

Greater Lafourche Port Commission

AGENDA

May 14, 2014 at 10:30 AM

Administration Building · 16829 East Main St · Galliano, LA

(Revised: May 13, 2014 at 9:00 AM)

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Consider approval of minutes for April 16, 2014 regular meeting
- V. Executive Director's Report
 - A. Northern Expansion**
 - 1. Northern Expansion Slip C Bulkhead (J. Wayne Plaisance)
 - 2. Adam "Ted" Gisclair Road – Phase III Asphalt (Picciola & Associates)
 - B. Airport Projects**
 - 1. Glide Slope (LPA/Baker)
 - 2. Taxiway Centerline Lighting
 - 3. Apron Expansion (LPA/Baker)
 - C. Port Security and Grant Projects**
 - 1. Multi-Agency Emergency Operations Center (2009)
 - 2. TWIC Implementation (2011)
 - 3. CCTV Additional Cameras (2012)
 - D. Other Port Projects**
 - 1. Beach Repair Project
 - 2. Assumption of Maintenance Study (URS)
 - 3. Storm Harbor Marina (J. Wayne Plaisance)
 - 4. N. J. Theriot Road Elevation & Improvements (Angelette-Picciola)
 - 5. Nerby Collins Commercial Marina Bulkhead
 - E. Update from Restore or Retreat**
- VI. Committee Reports
 - A. Executive Committee**
 - 1. Consider approving the request from AirSis, Inc. (Port Vision/CAMO project) for a Tower Lease
 - 2. Consider approving the request from US Customs for a Lease renewal at the Port Complex
 - 3. Consider approving the summer employee applicants
 - B. Permits & Waterways Committee**
 - 1. Review permit applications by TANA Exploration, Hilcorp Energy Co., Caillouet Land, South Lafourche Levee District, Louisiana Land & Exploration, TANA Exploration, Shell Pipeline
 - C. Construction & Development Committee**
 - 1. Consider approving Change Order No. 3 from Johnson Bros for the Slip C Bulkhead project
 - 2. Consider approving the Clear Lien Certificate from LA Contracting for the Adam "Ted" Gisclair Roadway project
 - 3. Consider approving the engineer contract with J. Wayne Plaisance, Inc. for the Nerby Collins Marina project
 - 4. Consider approving the Memorandum of Understandings with Tenants for the CCTV Additional Camera project
 - 5. Consider approving the recommended proposal for the CCTV Additional Camera project
 - D. Finance Committee**
 - 1. Consider approving payment of April invoices and recognize expenditures over \$10,000
 - 2. Public comment and hearing for the adoption of the 2014 millage rate
 - 3. Adopt the millage rate for the tax year 2014
 - 4. Consider approving the 2013 Financial Audit
 - 5. Consider approving the out of state travel requests
- VII. Any other business - None
- VIII. Public Comment - None
- IX. Adjournment

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OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION
May 14, 2014

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Wednesday, May 14, 2014 at 10:30 AM at the Administration Building 16829 East Main Street, Galliano, LA.

President Gisclair called the meeting to order and Commissioner Gaudet called roll.

ATTENDED: Perry Gisclair, Kris Gaudet, Donald Vizier, Wilbert Collins, Larry Griffin, John Melancon Jr., Jimmy Guidry and Ervin Bruce

ABSENT: Chuckie Cheramie

Upon motion by Griffin and second by Melancon, the board unanimously approved the minutes for April 16, 2014 regular meeting.

Executive Director's Report

Executive Director Chett Chiasson reported that yesterday the Port hosted a meeting with Congressman Steve Scalise (LA), Congressman Steve Womack (AR), Congresswoman Michele Bachmann (MN), Congresswoman Susan Brooks (IN), and Congressman Mark Sanford (SC) during their Offshore Energy Tour. They were very impressed with our community and what they saw offshore and how clean the activities on the platforms were. They flew over Fourchon then landed at our Airport in Galliano to come to the Administration Building for the meeting. They were very impressed with the port, port security and our levee system and how we live in this coastal environment.

