



6000 Doug Attaway Blvd. | Shreveport, LA 71115 | P (318)524-2272 | F (318)524-2273 | port@portsb.com | www.portsb.com

**Regular Board Meeting  
Regional Commerce Center, Board Room  
6000 Doug Attaway Blvd., Shreveport, LA 71115  
August 20, 2015**

The Regular monthly Board meeting of the Caddo-Bossier Parishes Port Commission was called to order by President Commissioner Capt. Thomas F. Murphy at approximately 4:30 p.m. in the Board Room of the Regional Commerce Center, 6000 Doug Attaway Blvd., Shreveport, LA and everyone was welcomed.

Commissioner Gregorio led the Pledge of Allegiance.

Commissioner Murphy asked Eric to call the roll: Commissioners Capt. Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, James L. Pannell, Rick C. Prescott and Steve Watkins were present. A quorum was present. Absent: Ernest Baylor, Jr., Erica R. Bryant and James D. Hall.

Commissioner Murphy called for Introduction of Guests: Tyler Comeaux, Burke-Kleinpeter; Anne Gremillion and Daniel Strickland, Gremillion & Pou and Joe and Zachary Johnson. Staff: Eric England, Executive Port Director; Gloria Washington, Director of Finance & Human Resources; Rick Nance, Director of Engineering & Planning; Brenda Levinson, Director of Business Development; Ted Knight, Director of Operational Services; Hugh McConnell, Director of Operations; Danye Malone, Director of Legal Affairs; Gloria Washington, Director of Finance & Human Resources, Kathy French, Director of Community Relations and Hettie Agee, Board Secretary.

Commissioner Murphy called for public comment. Hearing none, he called for the first order of business.

**Approval of Regular Meeting Minutes of July 16, 2015:** Commissioner Gregorio said the minutes of July 16<sup>th</sup> have previously been sent to you. They're in your package. If there's no alterations, I would ask that they be approved. The motion was seconded by Commissioner Pannell. Hearing no discussion, the vote was called for. All in favor, please say "Aye". Opposed, "Nay". The motion passes unanimously.

**Approval of the July 2015 Financials:** Commissioner Gregorio said the July 2015 Financials have been previously sent to you and are in your package. Unless there's any corrections, I would make a motion for approval. The motion was seconded by Commissioner Prescott. Hearing no

*"The Caddo-Bossier Port Commission is an equal opportunity provider."*

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*MEMBERS: Capt. Thomas F. Murphy, President; Ernest Baylor, Jr., Vice-President; Sam N. Gregorio, Secretary-Treasurer; Lynn Austin, Erica R. Bryant, James D. Hall, James L. Pannell; Rick C. Prescott; Steve Watkins*

discussion, the vote was taken. All in favor, please say "Aye". Opposed, "Nay". Hearing no nays, it passes unanimously.

UNFINISHED BUSINESS:

**Port Expansion Committee Meeting of July 16, 2015:** The Port Expansion Committee meeting was called to order by Committee Chairman Steve Watkins at approximately 3:30 p.m. on July 16, 2015 in the Board Room at the Regional Commerce Center. Public comment and introduction of guests was called for.

Committee members in attendance included Steve Watkins, Sam N. Gregorio, James L. Pannell, and President Capt. Thomas F. Murphy, Ex-Officio. Commissioner Austin joined the meeting later on as indicated in the minutes. Commissioner Hall was also in attendance. A quorum was present. Guests: Tyler Comeaux and Michael Chopin, Burk-Kleinpeter, Inc. Staff: Eric England, Rick Nance and Hettie Agee.

Commissioner Watkins moved to the first item of business, Port Expansion Study, and turned the meeting over to Tyler Comeaux.

Tyler gave a Power Point presentation consisting of an update on Technical Memorandum #4 and Final Presentation. He also did the Initial Presentation on Technical Memorandum No. 5.

Tyler said as you know this has been going on for a little while and we're beginning to get the selection of sites and finalizing selection of sites with the prioritization of each site. This is what I call Meeting 5B. We're going to go over TM 4, presented at last month's Port Expansion Committee meeting on June 18<sup>th</sup> right before the Board meeting. We had a few comments that Commissioner Watkins had asked for, so we incorporated those comments and we have a final draft of TM 4.

Before I get to all that, I just want to recap what we did before was we collected a bunch of GIS information from everywhere, developed the historical trends of the growth of the Port by looking at the leased land throughout the years, got everybody's take on the needed goals by using the questionnaire, Commission, staff and tenants. Then we used that criteria to build two GIS models. In the GIS models we had the weighted overlay and the fuzzy overlay. From those we developed preliminary sites. We took the preliminary sites and finally did initial diligence basically checking out the site, checking out the parcels within each site, making sure there's no red flags. If there was, we properly documented it and that is part of TM 4. We took 420 parcels, investigated each one of them, made sure that each site that the parcels were ranked within each site and you do have a printout of TM 4, the bigger style packet in front of you right now. So the updates that we did to TM 4 was Commissioner Watkins had asked for us to show the size and location of the parcels within each site. I've added a map. You'll see there's two maps for each site now. There's the initial map which shows the parcel ranking, 1 through 5, 1B, a flagged parcel 5B, there's nothing wrong with the parcel. There's a second larger style map, 11 x 17, that shows the parcels within that site and their geo number and their size or mapping number depending on if it's a Caddo or Bossier Parish. And what that'll help is two things for you to reference from the description to the actual parcel and whenever you go to purchase

this land and you have all the information in front of you on one map with the number of acres for each parcel.

The start, I think it's Figure 33 is the first priority site that shows this information. Eric, I and Rick had talked Monday and we determined that was a good way, a good measure to show it. I did look at putting the owner's name on each one of these. It was hard because the owner name descriptions on some properties are very wrong, groups, entities whenever you do that on labels on a map, it just clutters the whole thing. Commissioner Watkins said do we have somewhere say on a parcel of land how many owners may be in that. Tyler said yes, and in the table right before that map, if you flip back probably a page, there's a table for each site that shows each parcel from the largest parcel to the smallest parcel with the owner name and the parish that it's within and the description that we have from the GIS and/or the due diligence. If the ownership was wrong on the GIS and we found that in due diligence, we inserted the correct owner name. So that gives you a rundown from largest to smallest and you can reference back size parcels if you need to on the map with those tables.

Another thing that I edited in TM 4, there was three sites that had I-69 either running through them or right up against them. It was Property B, F and G. B and F are on the Caddo side of the River and they're just to the west of the Port. G is actually on the other side of the River directly across. I-69 splits G. So that's just a note we wanted to make. We don't necessarily want to upgrade or downgrade that because depending upon what type of development is going to be there, it may or may not effect it. But we did make a note that if you have a master plan for the property or have a type of industry that you're thinking about putting at the property, we've got to keep in mind I-69. Any questions, so far?

That's essentially the updates I've made to TM 4. If I'm not mistaken, this is what we consider the final draft and I think Eric would consider it the same. We would like for you guys to review it, let us know if you have any final comments and I think the anticipation is for you to give us final comments and think about adoption the next month.

Eric said Commissioner Watkins, how we would like to proceed, we were going to cover a little of this now and a little bit more later in the meeting is for the committee to have any final discussion on TM 4, which Tyler just reviewed, and see a favorable recommendation from the committee to the Board and look to have that adopted at the August Operations Committee meeting since that's the committee of the whole and not wait until the Board meeting so we can stay on schedule. Tyler said so whenever you can give us comments, if you have any, that would be great.

The next step in the Port Expansion Study and the final step is Implementation and a Replacement Plan for the Port Expansion Study. There is a few items in here. Basically we're gonna help with the implementation of what we have determined as the candidate sites as well as determine the Replacement Plan. The Replacement Plan I'll get into a little more detail, but I definitely need feedback from you on what direction you want to go for a replacement plan in the future, not necessarily the immediate action but where are the triggers that we need to look at, investigate more sites and start determining what the appraisal value on these sites are and all this stuff to where you can go ahead and purchase it when needed.

In TM 5, which is the smaller package that you have, is the first draft. It's an initial draft meaning after this meeting, depending upon y'all's feedback on the triggers, I'm gonna go back to the office and develop, based on the triggers we're gonna discuss today. The initial form, what it does is it shows you the final rankings of each site with a description and the estimated real estate acquisition cost of that site. The real estate estimates were done by David Volentine. I know most of you are familiar with David. He does a lot of work here. And so he looked at each parcel within each site and estimated what the real estate acquisition cost for that individual parcel would be based on averages. Now this is 2015 dollars. It's not 2020, 2025 so you've just got to keep that in mind. Each one of the sites has an estimated low and high range cost on the site. So it's going to be somewhere in between those two costs.

A couple of foundation things we want to talk about before we get into the triggers is we've looked at all the property within the Port and essentially there's 5 big sites and 4 smaller sites that make up about 746 acres that are available for lease at this time. Of those 9 sites, they're listed on the screen as the Cupples property which is just across Hwy 1. From my understanding, it's going to be limited to Commercial and Distribution. Therefore, you can't have Heavy Industrial there right now. It won't ever be zoned that. So that's why I put limited industries, because you're not going to be able to have a Heavy Industrial site. That 224 acres. That's your largest available site right now as most of you know. Scopini Island is the next available. It's actually on the batture side of the levee. We've got to weigh that whenever looking at tenants. Tenants may not want to locate there because it's unprotected. North Whittington is north of Scopini Island, 90 acres. Ron Bean is right here inside the Port; it's 80 acres. That's the largest protected site that is unlimited to what type of industry you can have. That's essentially your most available non-restricted site. So 80 acres is probably not the largest that you would want to have. Tensa Delta is south of here. It's 77 acres, if I'm not mistaken, partially battured on the batture side. Eric said it's all protected. There's 4 small sites within the Port that compiled together make 125 acres that are specialty type businesses that would need it. So, with that in mind knowing that your 80 acres is really your most unrestricted unlimited site, I would look to you as a Board to tell me if that is something that you want or do you want a larger style site that can attract mega sites such as Benteler. I would think the answer is you would like a larger contiguous tract that's available without restrictions. Any opinion? Commissioner Gregorio said yes. Tyler said yes. So with that, is everybody on the same page here before I move forward with this that we're looking at a large-style site?

So with that, we're going to go ahead and in the Implementation we're going to state such actions that we've got to look at getting a large site contiguous to each other where you could have a large-style tenant such as Benteler, and I'll use Benteler as an example for that. The triggering for purchase will for this, in particular, will go at the same time of investigation because we're going to be looking immediately to get a large-style tract. The other question is the smaller style tracts that you have currently that we had listed before, the 80 acres, 90 acres, the 100 acres. Those style tracts will be for ancillary businesses to the mega business or to medium businesses that may be stand-alone by themselves but they can come into it. We have discussed Eric, I, staff and Rick, we need to look at a trigger for when do we need to replenish the smaller style sites or look at triggering a smaller size inventory for not only the large style but also a small style tract that has—you can look at attracting smaller and medium style business rather than having one 600 piece of land by itself. What I mean by

that is right now there's roughly 450 acres that is available without restriction. That basically discounting Cupples right now because that's really Commercial L& Distribution only. So there's 400 acres that's available in a smaller style tract setup. We need to discuss and have an open discussion of where are the triggers that you want to have in place to first of all start investigating—okay we'll getting low on our medium to small style tracts and where do we need to start investigating where can we buy land, and then what's the trigger for purchasing? The initial we had discussed---and this is just a number to throw out there--is 400 acres. Once you get below 400 acres of medium to smaller style tracts you need to look at least investigating which sites you can purchase next. When you get the 300 acres available, you go ahead and purchase. I would like to get everybody's feedback on what triggers you like and that is combined acreage, if that makes sense. Does that make sense to everybody? I would like to get y'all's feedback on that.

Commissioner Gregorio said I want to go back to large in just a moment, but let's stay on small since you are there. Historically ten years, fifteen years, whatever we think's appropriate, what's the rate that we burn through? How much acres do we burn through what period of time? Tyler said in the first steps of this process we determined your absorption rate, if you want to call it that. And the projection over, the straight average when you take what you leased from the start to now, is about 40 acres a year. But you've got to remember, y'all are on the uptrend. You're not stationary. We did a five-year rolling average and the trend for the next two periods is roughly 60 acres a year which would mean from 2014 through 2019 and 2015 through 2020. So it would be 60 acres a year, roughly 300 acres by 2020 would be absorbed. Does that make sense? And so that's the trend line right now where everything is including Benteler—we had Benteler in the study when we started—it's roughly 60. I think it's 59.7 acres per year. Commissioner Gregorio said on the numbers that you had, if we start to purchase when we're at 300 acres available, we have a 5 year inventory. Tyler said roughly. And that's on only small land. Commissioner Gregorio said just small right now. Tyler said correct. Commissioner Gregorio said is a 5 year inventory normal in the industry of the ports, or do we need more, less. Eric said that would be something we would have to investigate, Commissioner Gregorio. Some ports are maxed out on their land and have no inventory while others have an amount in between zero and an amount we have. It would take some investigation. Commissioner Gregorio said my next question is, you know what's available in five years may be way different than what's available now. Tyler said that's the big—Commissioner Gregorio said ten years may be way different, particularly if there's roads and highways and other development. Any thoughts on what's going to be happening in this area down Hwy 1 with future roads the next 5 or 10 years? Tyler said as we all know, I-69 is planned to come through here. Now when is the funding available, we don't necessarily know. The same thing with 3132. 3132 is planned to come somewhere in the vicinity, at least the potential for it to come somewhere in the vicinity, the next....We don't know time periods because of the amount of funding available but that is the two major roads that are anticipated to come through this area. Timeframe wise I can't say if it's 5 years, 10 years or 20 years but we at least know that the corridor for I-69 is preserved. As you know, where the power line is it's preserved. The 3132 corridor, if it's determined to be a corridor, it would probably be preserved in the next two to three years, at least for no development on that corridor. But I don't know time period for actual roadway builds. That's kind of unknown. Commissioner Gregorio said is there a disadvantage for purchasing and holding real estate to guarantee for the future. Eric said one of the ones that would come to mind and maybe to private business would be maybe the overhead or such in terms of just the property tax or the carrying cost. For the Port there are no property taxes, so

the exposure there is minimal just in upkeep. Commissioner Gregorio said to continue my out-loud thinking, if we in the community believe that we are an economic engine and if we have a bright future, then I think we should plan for that bright future with the amount of real estate that we want now and the triggers that would guarantee that. So I do think we're an economic engine; I do think the community sees us as such and I think we are, so I think we should acquire the real estate while it's available rather than wait. Tyler said and at probably a lower premium than you may pay whenever the roads are being planned to be built. Commissioner Gregorio said correct. There's only so much real estate. We know from the 3132 thing that development happens and all of a sudden options are foreclosed. So if we acquire the real estate that we believe we will need as an economic engine for the community, then we'll have that available for us.

Commissioner Watkins said Jimmy, you know we have a possible tax issue in front of us for renewal. If we're successful in passing that, we do have the ability to bond that, and of course that will be whatever length of time we're going for which if we go for another 25 years or whatever we do. We should be able to buy, bond and have the money to buy whatever we need. Commissioner Hall said absolutely. I think the argument you're gonna have with some people is that if you're gonna pre-determine I'm in the route of some future development, you're gonna have to pay me for the land or you're going to have to compensate me for lack of development, but I would think that we would seriously consider looking at what the capacity is that we can bond because then you can acquire whatever property and it also buy you funds for some development like we've done here with the infrastructure etc. It's what's been the catalyst in my mind that's what's made us so successful is all the pre-planning that was done before and made these greenfield sites that are ready available, and when somebody is looking for a site location, it makes it a likely spot that they're going to heavily consider. So I would think if we're successful in getting the tax renewed, then we should seriously look at that.

