

# ***West Calcasieu Port Board Meeting Minutes***

March 1, 2016

## **I. Call to order**

President Dick Kennison called to order the regular meeting of the West Calcasieu Port at approximately 3:00 p.m. on March 1, 2016, at West Calcasieu Port, 200 Old Ferry Road, Sulphur, Louisiana.

## **II. Invocation**

Wilmer Dugas led the invocation.

## **III. Pledge of Allegiance**

Pledge led by Scott Foreman and recited by all board members and guests.

## **IV. Roll call**

Darla Perry conducted a roll call. The following persons were present:

- ✓ Dick Kennison
- ✓ Wilmer Dugas
- ✓ Dave Aguillard
- ✓ Scott Foreman

(Tim Dougherty was absent from the meeting.)

(Others also present at the meeting were: Lynn Hohensee, Darla Perry, Glen James, Mayor Chris Duncan, Chuck Stutes and Sheila Burton.)

## **V. Approval of minutes of the February 2, 2016 regular monthly meeting**

President Dick Kennison entertained a motion to approve the minutes of the February 2, 2016 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the February 2, 2016 regular monthly meeting, 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carried.

## **VI. Discuss and take action on Nash Fence gate contract**

Darla Perry commented that she is totally disappointed on what has been spent on the security gate. Darla reminded the Board the first bill from Nash last year was \$6,688. The 6-month contract following provided that Nash goes out every 2 months to check mechanical workings and computer system. The cost of the 6-month contract was an additional \$4,150. Last month Nash charged another \$1,800 to train some of the Devall employees and redo the key cards. Darla said she received another bill last week in the amount of \$995 for a hand-held radio unit that needed to be replaced.

Darla stated that the new annual contract is up for renewal. The contract amount is \$6,300 plus the charges when they come out to train or do new cards. Darla recommended calling as needed and pay the \$50 per hour rate for whatever service is needed. Scott Foreman asked what it covers when it's under contract. Darla said she brought the contract for Board members to review. Darla said she also requested 2 bids for proposals on a whole new gate because it is below bid amount. There was further discussion regarding the gate.

Wilmer Dugas made a motion not to renew the contract with Nash Fence and to only call them on an as-needed basis and pay the \$50 per hour rate for whatever service is needed. The motion was 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carried.

## **VII. Discuss and take action on approving submission of amended Port Priority application**

Port Director Lynn Hohensee reminded the Board that back in 2014 they submitted a port priority funding request for funding for the maintenance dredging of the barge basin, and last year it was approved. Lynn said last fall he started inquiring about certain grants that could help the Port do the construction of a new road entrance into the port. Lynn stated the people on the port priority funding team came to him voluntarily and said to attach the construction project for building a new road onto the currently-approved project for maintenance dredging of the barge basin. Lynn reported that due to the hard work of Chuck Stutes and Darla Perry, along with the meeting they had with DOTD a couple weeks ago, the port priority funding people now have a packet on the new road. Lynn feels it will go through, and then the Port will have funding for 2 projects instead of 1.

President Dick Kennison mentioned also the possible funding from the Homeland Security grant. Lynn stated he met with Peetey Wade in late February, and they are moving forward on the funding efforts. Lynn said he hopes to meet back with Mr. Wade within the week to find out more details of the progress being made.

President Kennison asked how the Port stands as far as funding their share of the project(s). Darla Perry said they can handle it. Chuck Stutes stated the DOTD require a very detailed application. Darla said that the application is being hand-delivered as she speaks. Chuck announced that the application is actually already there, that it arrived before lunch today. Chuck stated today was the due date. Chuck briefly explained the information contained in the application. Chuck said he feels there should be no problem getting approval. There was a brief discussion regarding the application.

Darla explained DOTD requires you to have a greater than 1 dollar return on their money, and they prefer 5 or greater. Darla said the Port's benefit to cost ratio was 32 to 1. Darla stated she was very conservative on her numbers and didn't use all of the number of employees. Darla reported that Cemex now has 25 people on employee payroll at the port. Darla said S.T.A.R. now has 10 employees at the port, but she only used 5. Darla reported that all of the tenants are growing.

