

GREATER LAFOURCHE PORT COMMISSION

AGENDA

June 13, 2018 at 3:00 PM

Administration Office · 16829 East Main St · Cut Off, LA 70345

(Revised: June 12, 2018 at 9:00AM)

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Adopt a resolution in memory of Ervin “Vin” Bruce
- V. Approve minutes for May 9, 2018 regular meeting and May 23, 2018 special meeting
- VI. Executive Director’s Report
 - A. Northern Expansion
 - 1. Northern Expansion Slip C 939’ West Bulkhead (*Angelette-Picciola*)
 - 2. Northern Expansion Slip C 939’ West Sweep Dredge (*Angelette-Picciola*)
 - 3. Northern Expansion Slip C 1671’ East Bulkhead (*Picciola & Associates*)
 - 4. Mitigation Dredge of Slip D (*J. Wayne Plaisance*)
 - B. Airport Projects
 - 1. Aircraft Operations
 - 2. Taxiway Lighting and Runway LED Upgrades (*Duplantis Design Group*)
 - C. Other Projects
 - 1. Section 203 Feasibility Study (*GIS Engineering*)
 - 2. LA 308 Airport Access Improvements (*Picciola & Associates*)
 - 3. LA 1 Phase 2 Leeville Mitigation Dredge (*Angelette-Picciola*)
- VII. Public Comment
- VIII. Update from LA 1 Coalition
- IX. Committee Reports
 - A. Executive Committee
 - 1. Consider approving the request from John W. Stone Oil Distributors to Sublease a portion of site GLF615 to EPS Logistics
 - 2. Consider approving a new lease with Martin Operating Partnership combining sites GLF501-16A, 16B, and 16C
 - 3. Consider approving the Landlord Agreements with Martin Operating Partnership for sites GLF501-16A, 16B, and 16C
 - 4. Consider approving the request from Workstrings International to lease 635’ of waterfront on site GLF630
 - 5. Consider approving the Cooperative Endeavor Agreement with LA 1 Coalition for office space at the Port Complex
 - 6. Consider approving the advertisement for surplus equipment sale
 - B. Construction and Development Committee
 - 1. Consider approving Change Order No. 2 from Sealevel Construction for Slip C 939’ West Bulkhead
 - 2. Consider approving the Substantial Completion Certificate from Sealevel Construction for Slip C 939’ West Bulkhead
 - 3. Consider adopting the DOTD resolution requesting authority to advertise Slip C 1671’ Sweep Dredging project
 - C. Finance Committee
 - 1. Consider approving payment of May 2018 invoices and recognize expenditures over \$10,000
 - 2. Consider approving the 2017 Financial Audit
 - 3. Consider approving the out of state travel requests
- X. Any Other Business
- XI. Public Comment
- XII. Adjournment

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OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION

June 13, 2018

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Wednesday, June 13, 2018 at 3:00 PM at the Administration Office 16829 East Main Street, Cut Off, LA 70345.

President P. Gisclair called the meeting to order and requested a moment of silence for the late Ervin “Vin” Bruce. Secretary Cheramie then called roll.

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

ABSENT: Ervin Bruce

President P. Gisclair presented to the board to adopt a resolution in memory of Ervin “Vin” Bruce. He then read it out loud, *“Whereas, the Members of the Board of Commissioners of the Greater Lafourche Port Commission have learned with deep regret and sorrow of the death of Mr. Ervin “Vin” Bruce on June 8, 2018; and Whereas, Vin served the community through his contributions in preserving our Cajun heritage and culture; and Whereas, Vin humbly and proudly served the people of the 10th Ward of Lafourche Parish as a member of the Port Commission since 1998; as an appointment from July 1998 to December 1998, then sworn in as special elected member in December 1998; and Whereas, through his talented contributions and performance in Cajun Music, Vin has been inducted into the Nashville Music Hall of Fame, the CFMA Cajun Music Hall of Fame, the Louisiana Hall of Fame Living Legend, and the Westbank Musicians Hall of Fame, and April 25th of every year has been declared “Vin Bruce Day” in Lafourche Parish; and Whereas, it is the desire of the Members of the Board of Commissioners of the Greater Lafourche Port Commission to express to Vin’s wife, Mrs. Aline, family and friends their deep and sincere sympathies during this time of grief and sorrow. Therefore, be it resolved by the Board of Commissioners of the Greater Lafourche Port Commission that the Members thereof do express to Mrs. Aline, family and friends their sincere and heartfelt regret and condolences at the death of Vin. Be it further resolved that a copy of this resolution be transmitted to Mrs. Aline and family as a small symbol of love and respect from the Members of the Board of Commissioners of the Greater Lafourche Port Commission.”* Upon motion by Melancon and a unanimous second, with no public comment, the board unanimously adopted the resolution in memory of Ervin “Vin” Bruce. P. Gisclair stated that Mr. Vin was a great American, great musician and a great person and he will be sadly missed by this Commission, his family, and friends.