Commissioner Gregorio said let me say that in maybe a little different way. I'm in complete agreement. Twenty five years ago we acquired land that guaranteed us a 25 year future. I think my number's right. And so if we basically run out of land, maybe we should look for a 25 year future, not just a 5 year, 10 year but guarantee the future like we did in the past for which we've had very good results. Commissioner Watkins said I'll just act like I've got play money and say we're successful. You could actually take two of these plots, the two that you really like, that may be \$40 million in total that would be well over what we need for 25 years. We should be able to bond those out easily and then start your infrastructure and basically have put the Port on the next 25 years they're not going to have to worry about land etc. The money we're spending on this and the time and effort that they're putting into this, this does have a date on it. It'll be outdated in a couple of years. So as we think through these and what we want to do, it may be two years before we do it, but we need to start thinking that way because this will be old information in two years. So I think we all need to be thinking about that trigger. But I like what Sam and Jimmy said. We need to think big. Let's don't think about a 5 year plan. Let's think of a 25 year plan and let's bite that bullet one time and be done with it. Eric said that's perfect. That's exactly the feedback we were...Capt. Murphy said I think we're unanimous on that.

Commissioner Watkins said Eric for you, I think you need to start thinking about funding these tracts. If we go grab two tracts and \$40 million, what are our options? Certainly we have other options, not only the tax renewal. You have RRWC etc. There's other options out there for us. We have some money

but I think that would go dovetailing with it. You know we need \$40; how are we gonna get there and get to that. Eric said I understand what you are saying Commissioner Watkins. If I may with regard to the property tax, we know that the tax expires in 2018 and here we are in 2015. We're wrapping up the Port Expansion Study and as we've discussed in the past, as soon as we had timed the completion of the Port Expansion Study is the time to update our overall Master Plan of the Port which was completed a few years ago and also it would be an ideal time for Dr. Loren Scott to do an update on the economic impact of the Port, especially with Benteler coming on line and with the expansions we know are about to happen so that when we do go to the citizens in that time period before 2018, we can tell them that yes, we do have a Port Expansion Study. This is what we want to use the property tax money for the land. We have a Master Plan that has over \$100 million of projects in it and we are a proven economic engine and we can use the Dr. Scott information for the jobs that have been created as well as the economic impact, as well as the household incomes as a result of the Port. I think in timing wise it all is lining up perfectly. And also with the comments, we'll get to work on beginning to understand if the tax revenues to the Port of Caddo Bossier are roughly \$6.8 million, we know we're covering our debt service now, but in today's market environment what dollar amount could we likely see in terms of total bonding with that type of revenue. Commissioner Hall said this is just a John Holt revenue story, but his standard deal is a million will get you \$15 million today with the market rates the way they are. Just at \$6 million would get you \$90 million dollars in today's rates. We just had a discussion last week about it. And so that gives you some mindset as to what you would have to bond to get to \$40 million wouldn't be the whole thing and of course, the other thing we need to keep in mind is you don't want to expend your capacity all on just land because the land without the infrastructure is really just a pie in the sky deal. To me, to make it credible as far as marketing, it has to have the infrastructure. And so you've got to plan that; you've got to build it. All I'm saying is within what we have there's plenty capacity to do both—acquire the property and look to the 25 year plan and then also provide—you don't have to do all the infrastructure right then, but you can do it in making it the marketable pieces. I think we've probably talked about that larger pieces are sometimes more attractive for bigger industries etc. So there would be a way for the experts to master plan that but I think there's plenty of capacity there under current rates—I don't know what the rates will do in the future.

Commissioner Watkins said Rick, a question for you. You would be able to ballpark a figure—and it'd be real ballpark—to say this is what it takes per acre to put in water and road, sewage. Be really ballpark. Say if you're going to acquire 100 acres you can ballpark—you're going to have to spend this much and that would at least give us a benchmark to say, for every 100 acres, we need to make sure we've got this much in infrastructure money. Is that doable? Rick said I think so. Commissioner Watkins said and obviously it's a guess but it's an educated guess. Eric said that's a great idea.

Commissioner Watkins said Tyler, the other thing and I thought about this after Step 4, do we need a designated—of course we can look on the maps and see things that are on the River side of Hwy 1. You know I think as we look, I think the most attractive tracts are probably on the non-River side of Hwy 1 is kind of what it's kind of looking like. But do we need to make an effort to acquire—do we need tracts on the River side? Do we need to try to get more River frontage? Let's say we get 1800 acres. I don't know that they all can be on the non-River side of Hwy 1. Does a certain piece of them need to have River frontage? Commissioner Hall said that's a good question. With the docks, can you not be manufacturing over here and transport it over here to put it on a ship and ship it or is that logistically

something that a big time entity would find not feasible. Eric said just with our experience with Benteler, for example, they're a perfect one to study. They lease 370 acres from us on the protected side of the levee. At some point, they will be shipping 500,000 + tons a year of scrap steel to the steel mill as their raw product. While we have had talks with them about a potential conveyor from our general cargo dock, they chose not to construct a general cargo dock that would serve just their facility. So it does bring up Commissioner Watkins' question, the discussion does bring up something we do need to look at and where we would begin on that is looking at the existing capacity of our existing facilities and then look at the existing planned facilities. For example, at our slack water harbor we've constructed one dock. We have the potential for at least two more in there and not to mention the River frontage that we have on the Scopini Island and the North Whittington tracts. But with that said though, if there is a tract of land that does have the River frontage, it needs to be carefully analyzed especially if it's the site that is what we're calling a mega site or a 350/400 acre site because I believe someone that we as the Port are going to preserve that site for, if you will, one tenant, one lessee for that entire site, there's a greater option that they would need their own general cargo handling facility. I think we need to go back and understand our true capacity, but just don't say "no" based on that capacity. I think it would be an incredible advantage to have a mega site with at least what we determine to be the minimal amount of River frontage space. It doesn't have to be as elaborate as we have. It just has to be an access point. Tyler said and to that point we can move wherever we need to move on these sites. But I'm trying to get to a perfect example of this is Site R, if I'm not mistaken. It is, and Rick had brought this up to me, has a portion of the property, 700 or so feet that is direct access to the channel on the Red River in a navigable portion, so it's south of here. But each one of the sites that we thought could be easily accessible to the River with either the slack water harbor or direct access to the River, we noted as such in the description. So it's really not hard for us to move, note whatever we need to do in the future, to properly note these things. So right in this area, 741 feet, it's in the actual description, that's direct River front access that's right there. There's probably another 700 or so feet that's on the batture side of the levee but you can see easily that's it on the River. That is the only property that we found that is on the River channel in this vicinity. Rick said if you think of Benteler's site, then you have the Hutchinson Plantation below that. This is immediately to the south of that. Commissioner Gregorio said R is ranked not high in your ranking. Tyler said correct. It fell out of a lot of criteria. Commissioner Watkins said but that one piece might be. You know R may have too many gas wells or whatever the reason is but that one piece of R may be perfect for us. So as we go do that, we may say "Hey, we're gonna grab 1000 acres on this side of Hwy 1 and then we're gonna go grab 300 acres in R". Tyler it might be the one that has a lot of as gas wells, 68 oil and gas wells on the site which would not lend itself to development of an industry but for a docking facility and rail cars through and as an access point to that, that's a great point.

Commissioner Watkins said and I think Jimmy brings up a good point too. You know part of our inventory we have to know that we have two docks now but we have the ability to add three more, or whatever that number is, which would service this many acres. So until we get past that many acres we have enough dock area that's either built or could be built. Commissioner Hall said and you've got to figure that Benteler did an analysis and it made more sense to use our dock than build their selves a dock, so there's no way they missed that opportunity to look at that situation so there's got to be some cost effectiveness to us having additional dock space and servicing the various needs. It may be that it has to be a pretty good piece of property with River access before you really want to jump on that.



Because all things being equal, I think Benteler probably did a little more due diligence than anybody else has ever done. So clearly it's an economic advantage for them to deal with using our facility. Commissioner Watkins said so that may just be a trigger we think about is what triggers when we need to start looking at our next dock. You know you've got the slack water and the general cargo. You know at what point in our acreage being leased do we need to start thinking to get ahead of the game and start building our next one and where to put it---Tyler said available land etc. Commissioner Hall said any idea how that steel's coming in? Eric said it's scrap steel; it'll be domestic and international. It's by barge. Commissioner Gregorio said then they're going to truck it over to the plant? Eric said that is correct. That's the initial plan, but there have been discussions about cheaper more efficient ways of doing it than draying it by truck or even rail car and that has brought the discussions of a conveyor.

Commissioner Watkins said my last question for you, Tyler, is in any of this analysis have we tagged anything that is currently listed for sale, any of this land? Tyler said we did not and that can be something I can get with David on. I'm sure he has access to sites that are within this area that is potentially for sale. I can easily do that and note that as such in each of the individual sites that may be presented. Commissioner Watkins said I would like to know what the land costs is before this becomes public.

Eric said Commissioner Watkins, and Tyler, I may be stepping out on something you were about to say. We have talked about this but I think what we hear the committee saying is if we were to take a 25 year forecast, maybe even just bump it up to 30, we're talking about 1500-1800 acres is what we need to be considering. Included within is at least one mega site, at least I would think.

Commissioner Gregorio said I was going to ask you about that. You had mentioned one. I said I wanted to come back to the large site. Do we need two? That was going to be my question. Tyler said I think if we're planning for 25 years, I think it's a good idea to plan for two. However, we've got to keep in mind that if we purchase 2,000 acres, there's two mega sites and still 1,000 acres for smaller ancillary businesses such as you have now and that's kind of what happened here. You know you have businesses, businesses, boom, mega site, Benteler. And so you're starting to close out this area, but if you have a 2,000 acre contiguous tract and you have two mega sites, you still have 1,000 acres there to have the smaller style businesses. Commissioner Gregorio said which is the argument that we should have two mega sites. Tyler said correct. Commissioner Gregorio said that's what I'm thinking. That's my initial thought too. And what do y'all think? Tyler said okay. Eric said and one thing to keep in mind with the mega sites is they will not be subdivided like you will the smaller tracts, so therefore the infrastructure cost will not be as high. Obviously you have to get the road and rail access and water and sewer, but you won't have near the involved costs of the subdivided smaller tract. Commissioner Gregorio said Eric you were making a point. I went to my question about the larger. Did you have some more to continue. Eric said I did not. I think we've gotten the guidance we need on the total number, included of which how many mega sites to plan. We can now take that and apply it to the information we've received. The 1800 rather is just a gage. It might come back 21 or 22. We've gotten our feedback from the committee which has been extremely helpful. Commissioner Gregorio said and your 18, of course, is 60 x 30. Commissioner Watkins said correct. Commissioner Gregorio said 30 years, 60 per year. Eric said that's just what we used on the rolling 5 absorption rate. Commissioner Gregorio said is you're gonna go that, might as well shoot at 2,000. Eric said exactly. Tyler said and what it will do

is the study has prioritized land. What land you actually go out and purchase because I think you're going to follow the priority, but what land fits what you want to purchase is essentially what you're going to try and do. Eric said and what we're saying in this meeting also is that the time is now to begin the overall process, but it's incredibly urgent that we find our first replacement mega site. Commissioner Gregorio said so we don't have any. I agree.

Commissioner Watkins said Tyler, do you have anything else for us. Tyler said I had one more slide, but the discussion's been so good here. We've got all the answers we need, like Eric said, and basically what I'm gonna do is I'm going to incorporate these comments, bring back TM 5 in final draft form for your review at the Operations Committee meeting. At the Board meeting, I think the plan is to adopt it for approval. Commissioner Watkins said do we need a motion from this committee to present Step 4? Eric said yes sir, we do. Commissioner Gregorio said I so move. Commissioner Murphy seconded the motion. Commissioner Watkins said all those in favor of recommending that that Step 4 be approved by the Commission at the Marketing Meeting—Eric said we want to do the Operations Committee meeting on August 10<sup>th</sup> please. Commissioner Watkins said that's the motion. Any discussion? All those in favor say "Aye".

AYES: Commissioners: Steve Watkins, Thomas F. Murphy, Sam N. Gregorio and James L. Pannell.

NAYS: None

ABSENT: Lynn Austin

ABSTAINING: None

Eric said that's a perfect segway. We want to talk a little bit about wrapping up the Port Expansion Study with these remaining steps we have. Commissioner Watkins just handled the motion with regards to TM 4. What we would propose to do now is to take the feedback, which we sincerely appreciate we've gotten from the committee today, incorporate that and just distribute it to the committee and the Commission with the permission of the committee, so that we could seek to have final adoption of TM 5 at the Board meeting in August. That's a proposal. Commissioner Austin joined the meeting at 4:18 p.m.. Commissioner Watkins said will this committee need to meet before then. Eric said that's what we want to seek from the committee. Would you all like to meet one more time before? If not, we can...Commissioner Watkins said I think we need to meet before the August Board meeting to look at the final wrap-up on 5. Eric said then okay, what we can is schedule that meeting at the same time, 3:30 p.m. Eric said what we would like to do is shoot for September 8<sup>th</sup>, which is a Tuesday. Labor Day is on that Monday. We're having our committee meetings on Tuesday, the 8<sup>th</sup>. We'll have a Port Expansion Committee meeting on that day to go over the final presentation. Commissioner Austin said at what time, Eric. Eric said around 11:00 a.m. Commissioner Austin said I have a crime lab meeting on the 8<sup>th</sup>. That's the second Tuesday. It's at 10:00 a.m. so I may be late. Eric said okay.

Commissioner Gregorio said Eric would you mind repeating the dates one more time. Eric said on August 10<sup>th</sup>, at the Operations Committee, we will ask the Board to adopt and ratify TM 4. On August 20<sup>th</sup>, prior to the Board Meeting, we'll have a 3:30 p.m. Port Expansion meeting where we'll have a final discussion on TM 5 which we just heard the initial presentation of today. Then on September 8<sup>th</sup>, at 11:00 a.m., we'll have a Port Expansion meeting to discuss the final step of the Port Expansion Study, the final delivery, the culmination of all the technical memos. From there, what we'll also put together is whether or not at that date, on September 8<sup>th</sup>, does the committee want to meet once more before

presenting to the final Board or not. And then, we'll determine on September 8<sup>th</sup> the final adoptions of TM 5 and the final. Tyler said I think the idea is when TM 5 is adopted, you've adopted all 5 TM's and that is the Port Expansion Study, a binder of all 5 TM's. Commissioner Austin asked if all these in here? Eric said no sir, we just discussed them seeking feedback from the committee on setting those dates. We'll get it updated, Commissioner Austin, and get it to you. What we don't know at this point, Commissioner Watkins, we'll just have to schedule is when we'll have that ratification of TM 5 by the Board. That will be determined at the August 20<sup>th</sup> meeting. We can figure it out after that.

Commissioner Watkins asked if there was any other subjects to come before the committee and adjourned the meeting at approximately 4:21 p.m.

Commissioner Watkins said the July 16, 2015 Port Expansion Committee minutes are in your package. If there are no additions, corrections or deletions, as Chairman I move they be incorporated into the minutes of this meeting. The motion was seconded by Commissioner Austin. Commissioner Murphy said it had been moved and seconded that the Port Expansion Committee report of July 16, 2015 be adopted as printed in your packages. Calling for discussion and hearing none, the vote was taken. All in favor please say "Aye". Opposed, "Nay". The motion carried unanimously.

**By-Laws Committee Report of August 7, 2015:** The By-Laws Committee meeting was called to order by Committee Chairman Lynn Austin at approximately 12:00 p.m. on August 7, 2015 in the Board Room at the Regional Commerce Center. Commissioner Austin said we do have a quorum.

Committee members in attendance included Lynn Austin, Erica R. Bryant and Rick Prescott via telephone. Commissioners James L. Pannell and Steve Watkins were also in attendance. Staff: Eric England, Danyne Malone and Mary Jo Ward.

Commissioner Austin said the way we're going to proceed. All of you have a copy of the By-Laws in your binder. We'll start on pg. 1 and go through each one of them and not necessarily read them, but let's just go through each one of them, and Eric, if you or Danyne will call to attention something we need to look at because I really feel like it's the staff's position to put into action the By-Laws and for the Commission to oversee those and approve those. But I do think it's a staff function for you to set the By-Laws of how we're gonna run. We will approve those or disapprove those or rewrite those however.

