

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

August 11, 2015

## **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 August 11, 2015, at the offices West Calcasieu Port, 311 Gross Road, Sulphur, Louisiana.

## **II. Invocation**

Wilmer Dugas led the invocation.

## **III. Pledge of Allegiance**

Pledge led by Francis Andrepont and recited by all board members and guests.

## **IV. Roll call**

Secretary Tim Dougherty conducted a roll call. The following persons were present:

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

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

## **V. Approval of minutes of the July 7, 2015 regular monthly meeting**

President Dick Kennison entertained a motion to approve the minutes of the July 7, 2015 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the July 7, 2015 regular monthly meeting, 2<sup>nd</sup> by Dave Aguillard. No opposition. Motion carried.

**VI. Amendments, additions and deletions to the proposed agenda**

Darla Perry requested adding to the agenda a resolution to adopt the Louisiana Compliance Questionnaire for the West Calcasieu Port audit for the fiscal year ending June 30, 2015, as presented. Darla stated it is a new requirement by the Legislative Auditor. President Dick Kennison suggested adding the item as VI(a). There was no opposition to the addition to the agenda.

**VI(a). Resolution to Adopt the Louisiana Compliance Questionnaire for the West Calcasieu Port audit for the fiscal year ending June 30, 2015, as presented**

Wilmer Dugas made a motion for a resolution to adopt the Louisiana Compliance Questionnaire for the West Calcasieu Port audit for the fiscal year ending June 30, 2015, as presented; 2<sup>nd</sup> by Dave Aguillard. No opposition. Motion carried.

**VII. Discuss and take action on tenant lease**

Port Director Lynn Hohensee reminded the Board of Star Concrete Pumping Company's visits to the port and told the Board that Star would like to lease the former USES building for a lease amount of \$3,000 per month for the first year; \$3500 for the second and third years of a three-year lease. Lynn said there would be a series of extension options beyond that. Lynn said it is Star's intent to be at the port for at least ten (10) years. Lynn stated Star would need to make some improvements and structural changes to the building. Right now the building has 12-foot rollup doors, and Star will need 14-foot rollup doors. Lynn said Star is working with an overhead door company in Sulphur to see if that is feasible. Lynn told the Board that Star intends to use the same footprint on the leased space of land as USES had on their plot. Lynn said USES's plot can be used for the lease agreement draft with Star.

Lynn stated that once Star continues to increase the number of vehicles in their fleet, they feel they will need more space and would be interested in leasing the Tresco fenced-in two acres for additional leasing space. Lynn said something he feels needs to be written into the lease agreement with Star is on the subsequent one-year options, the lease fee will be based on consumer price index. Darla Perry stated they will add the security deposit. Darla asked Lynn if Star would be paying for the rollup doors. Lynn answered that all improvements will be paid for by Star.

Dave Aguillard made a motion to authorize Port Director Lynn Hohensee, on behalf of West Cal Port, to enter into a lease agreement with Star Concrete Pumping Company; 2<sup>nd</sup> by Tim Dougherty. No opposition. Motion carried.

**VIII. Discuss and take action/ratification capital acquisitions (consider Executive Session)**

Darla Perry said when the Board had their June 2, 2015 meeting, on Article IX, the Board voted to give the Tenant Committee negotiation power up to 1.5 million for the Rhodes property. Darla stated the Tenant Committee and polling of the Board members negotiated to 1,550,000. Darla said she just wanted to make sure the difference in pricing was covered. There was discussion about the negotiated price of the Rhodes

property. Glen James told the Board that he feels certain the negotiated price for the Rhodes property was 1.5 million, and Port Director Lynn Hohensee agreed. Darla suggested calling a special meeting if the price turns out to be a different amount than what was stated. There was further discussion about the acquisition of the Rhodes property. Glen James said the purchase has already been approved and the Port signed a contract with the owners based on the approval and now it is moving forward to the close of the sale. Darla said they are waiting for the Phase 1 study from the State, a title opinion, and the contract. Chuck Stutes mentioned that Mr. Martinez retired, so there will be a new project manager.

## **IX. Committee Reports**

No Committee Reports at this time.