Chuck stated that if this goes through as projected, DOTD will be paying 76 cents on every dollar, and the Port will be paying 24 cents. Chuck said the only negative in the deal is that because the program is so backed up because it is under-funded, the moneys probably won't be available for about 5 years. Chuck stated that that is the reason they met with Jay Delafield, so that they could do some bonding for interim financing for a 5-year period and afford to move forward on the project. There was a brief discussion regarding the bond funding and DOTD requirements on bidding. There was a brief discussion regarding the project and funding.

Wilmer Dugas made a motion to approve submission of amended Port Priority application, 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carried.

### **VIII. Amendments, additions and deletions to the proposed agenda**

Darla Perry asked about the sales tax issue. President Dick Kennison stated that he and Glen James felt like it would be easier and quicker to email all of the Representatives. President Kennison said he sent emails to Danahay, Johns, Abraham, Dwight and Morrish. President Kennison stated that the emails are requesting the same exemption for all entities regarding the sales tax or no exemption on all entities on the sales tax. Darla Perry further detailed how the current sales tax exemption is set up regarding the port. There was further discussion regarding the sales tax issue.

There were no amendments, additions or deletions to the proposed agenda.

### **IX. Committee Reports**

Port Director Lynn Hohensee informed the Board that the Tenant Committee met last week to handle a request submitted by River Barge Works. Lynn explained the issues River Barge Works is having regarding barge delivery to the port. Lynn stated Mike Boise is asking to be relocated to another part of the port. Lynn said the Tenant Committee is offering two alternatives to the relocation request: first is moving to the far west of the new Tubal-Cain property; second is moving to the east of Orion Marine Group. Lynn stated he emailed the Committee's response to River Barge Works, and he has not yet received a response. Lynn said he also informed Mike Boise that in the event that they go to a parallel park of barges, there will be a fee per linear foot on the parallel parking along the property of the Intracoastal at a cost of \$10 per linear foot per line. Plus, if 1 or 2 acres are leased per month, that will be \$1500 a month per acre. Mike Boise told Lynn they do have enough business to stay in the area.

President Dick Kennison asked the Board to go into Executive Session because he has some information that needs to be discussed regarding this issue off the record. Wilmer

Dugas made a motion to go into Executive Session, 2<sup>nd</sup> by Dave Aguillard. No opposition. Motion carried. Executive Session began at approximately 3:24 p.m.

Wilmer Dugas made a motion to come out of Executive Session, 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carried. Executive Session ended at approximately 3:34 p.m.

Wilmer Dugas asked that the Port President and the Tenant Committee meet with the Walker family in regards to the 400 linear feet of property across from the Port property to see if an agreement can be made on behalf of the West Calcasieu Port. The motion was 2<sup>nd</sup> by Dave Aguillard. No opposition. Motion carried.

## **X. Port Director Report**

*{NOTE: The following report is a copy of the original sent out by Lynn Hohensee.}*

*{NOTE: Port Director Lynn Hohensee showed the Board the rough layout of the design for the new port brochure. Lynn said after some final changes are made, O'Carroll Group will do a camera-ready mock-up, and then Southwest Economic Development Alliance will provide a grant to print the brochures.}*

*Lynn announced the dumpster that was at the USES building is now gone. Lynn thanked Darla Perry and Chuck Stutes for working with the State Facility Planning department making sure everything was in order in using the funds for the upcoming bulkheading project.*

*Lynn told the Board he will be having hip replacement surgery in two weeks. There was a brief discussion regarding Lynn's surgery.}*

### **Marketing/Business Development/Retention –**

- The port director continues to meet with Devall Towing and the Port of Vinton re: early discussions for possible movement of construction soil by barge from western Calcasieu and Cameron Parishes to industrial sites planned or under construction on the Calcasieu River Waterway. The WCP would play an instrumental role in the movement of dirt by barge.
- Met with Peetey Wade, GHD Consultants re: progress of funding efforts for the port to receive federal Homeland Security grant.
- Met with Chamber/SWLA consultant re: position in regional history coffee table book.
- Met with Mike Boise, River Barge Works, re: tenant desire to relocate on port property. As a result of the meeting, the port tenant committee met and determined that the property that RBW was interested in would not be available, but the port did offer to alternatives.