We'll start with Article I. Does anybody see anything on pg. 1, Eric or anyone, that needs to be changed. Eric said first of all, we need to change the address and change our name from the Port of Shreveport-Bossier to the Port of Caddo-Bossier in Article I. That's all I have there. Commissioner Austin said the name and address on the first pg. in Article I from P.O. Box. Change that address and also the trade name, Port of Shreveport-Bossier will be Port of Caddo-Bossier. Eric said correct.

Commissioner Austin said and I think the rest of it on that page, the jurisdiction of the Commission, the parishes of Caddo and Bossier and then the objectives of the Commission regulating commerce and traffic. These are pretty generic for any organization. Anybody see anything in there that we need to redo, update or change? Danyne said no, in fact if you look at the objectives, they pretty much track the

State law. Commissioner Austin said and that goes all the way through Section 6. Danye said that is correct.

Commissioner Austin said let's look at Article V now, the nine members overlapping terms of six years. Danye said we have a recommendation in Section 1. Where it states overlapping terms of six years, we would delete that language and it would simply read, "The Commission shall be comprised of nine (9) members who shall serve without compensation and shall be appointed in the manner provided by La. R.S. 34:3158". Commissioner Austin said and what does in the manner say. Does it say in six years? Danye said actually the statutory provision actually delineates these specific terms of each commissioner. It's really not an overlapping term of six years. You know the statute was changed I think several years ago, and so this particular provision is inconsistent with the newly enacted statute. Commissioner Austin said the statute actually names when Caddo will appoint, when Bossier will appoint. Danye said it does. It actually delineates the terms and the time period in which the commissioner is appointed and the duration of the term. Commissioner Austin said okay, and are those all six year terms. Danny said not all of them. For example, Commissioner Gregorio, his term is concurrent of the City of Shreveport. So that would be four years. So all of them are not six year terms. Commissioner Austin said is Bossier consistent with the mayor. Danye said no, there are six year terms for the appointees from Bossier City and Bossier Parish. The only one that is concurrent with the mayor of the City of Shreveport is that particular appointee. Commissioner Austin said just one of the appointees of the mayor. Danye said yes. Commissioner Austin said and he serves at the pleasure of the mayor. All of us serve—well I serve at the pleasure of the mayor anytime because he can remove me at any time. Danye said that's an interesting point. Actually there's an AG Opinion with respect to this particular commission and whether those individuals can be removed at the pleasure of the mayor. Actually the mayor can recommend the removal of a commissioner, but the governing authority actually has to remove the commissioner. So, for example, if during your term, and your term is six years and you're in the third year of your term and that mayor wants to remove you, well the mayor cannot remove you, but the governing authority can. So there has to be a recommendation by the mayor and the governing authority—maybe in your case—Commissioner Austin said City Council—Danye continued the City Council would have to concur in the removal of that commissioner. Commissioner Austin said that's pretty much the way our appointments are. We're appointed by the mayor and approved by the Council. Any appointments that he makes have to be approved by the Council with the exception of police and fire chief. Danye said right, and it would also require the City Council to act on the removal of that commissioner. Commissioner Austin said so this just brings us into compliance with State law. Danye said correct.

Eric said Commissioner Austin in Section 2, I bring up—not necessarily in Section 2--it might be that we add a section. As we know, a couple of years ago the commission adopted a code of conduct and a new commissioner orientation and we were discussing among just staff would the commission want to include those type of things in the By-Laws that they would be offered a new commissioner orientation and recognize the code of conduct. Commissioner Austin said I don't think so myself, just personally. How do y'all feel about it? Commissioner Watkins said I don't know why you would put that into your By-Laws. Commissioner Austin said I think you're respecting organizations that appoint you. If you get out of line, you're going to be taken out anyway. But I honestly don't think we could get into

that too much. Do y'all feel the same way, or do y'all want to go into that? Commissioner Watkins said I feel the same way.

Commissioner Austin said does the law say that each commissioner shall be a property tax payer. Dannye said it does in Section 2.

Commissioner Austin said and with resignations, as I understand it, unless you specify the date of the resignation that you submit to the appointing authority, then your resignation becomes effective when he receives the registered letters. Is that correct? Dannye said that's correct.

Commissioner Austin said then the unexpired term, we just notify the appointing authority. Is that correct? Dannye said that is also correct. Commissioner Austin said the appointing authority at the proper time as soon as they see fit or in due time put someone on the Commission. Dannye said that's correct and that's consistent with R.S. 34:3158. Commissioner Austin said is that for the unexpired term of the person who quit. Dannye said actually the statute reads for "any vacancy", whether it's for an unexpired term, resignation or death. It has to be filled in the same manner as the original appointment for any vacancy. Commissioner Austin said what I'm asking is like if I had three years left on my six year term and I quit and the mayor appointed someone, would they fill the three years or would they be appointed for six years? Dannye said I think the appointment would be filled for the three years. Commissioner Austin said that's correct. Commissioner Pannell said who makes that decision, or is that already here. Dannye said that would be of course the mayor and subject to confirmation either by the Council, or in the case of Bossier Parish will be the police jurors and the Commission will be the Commission. Commissioner Pannell said what I am saying is that if it's completion of three year term or if it's a six year term, is there a definitive answer on that. Dannye said I think it's the three-year term. The statute states three years. Commissioner Pannell said that was confusing about the appointment and how they remove them and I think we got an AG's opinion on that because there's varying opinion. At this point, I just think that we need to know definite and where an opinion needs to come from. I think that we need to know because I mean you know if you're telling me that I'm just saying if you're telling me that you think, I trust your judgment. But I'm saying we're still not definite here because I know the difference between you telling me I know and I think. So I just—Dannye said I think it's pretty clear. Commissioner Austin said Section 4 kind of really defines that in a loose manner—"The filling of the COMMISSION vacancy for the unexpired term resulting from a resignation, death, etc., shall be in the same manner as the original appointment". Dannye said when you review the statute, there are specified time periods in which a particular commissioner serves. So for example, going back to Commissioner Austin's theory, if he, for example, has a six year term and he resigns three years into that term, then there's a definitive period which will be the unexpired term. And so if there's an appointment at that point, then that individual will serve for the remainder of that unexpired term because they just specified under statute. I think it's pretty clear. Commissioner Austin said I think Section 4 kind of defines the Commission filling the unexpired term. Commissioner Hall says does the etc. deal with removal when it said resulting from resignation, death, etc.. Is that also included removal in your...Dannye said I think it is because in going back to the statute, I read it this morning, it says for any reason the vacancy will be filled in the same manner that's provided under the statute. So I think removal would definitely fit into that category. Commissioner Austin said does a person moving out of the jurisdiction make them ineligible to serve as a Commission member? Dannye said not as long as

they are a U.S. citizen, a voter and a tax payer within the respective jurisdiction, they can serve. Commissioner Austin said I'm saying if a person that's appointed by Bossier City moves out of the city and into the parish, does he become ineligible as a Board member? Eric says it goes into that little detail. Danye said I think it does. Eric said it delineates that for the municipality and the City of Bossier City, that the two appointees must be residents of Bossier City. Commissioner Watkins said at one point didn't I have to resign. Commissioner Austin said we switched you and Jimmy around and...Commissioner Hall said he became the parish representative. Eric said all of our Board. Commissioner Austin said Jimmy was representing the City and lived in the Parish and you were representing the Parish and lived in the City. We just got the Police Jury to appoint him and the Council to appoint him. Eric said the most recent change to our statute provided that change and that was the cause and the switch for Commissioners Hall and Commissioner Watkins. Commissioner Austin said okay, let's move on down to Article VI.

Eric said one other thing, we just want to suggest in Section 3 where it said Secretary, we had that officer listed in the following article as Secretary-Treasurer. I think that needs to be Secretary-Treasurer. We don't have an officer, if you will, of just Secretary. Eric said that's under Article V, Section 3.

Commissioner Austin said let's go to Article VI. Anyone got concerns about anything about the officers, the duties, the terms, the job descriptions. Commissioner Watkins said just one comment. It talks about the President shall serve at least three years, and I know it says normally, so I guess we could deviate at any time. It says it needs to go to one AAPA Commissioner Seminar. Is that really the language that needs to be in your by-laws? Is that important to really be the President? Commissioner Austin said I don't think so. Commissioner Bryant (inaudible). Commissioner Austin said I really think we ought to take that out because. I think if your fellow Board of Commissioners feel strong enough that you can be president, that should be enough. Commissioner Austin said an AAPA seminar is not going to help you be president, I can tell you that from attending several of them. (Inaudible). Commissioner Austin said it might take you out of the office of president, but it won't put you in it.

Commissioner Pannell said let me ask you Lynn, we're in the section for officers, I know that if I'm appointed by the City, the City has to be the one to remove me. All that's good. But if we elect an officer of this commission and that officer is absent for a period of time, looks like we ought to have our own rules as to how we would...how would you move that person because we shouldn't be governed by the City on how we handle our internal business, so if somebody is elected and how many meetings can you miss without serving in your capacity? Commissioner Bryant said so you're saying you can't stop them from being a Board member...Commissioner Pannell said we can't stop them from being a Board member, but we appointed them to that office and if they're not serving, we should have a process in place that if you...I don't know what the process is but if there's no process now. They just keep serving whether they come or not. Commissioner Austin said well and that can be a problem too because the Bossier Parish School Board has no policy on the number of meetings you can miss to be replaced, because you can miss all of them. Commissioner Watkins said it's been proven so. Commissioner Austin said we had one school board member that made three meetings the whole year and got reelected without opposition. Commissioner Pannell said but he was elected though. I'm saying we're not addressing how the appointing authority deals with putting on this Board. But we're the one who

decide who those people are that's going to serve in those various capacities and if you are saying that Secretary-Treasurer, Vice-President, President positions are not important, you just don't have to come. Commissioner Watkins said in Section 4 it says they are elected to serve a period of twelve months and said terms of office starts immediately after election, so somehow there needs to be a section saying if an officer is absent X number of meetings...Commissioner Pannell (inaudible) Commissioner Hall said I think it ought to be even more egregious than that. What about the guy that gets arrested and has all kind of staff going on, and he sits as officer—I'm just theoretically throwing it out—and he sits as an officer for the Port and we're sitting here with an opportunity where we have to go to the people and ask for them to renew a tax and that person...let's just say he batters his wife and we don't know if he's guilty or not but he's charged. And so, most contracts for employment have morals clauses, things of that nature, so I think we ought to have something a little more...if you're thinking about it, what about the guy that lives after an accident and is on life support and can't serve. What about the guy that is charged, maybe unjustifiably but it brings some question of the Port. While I was relieved that Eric had never got charged as President with anything, it just could happen to anybody. Commissioner Bryant said for example, when I was here and I was out for a significant amount of time (someone said on maternity leave). If I was officer and was President and I've got to be out, it may be such that I don't need to serve as President, and if I was out for a year, even though it's no fault of my own. Commissioner Pannell said but I'm saying this is an opportunity because I mean we can't do anything about an appointing authority, but we ought to be able to handle our business and I don't see how we can have what somebody appointed here, but no they appointed him to this Commission but we appointed him to that position. Commissioner Hall said I think it ought to generally say that any officer can be removed by a majority vote of the Board for good cause shown and then we can determine as a body what good cause is. Is it failure to attend? Is it something that's bringing question on the Port? Somebody got arrested for suspicion of theft, you know whatever. I mean that's not somebody you really want to be an officer of the Port. Commissioner Watkins said just throwing this out here, do you say something about absenteeism and missing meetings. Because it does take the human element. It's easy if a guy gets charged with murder. But if the guy's missed three in a row meetings, you know, if we have that in the by-laws, at least that takes the human element out of it. You know I would like to help James but it says right here in black and white. Commissioner Pannell said exactly. Commissioner Bryant said but what if you do want to help them and they miss four meetings and you really don't want to vote them out because you think...Dannye said I like Jimmy's suggestion though. I mean you want it to be as broad as possible because I think at that point the Board decides. Commissioner Hall said I'm pretty sure before the Board would tee it up, you've got feeling how the Board's gonna proceed on that. It's either something the Board feels strongly about to tee it up or not and then that discussion would take place but I think Erica is right. There may be somebody that has good cause for something happening. I mean you could have all kind of events in your life that could cause that to occur and it wouldn't be any fault of your own. Commissioner Austin said Eric, why don't the staff work on the wording of that...Eric said we will...to say any officer may be removed for just cause at any time by a majority of voters of the Commission. And we actually could put that under Section 4. Commissioner Prescott said could we possibly have that if an officer miss so many and they inform the appointed agency of the changes since they appointed him. Commissioner Pannell said I think that would be true of all members because that is the place already now. If you miss X amount of meetings, you would have to inform to inform the appointing authority. But we're talking about--I mean if we inform the appointing authority and they say we don't have no problem with that, he can

stay. But he still should not be serving in a position that we put him in from this Board's standpoint. We should have the final say over who's gonna serve in a position on this Board. Commissioner Prescott said okay, I understand. I misunderstood. Commissioner Austin said we're not taking them off the Board, we're taking them out of office. Commissioner Pannell said not from the Board; that's not our authority. Commissioner Prescott said not from the Board but from the office that's he's serving. Commissioner Austin said and even now if a person is continually and habitually absent, Eric notifies the appointing authority anyway, the appointing agency. Commissioner Pannell said and if the appointing authority chooses not to remove them, our issue is you're serving in the capacity we elected you at. You know if you're just on the Board and you're missing, I don't see that's a problem. But if we appoint people to a position, those positions mean something or else we're saying that we don't really mean anything. You're not coming to mean anything. I assume that...I know each one of those positions I've been through and they are of value to this Port.

Commissioner Austin said okay. Section 5, Eric. No member shall hold more than one office at a time. No member may serve as President more than two consecutive terms. I'm gonna tell you when I was President for two years that was a load and I just don't know how y'all feel about two year terms as officers. I think one year as President and then on the Executive Board is a plate full. Serving for President for two years is a lot and it demands a lot of you. So how do y'all feel about that. I don't care because I've already done my time but if I had it to do over again, I would prefer to serve one term and not two terms. Commissioner Bryant said you don't have to serve two terms though right. Commissioner Austin said you don't have to. But I think people—they feel obligated once they're elected to serve the two terms because it's in there. And we did that for some reason way back then that somebody didn't want to serve or. Eric said that's correct. That was during our most recent change that section was changed because we had an individual that served as Vice President for a number of consecutive years. Commissioner Bryant said I just find sometimes continuity consistency it helps to have them the two years but the fact is if you don't want to do it, you can say I don't want to serve a second term, right. Commissioner Watkins said absolutely. Commissioner Pannell said I guess my concern is kind of on the form given to the other nine members. We could actually have a dilemma at this point here now. Okay. You have appointments, and all of us, Rick, was reappointed, me, Sam and Ernest have not been. I'm not in the rotation but Ernest is. Let's just assume that she makes the appointment for Ernest tomorrow. That means that Sam moves up and Rick moves up. At the end of the year here Capt. Murphy moves. Sam moves up and Rick moves up and then a brand new man is serving as Secretary-Treasurer that's been here for six months. And that process would speed up if you just go solely back to one-year terms. It actually will speed up. I don't have a problem either way. I'm saying that I think that if a person can serve two---what I'm saying that if it says that an officer can only serve two years in consecutive years, then it would be up to the Board to say you know. And if it was Steve and I had asked Steve and Steve said yeah, I would like to do this another year. That's fine but if he says not, but it'll make it where we still have ways to—it doesn't lock us in one way or the other. Commissioner Austin says it takes two years as Secretary-Treasurer, then two years as Vice-President to get to the Presidency, it takes you four years to get there, almost a term to get there if you're appointed immediately. Commissioner Pannell said right. Commissioner Austin said but you know, let's go around and get some ideas. Steve, how do you feel about it? Commissioner Watkins said one thing that I have thought about here lately. We've got a lot of long-term members now and if we all keep getting re-nominated etc., you're looking at all five of us have been President, and now you're



going to have the Capt.. That's six of nine that have already been President. You know. Commissioner Austin said let's leave two years because I don't want to be President again. Commissioner Watkins said I don't want to be President again. Commissioner Bryant said I'm not ready to be but you also if you do end up with some new members, I think at some point somebody's gonna have to come back because you're not going to want to put the newest person as a..but you could have a situation where you don't want somebody to serve a second term. It's sticky when you decide you don't want to reappoint somebody for a second term. Commissioner Austin said okay, we'll leave it like it is. I don't want to get all the way back around because I don't want to do it for two more years. It cuts into my retirement time. I can do it for two if I don't do President and Treasurer, then President. Eric said just add a section, all right. Commissioner Austin said I know that on LCDA someone served as President for about 18 months because the other President just left when all that controversy. He just stopped coming. Commissioner Watkins said let me ask a question. Commissioner Austin said it wore me out. I spent more time dealing with LCDA than I did the Marshall's office. Commissioner Watkins said Section 5 it says no member may serve as President more than two consecutive terms. How about if we said something like the President can serve up to two consecutive terms. So if you said "up to", it says you may get one, you may get two, but you can't have more than two. Does that make any sense? Commissioner Hall I think it's talking to the idea of consecutive, but I like your thought. If you say "up to" somebody could be cut short without it seeming like the by-laws say you're guaranteed. Commissioner Watkins said does that make sense, Dannye. Dannye said it makes sense. Commissioner Bryant said you could have a situation where we're talking about now where we just say I just want to serve one term because we've got new members and once they've come along. Commissioner Austin said is everybody okay with that.