Northern Expansion – Engineer John Plaisance reported that Johnson Bros continues to install the steel sheets on the west side of Slip C Bulkhead project. They have not started driving the timber piles yet. There is a change order on the agenda to increase the bulkhead length by 400 ft. on the east side. The geotechnical engineer report shows that we will be able to shorten the concrete piles from 65' to 60' on the east side which will result in another change order for next month. Engineer Joe Picciola reported that the Adam “Ted” Gisclair Roadway project is complete and the clear lien and retainage payment is later on the agenda for approval.

Airport Projects – Airport Manager Joe Wheeler reported that the Glide Slope project is ongoing. The contractor Ernest P. Breaux has started installing the concrete foundations. Wheeler was able to install 18 of the Taxiway Centerline Lights yesterday. The Apron Expansion project will start advertising on Monday, May 19th with the bid opening scheduled for June 18th. Chiasson reported that the review of all 6 proposals for the Airport Engineer is complete. The short list of the top 3 companies to have further negotiations with and interview the firm's team members are as follows: Duplantis Design Group, Michael Baker Jr. Inc., and URS Corporation. Wheeler then reported that there were 1720 aircraft operations in April.

Port Security and Grant Projects – April Danos reported that the furniture for the Multi-Agency EOC is expected to be in by mid-June, with that we will be working to determine a date for the grand opening in July. In regards to the TWIC Implementation project, the contractor Johnson Controls is close to completing the work at the LOOP Small Boat Harbor then they will move to the EOC. We expect completion of this project in June. In regards to the CCTV Additional Camera project, the memorandums of understanding are later on the agenda to approve with Fourchon Heavy Lift, Baker Hughes, C-Port 2, Turnkey, and the Lafourche Parish Fire District No. 3. As we have done in the past, the tenants will allow us to put our camera and equipment on their infrastructure and we will in turn allow them access to the camera. We also received proposals on May 9th at 11AM for the CCTV Additional Camera project. As explained on Monday night this is not a low bid project but a request for proposals. The port will award

the project to the proposer who is the most qualified and proposes to complete the work for a fair and reasonable fee as determined by GLPC in accordance with the evaluation process set for in the specifications. We evaluated the proposals on 4 criteria: vendor qualifications, organization and project methodology, experience in projects of this type, and cost. The project budget was \$131,178.18. We received 4 proposals: ParaTech at \$116,238.90, M.S. Benbow at \$125,459, American Integration Contractors at \$145,918.97, and Johnson Controls at \$136,125. Based on the thorough evaluation by Transportation Security Associates, they are recommending Johnson Controls at \$136,125.00 equal to 3.63% over budget. When considering this later on the agenda, one of the proposers would like to address the board.

Other Port Projects – Davie Breaux reported that the contractor Grand Isle Shipyard will begin hauling sand on Monday for the Beach Repair Project. It will take approximately 3 weeks to place the 8,000 yards of material. William Evans with URS reported on the Assumption of Maintenance Study. He stated that the cost assessment is complete and now working on recalculating the cost ratio which should not change. He will be coordinating with Mr. Autin for the Corps permit to be finalized to incorporate into the document. Engineer John Plaisance reported that the contractor for the Storm Harbor Marina has hired a subcontractor SBL Construction to start the excavating of the property. A meeting is set up for tomorrow with SBL to begin. Engineer Larry Picciola reported that he is finalizing the plans and specs for the N. J. Theriot Road Elevation & Improvements project. He should be complete by next week and then it will be sent to EDA and the State for approval before we advertise. Chiasson stated that later on the agenda we will approve the engineer contract with J. Wayne Plaisance for the Nerby Collins Commercial Marina Bulkhead project.

Update from Restore or Retreat (ROR) – Simone Maloz presented to the board their published annual report of some of the major activities accomplished over the past year such as post spill activities of where the funds are coming and how it is being used. Another important project is the Beach Caminada Headland project funded by the CPRA. The contractor had to demobilize for a while but they are now back on site to start pumping material along the beach to complete the first phase of the project. The second phase funding of \$140 million was just announced which comes from post spill funds. This is one of the first construction projects awarded from post spill funds, which is pretty significant. Also, ROR proudly attended the Coalition to Restore Coastal Louisiana banquet on Friday in which ROR along with SCIA nominated the Port Commission for their environmental stewardship award. We are very proud to have the Port Commission accept the award. Davis pond is running at 500 cfs now which is below the minimum.