### **Port Operations –**

- Port director, port CPA and port engineer met with DOTD team in Baton Rouge to fine tune application for Port Priority Funding that would add the construction of the port's new entrance roadway to the existing application for maintenance dredging, which has been approved.
- Port bond attorney continues to move forward with effort to obtain additional bonding dollars for the port.
- Port director, port CPA and port engineer met with state officials to fine tune documentation for the port's use of capital outlay dollars.
- Advertising for bids was made for the replacement of bulkhead along the Devall Diesel Building area.
- Tubal-Cain efforts to move forward with wetland delineation documentation with the USA Corps of Engineers.

- S.T.A.R. Concrete Pumping Company continues to work on plans for improving exterior driveways.
- Port engineer continues to work with barge loading ramp manufacturer, Orion Marine Group (ramp installer) and Devall Towing to initiate upgrades to the equipment.
- Tubal-Cain continues to make improvements on the old Devall Diesel Building and is moving forward with site improvements west of the west barge basin.
- T-C representatives, Entergy officials and the port engineer and port director met in a continuing effort to develop a path forward to bring 3 phase electrical power to the western portion of the port.

#### **Professional Organizations & Networking –**

- In February, the WCP director (and/or board members) represented the port at:
  - a. SWLA economic development meetings (2 – meet with LED Secretary and meeting to initial I-10 grassroots movement)
  - b. PAL board meeting
  - c. West Cal Chamber/Commerce monthly meeting
  - d. LCIA quarterly luncheon meeting (Region IV)
  - e. BV board meeting
  - f. Chamber/SWLA Business after Hours
  - g. Presentation made to the L.C. Kiwanis

#### **News Media & Community Relations–**

- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

Wilmer Dugas made a motion to accept the Port Director’s Report as presented, 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carried.

### **XI. Announcements/Reports (Legal, Financial, Engineer)**

**LEGAL:** Glen James reported he still does not have a written lease in place for S.T.A.R. Concrete or Tubal-Cain. Glen said Tubal-Cain has responded with some amendments they would like to see in the lease. Glen said the only one that concerned him was changing the language under the restrictions under the lease.

Glen said the lease states, “Tenant shall not use the premises for any (hazardous) purpose.” Glen said they want to change the word “hazardous” to “unlawful.” Glen said he understands they are dealing with hazardous materials and will be complying with all laws regarding that. So he is okay with that language.

Glen further said the lease states, “Tenant shall not permit any objectionable odors to emanate from the premises.” Glen stated they want to take that sentence out entirely.

Glen read on the following clause, “Tenant shall not do anything to knowingly commit anything to be done in or about the premises in any way constituting a nuisance to any current tenant or the occupancy of the landlord’s property on which the premises is located or the adjacent waterways and/or neighbors.” Glen said they want to take out some language that references “neighbors.” Glen said he questions what they will be doing that would make them need to take out the word “neighbors.” There was a brief discussion regarding the wording of the lease.

President Kennison suggested Lynn speaking with Eddie Van Huis and working with Glen on the verbiage of the lease to come up with something agreeable for both sides.

Glen also mentioned how Tubal-Cain wants the Devall Diesel Building for a period of time. Glen said they originally talked about it being 9 months to possibly a year, and now they are asking to have use of the building for a period not to exceed 2 years and then adding “unless extension is reasonably requested in writing by tenant, based on circumstances and existing at such time.” There was further discussion regarding the wording of the lease. President Dick Kennison suggested the wording to say, “for a period of up to two years,” but to also add something about possibly sharing the building if another tenant wanted the building during that same time. There was continued discussion regarding the wording of the lease.

President Kennison suggested allowing Tubal-Cain to use the Devall Diesel Building for up to 18 months and then after that time they will be charged \$4,000 per month on a month-to-month basis. President Kennison asked Glen if he needed a motion or if his suggestion on the wording of the lease was good enough. Mr. James said his suggestion was good enough.