Commissioner Austin moved to Contractors, Employees and Expenses. I think that Steve, didn't you request that we have an organizational chart for the employees of the Port drawn up. Eric said we have it right here. Commissioner Bryant said we have it in our email. Commissioner Watkins said I'm not even on the By-Laws Committee but I would like to throw something out. We've talked about this and I've talked to Eric about it is that nowhere on this does it really say that we have a No. 2 so to speak, whether we say that the Director of Legal Affairs is No. 2 or however we want to do that or if we actually put a box in for a Deputy Port Director. Commissioner Austin said In the absence of the Executive Director, who's in charge. Commissioner Watkins said I know there's been some language and I know when Charles was here, we talked about the Director of Legal Affairs stepping into that and that's where I was going for the longest time thinking that, but you know our Director of Legal Affairs. I think it's better to talk about the position and not the name. But the Director of Legal Affairs could have a conflict of interest if he/she was also the Deputy Port Director because that person needs to be totally objective, really only answering to the Board of Commissioners so that they can have oversight over keeping us legal and in line and protected. That Director of Legal Affairs not only protects the Port. It should protect this Board is my thought and if you put that person in as Deputy, then suddenly it's kind of convoluted and where does this person really answer to. Commissioner Austin said is he representing the Board or is he representing the employees of the Port. I think the Director of Legal Affairs needs to have a straight line to the Board of Commissioners and really that would be it. Now him/her and the Executive Port Director have to work hand in hand, but I believe the Director of Legal Affairs answers to the Commissioners. It would be my thought that then at that point you need a Deputy Port Director. Commissioner Austin said if you took your directors that serve directly under you, which

director would you designate as the Assistant Port Director in your absence. You don't have to tell us right now, but who is the most responsible person as director that knows what's going on and could handle your job if you weren't here or if you were hospitalized for an extended period of time, if something came up and you were out of town for a week. Who do we go to as the second person who can make the call. I think we need to designate somebody that's the 2<sup>nd</sup> in charge. Like anything, if the police chief's out of town, the assistant chief is there. If the marshal is out of town, the chief deputy or whoever he designates. You've got to have somebody that's there, somebody that says who's in charge and can make that decision without having to contact you, just contact the Board because you could be out of the country, you could be in a car wreck. You could be in the hospital. Somebody needs to be designated to be in charge in your absence, so I think we need to work on that and not necessarily by name but by position. Who would move up there and say okay, I'm gonna take over these duties along with the other duties I'm doing and I'm the one you have to answer to. Everybody else needs to know that. Is that what you think. Commissioner Watkins said do you even take it further and actually move one of these boxes. Let's just play with the ones we have in front of us, just one of those five boxes just move up a line, the Executive Port Director in that box and the rest of your directors. Does that make sense? Commissioner Bryant said let me ask a question. Didn't we have the Deputy Port Director's position before. Eric said we have a Deputy Port Director position in the files. Commissioner Bryant said so why don't we have that anymore on here? Eric said it's not a position that's active at this time but it's still in there. It's just not a position that's been adopted by the Board. Commissioner Watkins said so it's not a position that's adopted. Eric said it's for this organizational chart. We would need to bring that back and include that into our organizational chart. There's not a spot for it per se like you're saying, Commissioner Watkins. The Deputy Port Director, if what we're talking about, so that their direct reports would be under what we're talking about those four other department heads. As it's currently written, the Deputy Port Director job description does not have that. The Deputy Port Director position has more responsibility in line with things like business development. That was a position I held. Commissioner Watkins said a couple of the boxes, I'm just talking out loud, you know your Director of Human Resources almost does not need to be your Deputy Port Director from the point of the human resource end of that. Eric, does that make sense. It's not the person, it's the position. I don't know that the Director of Community Relations would be your Deputy Port Director. So it really leaves you with the Director of Business Development, Director of Operational Services and Director of Engineering, one of those three boxes to move up. Commissioner Austin said normally I would see it, if I were just looking at this and didn't know and I don't know all of these positions who they are, but Director of Operational Services is the most to me the person who would be most likely to be Deputy Port Director or assistant Port director. If they're the head of operational services, they're supposed to have their hands over everybody like the CAO to the mayor. Commissioner Bryant said first, we need to decide if we're reestablishing the Deputy Port Director position. Then we get to what position it's gonna be. Commissioner Hall said I'm 100% for that because honestly I really thought we had one but I think there's got to be somebody that's clearly 1)in charge and 2) everybody understands that when they make a decision, they have all the authority to do it and they take all the responsibility for it because there's gonna come a circumstance as time goes by that you cannot control. Just like we were talking about with the commissioner. You can have a family member be in the hospital. You can be in the hospital. You can be incapacitated. You can have any number of things and so if at the end of the day, I think it's important that everybody clearly understand that person is in charge and the Commission knows that person is in charge and the Commission holds them accountable for their decisions just like

you would be the Acting Port Director. So I think that's important. Commissioner Watkins said in the past, that position, if I'm hearing Eric right, was the Director of Business Development. That's where you were and that's where you moved through. Eric said that's correct. It was a title of Deputy Port Director with primarily business development functions and in the absence of the Port Director's service, the port director. Commissioner Austin said I don't think we need to hire somebody. I just think that we need to take somebody that we already have, let them do those duties but also act as a Deputy Port Director in the absence of the Port Director. So Eric, y'all kick that around, you and Dannye, and why don't you bring it back to us with a recommendation for this committee. Commissioner Pannell said let me just throw in. I think we need a definition of "in the absence", what would that technically mean if that person was functioning and was absent. Would that mean someone has to be incapacitated or they're just out of town. What would that mean. This is kind of where I am about it. I'm going back to those railcars. I'm saying that someone here should receive all the information and if they carry that on to Eric, that's fine. But if nobody knows who's calling or what, that to me seems that's possibly where the mix up was because I didn't even want to deal with, because somebody said this person made a decision and then that one didn't, but I'm saying that whoever, I don't care if you're one of these people here, whatever decision is made, it ought to go to somebody on the property here. And at that point, that person is responsible for communicating with Eric because the fact that one person may have thought the other one was talking to Eric. I don't even want to know the real reason, but I'm saying that if it didn't happen then, it could happen. You thought that he was calling. Somebody here needs to know and I'm not going as far as to say if someone says that they need to call Eric. And the thing that I'm sitting here saying is that you can't call Eric, but I'm saying they ought to know. Unless it's a personal conversation, they ought to know what that conversation is about if it has to do with the Port so that person can maintain continuity there because I. Commissioner Hall said I go further than that thought—I think you've got to accept the fact and I know Eric is on top of everything---but there's got to come a time in his life when he turns the phone off and somebody else is in charge. They have the authority and they accept the responsibility. I know how attentive he is on top of stuff etc. But you can't run everything through a small deal at some point, so what I'm saying is he ought to have the luxury of leaving with his family for a couple of weeks, turning the phone off and being done with it and somebody else has got the responsibility. And if you want to do it on a short period of time because I know he's gonna have to get use to it, a couple of days at a time, three days here and there. Let that person accept the responsibility and prove they can do it whoever that is. So at the end of the day I think they build up confidence in running the ship because at some point, Eric's young but after a while you've got to get off the grid. You've gotta get away from it. You've gotta let somebody else handle up on it. So I think that's important. Commissioner Bryant said right and as far as Deputy Port Director, it just should be automatic. There should be whenever the Port Director is not available and they're not in the office, the Deputy Port Director is in charge. And that's just automatic. The staff knows that. We know that because now you have it established. I think what we have a problem with now because it's not established, it's causing some problem as to who do we determine is in charge. But if you have a Deputy Port Director by its very nature that's second in charge, that's the person you go to when Eric's not available. And if that person wants to call Eric, that's on them. We should know, the staff should know that's the go to person when he's not here. Commissioner Hall said I agree. Commissioner Watkins said if you take all the names off of this and if nobody was working here and we were a brand new company, you would think your Director of Business Development is the one you would be grooming to be your next Port Director. If there was no faces or names attached to any of this. If you

just looked at this chart, you would think, just like Eric, you would groom that Business Development guy to go forward. Commissioner Hall said one of the things you've got to consider is in addition to the operation of the Port, there's deals that are being done and were somebody to be incapacitated, somebody has to carry forth those deals. Go back to Erica's term when Benteler was in the throes of being, God forbid something had happened, somebody has got to have the ball. I mean whatever deal is out there, there's always a deal. There's always somebody looking at coming and somebody has got to be up to speed on the current evolution of where it's at, what progress and what response is needed to be made with regard to it. Eric said I'm thankful for this discussion because I thought at one point that we would create like a Chief Operating Officer. All of those department heads would report to that and that person would report to me. What you're saying is now as I understand it is that's in the event of my absence. Commissioner Watkins said no, I think that person would have to have authority over everybody if they're going to be 2<sup>nd</sup> in charge. They can't be on the same line as everybody else. Commissioner Hall said I think what we're talking about is the Deputy Port Director in your absence or inability to make decisions, they would be automatically on the plate. Eric said right, in my absence. Right. Commissioner Hall said yeah. They would..Eric said not on a day to day basis. Commissioner Hall said no. Eric said on a day to day basis I would have one direct report and that would be the Deputy Port Director or in that regard. Commissioner Hall said only in your absence or inability to make a decision. Let's just say you're in Peru and you can't see all the stuff, what I'm saying is for me a bad plan is for somebody to have to call you and try to get ahold of you to give you the facts. Somebody is responsible now. I'm with James on the train. Somebody in my world would have moved the trains. And safety be damned, somebody might have died, but we would have moved the trains. So what I'm saying is whoever is on the ground here and if you're out of town, that person to me answers to the Board and I would have a real problem with looking at you and you tell me it was a safety issue because I've got a problem with that. I don't care in our world across the River, you're going to move the trains and if I have to put divers in to look at the location of the track change, it would have been done. We'd have mounted that thing and moved it. And so at the end of the day, I think that person needs to know when they step on that plate. In your absence they're in control and they also have the responsibility and if they make a bad call, then they have to answer to the Board. I have the same anxiety, James and I both do about the trains. I'm good with taking care of our customers but probably in my world somebody would lose their job because that is a huge huge mistake and I really don't care about safety. At the end of the day if you have absence on the line, that's what you got people for and there's a rest with everything. So what I'm saying is whoever steps onto that plate in your absence has a responsibility just like you've got. You've got responsibility and the people need to know they're in charge and they also accept the full responsibility for their actions. Commissioner Pannell said and they cannot have a problem with calling the Board because we ultimately have to take responsibility for that and I'm saying that there are clear things that are a Board's responsibility and there are clear things that are staff responsibility. But sometime you get in that gray area, make the call because it only takes a second to...you don't have to have a unanimous...it's too many people on here that I can just call one person and if they tell me something, that's pretty much going to be the feel of the Board because we're pretty much unified here. And if there was a question of moving the train and Jimmy made a decision don't move them, I live with that. If he makes the decision to move them, I live with that. But I'm saying he spoke for the Board but somebody has to speak for the Board here because we're ultimately the ones who are going to be responsible for that loss and I'm saying that loss at this point is on us. I don't care who's paying for it or how they're going about it. That loss is on us. And I go

back to and I keep making this point. A public railroad down in New Orleans, 17 members on that thing. The director went to jail but everybody got removed because you sit there and you let that happen. But if you didn't know about it, you should have known about it. So it comes down to from the Board's standpoint of creating an atmosphere where nobody feels calling us because you can call us with anything. For me, I'm going to call somebody to make sure I don't take the heat for something. You know they're going to say wait a minute you called me too many times. They're not gonna say you didn't call me enough. You know and I'm saying we are here and we have said this and it's clear that we protect our staff but we can't protect you if you don't make the connection. Whatever you've got to do or however you've got to do it, we're gonna be here and we've shown that we're gonna protect you but we can't protect you from yourself. I always want to get the responsibility off of my back to wherever it is. Somebody can come and ask me well what kind of fixture do you think could go up here. I'll come wire your house, but I'm not going to buy a fixture for you because I don't want later on for somebody to say that don't look right. I'm not gonna do that. It's true in small games and large games. How much we pay for insurance? We pay that amount of money for insurance to keep liability off of us. So people have to make sure that when they're in certain situations---now I wouldn't have had a problem and then I'm going to leave this alone. I wouldn't have had a problem if there was a tornado. But there was water rising. You know. That took some days and so I'm not concerned about putting the responsibility on anybody as long as I know if that comes up again, that's not going to happen. But if I don't know that I'm still going to be in this same situation here. I just got to know something other than somebody saying well, we'll take care of it next time. You've got to show me structurally how that's not going to happen or you've got to show me structurally who made that decision.

Commissioner Prescott said I just want to say that I agree with Commissioner Watkins. I think there needs to be a separation between legal affairs and Port positions because that effects the Board as well as the Port. I think there would be a conflict of interest so if we need to have a deputy director, I think that would be the way to go. For instance, if you moved the business development person into the director, will they do both of those jobs or will that be a position that's open? Commissioner Bryant said they do both. Could somebody give me some clarity on that? Commissioner Austin said both of the jobs. Commissioner Pannell said both the jobs because if you look at it, you're going back to what was happening in the past and that was exactly what was happening in the past. Whatever position you put in there, that person still has responsibility. I don't foresee a situation where we hire anybody for anything. Commissioner Prescott said what I'm saying is that person would just serve in the absence of Eric, right. Commissioner Austin said right. Commissioner Watkins said but be a line above the rest of the directors, correct? Jimmy is that what you are thinking? Commissioner Pannell said and it's something as simple as they are walking around here for an answer and Eric is gone, at least you could ask them. It's something simple and I'm talking the same thing Jimmy is talking. Sometime I get calls and they're the craziest calls in the world. You know you could have found that out from anybody. But if they're just in here, you can go get an answer from them and they can either say let me call Eric or that's fine, go ahead and do it. Because we don't have an operation here that we can delay for no period of time here. I mean we got a billion dollar operation here and we know how what's his name on Horseshoe over there, he could walk in here and make a decision so quick and walk on out. So it isn't anybody gonna wait for it. Commissioner Austin said Jack Binion used to. When Jack Binion left, it all slowed to a crawl. It went back to a beauracracy. Commissioner Pannell said that's what I'm saying and

it's got to be a clear make a decision like that and move on. Commissioner Austin said I think y'all are familiar enough with what we want that we can straighten this out and do the organizational chart where we have somebody as a Deputy Port Director and also the other duties. Whatever you choose to do, bring it back to us and let the Board vote on it. Is that okay with all of y'all? I think we kicked that one around enough.

