

**SOUTH TANGIPAHOA PARISH PORT COMMISSION
SPECIAL MEETING**

**TUESDAY, JUNE 20, 2023 9:00AM
CITY HALL ANNEX BUILDING 110 W. HICKORY ST., PONCHATOULA, LA**

President Daryl Ferrara called the Special Meeting to order on Tuesday, June 20, 2023 at 9:00AM. The meeting was held at the City Hall Annex Building, located at 110 W. Hickory Street, Ponchatoula, LA.

Administrative Assistant Robyn Pusey gave the invocation. Commissioner Schliegelmeyer, Jr. led the group with the Pledge of Allegiance.

Commissioners Present: Daryl Ferrara, Tina Roper, Timothy DePaula, Jimmy Schliegelmeyer, Jr., Rhonda Sheridan.

Commissioners Absent: William "Bill" Joubert, William Sims

President Ferrara welcomed Paula Sziber with Jackson Vaughn Insurance Agency and thanked her for attending today's meeting.

APPROVAL OF AGENDA

It was moved by Commissioner DePaula and seconded by Commissioner Schliegelmeyer, Jr., that the South Tangipahoa Parish Port Commission approve the Special Meeting Agenda for June 20, 2023, as presented. Motion passed. Yeas: 5 Ferrara, Roper, Schliegelmeyer, Jr., DePaula and Sheridan. Nays: 0 Absent: 2 Joubert, Sims

NEW BUSINESS

None

OLD BUSINESS

1. Insurance coverage/package FY 2023-2024 – update

Executive Director Patrick Dufresne introduced Paula Sziber with Jackson Vaughn Insurance Company. She told the Commissioners that as of this morning "the news is no better than when we last met." Two of the companies she was hopeful for were both Lloyds of London syndicates and both had decided to "pull out" and would not do it. She said she "shifted focus" to LA Citizens, however they require flood insurance for any structure within 100 ft. of a body of water and will only give wind coverage with flood. She said, "Added to the schedule is primary flood, and excess flood, which is tentative, as well as the property and the wind with LA Citizens." Commissioner DePaula noted that the port's property insurance had expired. Ms. Sziber said looking at the first item on the schedule (Recap Premium document) she pointed out that the first line shows property (fire) for \$186,557.00 and said the driver of that premium is the hazardous materials within the building. President Ferrara asked Ms. Sziber about a question from last week's meeting in regard to how the wind is gauged at the Port. She said that was the Parametric Wind policy and was an option that would stand by itself. She said LA Citizens would give full wind coverage with a deductible. Commissioner DePaula said after the last meeting he did some

