

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

February 2, 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 February 2, 2016, at West Calcasieu Port, 200 Old Ferry Road, Sulphur, Louisiana.

## **II. Invocation**

Tim Dougherty led the invocation.

## **III. Pledge of Allegiance**

Pledge led by Chuck Stutes 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, Darla Perry, Chuck Stutes, Glen James, Jay Delafield and Sheila Burton.)

## **V. Approval of minutes of the January 5, 2016 regular monthly meeting**

President Dick Kennison entertained a motion to approve the minutes of the January 5, 2016 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the January 5, 2016 regular monthly meeting, 2<sup>nd</sup> by Dave Aguillard. No opposition. Motion carried.

## **VI. Discuss and take action on additional Revenue Bond Issuance**

Jay Delafield reminded the Board of the bonds issued in 2012 and how the Louisiana State Bond Commission approved a transaction for the Port of \$3,500,000 in September of 2012. Mr. Delafield stated that subsequent to that approval, the Port was issued \$1 million in bonds for some improvements by way of bulkheading. Mr. Delafield told the Board the bonds issued in 2012 were only good for 3 years and have since expired, so the Port will need to start the process again. Mr. Delafield said he went to lunch with Darla Perry, Chuck Stutes and Lynn Hohensee a week ago; and they discussed an additional approval of revenue bonds not to exceed \$5 million at a rate not to exceed 5% and a term not to exceed 5 years, along with adding some additional items that could be utilized by way of authorization of the bonds: (i) acquisition of additional land adjacent to the existing facilities and/or adjacent to the Intracoastal; (ii) construction and improvements to the existing bulkhead areas; (iii) construction of new bulkhead areas; (iv) construction of roads within the Issuer's property along the Intracoastal; (v) maintenance dredging.

The Board further discussed the bond issuance with Mr. Delafield, along with the interest rate. Mr. Delafield said that even though the resolution states a rate not to exceed 5%, he does not anticipate a rate much above 2 ½ %. There was further discussion regarding the bond issuance. Chuck Stutes asked Mr. Delafield how long the approval process will take. Mr. Delafield answered probably 60 days. Lynn said Mr. Delafield will need approval from the Board first, and Mr. Delafield agreed. Darla Perry asked what the Port's fee will be on just the approval, and Mr. Delafield answered \$100. Wilmer Dugas asked what Mr. Delafield's fee would be. Mr. Delafield stated he only gets paid if the bonds are issued. If the bonds aren't issued, he doesn't get paid.

Chuck confirmed that this is just to get approval to be able to sell the bonds. President Dick Kennison explained that what the Port would be doing would be to access themselves a line of credit with the bonds. Darla and Mr. Delafield agreed. Darla added that when the Port gets grants or funding, then the Port would pay itself back for what was paid on the bond. Mr. Delafield stated that once the Port gets approval, it is good for 3 years and good for the maximum amount. There was further discussion regarding the bonding. Darla Perry stated the Port can definitely afford the bond payment amortization.

Wilmer Dugas made a motion for a resolution authorizing the West Calcasieu Port to proceed with development of a project for acquisition and establishment of additions to and improvements of the dock and wharf facilities within and for the issuer, involving issuance of not exceeding \$5,000,000 revenue bonds, to be issued as taxable or tax-exempt bonds in a single or multiple series, and authorizing application to the Louisiana State Bond Commission in connection therewith, 2<sup>nd</sup> by Tim Dougherty. No opposition. Motion carried.

**VII. Discuss and take action on authorization to advertise and receive bids for Rehabilitation to Existing Bulkhead pending written authorization from Facility Planning and Control**

Chuck Stutes said they sent plan specifications last Wednesday to the Facility Planning and Control office in Baton Rouge regarding the Capital Outlay plan. Chuck said he is waiting on their response; but a meeting is planned for Monday, February 8<sup>th</sup>, with the manager from Facility Planning and Control to discuss some of the issues on the project. Chuck recommended that the Board take action now on authorization to advertise and receive bids for rehabilitation to existing bulkhead pending written authorization from Facility Planning and Control to prevent having to meet again in a couple weeks in a special meeting to do the authorization.

Wilmer Dugas made a motion to give authority to advertise and receive bids for rehabilitation to existing bulkhead pending written authorization from Facility Planning and Control, 2<sup>nd</sup> by Tim Dougherty. No opposition. Motion carried.

**VIII. Discuss and take action on finalizing leases for new tenants**

Attorney Glen James stated he is waiting on a response from Tubal-Cain regarding their lease. Glen reported that S.T.A.R. Concrete Pumping Company is reviewing the wording on their lease as it relates to the former Tresco lease, and he's also waiting to hear back from them. President Dick Kennison asked if there was a problem with S.T.A.R.'s lease, and Glen answered no. Darla Perry stated she will need a copy of the finalized signed leases. President Kennison stated the leases will stay the way the Board authorized them to be. Dave Aguillard made a motion to take action on finalizing leases for new tenants, 2<sup>nd</sup> by Wilmer Dugas. No opposition. Motion carried.