Upon motion by Griffin second by R. Gisclair, with no public comment, the board unanimously approved the minutes for May 9, 2018 regular meeting and May 23, 2018 special meeting.

Executive Director’s Report

Executive Director Chiasson stated on behalf of himself, his family, and the Port staff he expressed our heartfelt sympathies to the Bruce family.

Northern Expansion – Engineer Larry Picciola reported Sealevel Construction is complete on Slip C 939’ West Bulkhead project. The substantial completion certificate and final change order for a deduct of \$64,361.70 are later on the agenda. Engineer Larry Picciola reported that Magnolia Dredge & Dock is on site and has completed 25% of the work for Slip C 939’ West Sweep Dredge project. The completion date is July 30th. Engineer Joe Picciola reported Crosby Dredging has completed all concrete deadman, installed all steel sheets, and steel waler beams for Slip C 1671’ East Bulkhead project. They are currently installing the bumper pipe and lightweight aggregate. Engineer John Plaisance reported Crosby Dredging continues dredging for the Mitigation Dredge of Slip D and placing the spoil on the north side of Flotation Canal. Crosby should be complete by Thursday and on Friday we will do cross sections to verify quantities.

Airport Projects - R. Osborne reported in May the aircraft operations were 2,884 with 14,183 passengers, and 21,622 vehicles. The Taxiway Lighting and Runway LED Upgrades project is in the lien period which ends June 28th.

Other Projects – Dustin Malbrough with GIS Engineering reported on the Section 203 Feasibility Study. He stated there is a meeting tomorrow with the Corps to discuss the timeline for the review process. Regarding the EIS, we are waiting on comments from the Corps and U.S. Fisheries which should be done in the next couple weeks. Once we get into the review process, there will be 45 and 60 day commenting periods before we get feedback. All inclusive, we are looking at July 2018 to March 2019 for the 3 cycles of review periods. We should have the final report in 2 to 3 weeks depending on the input from the Corps. All reports will be complete in draft format and ready to kick off our internal review, then packaged to send to the government. Engineer Joe Picciola reported he met with EDA for the LA 308 Airport Access Improvements projects. They are waiting on EDA's approval to move forward with bidding out the project. Engineer Larry Picciola reported the LA 1 Phase 2 Leeville Mitigation Dredge project is complete and in the lien period which ends July 6th. Magnolia Dredge needs to repair the damages done by the marsh buggy which they should be on site in a few weeks.