Chiasson then thanked Matt Jewell with Congressman Scalise's District office for attending. He then recognized Wendy Thibodeaux with Lafourche Parish Tax Assessor's office. Ms. Thibodeaux addressed the board to introduce herself as the interim acting-assessor. She stated that she has been appointed to the oil and gas committee which is unprecedented for an interim assessor to be given this honor. This position places her on the watercraft subcommittee which gives her a direct voice to protect what we have here in Lafourche Parish regarding the oil and gas industry and watercraft industry. She offered her assistance to the board if needed to please contact her. Vizier questioned if she is running for the assessor position, which Thibodeaux replied yes for the November 4th election. Griffin questioned the start of the Leeville Boat Launch, which Engineer Picciola replied that the contractor was issued a notice to proceed on May 5th and they plan to start moving a survey crew in tomorrow and the job trailer in by next week.

Committee Reports

Executive Committee - The committee met on April 30, 2014 in Fourchon. Present was Gisclair, Cheramie, Melancon, and Griffin. They also met on May 12th in Galliano with all present.

Upon motion by Melancon and second by Guidry, with no public comment, the board unanimously approved the request from AirSis, Inc. (Port Vision/CAMO project) for a Tower Lease. Chiasson stated that this is a test project to place sensor equipment on our tower that would identify pipelines in Port and notify vessels thru the AIS system when in the vicinity of pipelines.

Upon motion by Guidry and second by Bruce, with no public comment, the board unanimously approved the request from US Customs for a Lease renewal at the Port Complex of 10 years with 2 years firm.

President Gisclair presented for the board's approval the summer employee applicants. Upon motion by Collins and second by Bruce, with no public comment, the board unanimously approved hiring the 3 maintenance roustabouts as follows: Conner Cheramie, Joshua Robichaux, Dillon Cheramie and then pulled the name for clerical which resulted in Alisha Dufrene. The remaining clerical applicants were pulled for alternates as follows: 1st Jenna Hebert, 2nd Renee Guidry, 3rd Kelsi Guidry, and 4th Brittany Pitre. Chiasson stated we have 2 available roustabout positions that will be first come first serve if anyone is interested. Vizier questioned the pay, which Chiasson replied \$8 per hour with a \$0.25 raise if returning from previous year. Melancon questioned the requirements to apply, which Chiasson replied that the positions are open to any college student enrolled in the fall semester.

Permits & Waterways Committee - The committee met on April 30, 2014 in Fourchon. Present was Chairman Cheramie, Gisclair, Collins, and Griffin. They also met on May 12, 2014 in Galliano with all present.

Griffin presented for the board's review the permit applications by TANA Exploration, Hilcorp Energy Co., Caillouet Land, South Lafourche Levee District, Louisiana Land & Exploration, TANA Exploration, and Shell Pipeline. Chiasson reported that the concerns with Shoreline Southeast permit from last month were addressed and identified in Item G of the permit submitted to Shoreline Southeast requesting them to line the bank with PVC to monitor where prop washing will occur to make sure no impacts on land.

Construction & Development Committee - The committee met on April 30, 2014 in Fourchon. Present was Chairman Bruce, Gisclair, Vizier, and Griffin. They also met on May 12, 2014 in Galliano with Vizier and Bruce absent.

Upon motion by Bruce and second by Gaudet, with no public comment, the board unanimously approved Change Order No. 3 from Johnson Bros an increase of \$2,268,565.00 to construct an additional 400 LF of bulkhead on the east side of the Slip C Bulkhead project.

Upon motion by Melancon and second by Guidry, with no public comment, the board unanimously approved the Clear Lien Certificate from LA Contracting for the Adam "Ted" Gisclair Roadway project.

Upon motion by Gaudet and second by Collins, with no public comment, the board unanimously awarded the engineer contract to J. Wayne Plaisance, Inc. for the Nerby Collins Marina project.

Upon motion by Griffin and second by Guidry, with no public comment, the board unanimously approved the Memorandum of Understandings with Fourchon Heavy Lift, C-Port 2, Turnkey, Baker Hughes, and the Lafourche Parish Fire District No. 3 for the CCTV Additional Camera project.