Eric said we have six commissioners, we have five here and one on the phone, what we will have to do and just to share with you all, what we'll start doing and Commissioner Bryant, you're chair of the Personnel Committee, we'll have to change every job description with that tier and we'll start working on that such that the direct reports, if you will, the Port Director change, and you'll have the Deputy Port Director added into that line up and then add into that for the other directors that they are a direct report to the Executive Port Director except in the absence. And then in that case, they are a direct report to the Deputy Port Director. Is everyone okay with that? Commissioner Watkins said since there's six of us here, do we want to give any direction on who we think should move into that box? Commissioner Bryant said I still think you still have to allow your director. He's in charge of his staff and they make recommendations to us and then if we don't agree with that, then we let them know at that time. But your process is normally for the director to make the...Commissioner Austin said I don't know who's qualified to do that. I don't know them enough.

Commissioner Watkins said my thought is you're not really looking at a person. You're looking at the job, the positions. Commissioner Austin said I understand but I still think...Commissioner Watkins said everybody could quit tomorrow. Every time somebody quits, you wouldn't want to shuffle your boxes, so you need to think which one of these boxes needs to be there. Commissioner Austin said I think the staff has pretty well gotten the tune of who we want in there and who they can trust to be in there. The Port Director has to trust his assistant port director and communicate with them. And that's got to be a decision in my opinion that the Port Director makes with the approval of the Board. Commissioner Bryant said I don't want it to get into a situation where we start saying directors. We do get to approve.

Commissioner Watkins said do we take out the line....does the Director of Legal Affairs answer solely to the Board of Commissioners? Commissioner Austin said the Director of Legal Affairs represents the Board and if he had to represent the Board against some member of the staff, then it would be a conflict of interest for him to try to represent both. Jimmy is in the same position. He advises the mayor but he actually works for the council. And I think the same way we can do. Dannye can advise Eric, but if it came down to a matter of litigation, he would have to support the Board and be our attorney. We hired him. Commissioner Bryant said I'm in this situation personally and I had to hire my own attorney. The parish attorney could not be the attorney for me after I was sued in my position as Director of Finance for the parish. Commissioner Austin said and it was the same way when I was police chief. The City, whoever they hired to defend me in a lawsuit, would have a conflict of interest on whether or not I worked within the policies and procedures as outlined by the City of Bossier and I had to either sign a waiver to let that attorney represent me that represented the City if there was a conflict of interest or I had to hire my own attorney. Commissioner Hall said I think it would be cleaner if Dannye answered directly to the Board. Of course he will represent the Port, but it'll if there's some issue that come up, obviously other counsel will have to be obtained. There's gonna be conflict situation all the time. Commissioner Austin said but don't you think you could still advise Eric on things. Commissioner

Watkins said he'll represent the Port. Commissioner Austin said he's in the same position you are because Jimmy advises the Mayor all the time, but when it comes down really to it, he represents the Council. Commissioner Watkins said it's not an issue at this point, but Eric's not gonna be sitting in that position all his life, and it may be an issue somewhere down the road that your Executive Port Director has some issues and you want that attorney, the Director of Legal Affairs, to come here.

Commissioner Austin asked if they were ready to move on and asked if anybody had any more issues with Article VII. We talked about the job descriptions and things like that going back to Personnel. I think everyone is familiar with any employees not assuming any debt in the name of the Commission. Let's go to Article VIII on Committees. Commissioner Bryant said I'm waiting on Section 3 before we go. You're saying move to Article VIII but I'm on Article VII, Section 3 on travel. I'm just on that "Commissioner travel must be approved by the Commission in advance", I don't know if we're following that closely? And then also just from staff travel standpoint, are we getting reports—we don't give reports on travel. The only reason I'm asking about it is travel for me is a big issue for my Commission. When they reappoint me, the first thing they want to know from Eric is I want a list of all her travel. I guess travel has been an issue for folks. And so in my role there I have to communicate to them all travel that everyone, commissioners, staff, everyone is taking just because they want to be aware of it. And I don't know for us is that something that...we're being made aware I guess technically by the...Eric said calendar, that's correct...you list on the calendar who is going or what. So I guess that could suffice. Commissioner Watkins said but until you monetize it does that really mean anything. I would like to see a report where it monetizes travel. Then you would have that. Commissioner Hall said because if you haven't got it soon, there will be a request for those records to be printed. We get them all the time. And at some point, there going to be appear if they're noteworthy enough in *The Inquisitor*. So I would---I'm saying that it ought to be something we're aware of before we get blindsided with it. It's hard to have checks and balances on something unless you're seeing that. And there may be ample justification for all of it but at some point in time, I really would prefer to see it here than in a box. Commissioner Bryant said and from me personally I may not always be aware of really my travel. I'm aware of it but until it is shown to me in black and white and I may need to say Eric, you might need to cut down on your travel, because it comes back to me. Commissioner Austin said it's actually in here. We're not just doing it. Commissioner Bryant said on the approval, "Commissioner travel must be approved by the Commission in advance". I don't think we have an issue with the three out of State events, but the "in advance", I don't know if we're doing that. Eric said just in our budget process and when we go over the Travel, Promotion and Marketing item. Commissioner Bryant said okay, that's what you consider when you put...Eric said we put an amount for commissioner travel. Commissioner Bryant said okay. Eric said we've never asked the Commissions a year in advance what events do you plan to go to, but we do escrow an amount of that Travel, Promotion and Marketing. Commissioner Bryant said I'm good if that's as far as of us approving the budget constitutes the approval for the travel. Commissioner Pannell said I think Steve is saying...Commissioner Watkins said you manage what you measure. And unless you measure something, you don't manage it. So you know I am like Jimmy. I don't want to be blindsided one day and find out that Joe Blow has rung up \$100,000 worth of expenses on the Commission's dime and it's on the front page of "*The Inquisitor*" and somebody says tell me about that, Steve, and I go well, I wish I knew. Eric said we can prepare those reports, and in addition to that, we have an obligation to submit all the travel to the State of Louisiana and load it on the Division of Administration website, so each one of you at any time can go to that

website and drop down the menu for each year and see exactly which commissioner on any board and commission how much they were reimbursed for their travel, but we can prepare that report. Commissioner Watkins said I'm more concerned about staff than I am commissioners. Commissioner Pannell said I think that's what we're misunderstanding because I'm hearing Steve say one thing and we are discussing something else here. Steve was saying staff. Commissioner Bryant said I was addressing—when I started I was addressing both basically saying we're getting the calendar letting us know, but I think Steve chimed in from a monetary standpoint—we're not seeing it from a monetary standpoint what it's costing by staff and commissioner. And my next part of that was just the line about the travel must be approved which I think I'm good on that part. As far as reporting and giving us reports monetarily, where, whom and how much, is that what I'm hearing? That's, if y'all want that, we can start getting that. Commissioner Pannell said in the Director's package, is there a travel allowance already in his package or car allowance or something? Is that in your package? Eric said I don't have a package per se. There's no contract for anybody at the Port, so what the Executive Director position gets, is what the Commission approves each year. There's no contract. Commissioner Pannell said do you mean on travel or car? Eric said period. Commissioner Pannell said I got you. That was what I was going to question. Commissioner Austin said well I think that we're going to have an Executive Director that we should be able to trust the Executive Director to take care of staff travel and not put himself in a bind..and then give us a report on that after the fact. Commissioner Bryant said right, that's what I think you're asking for. Commissioner Pannell said I don't think you were saying you wanted them in advance. Commissioner Watkins said I'm not approving it. I would like to see if Joe Blow is...Commissioner Austin said let's do a monthly report on staff travel at a Board meeting, just make it part of the Board meeting and staff travel. Commissioner Bryant said is that quarterly or monthly? Commissioner Austin said well, whatever y'all want to do. It doesn't matter to me as long as we get some accounting of it. Quarterly might be better because there's not that many monthly. Commissioner Pannell said we'd get a feel of whats...Commissioner Bryant said I think quarterly will be good. Commissioner Austin said on a quarterly basis, that probably will be sufficient. At least we know. Commissioner Watkins said I think it should be all encompassing. I think it needs to be travel, meals, what was spent by that employee in that quarter. Commissioner Austin said that's what I expect, a travel expense voucher, where they went, the purpose of the travel and the expenses that were incurred. That's not a big deal. It's just how much total they spent. Commissioner Bryant said yeah I think it's just where, for what total. And then, if the total we want further, we can contact the... Commissioner Watkins said that's what I said, the total needs to include everything. Commissioner Bryant said right. Commissioner Austin said we have a per diem that's governed under State law anyway, political subdivision under State travel regulations on per diems and things like that. Eric said so we're reporting monthly to the Board what---Commissioner Pannell said no, quarterly. Eric said right, I understand thank you. We are reporting currently monthly travel expenses in the Financials that we send to you each month but it reflects what was spent that month. What you all want to see, just to clear up, is a quarterly report that shows it year to date for that for employee. Commissioner Bryant said by employee. Eric said because you're getting it monthly now. You just want to see it in the cumulative form. Okay.

Commissioner Austin said are you ready to move to VIII. On Committees, everybody read this, got any issues, answers or anything for Eric or Dannye on the committees? I don't really see any problems with anything in VIII, do you Jimmy? Anybody see any problems with VIII? Commissioner Pannell says it



will be directed by the Commission for the Executive Director to notify the appointing authority. I'm assuming that would be done anyway because Eric keeps up with that and he knows how many of the members are missing and I think he would do that without having to have direction from us. Eric said I'm sorry. I thought we were on VIII. Did you move to IX? Commissioner Pannell said oh I'm sorry I skipped a page. Eric said you are right about that. Commissioner Bryant said you are on IX. Commissioner Austin said you are on IX now. Eric said the answer either way is yes. That's what the responsibility is. Commissioner Pannell said on VIX he shouldn't wait for direction from us. Commissioner Austin said what do you have Dannye? It should the roman numeral should be IX. Eric said back to IX, we wanted to make a comment in Section 3, it says in Section 3 about notices being mailed, we want to add some comment about electronic notification. Commissioner Austin said emails in effect is much more effective than the Post Office because I think everybody gets plenty of notification. I got about four notifications for today's meeting. Commissioner Bryant said and a phone call. Commissioner Austin said I got it by mail, electronic mail, phone call, smoke signal and this is what we've talked about before about notifying the appointing authority of the Commission. Anybody that misses three consecutive monthly meetings, the Executive Director---I don't think it may instruct, but I think they shall inform the appointing authority. I think it should be automatic instead of that the Commission may, but the Commission shall and not even instruct him. He just does that. Commissioner Bryant said you just want the Executive Director shall inform. Commissioner Watkins said the second part is not even necessary. Commissioner Pannell said right, because we don't have reference of who's attending. We're not keeping up with that so we can't act on that. Commissioner Austin said the second part is not necessary, Steve. It's just that anybody misses three consecutive Board meetings, the Executive Director shall inform the appointing authority of that commissioner. Commissioner Watkins said just for my clarification, that's just regular monthly meetings, that's not committee meetings. Commissioner Austin said monthly meetings. Are y'all okay with that?

Commissioner Austin said let's go to X, Quorum. I don't see any problem with that. That's pretty much standard. Do y'all have any problems or changes to Article X?

Commissioner Austin said Article XI, Amendments to Bylaws. Dannye said the only suggestion I would have on Article XI would be a two thirds vote rather than a simple majority vote. Commissioner Austin said I would think a two thirds vote myself. The By-laws are pretty important. Let's change that, if y'all are all in agreement, to two thirds vote. Is that okay with y'all. There might not be but five people here and those five people vote and that's the end of it. Commissioner Watkins said would it follow then in Article XII you would do the same thing when you temporarily suspend? Commissioner Hall said I think that ought to be the same way, two thirds. Commissioner Austin said it ought to be two thirds.

Commissioner Austin said Article XIII, Severability, I think that's pretty much a common paragraph for any set of by-laws that if any provision of one is held invalid, that it is not invalid of other provisions. That's pretty standard, isn't it Jimmy, for just about everything? He said yeah.

Commissioner Austin said Article XIV, Roberts Rules of Order, shall govern the Commission in all cases. I think we go by that.

And unless we have somebody else wants to bring something else up or add it to the Bylaws, I think we have done a comprehensive review of them. With Eric and Dannye's help, they can put that and

reduce it into writing in a form that we can vote on by the full Board and we'll bring that up. Do y'all want to do it at the next Board meeting, or let's do it at the meeting after next? Commissioner Bryant said the Board meeting after next. Commissioner Austin said the Board meeting after next and Eric, if you'll send those to me, then I'll introduce them at the Board meeting, not this month but next month. Eric said Section 11 specifies how we will amend the Bylaws, so we'll do it in accordance with that.

Dannye said I've got a couple of suggestions. Eric and I talked yesterday and I talked with him some time ago about incorporating an indemnification provision into the By-Laws. I think that's fairly standard in most governmental charters and I think it's worth discussing. Erica, you're going through that very same thing right now in which not only the Commission but members of the staff has been sued so I think it would certainly be beneficial to discuss this matter. Commissioner Hall said does the Indemnification clause have any language about how far outside of the bounds of reasonableness you can act? Dannye said I think so. Commissioner Hall said in fact, if y'all could word it, it could be put in the Bylaws. Commissioner Bryant said I think it is worthy. I think this Board, we could get sued individually just for performing our duties on this Board and we need to have a provision to cover those costs if it's being that it's in relation to our official duties, not outside of that. Commissioner Hall said yeah, I think it's worthwhile. I think it certainly is a potential exposure if you sit up here making decisions that you could be sued and it's a worthwhile deal. If you put a raincoat on and sprint down Youree Drive...that's a whole different deal. Dannye said Eric wants to add one as well.

Eric said there was some suggestions, just for discussion, we mention in the Secretary-Treasurer will order annual audit. We also learned last year—as you know, it was our first year to prepare the budgets in accordance with the Louisiana Budget Act. And, as we've talked about today, we're looking to have a document that someone could go to in the absence of all of us, should some of this institutional knowledge go away, and we were suggesting that the Bylaws also cover that the Port Commission prepare budgets in accordance with the Louisiana Budget Act. The audit's already covered in there. We also have a process of ordering an internal control audit every three years. We know to do that because we have reminders. But these are things that the Commission may say this is what we want to do. Though we're talking about this Monday at the Executive Committee meeting regarding reserve funds, we wouldn't have anything but a reference that the Commission maintains reserve funds as well. Though the reserve funds would be established by Ordinance in a separate act, if someone were to look at this, they could see that the Commission has those in place. Commissioner Watkins said I think that the audit part is smart to put in there and especially the three year internal audit. I would like to add language that the three year internal audit not be done by the same company who's doing our yearly audit, but those need to be separate...Commissioner Austin said should be separate....Commissioner Watkins said because I'm not mistaken, our last one was done by the company that we use for regular audit and in retrospect, we probably should have done something different.

