

West Calcasieu Port Board Meeting Minutes

January 7, 2014

I. Call to order

President Dick Kennison called to order the regular meeting of the West Calcasieu Port at approximately 3:02 p.m. on January 7, 2014, 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 Dave Aguillard and recited by all board members and guests.

IV. Roll call

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

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

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

V. Approval of minutes of the December 3, 2013 regular monthly meeting

President Dick Kennison asked to entertain a motion to suspend the rules so the Board can waive approval of the December 3, 2013 regular monthly minutes. Dave Aguillard makes a motion to suspend the rules so the Board can waive approval of the December 3, 2013 regular monthly minutes, 2nd by Wilmer Dugas. No opposition. Motion carries.

VI. Establish Date/Time for Special Meeting to approve bids on Ramp Roadway

Chuck Stutes stated they have a bid opening on the road Friday at 10:00 a.m. at Meyer & Associates. Chuck said board members are welcome, but they do not have to be present.

There will, however, need to be a special meeting the following week with the Board to approve the bids because they do not want to wait a month to get the approval. The Board discussed meeting Monday, January 13, at 8:00 a.m. at Meyer & Associates.

VII. Amendments, additions and deletions to the proposed agenda

There were no amendments, additions nor deletions to the proposed agenda.

VIII. Committee Reports

Lynn asked to waive the committee report at this time so that Chris Funk could give his audit report early. President Dick Kennison adds Item VIII(a) for the Audit Report.

VIII(a). Audit Report

Chris Funk with McMullen & Mancuso introduced himself to the Board and explained that his company prepared the annual audit for the Port. Chris said he had already met with Glen James and Darla Perry at the end of December but he wanted to come to the January meeting to go through the report with the Board members. Chris stated the report has been filed with the legislative auditor. It was a good report, and all of the filing deadlines have been met. Chris reported it is an unmodified opinion, which is the highest level of opinion. At this time Chris went through different items of the report with the Board to explain their findings. Chris reported the Port is in a strong net position and it was a good audit; however, there was one compliance issue dealing with the bond that was issued to the Port. Chris said he met with Darla and got the issue resolved. Chris praised Darla and her office for the work they do in keeping the financial reports of the Port. Wilmer Dugas also congratulated Darla for the work she does for the Port. Tim Dougherty makes a motion to accept the audit report as presented, 2nd by Dave Aguillard. No opposition. Motion carries.

Lynn Hohensee reported that the Tenant Committee has met to discuss two issues. The first issue is the opportunity for the Port to gain additional business with Dr. Rhodes and his investment group. Their interest is to retrofit the Isle of Capris casino barge into living quarters for construction workers or a management office. They also may have the opportunity where they can sell the barge as-is overseas. Lynn said the barge is currently being housed at a scrap iron place north of I-10 on the river. Lynn stated there has been correspondence back and forth between himself and J. D. Hankins. One thing the investment group is proposing is to have Dr. Rhodes purchase the property next to the Port property and then sell the property to the Port and then, in return, Dr. Rhodes would have access to the barge being in the barge basin up to a year to retrofit the vessel. Lynn said he is still speaking with the investment group about the issue, so the Board does not need to take any action at this time.

The second issue Lynn addressed was discussions he has had concerning Orion Marine Group wanting to extend their lease agreement with the port. Lynn gave a brief history of the lease agreement Orion has had with the port. Orion is requesting a decrease on the

\$10,000 per month lease they now have in exchange for a multi-year extension on the lease. Lynn said he told them the Tenant Committee would agree that, instead, they would be willing to keep the lease agreement at the same price of \$10,000 per month that they have had for the last 5 years without an increase in the rate for “x” number of years and then beyond that increase it at only what the cost of living index would indicate. Orion is still requesting a decrease in their rate. Lynn told them he would bring it to the Board for discussion. The Board further discussed their opinions on the rate increase.

IX. Port Director Report

[NOTE: The following report is a copy of the original sent out by Lynn Hohensee.]