President P. Gisclair opened the floor for public comment. Mr. Andrew Martin addressed the board to clarify the events of the Airport Corridor. It is a very important project for the Airport and the community. He stated that he has a team who advises him on legal matters. He stated on May 1, 2006 he read an article in the Daily Comet by former Port Director Ted Falgout on plans to build a bridge and corridor from LA3235 to the S.L. Leonard Miller Jr. Airport. On May 29, 2006 he received a letter from James Rome stating the Port is interested in purchasing Martin's property. The Port had an appraisal done for \$542,000. Martin decided appraisal was not sufficient and had an appraisal done for \$1.2 million. In December 2008, the Port had a third appraisal done which was \$912,000. The third appraisal was done by Acadian Appraisal right down the middle of the other 2 appraisals. Martin felt the houses were not compatible with his property since 2 of them were in a subdivision with no connection to LA 1 and LA3235. His team advised that the appraisals were not right since his property connects to LA 1 and LA 3235 and in line with LA 308 to the Airport Road. In February 2009, Martin did not agree with the appraisal and the Port chose not to purchase the property so Martin stated he was taking his property off the market. In May 2015 he met with Parish President Randolph and Parish Administrator regarding the property, however it was election year. In May 18, 2016 he met with Parish President Cantrelle and others regarding the property. On May 19, 2016 he received a letter of intent from the Parish. On August 22, 2016, the Parish Council passed a proposed ordinance for supplemental appropriation of \$1.2 million to proceed to purchase the property. On November 14, 2016 the Port gave a presentation to the Parish Council regarding the Airport and future growth with other state officials in the audience supporting the Airport. Although the Council supported the project, they did not approve it for lack of a second. In December 2017, Martin's team advised him that it wouldn't be a problem to go back to the Port Commission, therefore he met with the Port stating that he is open to negotiations for the purchase of his property. Around the same time, Martin made the decision to run for a Port Commission seat which his team advised that he could. Martin stated even though he was a felon he received a legal opinion that he can still run for a seat. On December 25, 2017 Martin announced in the Lafourche Gazette he was running for Port Commission Seat I. On May 14, 2018, Martin and attorney met with the Port Commission regarding the property however the commissioners were concerned since he announced his candidacy. Martin then wrote a letter to the ethics board and stated that he also talked to Commissioner Cheramie. Cheramie stated at that time he was not doing anything until after the election and he doesn't care what the ethics board says he goes by what his attorney tells him. Cheramie stated you shouldn't have brought my name into this. Martin then read the letter. The letter questioned if Martin's announcement, qualifications, or election for a seat on the Port Commission would prohibit the sale of the property to the Port. Martin thanked the board and stated he is not here to have an argument, Cheramie then responded. Martin apologized. Martin stated he is running for the Port Commission regardless of what the ethics board says. P. Gisclair stated the Port committed the \$1.2 million to the construction of the highway project. Martin replied that he understood that at the time the Parish was going to purchase the property and the Port had the commitment of \$1.2 million for construction. Martin stated if this was done in 2008 we

would be building the bridge now. P. Gisclair replied we are also dealing with public funds and have certain guidelines to follow. Martin thanked the board.

Update from LA 1 Coalition – Henri Boulet reported the traffic on LA 1 for the last three months has been greater than the same months last year. In March, traffic was up 8.29% over March 2017. In April, traffic was up 2.98% over April 2017. And in May, traffic was up 3.49% over May 2017. Work on Segment E continues by James Construction Group. The contractor expects to drive their first piles at the beginning of next month. The contractor has 420 work days from May 26 to complete the job. With a push from the Coalition, DOTD is continuing to work on needed pre-construction pipeline relocation work in the 8 mile right-of-way between Golden Meadow and Leeville. A meeting was held yesterday with Marquis, which operates various lines that need to be addressed. The Coalition continues to meet with state officials, including the Governor’s Office, on funding \$343 million for constructing the remaining 8 miles of elevated highway. A bill offered by Representative Gisclair this past regular session, which had strong support in the House of Representatives with a 71-22 favorable vote, was deferred in the Senate due to it having an impact on the state general fund in FY20/21 and beyond. Senate Finance Committee members do understand the importance of LA 1. This year, as a policy position, the Senate Finance Committee was deferring project funding bills that had any fiscal hit on the state general fund, even if it was in a future fiscal year. The Coalition is speaking to the state about a federal INFRA grant application in early 2019. This year the state elected to apply for a smaller project and received a \$45M award for that project. A request this year for LA 1 for \$138M of rural application monies was not funded. The program had \$12.3 billion applied for, but only awarded 7% of those requested. We intend to meet with the US Department of Transportation to see what elements of the application might be improved for consideration in the next round of their INFRA grant program.

Committee Reports

Executive Committee - The committee met May 23rd in Fourchon present were P. Gisclair, Griffin, Melancon, and Cheramie. They also met June 11th in Cut Off with all present.

Upon motion by R. Gisclair second by Cheramie, with no public comment, the board unanimously approved the request from John W. Stone Oil Distributors to sublease 4.2 acres of site GLF615 to EPS Logistics.

Upon motion by Pierce second by Gaudet, with no public comment, the board unanimously approved a new lease with Martin Operating Partnership combining sites GLF501-16A, 16B, and 16C.