**ENGINEER:** Chuck Stutes reported that since the last meeting, he did receive formal authorization from the Office of Facility Planning & Control to go ahead and advertise and receive bids on the proposed rehabilitation of the existing bulkhead. Chuck said they have since advertised, and they are receiving bids on March 16<sup>th</sup>. President Kennison asked how much linear footage is being discussed. Chuck answered 300 feet immediately adjacent to the Devall Diesel Building. Chuck said they have had a half dozen people pick up plans and specs, so there’s quite a bit of interest. Chuck said bids will be opened at 10:00 o’clock at the offices of Meyer & Associates on Wednesday, March 16<sup>th</sup>; and it has to be a public meeting.

Chuck gave an update on capital outlay. Chuck said they have heard they are not going to entertain any new projects this year; but they will be looking at old priority 1 and priority 5 projects that are unfunded. Chuck stated that is actually good for the Port because it is on the list of current priority 1 and priority 5 projects. One of the Port projects on the list consists of a new bulkhead along the Gulf Intracoastal Waterway; and there is a cooperative endeavor agreement with the State on the project in which 200,000 is now available in cash and \$1.8 million is available and not cash. Chuck stated that if it were to happen, the Port’s share would be \$666,667. Chuck said he will know about the bonds from Jay Delafield around April and will know about the capital outlay in June. Chuck said they will also know about the DOTD projects officially in March or April. Chuck stated it may look like the Port could get anywhere from 2 to 4 million dollars from a combination of port priority and capital outlay.

**FINANCIAL:** Darla Perry said she has the old revenue bonds ready to pay and needs the check signed. The amount is \$99,752. Darla said it is paid once a year, but it is funded every month. Darla asked Chuck how soon the contract could be awarded for the bulkhead project. Chuck answered it depends on the timing on the approval of all of the information gathered on the project, and they may or may not need a special meeting toward the end of the month.

Darla reported she is renewing the general liability insurance, and they are asking about the linear footage on the waterfront. Darla asked Chuck to help her on that information. President Kennison asked Darla if she received an answer on the insurance rate. Darla answered they are re-quoting another one, and they had not shopped it. Darla said the increase was 23% on one of the insurances, and they are now going to shop it.

Darla reported she met with the appraiser Jack Bass on the little building. Darla said if it is a decent appraisal, it can be addressed at the next special meeting. Darla said Mr. Johnny Dronette cut the grass today, but she has others coming in to give proposals on maintenance and grass cutting. Darla stated that K-Jon will be coming out tomorrow to address the sewer issue at the Rhodes property that the Port purchased. Darla said K-Jon plans to vacuum the hole and dig 2 feet below grade and will send the report to the Department of Health with a certificate. Darla stated the price on it will be \$1200. Darla said she gave them authority to come and do the work.

Darla reported the Devall rents are down due to some of the barges parking across from the port, plus the oil and gas industry being down. Lynn Hohensee reported that in the last 5 days their numbers have been up in the 80s again. Lynn said in January they were in the 60s and 70s. So they are starting to climb back up. Darla reported the rents from other tenants total \$35,000 per month, plus water. Barge days for January were 1,735. Darla stated Devall implemented a new accounting system in January, and they missed capturing some of the barge days. Darla said the 500 to 600 days missed will be included in February. Darla reported the ramp year to date is still running under. Darla said she hopes someone will come out to lower the ramp or add a piece to it to help the ramp issue. Darla reported the net cash flow for the month was \$79,467. Darla said that includes 2 payments from Orion. Darla also reported that the utility (water) revenue for January was \$4,674. Darla said she needs either Dick Kennison or Wilmer Dugas to go to First Federal in the next day or two to do a transfer of funds of the bond money. Darla said they might have to do a new newspaper since Southwest Daily was bought out by American Press. Mayor Chris Duncan said the deal hasn't been finalized yet with Southwest Daily News and American Press.

Wilmer Dugas made a motion to accept the financial report as presented, 2<sup>nd</sup> by Dave Aguiard. No opposition. Motion carried.

## **XII. Executive Session**

Executive Session was held earlier in the meeting.

## **XIII. Public Comments**

Mayor Chris Duncan stated he didn't see where the oil and gas industry slump has really affected the Port, which is a good thing. Mayor Duncan said they are watching the oil prices closely.

**XIV. Adjournment**

President Dick Kennison adjourned the meeting at approximately 4:13 p.m.

President 

Secretary 