Marketing/Business Development –

- Port Director continues to work with the corporate real estate executive for Orion Marine Group in advance of negotiations of an extension to the OMG lease agreement with the port which expires in 2014. The port board tenant committee has met to consider a request for proposal (RFP) submitted on behalf of OMG and a reply was returned to the OMG corporate real estate executive. A meeting will be held to advance the process in January.
- The port board’s tenant committee also reviewed a proposal from a local investor group interested in using the WCP as a base to retrofit a barge to accommodate lodging facilities. A response from the tenant committee with request for further information was sent to the investor group. The committee is awaiting a reply.
- The port continues to actively market the Devall Diesel Building to local prospects.
- 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.

Port Operations –

- The port engineer continues to work with Devall Towing and contractors to move forward on the installation of a new barge-loading ramp to replace the old ramp. Assembly of the ramp is scheduled for the end of the second week of January.
- The port engineer also has advertised for bids and has received bids re: work to be done in constructing a new hard-surfaced road to the planned loading ramp. Opening of bids is scheduled for Jan. 10.
- Issues are being addressed to assure that U.S. Fence/Gate honor its obligation for post-installation service for the port’s main security gate. Electrical outages have caused problems with the backup battery system.

Professional Organizations & Networking –

- The WCP director represented the port at:
 - a. Ports Association of Louisiana board meeting
 - b. Calcasieu River Waterway Harbor Safety Committee meeting
 - c. Propeller Club meeting
 - d. PetroChem board meetings
 - e. Boys Village board meeting

News Media & Community Relations–

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

X. Announcements/Reports (Legal, Financial, Engineer)

LEGAL: Glen James asked if the gate issue has been resolved. Chuck Stutes said the majority of the issues have been resolved; however, a new problem has come up with the card reader. Chuck said they have notified the gate company, and they are supposed to take care of it. Glen said he had written a letter to the gate company and also spoke with the president of the company and was assured that the problems would be taken care of immediately. Chuck said they took care of all of the outstanding issues at that time, but now there is a new issue.

FINANCIAL: Darla Perry gave the financial report. Barge days for July through November were 16,759. Darla stated that is nearly 3,000 barge days ahead of the year prior. Ramp revenue is at 22, 850 for the first 5 months, which is lagging about 6,000. Darla said she expects the revenue to increase once the new ramp is ready. Darla reported there was a positive cash flow for \$119,000. Darla said she will be sending out 1099s next week, and she has filed several reports already for end of year.

ENGINEER: Chuck reported on the Barge Ramp Project. Chuck said they are receiving bids on the roadway portion this Friday at 10:00 a.m. at his office. The actual ramp itself was delivered to the port this week. The ramp is being placed either today or tomorrow. Installation should be done by the end of the week. Dick Kennison asked how long it will be before it is operational. Chuck said it depends on whether they want to wait on the new roadway. If they want to start before the roadway is done, it could be a few weeks. Roadway construction should be finished in February or March at the latest. Lynn Hohensee said that various media outlets will be at the port 1:00 p.m. Friday for a photo day for the construction project.

XI. Public Comments

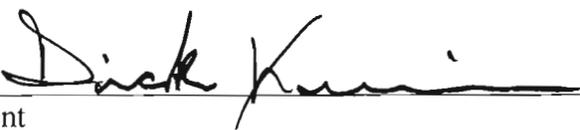
Lynn mentioned for the next board meeting the Board may want to look at taking action on what to do with the old loading ramp. Darla said there will need to be a surplus resolution. Lynn said he believes the Devalls may be interested in taking it. Dick Kennison asked Glen James if they needed to get an opinion on the issue. Glen said he would look into it. There was further discussion about the old loading ramp.

Francis Andrepont congratulated the Board for doing a great job. Dick Kennison set the date for the next board meeting as February 4, 2014, at 3:00 p.m. and reminded the Board of the meeting Monday, 8:00 a.m. at Meyer & Associates.

Wilmer Dugas apologized to the Board and guests for not recognizing the passing of Mr. Gene Sonier during the invocation. Wilmer acknowledged Mr. Sonier as the port president of Vinton. Lynn announced there will be a memorial service for Mr. Sonier on January 18, 10:00 a.m., in Vinton. Lynn said he has heard from a number of port directors and PAL officials from across the state that will be attending.

XII. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:39 p.m.



President



Secretary