Upon motion by Guidry second by Melancon, with no public comment, the board unanimously approved the Landlord Agreements with Martin Operating Partnership for sites GLF501-16A, 16B, and 16C.

Upon motion by Griffin second by Pierce, with no public comment, the board unanimously approved the request from Workstrings International to lease 635’ of the 1271’ of waterfront on site GLF630 conditioned on Newpark Drilling not exercising its Right of First Refusal on the 635’. Chiasson stated we will send Newpark Drilling a formal notice of offer for the 635’ and they will have 30 days to respond an exercise a lease or relinquish that portion of the site.

Upon motion by R. Gisclair second by Pierce, with no public comment, the board unanimously approved the Cooperative Endeavor Agreement with LA 1 Coalition for office space at the Port Complex.

Upon motion by Melancon second by Guidry, with no public comment, the board unanimously approved the advertisement for surplus equipment sale.

Construction and Development Committee - The committee met May 23rd in Fourchon present were Griffin, P. Gisclair, and R. Gisclair with Bruce absent. They also met June 11th in Cut Off with Bruce absent.

Upon motion by Pierce second by R. Gisclair, with no public comment, the board unanimously approved Change Order No. 2 from Sealevel Construction for Slip C 939’ West Bulkhead to decrease the contract price by \$64,361.70 and add an additional 15 days to the contract time.

Upon motion by Griffin second by Melancon, with no public comment, the board unanimously approved the Substantial Completion Certificate dated April 25, 2018 from Sealevel Construction for Slip C 939’ West Bulkhead.

Upon motion by Pierce second by Gaudet, with no public comment, the board unanimously adopted the DOTD resolution requesting authority to advertise Slip C 1671' Sweep Dredging project.

Finance Committee - The committee met May 23rd in Fourchon present were Melancon, Gaudet, P. Gisclair, and Guidry. They also met June 11th in Cut Off with all present.

Upon motion Melancon second by Cheramie, with no public comment, the board unanimously approved payment of May 2018 invoices and recognized expenditures over \$10,000 which total \$2,379,336.65.

Chairman Melancon presented for the board's consideration the 2017 Financial Audit. Mark Felger with LaPorte 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. This opinion states that the financial statements are presented fairly in all material respects to general 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 \$277.6 million (3.73% increase from 2016), annual operating revenues of \$26.1 million (5.2% decrease), cash and investments of \$100 million (11.7% increase) which includes \$50 million toward the development of Fourchon Island. The Port had operating profits of \$4.9 million (28.6% increase), net income before capital grants and extraordinary items of \$9.3 million (1% increase), capital grants of \$798,022 and expense and maintenance grants of \$114,594.

The total revenues by source are identified on a graph as 83% self-generated fees, 3% state and federal capital construction grants, 11% ad valorem taxes, and 3% other. He then showed a graph of operating income by source of seaport revenue and airport revenue for the past 6 years. 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 30% of capital construction and purchased equipment, 24% of depreciation and disposal of assets, 16% salaries and benefits, 14% lease expense, 9% maintenance supplies and operation of facilities, 6% other operating expenses, and 1% fuel, oil, and retail items sold.

Felger discussed the implementation of the pension accounting standard which requires employers to record their share of unfunded liabilities of the state employee's pension plan. As of December 2017, the net pension liability is \$7.9 million a 16% decrease from last year which was \$9.3 million. This is due to the unfunded liability decreased 10% and the Port's share decreased by an additional 6%.