research and spoke with Ms. Sziber, and he said Moody's used a product called RMS Wind Service, a proprietary wind gauge they sell to insurance companies and looked on the website and found it was a meter that is supposed to be more accurate, but assumed there is no way to tell what it does, unless you purchased the product. Ms. Sziber said this information was not included in the proposal, that it was still on the table, but not on the schedule. Commissioner Roper asked if LA Citizens would give us wind once we add flood and fire. Ms. Sziber said, "Fire is separate from wind." Commissioner DePaula said "You have to have flood with wind." And Ms. Sziber said LA Citizens will not allow us to choose our own denomination for flood, that \$500,000.00 for example would be plenty of flood coverage, however they won't allow it. Commissioner Roper said, "If the reason the property insurance is so high is because of the tenant then we have an issue." President Ferrara said when the time comes, we would go back to tenant with a new lease and assume this will somehow be passed to the tenant. Commissioner Schliegmeyer, Jr. stated there is a lot of liability down there. Commissioner DePaula said it's likely the reason the insurance jumped so high with the chemicals is because the previous insurer didn't ask about incidences. Ms. Sziber said they probably did an inspection 7 - 8 years ago, and whatever was in the building at that time they were not concerned about. She said they also provided the wind coverage, and we had a \$2,500.00 deductible for a very long time. She stated she did not know what the actual pricing for high hazard chemical would have been, and there is no way to know. Commissioner DePaula said "Basically we are stuck with one carrier." Ms. Sziber said that Jackson Vaughn Insurance Company is part of a large conglomerate of agencies and has access to a lot of companies that is very far reaching. Commissioner Roper said "\$400,000.00 is a lot of money", and "it's more than we get on the lease, so we are basically just paying the insurance premium." Ms. Sziber said she could pull warehouse building #2 off the proposal and just insure warehouse building #3, that it would pull the proposal down a little, maybe by half, and that could be an option. A long discussion was had by the Commissioners about what to do, and whether to pay the \$421,477.87 premium. Looking at the schedule, Ms. Sziber told the Commissioners that everything in bold type is still pending. The other information not in bold type was automatically renewed. Commissioner DePaula asked Ms. Sziber if there were any other non-LA Citizens options out there? She said that she was not aware of anything. President Ferrara asked if the tenant (Premier Chemicals/Bayou Diesel) had insurance or was self-insured. Commissioner DePaula and Commissioner Roper wanted to see the declarations page from Premier Chemicals (Bayou Diesel). The declaration page was retrieved from the port office and reviewed by Commissioner DePaula. There were questions regarding coverage. Commissioner Roper suggested we get a copy of the actual policy for further review, and Executive Director Patrick Dufresne said that he would take care of that request.

Commissioner DePaula said we need to figure out some creative ways to insure this property, look and see what else can be done, and if there are other options. Ms. Sziber said that she will be looking "constantly" for any possibilities and every 3 months will make phone calls and see if anything changes. She also offered to attend the meetings quarterly to update the commission with any information she may receive.

After much discussion among the Commissioners, it was agreed to proceed with inland marine and self-insure everything else, as there is money to do this. It was stated, "Self-insurance is a much better financial option this year."

Ms. Sziber confirmed that they will process the inland marine policy and everything else would be self-insured. She told the Commissioners to let her know if there were any other questions and left the meeting.

A motion was made by Commissioner DePaula and seconded by Commissioner Roper not to bind LA Citizens with the primary and excess flood insurance and approve only the Inland Marine at this time. President Ferrara asked for a roll call vote. Ferrara – Yes; Roper – Yes; Schliegmeyer, Jr. – Yes; DePaula – Yes; Sheridan – Yes. Nays: 0 Absent: Joubert; Sims

Additional discussion was had after Ms. Sziber left the meeting regarding the pollution policy, which is different from the policies discussed during the meeting today. The Commissioners agreed they must figure out another option for finding insurance for the port. Commissioner DePaula asked if there is a possibility of finding another broker besides Jackson Vaughn, and wondered if that was an option? In general, there were no complaints about Ms. Sziber or the Jackson Vaughn Insurance Agency, however the Commissioners agreed that looking at another insurance broker might give a definite answer as to whether there is something else out there or not. Executive Director Patrick Dufresne said the only issue is that Jackson Vaughn was chosen from an advertisement as our insurance provider for a 3-year period, and we are in the 3rd year. Also, he said in the past some of the brokers wanted a consulting fee before discussing anything. Commissioner DePaula said he thought we should call other insurance brokers to look for fire and wind. Commissioner Roper said the Executive Director should call a couple of brokers to ask questions. Commissioner DePaula suggested calling a few companies including Northlake Insurance Group, and asked if this can be done informally. It was agreed that it could be done informally.

Remarks:

Executive Director Patrick Dufresne thanked everyone for attending today. Having no further business, a motion for adjournment was made by Commissioner Schliegmeyer, Jr. and seconded by Commissioner Roper. Motion passed. Yeas: 5 Ferrara, Roper, Schliegmeyer, Jr., DePaula, Sheridan. Nays: 0 Absent: 2 Joubert, Sims

The meeting was adjourned at 10:00 a.m.

Tina Roper, Secretary STPPC

Daryl Ferrara, President STPPC