

GREATER LAFOURCHE PORT COMMISSION

AGENDA

May 10, 2017 at 10:30 AM

Administration Building · 16829 East Main St · Galliano, LA

(Revised: May 9, 2017 at 9:25AM)

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Consider approval of minutes for April 12, 2017 regular meeting
- V. Executive Director's Report
 - A. Northern Expansion
 - 1. Northern Expansion Slip C 950 LF West Bulkhead (*Angelette-Picciola*)
 - 2. Northern Expansion Slip C 950 LF West Sweep Dredging (*Angelette-Picciola*)
 - 3. Northern Expansion Slip C 939' West Bulkhead (*Angelette-Picciola*)
 - 4. Northern Expansion Slip C 1671' East Bulkhead (*Picciola & Associates*)
 - 5. Northern Expansion Slip D Dredge Phase 1 (*J. Wayne Plaisance*)
 - B. Airport Projects
 - 1. Update on aircraft operations
 - 2. Taxiway Lighting and Runway LED upgrades
 - C. Other Projects
 - 1. Section 203 Feasibility Study (*GIS Engineering*)
 - 2. Geotube Beach Repairs (*Angelette-Picciola*)
 - 3. Town of Golden Meadow Floodwall Improvements/Bulkhead (*J. Wayne Plaisance*)
 - 4. Connector Road (*Angelette-Picciola*)
 - 5. Airport Maintenance Shop Addition (*Picciola & Associates*)
- VI. Presentation by Louisiana's Strategic Adaptations for Future Environments (LA SAFE)
- VII. Public Comment - None
- VIII. Committee Reports
 - A. Executive Committee
 - 1. Consider approving the request from OMNI Energy Services to sublease a portion of site GLF625
 - 2. Consider approving an agreement with Caillouet Land for site GLF306
 - 3. Consider approving the purchase and lease of parking lot improvements on site SLIP-10 to Rotorcraft
 - 4. Consider the hiring of summer employees
 - B. Permits & Waterways Committee
 - 1. Review permit from Lafourche Parish Water District No. 1
 - C. Construction & Development Committee
 - 1. Consider approving the lowest responsive bidder for the Emergency Debris Removal project
 - 2. Consider approving the Wisner Access Agreement for additional soil borings
 - D. Finance Committee
 - 1. Consider approving payment of April 2017 invoices and recognize expenditures over \$10,000
 - 2. Consider approving the 2016 Financial Audit
- IX. Any other business – None
- X. Possible Executive Session to discuss filing Petition for Concursus regarding Blanchard Contractors on the Slip C 950' West Bulkhead project
- XI. Any other business
- XII. Adjournment

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OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION
May 10, 2017

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Wednesday, May 10, 2017 at 10:30 AM at the Administration Building 16829 East Main Street, Galliano, LA.

President Gisclair called the meeting to order and Secretary Cheramie called roll.

ATTENDED: Chuckie Cheramie, Perry Gisclair, Kris Gaudet, Rodney Gisclair, Larry Griffin, John Melancon, Jr., Jimmy Guidry, and Ervin Bruce

ABSENT: Wilbert Collins

Upon motion by Griffin second by Melancon, with no public comment, the board unanimously approved the minutes for April 12, 2017 regular meeting.

Executive Director's Report

Northern Expansion – Engineer Larry Picciola reported Blanchard Contractors has completed the Slip C 950' West Bulkhead project and the lien period has ended. We have not received the clear lien certificate however we did receive the signed change order. We did deliver the as-built drawings today. Engineer Picciola stated RLB Contractors is on site for the Slip C 950' West Sweep Dredge project. They did have engine problems which are getting repaired. To date, they have completed 15,000 of the 105,000 cubic yards of material. We expect they will be 30 days over the contract time at \$975 per day of liquidated damages. Engineer Picciola reported Sealevel Construction expects to move in May 22nd for the Slip C 939' West Bulkhead project. They have been sending the required submittals and they have materials on order. Melancon questioned if this is the first project that Sealevel does for us, which Picciola replied no they did the debris fence. Engineer Joe Picciola reported on the new Slip C 1671' East Bulkhead project. He stated all surveys are done and the plans are 90% complete. They should be ready next week to send to DOTD for approval. Executive Director Chett Chiasson stated we will be sending our letter this week to phase the project and we should know for sure at the end of this legislative session if the funds for DOTD Port Priority Program goes through. If so, we should be ready to advertise this summer. Engineer John Plaisance reported he is working with our staff on determining the correct elevation levels needed to fill the mitigation area for the Slip D Dredge project. Once that is determined, he will be ready to advertise the project.