Commissioner Hall said one comment I want to make, I read the deal for the Executive Committee and I had given Dannye some ordinances we had done in the City for reserve funds but there's one thing I think we ought to think about. And I'm not sure when we planned to go to the people and seek renewal of the tax, but I've found over the years that there's a blessing that you have reserve funds, but there's a curse if you have reserve funds. And so the only thing I'm saying is that sometimes it's like Bill

Gates knocking on your door asking for a renewal. If you have, I'm totally for that with the exception of how it looks to the public. We've found that it's difficult sometimes to get the taxpayer to want to roll millages forward or do other things because it's like you're knocking on the door saying can you give me that millage and they're going say look man, you've got a bunch of money in reserve. The only thing I want to mention is I like the idea but I'm thinking we might want to put it on hold until sometime down the road. A very wise lady told me years back that would be problematic. I didn't see it, but now I've seen it and the reality is that when you go to people and ask them to do things that make all the sense in the world to renewal millage and do those things. Sometimes they look at you, well you know you're sitting on a pot of money. And I love Steve's answer. A couple of years ago when we had somebody challenge us and he told us all these assets are yours. They belong to the people, but people see reserves and savings accounts as something that you're sitting on like you're a holding company or a bank so I'm just recommending--I didn't think about it when I gave those to Dannye. So it was something later came to me and I was thinking in light of the fact that we do have to go to the people at some point. We might want to just keep that in the budget and then going forward maybe do that at some point. Commissioner Austin said we have a school board tax and Jimmy remembers where the Bossier Press said the school board has \$16 million dollars in reserve. And the tax was defeated because we had \$16 million dollars. That was the editorials that kept coming in the paper. They've got \$16 million dollars. They don't need it. They've got \$16 million dollars. And until we spent that \$16 million dollars, we didn't get the tax passed. We actually spent it. We spent it down to a couple of million dollars. Commissioner Bryant said from a financial standpoint, you need to have reserve and you need to have in my opinion significant reserve but it does...we're facing that now. They have a Finance Director that thinks the reserve needs to be as high as they can be. But is coming back; it is definitely a problem for us right now. We have some significant reserves in all of our funds and that's the main thing. We're going out for renewals and they're like, you don't need it and you do need it. You don't have enough. Reserve is still not enough to operate at the level you need to operate for the number of years you need to operate. You mean if I have a one year reserve, that's saying I can operate one year and what about the other years? Commissioner Hall said I hundred percent agree with you. I'm just saying perception. Commissioner Bryant said I agree. Don't put it in there. From a financial standpoint, we need to have reserves and we know we need to have decent reserves. Pinpointed in our bylaws right now might not be the best thing to do but as an operational standpoint, we know we should have them. But I agree. I'm saying that I agree that it can come back to you. Commissioner Watkins said you can have reserves without calling them reserves. Commissioner Hall said I know Eric well and know Gloria well enough that I never worried that we don't have money available. I know that's taken care of. Dannye and I talked about it some time ago and then it just occurred to me with this looming issue we have to go to the people on..you know all it takes is a writer like Lynn said or somebody to work you over and you've experienced it Erica and we have too. Even people that are supportive of government and supportive of economic development get kind of twisted out when they think you're sitting on it...Commissioner Bryant said too much money. They're saying we're paying it and then you're sitting on it. Why do we need to pay it which...Commissioner Hall said yeah. The Waterway Commission just got hammered by it. Commissioner Austin said you could call it a Capital Expenditure fund. Commissioner Bryant said yeah, you could shift it. Commissioner Watkins said or just don't do it. Eric said you can have it, just don't call it a reserve fund. Commissioner Watkins said just don't spend it. Keep it in the bank. Commissioner Bryant said you have to show it on your financials. Eric said it's there. But it's there and that's what they're looking at. But if you did something where you created a Capital fund and you

transferred those monies out and so it's not sitting there in your general fund showing you know. Commissioner Hall said but everybody is not like you. Most people can't read the financials and find what's in there. I can't. Somebody's got to point it out to me and that's kind of. Commissioner Bryant said if they find out that it is at \$165 million. Commissioner Austin said it does make a difference if you pick up on somebody like Elliot Stonecipher and he gets to writing about it, he's gonna write about your reserves, just like he wrote about us keeping our millage 1/100<sup>th</sup> of a mill. Commissioner Bryant said he took ours and highlighted the reserve for the last 20 years. They don't explain what happened in those 20 years that you got oil and gas money, that your sales tax went through the roof. We can't control those things or to say these dedicated ones that's included in that are not that large. But you know, just highlighting it like that on a page and showing it, it is what it is. Commissioner Austin said and we have it in Bossier City. We have a \$30 million dollar trust fund for the riverboats and \$18 million from the hospital. People say y'all have got \$48 million dollars, you need to lower the taxes but those are funds that were put aside we can only use the interest on and those are truly rainy day funds for catastrophes but it does help our bond rating and it does help us when we go out for bonds.

Anybody else got anything to bring forward? If not this meeting is adjourned at approximately 1:30 p.m.

Commissioner Austin said we had an extensive meeting on the By-Laws on August 7, 2015 with everyone present that was on the committee and we went through the articles one by one and we made a number of changes I think all of you probably got in the mail or in your email. We won't go through all of them, but if there's no deletions, corrections, then I move that those changes that we made be adopted. I might add that the major change that we made in there is to move someone to Assistant Port Director but we did make some changes on there that were all necessary and everyone participated. I think we had a unanimous agreement on the changes that we did make. So I will make that in the form of a motion that they be accepted. The motion was seconded by Commissioner Prescott. Commissioner Murphy said it had been moved and seconded that the By-Laws Committee report of August 7, 2015 be adopted. Hearing no discussion, the vote was taken. All in favor please say "Aye". Opposed, "Nay". The motion passes unanimously.

**Executive Committee Report of August 10, 2015:** Commissioner Capt. Thomas F. Murphy called the Executive Committee to order at approximately 10:00 a.m., August 10, 2015 in the Board Room at the Regional Commerce Center and welcomed everyone.

Committee members present: Capt. Thomas F. Murphy, Sam N. Gregorio and Erica R. Bryant, Ex Officio. A quorum was present. Commissioner Pannell also joined the meeting which the minutes will show.

Commissioner Murphy called for introduction of guests. Guests in attendance: Joe Johnson; David Montgomery, Montgomery Agency Inc.; Larry Harper, IMS; Julie Searing and Tiya Scroggins, Scroggins Consulting and Michael Weinstein, Sisung Investment Management. Staff members: Eric England, Gloria Washington, Dannye Malone and Hettie Agee.

Commissioner Murphy called for public comments. Hearing none, he called on Michael Weinstein to give the Investment Advisor Presentation.

Mr. Weinstein said I am here for Sisung Group and we are the investment managers for the Caddo-Bossier Port Commission. I'll walk you through the portfolio briefly and then open it up for questions. If you turn to pg. 4 on the portfolio, the current yield is 1.04 %. The yield increase since I was here last I am going to say was roughly 80 basis points the last time we were here. The current duration is one and a half years. The timed weight of return in 2014 was .68 %. The timed weight of return for the first quarter was .64, for the second quarter was .12 and for the first half was .76. That gives you 1.55 annualized. The difference between the time weighted return and the yield is the March market on the (Inaudible) at each period. So if you had a (inaudible) and 2014 returned only .68%, you had a negative market. The same thing going forward a positive market in the first quarter and negative in the second quarter. For comparison purposes, the current U.S. Treasury with one and a half year duration is yielding 58 points. So you roughly double the available yield (inaudible). On the next page you see earnings over the last couple of years. Interest earnings is outlined 133,000 in 2013, and 140 in 2014 and the first half of 2015 is for \$90,000. The increase is two fold. It's due to interest portfolio yield and it's due to an increase in invested assets in the March market. Below that, we tend to view this as a (Inaudible). Finally on pg. 6, you have the allocation portfolio. The top right quadrant, 22.71%, is US Government Agencies. The rest of the portfolio is invested in muni's that are eligible for investment under State law. If you look, roughly 50% of the portfolio, the bottom half, the purple and the teal, are your AA munis, AA and AAA . 12% for the AAA and a quarter is a single A which is the lower threshold of what's allowed by State law. The lowest threshold is A- and you only have a 2.5 % allocation for that. So all in all, I would say it's a pretty high grade portfolio. On pg. 8, the top line is historical and I guess current and forecast GDP. The current GDP is 2.30 %. There's an expectation that the GDP will move higher but not significantly higher over 20 quarters. With that said, the Fed has roughly stated that they're going to start raising the rates in this calendar year, so that means either September of next month or at the December meeting or both. The current expectation, (inaudible) if you use and if it uses 40 basis points, that's a 50% chance that there is in September. But basically you go out and you start raising rates incrementally and gradually over the next two years. If you look though at the percentage doing the 10, right now the two year is yielding 67 basis points; the 10 year is yielding 2.15 so that's roughly 150 basis points a spread. As you get out, rates rise but the spread diminishes because you're essentially raising interest rates in a slow growth environment. So the GDP and the 10 year Treasury tend to attract each other and so if the GDP stays around 3 or just under 3, there's a tap on how far the tenure can go. Your portfolio is 1 ½ years and currently the maximum maturity invested in munis is 3 years. So by nature you have a short folio. The rising rates for a short duration portfolio is good news. The investment rate goes up. This chart is in here just to kind of summarize why the Fed would raise the interest rates in a slow growth environment and this is the Taylor Rule. It's set up to give you a guideline of where that point should be (inaudible) given a current GDP and current unemployment. The blue line is the model and the white line is where we are. That continues to be a (inaudible) and you're now close to 7 years into a recovery from the lows and so the idea that you would still be at a 0 rate, which is supposed to be an emergency rate, one that was initially implemented this far in, they just want to create (inaudible). The Fed will start raising rates albeit honestly, the level will not be all that high relative to where we are now. So in that environment, there's still spread in actual municipals relative

to governments. And so we still look to invest in munis which will generate a minimal return. You have a 3 year ladder and as (inaudible). And so theoretically the yield is increasing as we re-invest at higher rates. So in summary, the Fed has signaled that it will (inaudible). GDP should rebound from the first half of the year and get back to kind of levels we've had for the last two to three years. Unemployment is down to really a level that the Fed had previously targeted so the idea that they wouldn't increase rates hit their target is a credibility issue. So obviously they're going to start raising them.

With that said, the current portfolio durations are short. You should be able to benefit from reinvestment as the rates rise and be protected from price risk during the short rise because of the short duration of the portfolio sort of like taxable munis. The one other thing is change of State law in the last year that broadened the investments that are allowable (inaudible). Previously there have been a jerky path on municipals and no allowable investment for securities and they extended the term from 3 to 5 years for both and they opened it up for investment in AA corporates. So there is room to contemplate broadening the investment horizon should you want to pursue that. With that, I will open it up for questions.

Calling for questions, Commissioner Gregorio said let me just ask you a couple. You say we have a 3 year. Is the three year set by law that we cannot go longer than? Mr. Weinstein said the municipal allocation is set by law at 3 years. Commissioner Gregorio can you longer than 3 years? Mr. Weinstein said that was the change to 5. And so now you're restricted by policy. Commissioner Gregorio said and y'all still like the municipals versus the government because you get a little better spread? Mr. Weinstein said get a little better return and I think it's important to maintain a government allocation for liquidity, but we do like taxable muni's where they're available on a municipality basis and relative to the corporate investments available, the corporate investment is AA which in today's world is a finite amount. It is doubled by US domestic issues and so that will be Apple, Microsoft, the oils maybe GE Capital still but very few of the national It's a small large liquid market, so where there's no incremental US Treasuries there, we still think that's a better bang for your buck in municipalities because it's a more diverse environment. Commissioner Gregorio said and then on your historical earnings, you have the change of unrealized gain and loss. As I understand, we have a buy and hold policy, so those are just really paper losses. We recoup it when the issue matures, right? Michael said right and that's just the delta (inaudible) loss or gain. That's in the performance. Commissioner Gregorio said that may be my question, but one second. Do you have any benchmark that you're trying to replicate or match that could look at to say, oh yeah that's a great job or we underperformed. Number one, do you have such a benchmark? Mr. Weinstein said there are benchmarks available. Currently we are not benchmarked. I put the light Treasury yield in there for comparison's sake. Commissioner Gregorio said so no published or recognized benchmark to say for which y'all are trying to meet or exceed. Mr. Weinstein said there are...Commissioner Gregorio said for your work here. Mr. Weinstein said currently we are not benchmarked, but the applicable benchmark would be for other clients of the same kind would be using 1-3 year as an index as an index. I know we beat that. I can provide you what's for the same time period. Commissioner Gregorio said If you don't mind. That will help our analysis. Mr. Weinstein said I can do that for this period and I'll do it going forward.

Commissioner Murphy called for the Pollution Insurance Coverage for Port and Tenants. Eric said at an earlier Executive Committee meeting this year, there was discussion about the Port's pollution

coverage and we brought the committee up to date on what the Port has in place for on site and off site events where pollution coverage would be necessary. There was also discussion about reviewing the Port's requirements of our tenants at the Port of Caddo Bossier complex with regard to threshold of coverage. The Executive Committee asked us to do a survey mainly through the Port Association of Louisiana and also the Gulf Ports through the Gulf Ports Association of the Americas. We did that survey and the responses are in your folder and you can see the responses vary throughout the State and throughout the ones we surveyed in the Gulf Coast. Again, right now the Port of Caddo Bossier, our requirements are for \$5 million of pollution coverage and our tenants \$3 million dollars. I'll give you a second to find that table and take a look at it. I see the 5, is the 3 on the table for tenants? Eric said it's on a separate handout that's in your packages as well where it says Caddo-Bossier Parishes Port Commission d/b/a Caddo-Bossier Port insurance requirements. The two documents that are in the package also you can see on the header the different ports in the State and Gulf coast. Commissioner Gregorio said I think I understand Eric, in the one you just mentioned, the Port Commission d/b/a Caddo-Bossier Port. That's for the tenants only insurance requirements? Eric said yes, we have not had a customer per se where we needed to enforce these pollution requirements. Our operating position has been that these pollution requirements have been for tenants, tenants such as those that handle the hazardous cargo such as Calumet, Omni and Red River Terminals, those types. If we had a customer that wanted to transport hazardous cargos but not necessarily be a tenant, we would utilize these requirements as well. We just haven't yet. With this discussion and with the review from the survey, David Montgomery, Danyne and I had discussed and have a recommendation of keeping the Port's pollution coverage at \$5 million for our operation and recommending that we increase that of our tenants and customers that handle those types of hazardous cargos from \$3 million dollars to \$5 million dollars. Commissioner Gregorio said as I look at the chart the other ports are either way less than that for our \$5 million or equal \$5 million and those that are higher are much bigger ports, Houston, Corpus Christi, Alabama. Eric said that's correct. Commissioner Gregoro said for our size we're actually at a well protected area at \$5 and asking the tenants to go from \$3 to \$5 just increases our protection even more. Eric said that's right. Capt. Murphy said are we going to need a motion for that. Eric said I think Commissioner Pannell had a question. Commissioner Pannell said present tenants, what is the process of asking them to do that. Would it be a possibility of them saying we don't want to that because the way it sounds to me it's just like a formality and I sure hope that's true. Eric said what we want to do is we need to communicate this, if the Board moves in this direction, we would need to give them some time to provide this coverage. It's the Commission's decision to make. Commissioner Pannell said I'm saying if we require, then they would basically have to do that. Eric said that's correct. As to the individual day to day working with their carrier, I don't know how quickly they can increase that coverage or what process they may have to go through but we would have to contact those that are in the day to day handling these hazardous cargos and let them know the new requirements. Commissioner Pannell said I don't have a problem with it. I just wanted to know if we required them, were they required to do it? Eric said a way to explain how there's an internal control for that is our contracts for these tenants especially those that are located at the Port Complex are required to provide us Certificates of Insurance and those are routed to our legal department to be analyzed to insure they're meeting our requirements. In addition, what we would want to see on these policies is that the Port would be named additional insured and there would be a waiver of subrogation. Commissioner Gregorio said I have one more question. Looking at our column the Port, question 4, do you require your tenants/lessees that handle hazardous materials to carry pollution

coverage? We answered no on that. So that's the tenants/lessees that handle hazardous materials to carry pollution coverage. Eric said that should have been a yes. That's a typo. Commissioner Gregorio said that the \$3 to \$5 million. And then question 5, that would be 3 and we potentially will go to 5 in just a moment. Question 6, do you require your tenant/lessees to carry coverage for both on and off site incidents? Eric said it would be on and off. Commissioner Gregorio said that would be yes also. And then 7, do you require your tenants/lessees to name your port as additional insured and provide a waiver of subrogation? I think the answer is yes. That form might need to be retyped.