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

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

**X. Committee Reports**

There were no committee reports given at this time.

**XI. Port Director Report**

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

*{NOTE: Port Director Lynn Hohensee announced that he has accepted a speaking engagement on February 25<sup>th</sup> to the Lake Charles Rotary Club. Lynn said he will be speaking about both the West Cal Port and the Port of Vinton.*

*Lynn stated that he and Darla went to the port today and saw that Tubal-Cain has modified the space along the shoreline between the Devall Building and the new ramp. Lynn said there is dirt*

*on the blacktop road, but it is only temporary because they are getting ready to put down some rock and other materials to harden the road. Lynn stated improvements have been made to the Devall Building where all of the doors are in working condition, locks on all of the doors, an additional waterline has been run from east side to the west side. Darla Perry said she might have to do a proration on their water bill since they were not there the month of December 2015.*

*Tim Dougherty said he spoke with Lynn about having Cemex push some of their excess cement closer to the ditch to help the drainage. Lynn also announced the sign out front of the port has been fixed to add new tenants and remove former tenants.}*

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

- On Jan. 1, Tubal-Cain Marine Services became the newest and sixth tenant at the West Calcasieu Port. T-C is occupying the old Devall Diesel Building until infrastructure work at the west end of the port is completed and their office complex is set up.
- 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.
- Port director met with IMCAL officials to set the groundwork for solicitation of federal Economic Development Administration funds that will support infrastructure improvements to facilitate current port business and assist in recruiting new tenants.
- Port director has been in contact with DOTD port priority fund officials to seek direction re: funding support for new port entrance road.
- Exploratory meeting was held with port bond attorney re: structuring new \$5 million bond effort for the port to cover infrastructure development and maintenance.

#### **Port Operations –**

- 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 in the first quarter of 2016.
- Wetland delineation documentation work has been completed on the port's western acreage, and the report has been forwarded to the USA Corps of Engineers for determination. T-C also is seeking wetlands determination from the USACOE.
- S.T.A.R. Concrete Pumping Company is developing 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.
- Work by Nash Fence Company continues to produce key pass cards for port tenants and their employees. Nash in January conducted an orientation course for Devall employees responsible for gate operation.
- Tubal-Cain has begun improvements on the old Devall Diesel Building and is moving forward with site improvements west of the west barge basin.
- S.T.A.R. Concrete Pumping has begun using the two-acre fenced area (formerly leased to TRESKO) for parking of pumping vehicles and private vehicles.
- Morris-Shea Bridge Company has added surface paving to the one-acre that the company leases for the parking of employee vehicles.
- T-C representatives, Entergy officials and the port engineer continue to develop a path forward to bring 3 phase electrical power to the western portion of the port.

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

- In January, the WCP director (and/or board members) represented the port at:
  - a. Chamber/SWLA annual banquet
  - b. PAL board meeting
  - c. Propeller Club of SWLA meeting
  - d. Regional Aviation report rollout @ SEED Center

- e. Gulf Ports Assn. of the Americas/Dredging Contractors meeting
- f. West Cal Chamber/Commerce monthly meeting
- g. IMCAL economic development rollout presentation
- h. C-St. Pat's legislative reception prior to Chamber/SWLA banquet

**News Media & Community Relations–**

- One news release was issued re: Tubal-Cain Marine Services coming to the West Calcasieu Port which resulted in strong, positive media coverage locally and in trade media.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

**XII. Announcements/Reports (Legal, Financial, Engineer)**

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

**FINANCIAL:** Darla Perry gave the financial report. She reported the Port took in \$92,430.29 for the month of December. Darla stated that barge days have been running about 15-20 less than normal. Darla said she spoke with one of the guys in the guard shack that told her they were parking that many barges at the new fleet across from the Port. Darla estimated that losing 20 per month to the fleet across from the Port would hurt the Port \$9,000 per month and would hurt the Devalls \$45,000 per month. Darla said she followed up with Mike Devall, and he told her he thought it was less than 10. Darla said she didn't foresee the Port losing all of its business, but there is some economic effect. Darla reported net cash flow for December 2015 was \$71,666.71. Darla said that amount was minus Tubal-Cain rent since they didn't start until January 2016. Ramp lease is down about \$24,000 compared to prior year. Darla said she is still working with Jack Bass on the appraisal. They now have authority to go into the building to do appraisal. Wilmer Dugas made a motion to accept the financial report as presented, 2<sup>nd</sup> by Tim Dougherty. No opposition. Motion carried.

**ENGINEER:** There was no engineer report at this time.

**XIII. Executive Session**

There was no executive session at this time.

**XIV. Public Comments**

There were no public comments given at this time.

**XV. Adjournment**

President Dick Kennison adjourned the meeting at approximately 3:37 p.m.

President

Secretary