Upon motion by Guidry to approve the recommended proposal from Johnson Controls for the CCTV Additional Camera project which was second by Collins, and then open to public comment. Mr. Jason Cleveland with ParaTech addressed the board. He stated that ParaTech works out of New Orleans and was the low bidder for this project. He is one of the owners/managing partners and is requesting that the board consider accepting Paratech's proposal instead of the review committee's recommendation. They are more than qualified to do the work. They have done work for Port of New Orleans, Port of St. Bernard, New Orleans Railroad and BP. ParaTech is a veteran owned business and local business where as the other company is nationwide out of Wisconsin. He realizes that it is a best value bid and the low bidder is not guaranteed the project however based on award criteria he does not see where they fell short that a bid of \$20,000 more is recommended. If there was anything missing from our proposal, we would be more than happy to submit that information. Mr. Cleveland stated he did attend the bid opening and at that time there were technical difficulties opening the bid from Johnson Controls. At a later date, he did receive a copy of Johnson's bid proposal which was missing the fire marshal license and 6 pages from an attachment. He feels they should be disqualified.

Port Attorney Bryce Autin stated that we received yesterday a very well put together letter from ParaTech that raised all these issues. We appreciate the points raised but this was an objective,

competitive evaluation process and the scoring used were clearly set forth in the solicitation which we feel those were followed. Jeff Brown with TSA reviewed all the proposals and we feel comfortable with his recommendation. Again, he appreciates the comments from ParaTech but none raised to the level to cause us not to follow the recommendation to go with Johnson Controls. We did respond to ParaTech yesterday and they requested more information which will be handled through the public records request. Vizier apologized for not being present on Monday but questioned who is on the evaluation committee and if there is possibility of a lawsuit, which April Danos replied that she reviewed them as well as Jeff Brown, the engineer on this project. The board then voted which resulted in 8 yeas and 1 absent by Cheramie.

Finance Committee - The committee met on April 30, 2014 in Fourchon. Present was Chairman Melancon, Gisclair, Guidry, and Gaudet. They also met on May 12, 2014 in Galliano with all members present.

Upon motion by Melancon and second by Griffin, with no public comment, the board unanimously approved payment of April invoices and recognized expenditures over \$10,000 with all payments totaling \$2,152,984.08.

Chairman Melancon opened the public comment and hearing for the adoption of the 2014 millage rate. James Rome reported that the board is proposing to keep the same millage of 6.83 mills for the third of four years before assessment takes place. Chiasson stated that the millage is assessed only in the 10th Ward of the Parish. With no further public comments, the commenting period was closed.

Chairman Melancon presented for the board to adopt the millage rate for the tax year 2014. Melancon then read the resolution out loud. *“Be it resolved, that the following millage(s) are hereby levied on the 2014 tax roll on all property subject to taxation by Greater Lafourche Port Commission of 6.83 mills; Be it further resolved that the proper administrative officials of the Parish of Lafourche, State of Louisiana, be and they are hereby empowered, authorized, and directed to spread said taxes, as hereinabove set forth, upon the assessment roll of said Parish for the year 2014, and to make the collection of the taxes imposed for and on behalf of the taxing authority, according to law, and that the taxes herein levied shall become a permanent lien and privilege on all property subject to taxation as herein set forth, and collection thereof shall be enforceable in the manner provided by law.”* Upon motion by Melancon and second by Guidry, the President called for any public comment, after none the board then had a roll call vote which resulted in 8 yeas by Gisclair, Gaudet, Vizier, Collins, Griffin, Melancon, Guidry, Bruce with 1 absent by Cheramie.

Chairman Melancon presented for the board’s approval the 2013 Financial Audit. Mr. Mark Felger, CPA with Lanaux & Felger presented to the board the highlights of the financial statements. He stated that there are 3 reports that are involved in the audit. The first report is the Independent Auditor’s Report which resulted in an unmodified opinion which is the best one to get. This opinion states that the financial statements are presented fairly in all material respects in accordance to general accepted accounting principles. The second report is the Yellow Book Report also known as the governmental auditing standards which resulted in no compliance findings and no deficiencies in internal controls. The third report is the Single Audit Report resulted in an unmodified opinion on compliance with federal program requirements and no deficiencies in internal controls. Some financial highlights are: net position of \$219.7 million (7.6% increase from 2012), annual operating revenues of \$25.8 million (10.6% increase), cash and cash equivalents of \$57.1 million (14.6% increase). In regards to the \$57.1 million, Chiasson stated that there has been a considerable amount of discussions in this community about money in the bank. He stated that we have a \$45 million capital construction budget this year so the point is yes we have money in the bank however we had a light year in 2013 for capital construction. We did a lot of planning for this year’s major projects. Just wanted to clear up any misconceptions the community may have regarding money in the bank. Felger stated that he has a graph later that shows the amount of the Port’s own money that is being spent on construction projects. Felger then continued with the highlights stating that the Port had operating profits of \$8.7 million (32% increase), net income before capital grants of \$12.9 million (20% increase), capital grants of \$2.7 million and expense grants of \$5.1 million.

