agency Activity Report (PAAR) to the Commission.

Under Maryland State Procurement Regulations, COMAR Title 21, the MPA, through the Maryland Department of Transportation, is required to submit a monthly report to the Board of Public Works on certain procurement actions taken (including contract modifications and renewal options) under delegated authority (generally, greater than \$50,000 but less than \$200,000). This reporting does not include actions taken on contracts for commodities or supplies, for which the MPA has unlimited authority. The MPA is also required to report the cancellation of solicitations which were expected to exceed \$50,000 in value. The BPW compiles the information for each reporting department and then reviews the PAAR report on a periodic basis at a regular public meeting.

This presentation is for reporting purposes only. No votes were taken on the report.

Move into Closed Session

At 9:53a.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 9:53 a.m. until 10:10 a.m. Secretary Wiedefeld and Commissioners Barber, Dandy, McDonald, Richardson, Roberts, and Webb, and MPA staff Krystal Jones (Executive Office) were present for the closed session.

The following topics were discussed in closed session:

State General Provisions Article Citation #	Topics Discussed
§ 3-305(b)(1)(i)(ii)	Executive Search Process

No actions were taken in the closed session. The closed session adjourned at 10:10 a.m.

Adjournment

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