Airport Projects - Richard Osborne reported in April the total aircraft operations were 2,336 with 8,415 passengers. For the year, 8,427 operations and 35,133 passengers. In regards to the Taxiway Lighting and Runway LED upgrades, we are waiting on FAA's approval to advertise the project.

Other Projects - Dustin Malbrough with GIS Engineering updated the board on Section 203 Feasibility Study. He stated two weeks ago we had the first milestone meeting with the Corps and associated agencies. We are now moving toward the tentatively selective plan phase to justify what is the least cost alternative because of our urgency and need for beneficial use there will be a locally preferred plan to compare side by side. Normally that will take about a year but we will try to shorten to 6 months. When we come out with the draft EIS in November we should also have that tentatively selective plan to submit as well. The economics part is approximately 75% complete. We will start now to get with Chett and Joni on biweekly meetings to discuss the details that may need to be removed to get the cost down for the project. P. Gisclair questioned if he is satisfied with the response from the tenants, which Malbrough replied yes, the response from the tenants and industry have been great. We are reviewing the economics to make sure there are no benefits that we are not capturing. This study is different from any feasibility study that has ever been. It is a learning curve for everyone that is reviewing it. Chiasson stated we are having these extra meetings with the Corps because it is so unique. Chiasson stated the

Geotube Beach Repair project is on hold waiting for the state to finalize their review and submit the appeal to FEMA. Engineer John Plaisance reported the contractor for the Town of Golden Meadow Floodwall Bulkhead is close to completion with the backfilling of material. The remaining items are to repair a wharf and install some piles. Melancon questioned if the bulkhead was complete, which Plaisance replied yes. Chiasson stated the Connector Road Entrance is in the lien period which ends June 12th and the Airport Maintenance Shop Addition is in the lien period which ends June 2nd.

Presentation by Louisiana's Strategic Adaptations for Future Environments (LA SAFE) – Nicholas Matherne, Project Manager for CB&I stated LA SAFE is a program from the Office of Community Development for the State working off a grant from Housing and Urban Development. They received this grant to start a pilot program in 6 parishes including Lafourche to develop economic and cultural resiliency plans. In 2005 after Hurricane Katrina a lot of St. Bernard Parish migrated to St. Tammany Parish and that left both parishes in dire straits. St. Tammany because they had the influx of residents but did not have the infrastructure to service and St. Bernard because now they had all this infrastructure with no tax base to keep it up. Therefore, had both parishes had a plan for this type of scenario both would be in a better place than they are today. For Lafourche Parish, there is a northward migration that is happening on its own because we all understand the future of what the parish is facing especially in light of the 2017 Master Plan. LA SAFE is an exercise going out to residents within the 6 parishes to show the State Master Plan and what we anticipate each parish's landscape will look like in 50 years to determine what can we do now. By looking at current trends and predictions for the future through the housing market, education, and economy to make sure Lafourche will be as prosperous and economically resilient as it can be 50 years from now. He stated that on Tuesday, May 30th at 6PM there will be a meeting for the Vietnamese and Cambodian communities in the area at St. Peter in Larose, on Wednesday, May 31st at 6PM at the St. Joseph Catholic Church Recreation Center, on Thursday, June 1st at 6PM the Lockport Town Fire Station, and Monday, June 5th at 6PM at St. Thomas on the campus of Nicholls. Today he will be touring the Port to see the needs of the Port and the local economy.

The floor was open for any public comment, being none, moved to committee reports.

Committee Reports

Executive Committee - The committee met April 26th in Fourchon present was P. Gisclair, Melancon, Cheramie, and Griffin. They also met May 8th in Galliano with all present.