## **X. Port Director Report**

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

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

- The West Calcasieu Port has agreed in principle to purchase 11.5 acres of property adjacent to the port's footprint from the Rhodes Group, contingent on certain stipulations including approval of the State of Louisiana, since Capital Outlay funding support is being used.
- The WCP has released USES from its current lease agreement which expires in March 2016 and has been actively marketing the building and adjacent property.
- The WCP received word from TRESKO that they are ceasing operations at the port since the company's business partner in the wet barge cleaning/stripping venture – USES – has closed its operations at the port. TRESKO will continue to honor its lease agreement with the port and pay its monthly lease fee until the agreement expires in March 2016 or until the two-acre TRESKO leased property is leased to a new or existing tenant.
- The port board is being asked to approve a lease agreement with a new tenant that desires to begin leasing the old USES Building in October for an initial three years.
- The WCP continues to discuss with Devall Towing the company's use of the port's Gulf Intracoastal Waterway shoreline property west of the west barge basin for additional barge fleeting operations.
- Efforts to lease the Devall Diesel Building to USES and Magnolia Fleeting have not proven fruitful. The port continues to market the building.
- Met with new local manager for Baton Rouge-based Fenstermaker Engineering.
- Work continues on a revised reprint of the West Calcasieu Port brochure. New aerial and land photos will be inserted. Cost of the reprinting will be covered by the SWLA EDA.
- Efforts will begin shortly to work with a new webmaster to redesign/upgrade the port's website.

### **Port Operations –**

- Repairs were made to the port's barge loading ramp as the result of tenant teamwork by Devall Towing and Orion Marine Group.
- River Barge Works will be relocating its crane that has been located at the port later this month. RBW has run into problems in working out a stabilizing system for the crane on a barge.
- Six-month contract with Nash Fence Company for maintenance service on the port gate and card reader equipment will become effective on Aug. 15, 2015. . Permitting/engineering continues for the replacement of bulkhead along the Devall Diesel Building area. Port engineer estimates that the port will be ready to go out for bids this fall.
- Port engineer continues to work with barge loading ramp manufacturer, Orion Marine Group (ramp installer) and Devall Towing to initiate upgrades to the equipment.

## Professional Organizations & Networking –

- In July, the WCP director (and/or board members) represented the port at:
  - a. July PAL board meeting
  - b. August PAL board reception
  - c. Chamber/SWLA Business after Hours
  - d. BV board meeting

## News Media & Community Relations–

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

*{NOTE: Port Director Lynn Hohensee stated he has been in discussions with the Devalls, and plans are in place for the October 6 meeting to be conducted at the Devall offices with the annual steak dinner to follow. Lynn said there is a company out of Channelview, Texas that he is looking at to potentially become a tenant at the port. This company could bring barge repair, dry docking and barge construction operations to the port. Lynn said the Rhodes property would be a good place to develop the new tenant opportunity.}*

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

**FINANCIAL:** Darla Perry reported the barge days for the fiscal year July 2014 to June 2015 was nearly 4,000 more barge days. Ramp revenue ended up being \$6,400 less than the prior year. There was a brief discussion regarding the ramp. Darla said the cash flow for the month of June wasn't big since the Devall payment was not deposited in June. Darla said the payment came in in July. Darla said she will have to pay USES some money back due to the security deposit and the first month advance payment.

President Dick Kennison asked if June would be the last month for rent payments from Tresco, USES and Tauber. Darla answered that Tresco is still paying and USES paid again in July. There was further discussion about the various tenants and their lease amounts. Port Director Lynn Hohensee asked Darla if she had an estimate as to how the Port did for the fiscal year ending June 2015. Darla reported the total revenue from Devall last year totaled \$635,234. With the other revenue added, Darla estimated the total for the port last year is close to \$1 million. President Dick Kennison asked Darla to let him know what the revenue stream needs to be on a monthly basis once the deal goes through with the Rhodes property and drawing down from the State money to satisfy the monthly debt service. Darla agreed.

**LEGAL:** There was no legal report at this time.

**ENGINEER:** Chuck Stutes said he has been trying to get together with the ramp company out of Houston on the ramp issues. Chuck said he believes September 1<sup>st</sup> they will have a meeting to discuss the ramp issues, and hopefully some of the issues will get resolved.

Lynn asked if there was any more news on when bids can go out. Chuck said it will be this fall, and they are progressing on the project. Chuck said he is working with a couple of contractors to wrap up the plans.

**XII. Executive Session**

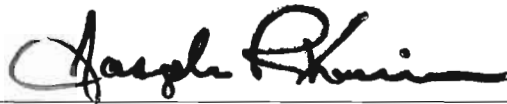
There was no executive session at this time.

**XIII. Public Comments**

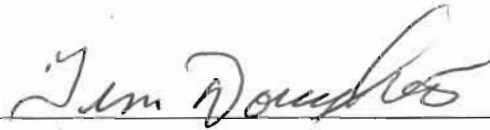
No public comments were made.

**XIV. Adjournment**

President Dick Kennison adjourned the meeting at approximately 3:25 p.m.



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President



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Secretary