Capt. Murphy said Eric, would you like to comment on the possibility of the Port purchasing and having our own pollution control boom. Eric said yes. In addition to having this coverage in place, we've had discussions about purchasing a spill containment boom, a spill absorption boom placing that at the Port complex. While our operations are not deemed as hazardous by the cargo we handle, we do see a need as the landlord of this facility that in the event where someone might handle a hazardous substance and there would be a leak on the River, the Port taking that pro-active approach to placing a spill containment boom on our dock that environmental response and recovery firm or even perhaps a sheriff's deputy or a first responder could deploy and spread. We've done some initial investigation and we see that the boom can range anywhere from starting in the \$8,000 dollar range possibly to the \$20,000 dollar range. Our idea is if we would look to put this in the...if we amend the 2015 budget...put it in there. It wasn't named before, but as a last resort put it in the 2016 budget to purchase in conjunction with having this coverage. Capt. Murphy said Eric, where is the nearest boom today to this Port? Eric said I would have to get back with you on that. Capt. Murphy said not local. Eric said not here. It would be in another location. Capt. Murphy said it would behoove us to consider very favorably having our own spill containment boom accessible by emergency personnel. So do you need a motion to put that into consideration for amending the budget for 2015 or adopting in 2016. Commissioner Pannell said one question I have is what determines the fact of that cost from \$8 to \$20. Eric said there are different types of booms. There are different lengths of booms. We've done some preliminary investigation. You have the spill containment boom which does just that. It contains the spill, but then you also have the absorbent type that will be more like an absorbing material. It won't just contain it within an area. We just have to make the decision on which type or both that we want to pursue, how much, what's the length of both. Commissioner Pannell said what I'm saying is if we pass something here that we will do the boom, then will the decision come back to us on the type of boom. My thing is that if we have a problem and that's going to come back. I just want to make sure we make decisions at the Board level if we decide to do that. Commissioner Bryant said I'd like not to make the decision today. I think we ought to explore it and put it on the 2016 budget. When the 2016 budget is presented to us, it will be included in there. There will be no need for a motion today. Commissioner Gregorio said let me address that for a second. I do think we need a little bit more information, one of which Eric, which one do you recommend and what would be your recommendation? Does it go in '15 or '16. I know '15 with the flooding has produced an income problem. I would like to hear your recommendation, '15 or '16 and then after those two pieces of information, maybe then a motion would be in order. Commissioner Pannell said how long do think that would take. Commissioner Gregorio said I would refer to Eric. Eric said it would just be a matter of a couple weeks time to get those quotes. Commissioner Pannell said the reason why I'm asking because the discussion at the Executive Board meeting but hopefully when that decision is made it can come to whatever form it needs to come because it's not a professional service issue, so I don't see why it has to come back to



you. Commissioner Bryant said if you could you would still have to present an amendment to this Board on another agenda. Capt. Murphy said that's why I brought it up for discussion. Commissioner Bryant said the motion today is only giving him our support to continue, but you still have to present an amendment back to this Board to be approved at some later date. Capt. Murphy said that's the motion I would like to entertain. Would someone like to make that motion. Commissioner Gregorio said I don't think we need a motion. Eric said we'll move forward in that regard. Capt. Murphy said we'll just authorize the staff to investigate. Eric said and we can come back before the Operations Committee which is a committee of the whole and make the presentation and seek guidance from the Port at that time.

Commissioner Gregorio said if we're through with that, I would make the motion to raise the tenant insurance from \$3 to \$5 million. I think we do need a motion for that. The motion was seconded by Commissioner Bryant. Capt. Murphy said it was moved and seconded to instruct staff to raise from \$3 to \$5 million the coverage. All in favor, please say "Aye". Opposed, "Nay". Hearing no nays, it passed unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, and Erica R. Bryant, Ex-Officio

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Capt. Murphy called on Eric to present the rail insurance. Eric said we wanted to have a discussion with you regarding what we've investigated and what we've discovered in regard to the damaged rail cars that were impacted during the 2015 flood. It's been quite revealing and we found that we have, of course, pollution coverage; we have coverage for the contents of the rail cars; we have insurance for the rail itself in the complex area. But the rail cars is an area as the owner and operator of the Port railroad where we need to do some investigation into railroad coverage. At this time, I would like to hand it over to Dannye to bring the Commission up to date on what we learned and we also have David here because we've got some information about some various policies as well. Dannye said one thing we discovered during our investigation is that the Caddo-Bossier Parishes Port Commission is governed by the AAR Interchange with respect to handling and repairing the rail and the rail cars. Under those rules, it places or imposes an obligation on the handling line to repair those rail cars if those rail cars are in the custody and control of that handling line. That certainly was the case with regard to the flood that occurred back in June. Under Rule 95 in particular it states that the handling line is responsible for submerged rail cars and is responsible for repair of the road bearings and the components. Under Rule 99, it also states that the handling line is responsible including the cost of any loss or damage to cars in the possession of the handling line. So we do have that responsibility. There's no question about that. Then we also asked David to examine what the potential cost may be to secure insurance for damaged rail cars and our preliminary investigation indicates that for \$22 million in coverage it would cost approximately \$90,000 dollars annually, a deductible of 2% of the actual cost up to a maximum of \$100,000. There may be an option the Commission may want to consider and that may be an option to self-insure. That's something we certainly need to explore. David, I don't know, you may want to have some additional comments. David said we are in the process of trying to secure an alternate quote through Lloyds so there is possibly of another competitor that may give us a little bit better rate in coverage of rail car insurance. The quote Dannye was speaking of is through Zurich. That's your current carrier of

your railroad liability insurance. Commissioner Bryant asked Eric how many cars in the latest damage we had—how many cars were effected? Eric said 61. Commissioner Bryant said that was approximately a half million. Eric said we're out for bids right now. We think the bids will come in anywhere \$250+ just depending on. Commissioner Bryant said but we would pay the \$100,000 to have. David said Danye was referring to that deductible was actually a named storm deductible so if a hurricane came through, that deductible would apply. Any other cause of loss, any perils that are covered in damages, would be a \$25,000 deductible per occurrence. Commissioner Bryant said so a \$25,000 deductible would pay a \$90,000 a year for the coverage. David said for \$22 million dollars, that's right. Commissioner Bryant said I know it's \$22 million, but I'm thinking more would we actually incur \$22 million, or would we actually incur something like we have now. Comparison wise, is it...David said potentially if you have a derailment of cars and they were totally destroyed, I believe Danye said there's roughly \$150 to \$175,000 dollars apiece. Again that quote also includes what we call business income so if the rail system is down, and roughly Eric told me y'all make about a million dollars a year, it would cover that loss of net for the months the rail system was down. So there are—and I wish I had a formal quote and I'll be glad when I get that to provide it to you. There's a lot of ancillary coverages that are...Commissioner Bryant said that we get in addition to...I've got you. I was just making sure—I guess on the surface it didn't seem we were getting our bang for the buck at \$100,000 a year. But I guess if you have the income replacement, I guess it's the situation where you could have multiple if you had a derailment at \$22 million, so I guess in that instance it could be worth it. But \$90,000 still seems high. David said but I thought that I would have that formal quote this morning and the underwriter told me that it wasn't ready, but as soon as it's ready for release, I'll forward it to you and it will be distributed and you can see all the additional coverage's and I would be happy to come back and discuss it. Commissioner Gregorio said is the \$22 million set by the number of cars that we have here or can that overall number be reduced to see if there could be a reduction in premium. Danye said as David said earlier, we took an average of the number of rail cars that we have on site that potentially may be at risk at any one time and that is 150 cars. And we took a range, depending on the type of railcar that you have, probably valued at \$175 per railcar. So take into account If all 150 cars were damaged, you would be in the range of \$15 to \$20 million dollars. That's not likely but that's the range we're looking at right now. Commissioner Gregorio said so what option would be to, if we were concerned about the premium amount, we could reduce that \$22 million to some other number that would correspondingly reduce the premium and is that something for Eric, you and staff to do, or is there a committee to look at that issue. I don't know the right amount, by the way. I am not suggesting that...Eric said we'll see what the premium is and then begin those evaluations, but whatever direction we head, this is going to greatly increase our insurance line item. So it will have to go back before the Board for discussion, because it will increase our insurance line item in the budget. Danye said and there may be another option as I noted earlier. We may want to consider self-insuring of those rail cars. Eric said that's something...Commissioner Pannell said would that be a similar formula that we have here now if you reduce it to the bottom amount and then look at what the rate would be, we would then figure out how long would it take for us to come up with that amount that would be equal to what that would be. But at that point, it would be our money. Danye said that's correct. Commissioner Bryant said you're looking that if we did our money, in what level of insurance we say okay, we would be self-insured up to this amount and then be guided into a situation where the cost is high, then at that point, you have the reinsurer come in instead of us insuring it to \$22, we can insure a portion of the first whatever and that point. Danye said reinsurance would take over at that point. Commissioner Bryant said so that you

could minimize. You don't want it to be open ended if we did say we were covering losses, you want to minimize how much you would actually have to come up with. Dannye said I agree. Commissioner Gregorio said I think that is just a high deductible...that we bear and then the insurance picks up over that amount. David said you call it an SIR plan, self-insured plan. Commissioner Bryant said right, you could be sticking \$100,000 a year into some fund to cover and then if your costs gets to this level, then you would want some level of insurance. Commissioner Pannell said you could look at it as a high deductible but the fact is that the longer that this happened, that money would be going back into that amount of your deductible, which at some point, say if you put up \$100,000 and reduces the amount you are paying on a monthly or yearly basis, you're keeping that money which goes back towards the \$100,000. At some point, if nothing happens, you would have recovered that amount anyway. At that point, you can continue to put that money in that way and you could have an amount that would be solely self-sufficient. Dannye I think we have some good options in that regard. Commissioner Gregorio said my suggestion is what I'm hearing is let's get some more information based on these questions, and then we can come back and make a good decision. Dannye said absolutely. David said we'll let the carriers know that you want to look at something around \$500,000 to \$1 million dollars exposure limit. I'll be glad to visit with Dannye and Eric and get back with y'all relative so that you'll have a range of cost. That's what I'm understanding that y'all would like to see. Eric said that's precisely the feedback we were looking for today. We appreciate it. Commissioner Gregorio said and my thought is instead of us telling you the deductible amount of the self-insurance amount, that y'all calculate with the staff, calculate y'all recommend and think as opposed to us just picking a number. David said absolutely. Eric said just one thought about the rail insurance, we'll look to move on that. We already have an Executive Committee scheduled for November in keeping with our schedule. We'll have that information back before then.

Capt. Murphy called on Eric for Port Insurance Requirements for Vendors, Tenants, Others. Eric said as we are looking at minimum insurance requirements, what we're struggling with on a day to day basis, your staff is, that there are the situations where mainly we would call our lower value contracts, the ones who work in small businesses where our insurance requirements are a difficult for these small businesses to reach. For example, recently with the buildings that were flooded this summer and during the River flood, we have a number of buildings that need to be demolished for example. The general contractor is struggling to meet our insurance requirements. It's a \$9,000 contract but it's demolition work. It is a little bit riskier than some of the other things that we do up here on a day to basis but just for him to get in compliance with our requirements which in that regard was a million dollar per occurrence, \$2 million dollar aggregate on the general liability, was gonna cost an additional \$10-\$12,000 dollars a year. And that was just to get his general liability where it needed to be. On top of that, we have a \$5 million umbrella on top of the \$2 million dollar general liability. So we were looking for, we wanted to get some feedback from the Executive Committee, from the Commissioners about how there might be a platform of how we can set a waiver process for these smaller contracts that are deemed for services the Port needs. They are struggling to meet our insurance requirements. Commissioner Pannell said this is a \$2 million dollar policy. Eric said yes, they're outlined here, all of our requirements. On general liability you can see a million dollars per occurrence, \$2 million dollar general aggregate and then all the other coverages and then the excess umbrella \$5. Commissioner Gregorio said did you ask for discussion. Eric said please. We don't want to hamstring the Port from, for example, this demolition contract is the most recent example, but we also

don't want to limit even the simplest of contracts for window washing, yard mowing, just reasonable landscaping work even where even janitorial services, for example. Commissioner Gregorio said here's my thoughts on it. If we allow a waiver, then we probably ought to have some cap above which there is no waiver and number two is everybody's going to ask for it so we would need to make sure that you and the staff are protected...get some criteria. And thirdly, we have to be a little careful because somebody could do damage to the property or to whatever they're dealing with even on a small contract that could create a lot of damage. So we're kind of opening ourselves up to less protection. Those are my three thoughts. My fourth thought is there is some equity in favor of making exception for the smaller contractor just from an economic point of view. So those are my initial thoughts as we start this discussion. Commissioner Pannell said I have no problem with the staff having a waiver process, but before you look at that waiver process, my position is this. On demolition what is required for a demolition contractor? No demolition contractor is going to make a living off the Port. We assume that he is going to work somewhere else. He has to work for the City, the Parish or somewhere else. All of those places are insurance requirements. I know the City of Shreveport's insurance requirement is about a \$2 million dollar policy. So I'm saying that we're not going to be able to support a demolition contractor just by our work. He's going to have to go somewhere else. If he's a new contractor and we are his first place to do business and he don't have a policy, then that's like somebody practicing on us. If you're going to go in this business, you've got to go into the business with the normal insurance requirements and window washing people, I'm not addressing that part of it. I don't believe a window washer would have a \$2 million dollar policy. But when I started out years ago, there was a minimum requirement I had to have and that requirement was higher than Shreveport and right now, if I want to get licensed in the City of Shreveport, I have to have a \$2 million dollar policy. If I go to Baton Rouge, I need \$500,000; if I go to New Orleans, it would be \$500,000. But if you're going to do work here, they set the minimum and that's what you've got to have and that's what my policy is. So I'm saying it has to be governed by something. We can't make rules here at the Port for our outside contractors. There are rules already in place for them. If they can't meet those requirements, they shouldn't be here. That's my two cents worth. Commissioner Bryant said Eric, are you saying these minimum insurance requirements are the same regardless of the type of contractor? Eric said that's what we have in place now and these apply to our tenants, customers, vendors everything. Commissioner Bryant said so regardless of it is a window washer, they're having to comply. Commissioner Pannell said and I have no problem with the waiver, for somebody if y'all feel comfortable. The bottom line is if the window washer is doing it and has employees, and if he's not insured to take care of those employees, then we're going to have to pay for that because it's on our property. Commissioner Bryant said I" just using--I don't know that we would have a waiver, but it seems to me that the type of contract sometimes should govern the insurance, not so much like your response to the demolition. It may be maybe that they need to meet this. But in some instances, the type of contract this may be. Commissioner Pannell said and we're saying the same thing. My point was they should be able to do waiver in certain conditions. But when you come to construction, you've got to base it on what would the liability be if something happened. What I'm saying I have no problem with that. I'm saying a demolition person I can't see. You know if it's a small business, a minority business, I'm going to do everything that I can, but some things you just cannot get out on that limb. If they're going to be in business, they have to allow for that. Dannye said I agree. I think that this discussion is exactly what we've been talking about all along. You've got circumstances in which you have the lawn service. You may have landscaping services and to meet this stringent requirement, quite

frankly I think that's a little ridiculous to require those particular contractors to come up with a \$5 million dollar umbrella policy. That's a bit much. And then when you go to a demolition contractor, David and I talked about this, those insurance, our requirements are almost cost prohibitive. It's true to increase by another million dollars, it's gonna cost that demolition contractor \$12,000 on a \$9,000 contract. That's a little problematic. In fact, we checked with David and said that is the case particularly based on the type work it is, dangerous work. However, David you speak to this, David confirmed that for every million dollars, goes up substantially in terms of the premium. So, either we don't engage a demolition contractor or we modify a position where we have to accept the risks and make a determination on whether a million dollars is adequate for this type of work. But certainly I think from the perspective that these insurance requirements would have to go across the board regardless of the type of work. I think we need some more flexibility on it. Commissioner Pannell said do we have a requirement of naming this Port...Dannye said as an additional insured and also waiver of subrogation. Commissioner Pannell said we're saying that if we say we don't have a problem of making those adjustments, then it comes down to who and how those adjustments are made because we're not going to see it again. So that is what we would need to know, who makes those adjustments and how those adjustments would be made and I'm thinking we should lean some on David also because he's not the insured but he knows what's a liable situation. Dannye said he's our expert. Commissioner Gregorio said I have two questions. For example, on the demolition guy, I'm guessing that there's companies that have insurance policy in general that's already \$2 million dollars, so they would come to this job and say \$9,000, I can meet that, and assume there's vendors out there that can do our job or it's somebody who only has \$1 million now and has to raise it which makes this job cost prohibitive. Am I right on that or wrong? Dannye said I think that Rick looked into that and what he has found is that what this gentleman said is true is that for every million dollars in coverage, there's a corresponding \$12,000 or more amount that's going to cost that contractor to increase that coverage. Commissioner Gregorio said there are companies out there that have pre-existing \$2 million dollar coverages and they just pick up this job as part of their routine cost of doing business. Dannye said I assume that's right but I don't know that. They have to have some coverage. But on a small job like this, when it was submitted a proposal on one person. David said that relative to construction firms, and in this case do you mind if I tell who the contractor is. Eric's said Capt. Murphy should decide. It's his committee. Capt. Murphy said go right ahead. David said do you mind if I disclose the contractor in this case. Commissioner Murphy called for any objections. David said it was H&W which is a firm that's been around a long time. It's a long standing family business and on contracts such as this, there are very few demolition contractors in the area. That's what I wanted to speak to, Commissioner Gregorio, relative to that. So to find another demolition contractor, let's say that has \$5 million in coverage, or an additional million or \$2 million, they're gonna be a much larger, more regional construction company and your price is going to escalate accordingly. Does that answer your question? Commissioner Gregorio said yes. David said I reviewed the Certificate of Insurance from H&W. They have all the appropriate coverage's, broad form, CGL, \$1 million with a \$2 million aggregate and based on the size job in the marketplace of what we see, their insurance requirements are normal. Commissioner Gregorio said and did you say they already have the \$1 million and \$2 million aggregate...David said yes, along with the statutory Workers Comp—Dannye said they don't have to buy \$1 million. David said \$1 million with \$2 million aggregate. Commissioner Gregorio said so their CGL coverage is in line with our requirement. David said but they don't have the \$5 million umbrella. Commissioner Gregorio said is it the \$5 million umbrella that's hiking it up from \$10 to \$12? David said that's per million. Commissioner Bryant said