Upon motion by Melancon second by Cheramie, with no public comment, the board unanimously approved the request from OMNI Energy Service Corp. to Sublease a portion of site GLF625 to FCC Environmental.

Upon motion by Gaudet second by Gisclair, with no public comment, the board unanimously approved an agreement with Caillouet Land for site GLF306 to extend the A.J. Estay lease term for one year beginning June 1, 2017 and resume quarterly payments at the rate of previous sublessee.

Upon motion by Bruce second by Guidry, with no public comment, the board unanimously approved the purchase from Rotorcraft Leasing Company for the parking lot improvements consisting of 1.66 acres of filter cloth, limestone, and parking curbs and amend the lease to increase the monthly improvement rent through the primary term.

Chairman P. Gisclair presented hiring the 6 summer employees as follows: Luke Toups and Randy Wells selected as leaders from working previous years, Ian Bourgeois, Tyler Thibodaux, Devon Hebert, and Bradley Matherne. The remaining applicants were pulled as alternates in the following order: Alex Pitre, Shakerrin Dillon, Seth Johnson, Brennan Carriere, Ryan Istre, and Sean Bouzigard. Upon motion by Melancon second by Cheramie, with no public comment, the board unanimously approved hiring the summer employees.

Permits & Waterways Committee - The committee met April 26th in Fourchon present was Cheramie, P. Gisclair, and Griffin, with Collins absent. They also met May 8th in Galliano with Collins absent.

Chairman Cheramie presented for the board's review the permit from Lafourche Parish Water District No. 1. Griffin questioned if there was any update on offshore anchorage, which Chiasson replied no.

Construction & Development Committee - The committee met April 26th in Fourchon present was Griffin, P. Gisclair, R. Gisclair, and Bruce. They also met May 8th in Galliano with all present.

Upon motion by Griffin second by Guidry, with no public comment, the board unanimously approved the bid proposal from DRC Emergency Services for the Emergency Debris Removal project.

Upon motion by Bruce second by R. Gisclair, with no public comment, the board unanimously approved the Wisner Access Agreement for additional soil borings on Fourchon Island.

Finance Committee - The committee met April 26th in Fourchon present was Melancon, P. Gisclair, Gaudet, and Guidry. They also met May 8th in Galliano with all present.

Upon motion by Melancon second by Griffin, with no public comment, the board unanimously approved the payment of April 2017 invoices and recognized expenditures over \$10,000 which total \$1,686,943.98. Chiasson stated the Pictometry invoice is our aerial shots of the parish. April Danos reported the flight was done in March 2016 by the Parish Assessor's office but the Parish Government, Lafourche 911, and the Port Commission are all contributors.

Chairman Melancon presented for the board's consideration the 2016 Financial Audit. Mark Felger with Lanaux & Felger presented to the board the highlights of the financial statements. He stated 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 which was not required due to the federal expenditures below the \$750,000 threshold.

Some financial highlights are: net position of \$267.6 million (3.6% increase from 2015), annual operating revenues of \$27.5 million (4.9% increase) despite the 20% rent discount given to lessees, cash and cash equivalents of \$89.5 million (9.1% increase). The Port had operating profits of \$3.8 million (34.8% decrease from 2015), net income before capital grants of \$9.2 million (17.2% decrease), capital grants of \$260,000 and expense grants of \$689,000.

The total revenue and capital additions by source are identified on a graph as 83% of self-generated fees, 1% of state and federal capital construction grants, 13% of ad valorem taxes, 2% of state and federal operating & maintenance grants, and 1% of other. He then showed a graph showing the 6-year trend of revenues. The total operating income by source identified on a graph as 96% seaport revenue and 4% airport revenue which is same as last year. The total operating expense by function shows the majority being seaport expenses with administrative, harbor police, and airport cost about the same. The total expenses and other uses of funds are identified on a graph as 32% of capital construction and purchased equipment, 21% of depreciation and disposal of assets, 16% salaries and benefits, 11% lease expense, 15% maintenance supplies and operating facilities, 4% other operating expenses, and 1% fuel, oil, and retail items.