The total revenue and capital additions by source are identified on a graph as 68.97% of self-generated fees, 7.24% of state and federal capital construction grants, 9.66% of ad valorem taxes, 13.61% of state and federal operating & disaster grants, and 0.52% of other. The total expenses and other uses of funds are identified on a graph as 25% of capital construction and purchase equipment, 19% of depreciation and disposal of assets, 15% salaries and benefits, 13% lease expense, 7% maintenance supplies and operating facilities, 5% other operating expenses, and 16% hurricane damage repairs. He then presented a bar graph that shows the difference from capital construction grants versus expenditures and in 2013 it shows that with \$8 million of construction approximately \$5 million was self-funded.

Mr. Felger then presented a 2012 comparison chart to other ports of similar size to Fourchon such as Iberia, Lake Charles, St. Bernard, and Baton Rouge. This resulted in total assets ranking Fourchon with over \$200 million of assets second to the Port of Lake Charles at approximately \$300 million of assets. The comparison of net operating revenue generated by investments and fixed assets which looks at the total amount invested versus generated revenue leaves the Port at 20% profit margin for an annual return of 14% on investment which is a very good return. He then extended his thanks to the directors and staff for cooperation during the audit process.

Felger informed the board on new accounting standards for pension plans. Most of the Port employees are part of the State Employee Pension Plan (LASERS). Each year the state tells you how much you have to pay and the percentage increases every year because the plan is not fully funded. LASERS funded ratio of 16% which is what they expect to pay out in benefits. It is improving because last year the ratio was 55.9%. The state has an unfunded liability of \$6.4 billion, which is shrinking from last year it was at \$7.1 billion. Under current standards, as long as the Port pays the required percentage into the plan you do not record any type of liability for this unfunded liability but eventually they will keep raising the percentage rates. In some plans for the teachers, they are already charging 35% to the school board. The new standard will require in 2015 that the Port records its share of this \$6.4 billion of unfunded liability in financial statements. We are unsure of how this will be calculated but by doing a simple calculation of your current payroll it is estimated your share would be between \$6 million and \$7 million. In 2015, this will have to be reflected on your financial statements, may not be all at once but eventually the Port will have this additional liability on the books. It will also have to be budgeted each year as an expense.

Chiasson stated that we looked into this and actually offered to pay in cash our portion but they refused. Gaudet stated that we have this liability to record and budget for and there is no way of paying that expense. It would need to go to bonding agencies in the future to see that is not an adverse action to obtain a credit. Felger stated that you will be in the same position as other government agencies. This is not just Louisiana it is other states as well. Bond rating agencies will be aware of what this is so if the state plan deteriorates to only 30% funded and this liability becomes very large it could potentially have an impact but not right away. This is the first time that the Government Accounting Standards Board (GASB) intention was to change governmental behavior. The GASB felt that pension plans were one area where governments made promises that others will have to deal with in the future. By issuing this standard, governments will be more responsible in promising retirement benefits to employees. In Louisiana, we are locked in those plans and have no option because it is set at the state level. Griffin stated that our goal as commissioners is to hire the best we can to work here as a reflection that is why we are so successful. He feels we have the best employees working as a team and he is very proud of them. Upon motion by Melancon and second by Griffin, with no public comment, the board unanimously approved the 2013 Financial Audit.


Upon motion by Melancon and second by Guidry, with no public comment, the board unanimously approved the out of state travel requests from April Danos and Jon Callais to attend the AAPA Port Security Seminar and Expo in Maryland on July 15th.

Upon motion by Melancon and second by Vizier, the board adjourned the board meeting.

ATTEST:



Perry Gisclair, President



Harris "Chuckie" Cheramie, Jr., Secretary