Felger displayed a graph of capital grants vs. construction expenditures which shows over the past 6 years the majority of construction projects were funded by self-generated revenues and not from state or federal grants. This shows the Port continues to be good stewards of public funds and is self-sustained to continue to construct assets. Felger then discussed the new statewide agreed upon procedures which are additional new procedures over internal controls mandated by the LA Legislative Auditor that cover the following: policies and procedures, board oversight of management, bank reconciliations, cash receipts and disbursements, credit cards and travel reimbursements, payroll, contracts, ethics, and debt service. Based on our procedures the Port internal controls, policy and procedures are well designed and implemented. We did find 4 minor issues which are as follows: 1) bank reconciliation – the Port has that it is reviewed by 3 separate individuals however the legislative auditor requires it to be reviewed by management with no involvement in bank transactions, however nearly everyone has some involvement with bank transactions. The legislative auditor has since reworded that procedure; 2) cash collections – resulted in a minor change in receipt of checks; 3) cash disbursements – new Port policy implemented June 2017 regarding purchase orders on most purchases with exception of small purchases under a certain amount; 4) payroll – a minor miscalculation using the incorrect rate of pay which was an isolated error. Overall the Port's procedures are well designed and properly implemented. We also handed out a letter as required communication in accordance with auditing standards about the audit. Regarding the Port's accounting practices, we noted no transactions for which there is a lack of authoritative guidance. All significant transactions have been recorded. The accounting estimates are part of the financial statements such as the pension liabilities. We

review the estimates to determine they are reasonable and from sound financial information. We have requested certain management representations. We encountered no difficulties performing the audit, no uncorrected misstatements, no disagreements with management regarding accounting policies, no consultations with other accountants for a “second opinion”, and no other audit findings to report. We also reviewed supplementary information that are not part of the financial statements but are required by the legislative auditor such as per diems, which was determined that it complies with accounting principles. He then thanked Miranda and the Port staff for the cooperation and getting the information needed. It was an extra tough year with the new agreed upon procedures. Mickey Simon addressed the board stating that he was the senior auditor on site to supervise the team during the field work. He was impressed with the controls in place and the high level of transparency. He also thanked the board and staff for the smooth audit despite the amount of information that was requested. The information was presented timely and very organized. Griffin questioned the per diems not being required, which Felger replied that travel reimbursements were tested with no findings. The Port’s policy regarding per diems is in line with GA policy and had all the proper documentation. Melancon then thanked Mark, Mickey and staff in preparing the audit. Upon motion by Melancon second by Pierce with no public comment, the board unanimously approved the 2017 Financial Audit.

Upon motion by Melancon second by Gaudet, with no public comment, the board unanimously approved the out of state travel requests from Troy Dufrene, Mitch Hohensee and Scott Bynum to attend the Zuercher One User Conference in South Dakota September 11th – 14th, Richard Osborne to attend the American Association of Airport Executives – Airport Certified Employee Operations Review Course in Virginia on August 26th – 31st, and Richard Osborne to attend the National Association of State Aviation Officials Annual Convention in Oklahoma September 23rd – 26th.

President P. Gisclair opened the floor for any other business. P. Gisclair stated please keep Vin Bruce and his family in your prayers. Melancon stated he enjoyed serving with Vin it was like serving with a Hollywood movie star. His heart goes out to Mrs. Aline. He stated that today was his last concert and it was a full house. R. Gisclair enjoyed riding to Fourchon with him and sends his condolences to Mrs. Aline and the family. Griffin stated he served with Vin the last 20 years. He was very entertaining and he hopes to do a good job as replacing him as Chairman of the Construction & Development Committee. Pierce stated besides here he would meet up with Vin at Church. Today he feels blessed to have sang with Chief Callais at Vin’s funeral, it was an honor. He is a legend in the music industry, an awesome man, kind man, and helped the community grow through his name and put us all on the map. He extends his condolences to Mrs. Aline and the family. Cheramie stated he served 18 years with Vin. They ran their first election together but Cheramie lost by 7 votes. When he congratulated Vin on his win, he joined Vin at his camp and they celebrated for two weeks and we have been having fun ever since. He was a good man and sending my condolences to his family. Gaudet stated it was an honor to serve the past 5 ½ years with Mr. Vin. He is a legend and during traveling his name comes up. He will be missed and he sends condolences to the family. Guidry stated that the past 4 years he became closer with Vin. We would take his buggy and go ride near the 40 acres canal spend time with him. We will never forget him, miss him already. P. Gisclair stated he was a great man, his legend will always live on, today was his last concert with all his family and friends there. Mrs. Aline and family and friends will need support and prayers in the coming days and months.

Cheramie apologized for his language earlier in the meeting, which the board accepted.

Upon motion by Cheramie, second by Melancon, the board adjourned the board meeting at 4:11PM.

ATTEST:


Perry Gisclair, President


Harris “Chuckie” Cheramie, Jr., Secretary