Felger then discussed the implementation of the new pension accounting standard which is GASB Statement 68. It requires employers to record their share of unfunded liabilities of the state employee's pension plan. As of December 2016, the net pension liability is \$9.3 million. The pension contribution under state law is \$803,657 however the pension expense under GASB Standards is \$1.4 million. The difference is the Port's share increased over time so we need to pick up the addition part of the liability into your expense over a shorter period. In December 2015, the Port's net pension liability was \$8.3 million and increased by \$1 million this year. Chiasson stated the liability is paying for sins of the past so as of now if they pass this law that we must pay this liability it should end around 2028, which Felger replied that is the target date. Felger hasn't seen where they are making progress on reducing the liability. He referred to the schedule of the net pension liabilities page in the statement. It showed the total pension liability is 65% funded with 35% unfunded. The schedule will later show up to 10 years but currently only shows 3 years and the hope is to see the funded percentage rise. Gaudet stated the \$9 million represents the unfunded portion of the liability, which Felger replied that is the Port's share of the unfunded portion. It is not the total unfunded amount. The Port's share is 0.117% of the unfunded total.

Felger then presented a bar graph that shows the difference from state and federal capital construction grants versus expenditures and in 2016 it shows that with \$11.3 million of construction approximately \$11 million was self-funded and \$.3 million was funded by grants.

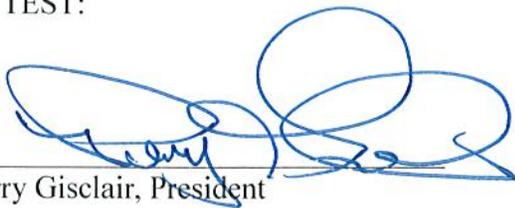
He then presented a 2015 comparison chart to other ports of similar size to Fourchon such as Iberia, Lake Charles, St. Bernard, and Baton Rouge. This resulted in total assets ranking Fourchon with \$291 million of assets second to the Port of Lake Charles at \$374 million of assets. The comparison of net operating revenue generated by investments and fixed assets which looks at the total amount invested versus generated revenue leaves the Port at 22.41% profit margin for an annual return of 13.65% on investment which is very strong for the Port. He then thanked Miranda and the Port staff for the cooperation and getting the information needed. He also thanked the board and Chett for the opportunity to continue this service for the Port. Felger did mention that there is another accounting standard GASB 75 that will deal with post retirement and health care benefits that will be effective 2018 but should have no significant impact on the Port. The financial statements presented are in draft form, due to a new standard that went into effect this year. We are working with the Parish Assessor's office to develop the information we need for a disclosure on tax abatements. The State's Department of Economic Development grants a 10-year tax exemption to certain businesses which results in a loss of ad valorem tax revenue to the Port, therefore GASB decided we need to disclose how much of a loss of tax revenue. Once this figure is received, the final audit will be submitted. Upon motion by Gaudet, second by R. Gisclair, with no public comment, the board unanimously approved the 2016 Financial Audit.

President P. Gisclair presented the possible Executive Session to discuss filing Petition for Concursus regarding Blanchard Contractors on the Slip C 950' West Bulkhead project. Port Attorney stated it is not necessary to enter executive session if the board has nothing further to discuss. He does recommend to approve the filing a Concursus Petition citing Blanchard Contractors, Inc., their surety, Skyline Steel, LLC and Trinity Construction Materials, Inc. arising out of the Slip C 950' West Bulkhead project and deposit the retainage of \$283,148.72 with the Clerk of Court. Upon motion by Melancon second by Griffin, with no public comment, the board unanimously approved to file the Concursus Petition as recommend by Port Attorney.

President P. Gisclair opened the floor for any other business. Griffin stated our Executive Director worked here as a college student on the "mosquito crew" for 3 years so it is a good opportunity. P. Gisclair stated please keep in your prayers Wilbert Collins for he is still in the hospital.

Upon motion by Cheramie second by R. Gisclair, the board adjourned the board meeting at 11:22 AM.

ATTEST:



Perry Gisclair, President



Harris "Chuckie" Cheramie, Jr., Secretary