so if it's \$2 million, then it's \$12. (Inaudible). So the waiver then would not expose us to any exposure up to \$2 million dollars. David said well \$1 million per occurrence. So you only have (inaudible). So really the question is a waiver for the excess. Commissioner Pannell said right. Commissioner Gregorio said not for the \$1 million and \$2 million. Commissioner Bryant said in this particular case, you're saying this particular vendor is a long standing vendor, has jobs, been working and you're saying other vendors comparable to their size probably would not be able to meet the \$5 million also would end up being that it would take a large company to spread that cost over (inaudible). Commissioner Gregorio said the question is it's an excess coverage problem, not a underlying liability problem. Danye said only in this particular instance. You know we have that general problem with you know your lawn service, your landscaper companies that can't comply with the \$2 million, certainly not the \$5. So we've got a general problem and we've got a particular problem with this demolition contractor. Commissioner Pannell said seem like to me I'm hearing two problems. You know I mean if we're asking for a \$5 million umbrella and the City or nobody else asks for it, look like our requirements are out of line. That has nothing to do with whether a person needs a waiver or not because most of the things that we're just looking at that other ports do here, we make our rules based on something, normally what somebody else is doing. If we're doing something nobody else is doing, that's a problem. To me if this person and we give them a waiver based on the size of the contract, then we ought to have a system that determines how you do that based on the size of the contract. Danye said I also think that it depends on the type of activity. While that contract may be \$9,000, the risks may be far greater than \$9,000. Commissioner Pannell said so where is the system for that? If we don't have a system. Commissioner Gregorio say may I make a suggestion on that. It seems like with our experience we have to generate a list of vendors and from that list of vendors we could determine the type of activity that we could say well \$1 million on the general liability is sufficient versus \$2, and secondly we could develop the type of vendor who could say we don't need the excess of \$5, but we do want the \$2 aggregate, the \$1/\$2. And from that list we could then grant discretion to grab the exemptions as needed. Is that reasonable? Commissioner Pannell said let me just add this Sam. I don't think it ought to be the vendor as much as the type of work that that vendor was doing. Commissioner Gregorio said we have to develop a list of vendors. And then we look at the type of work and number 2, that's for the \$1/\$2 million and then secondly the excess, two separate criteria. Danye said that's correct. If we have a lawn service out here, I wouldn't impose that \$5 million umbrella on that particular service. That doesn't make sense to me. It's so rigid that we discourage other companies from doing business with us. And that's not a good thing. Commissioner Pannell said so once again I think we're back to the point of somebody developing something and bringing it back. Commissioner Gregorio said that was the discussion y'all were looking for? Eric said that's exactly because we have a lot of that information on hand already, we've just got to get it in table form to present to you in executive summary. Eric said I didn't mean that to say in any way to end the discussion, I think we can do exactly what you're asking. Capt. Murphy asked if everybody was satisfied with that and called for the next item, Internal Controls. Eric said we do want, with regard to this demolition work, we have three buildings that need to be demolished. Secondly, we're under a tight time frame because of FEMA reimbursements. If we're able to award this contract, we can get our money hopefully reimbursed according to their schedule faster. We would like to seek some guidance with that regard with this one particular contract. Commissioner Gregorio said do you need a motion or not? Eric said in order to do that, I think we have to bring that before---we need five votes, but I think we could get a motion from the Executive Committee to recommend that to bring up at the Operations meeting. Capt. Murphy said it's been

moved and seconded. All in favor please say Aye. Commissioner Bryant said who moved and seconded. Capt. Murphy said didn't you just say. Commissioner Pannell said I'm not on the Board. Commissioner Gregorio said I make a motion we recommend at the Operations Committee that the H&W Demolition project that we waive the \$5 million excess but otherwise keep the commercial general liability limits. The motion was seconded by Commissioner Bryant. All in favor, please say "Aye". Opposed, "Nay". Hearing no nays, it passed unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, and Erica R. Bryant, Ex-Officio

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Eric said we thank the committee and commissioners for that discussion.

Capt. Murphy said let's go to Internal Controls. Eric said also earlier this year we visited with the Executive Committee about how we as staff are handling internal controls especially in light of the resignation of Tameka Williams who was assisting Gloria Washington in the Finance Department. We discussed some ideas at that meeting about how to improve the internal control and we wanted to give you an update on our progress and seek some feedback and guidance as we continue forward. But largely one of the main things that was discussed was where we had a deficiency or weakness in our internal controls. Internal controls were involved in the reconciliation of the bank statements, so we spent this time since then establishing that Mary Ward, who sits at the receptionist desk when you walk in, can have limited access to Gloria's system where she can reconcile the bank statements. She's in the process of learning that process. Gloria and she are reconciling together, but the long-term plan is for her to do that reconciliation with that limited access to the system on her own. The other thing that was discussed that we've also moved forward on is having a verification of the deposits, a process utilizing first of all Mary and I before Gloria ever sees the bank statements. To walk through the chronological order of things of how the internal controls are set up is as we receive checks in the mail, those checks are logged by Mary and then they're further verified by me on a monthly basis. When the bank statements arrive at the Port, Mary opens the mail, not Gloria, and those deposits that are logged in monthly by Mary are verified by her as being deposited in the bank account and then they're further verified by me as a second backup. The third backup is those are verified by our auditor, Heard, McElroy & Vestal, in their annual audit process. So those are the areas that we are making with regard to that other discussion. Another area in where Mary is assisting Gloria also for internal control is that Gloria runs the checks. As you know, she's one of the signers on the checks, but then she gives those, after she runs the checks, they are given to Mary for her to attach the invoice to so that you have that verification process and then they're handed directly to me. Those are the things that we've done. Gloria, did I miss anything? That's what we've done. What we want to do is continue on that process and one of the things that we also talked about was after we are finished with these things, have Heard, McElroy & Vestal review these internal controls and correspond/write us as to their thoughts on them. Commissioner Bryant said I have a question. Who makes the deposits? I'm still do not believe you still have one person making deposits and writing the checks and I understand controls. Let me ask you have we explored the Positive Pay in that when you write the checks you can send a report to the bank on the checks that you've written, so that if I came with a check and it's not on that list and they wouldn't cash that check. Can we explore just the cost? I don't want it to be cost prohibitive, but if we

add that aspect to our processes, what the cost would be and what the necessary cost to implement that because it would take some level of adjusting your software to be able to send that file to the bank. I just think that's another communicating control you should do and consider that. I understand it's easy to process everything; it's easy do it but you still have a situation where you basically have one person doing all your functions. And so if we can add just that extra control. Commissioner Gregorio asked what was the name? Commissioner Bryant said Positive Pay, but I know there's a cost involved with that and if the cost is I don't see that it's worth doing, I don't think we should do it at any cost. It just should be something that we should explore and see and if's something that we can do, if it's considered cost prohibitive, I don't think the benefits would outweigh the cost. Commissioner Gregorio said the other thing that I was hearing was that Mary was deposits and then verifying the deposits. Gloria said I make them. Commissioner Gregorio said so you make the deposits. Gloria said Mary's verifying. Commissioner Gregorio said she verifies the deposits. Gloria said right, when the bank statement comes in at the end of the month. Well this is how. When the checks come through the mail, Mary records this check, so at the end of the month she has a whole list of checks that have physically come into this office. When the bank statement comes in, she pulls that list out and each one of those checks should have been deposited by me and they should show up on that bank statement. This is before I even see it. Then it goes to Eric with that list and she has verified that every check on that list was deposited and that's when he looks at it. Then the list comes back to me. I am now working with Mary teaching her how to reconcile on that system. It's very easy for me. I've done it 23 years. It's not easy to just get on an accounting system, so she's still learning. I'm still standing over her. Then when the auditor comes at the end of the year he's handed 12 lists for January through December. Then he goes through and verifies the deposits, so it's verified. The deposits for the whole year are verified three times in this office. Commissioner Bryant said and my suggestion—the deposits seem to be okay. My suggestion now is on the check writing side to see if we could add just one more level of control on the check writing side. Commissioner Gregorio said Gloria, let me stay on deposits for just a moment. So she's recording. It's not her. That position is recording and then you deposit and I'm good after that. Now this is a problem in law offices just very frequently. So that's my interest. Once the check and balance are in that position receiving the check, pocketing the check, it never gets on the list. You never make the deposit. It's just blank from there on out. How do we have a check and balance for that? Commissioner Bryant said it should be a review of the financial statements because you—Gloria knows what she's waiting on. Gloria said I know what's due. I may not know it in 30 days, but eventually I'm going to say—because I know my receivables. So eventually I'm gonna say okay, well why hasn't this customer or why hasn't this payment been made to the Port? You guys see that list every month on the financials. When it's getting to 60 and 90 days, I've already reached out to the customer, the tenant or whoever owes us the money. So if they come back and say we paid this on such and such date, I say I don't have it. Would you check your bank? If it has not cleared their bank, then it may be lost in the mail. That happens. If it has cleared their bank with our stamp on the back saying it was deposited—well it won't have our stamp on the back if it's never been deposited. Then there's where the issue's gonna come, who signed the back of it and where did it go. Commissioner Bryant said with y'all receiving very routine type payments, you're not like collecting occupational licenses like we could have some paying \$50 here, \$50 there and I might not know that that came in because that's such a small. But on your revenues they're so routine that you should really aware of what's coming in, what you expect to come in, what hasn't come in. Gloria said we don't accept cash payment. It has to be check or sometimes money orders. That's fine. But we do not have cash. We don't have petty



cash. We don't have those type of things. So it's easy to trace. Somebody's check, if I say I haven't gotten a payment and they say it was cashed. Commissioner Gregorio said what if we had a non-tenant making a payment by check. So there's a bunch of those that you're not specifically thinking about on a day to day basis. The check gets pocketed. Would that be easy to overlook? Gloria don't know why a non-tenant would be making a payment that I didn't invoice them for. Commissioner Gregorio said let's just say you invoice a non-tenant invoice and the check gets pocketed. So you're not necessarily focused just on that invoice. Gloria said well I know what my receivables are at the end of the month every month. Commissioner Gregorio said is there a routine where those invoiced statements would come back and you would see paid or not paid? Gloria said absolutely. I know every 30 days what's not paid. Commissioner Gregorio said there's a report that's generated. Gloria said at any time I can show you what has not been paid. But definitely every 30 days a receivable report is generated. Now 30 days I don't send a second request. Once it's in the 45 to 60 days that same invoice that's still showing outstanding, they're gonna get a second request on that. If they call back and say I've paid that and that check has been cashed. That's where our investigation starts. If they call back and say okay, we haven't done the payment, then we're okay with that. But if they call and say I paid that. It was cleared on this date. Then we need to investigate where is that check. Commissioner Gregorio said and all checks we receive through an invoice system, even tenant rent. Gloria said absolutely. If they rent this room for \$25 beverage charge, I'm sending them an invoice with a contract that they signed saying we're going to pay you \$25 for a beverage cart. Commissioner Gregorio said so then the check and balance that's what I'm hearing on pocketing the check is that we always invoice and we have 30/45 and 60 day report that you're checking, not the person who receives the check. It seems okay to me. Thanks for explaining it. Eric said if I may, Commissioner Gregorio, just to help explain, it might help this discussion to understand that we were focusing on those payments such as tenant/lessee payments for the land they rent from the Port. We developed an invoicing system where our Operations department coordinates with Gloria such that our Operations department does not invoice for...when Priefert Steel, for example, was to be invoiced for steel handling of coils. All that goes through Gloria and so it does include those rail customers, those customers that ship product on our general cargo dock, those types as well. That was an improvement that we made that all—there's a common conduit that goes to Gloria and secondly, no contract that is signed up here where it doesn't go through a process. It can't be just a two-person process; it has to go through Gloria. Gloria said the Positive Pay and I'm familiar with it a little bit. Like every check, like a little check for \$20, all those go on that list so everything somebody at the bank has to watch to see. Commissioner Bryant said you can override. Let's say you have to do a quick check. You can contact the bank for a quick check and say as long as they have to have some level to know that you wrote that check. There are ways around. I know what you're saying. They call and say I need that check now and you don't even have time to run the computer program etc. You just call your bank rep and say I've got a check coming through. The flip side of it is they're going to call you, so if you write the check you could not get in contact with the bank, when that check goes for clearance, they're gonna contact you and say we have this check for this amount; we don't have a record of it. Is it okay to cash? Once you say yes. Gloria said so it's connected to our accounting program, so like at the beginning of the month. I run 50/60 checks. It will automatically send it to them. Commissioner Bryant said it will generate the report and you just submit it. Gloria said I generate a report now. Commissioner Bryant said you have to make sure it's all compatible. Gloria said gotcha. Commissioner Bryant said that's what I mean your software. If they say it's gonna take, we have to change this and costs this to do it. The bank fee is this and you may say based on the bank fee,

based on the cost, it's not. But it is something that's worth. Gloria said it sounds like something we already do now because I generate a report after every batch of checks. It just needs to go. Commissioner Bryant said and I'm gonna tell you that after every batch of checks, we had someone who copied our checks, got our routing number, and put some bogus address even wrote---we bank at Capital One, even said it was Regions Bank and that check went through. But because it was not on our Positive Pay system the bank had to reimburse us because they did not take the steps they needed to take in order to block that. But it was because---you know that electronic process---when they ran the check through the electronic process and not deposit in the bank, that was where the bank realized they had a weakness in the electronic process and they had to change their controls in order that you swipe the check right then. Anyway, this is something to explore, not anything we have to have.

Capt. Murphy called for the 2015 General Fund Budget Update. Eric said may I go back to internal controls one final time. I do want to tell the Executive Committee that at the Bylaws Committee last week on Friday there was discussion and a recommendation that the---no action that I recall was taken to the motion---but I remember there was talk about the internal control audit that we're doing every three years be performed an auditor other than our auditor that's performed our annual audit. We have that as a follow up item to bring for discussion but just to let you know we'll bring that back for discussion, but since it was just brought up Friday, we wanted to make you aware of it and will come back to you for discussion on that.

Eric said with the General Fund update, with regard to our Operations, the 2015 flood has left an incredible impact. While much of our discussion has been about that period of time in early June when the River rose to the 37 mark on the Shreveport gage, just to go back, keep in mind we were experiencing one of the highest River levels in our history for the longest period of time this year. And I mean to say that even back as early as March and April we were seeing an incredible amount of decrease in our operating volume. The general fear among the folks that pushed the barges, the carriers as they're referred to, was that they were fearful that even back in that April time frame that if barges and tow boats were in Pool 5 and the Corps closed the lock, their equipment would be trapped in Pool 5. Some of them would be left holding the expense of the demurrage on the barge, the demurrage on the tow boat which is an astronomical amount on a daily basis. All that to say that even before we even had the highest water, we've seen a long steady period of time where we've seen a decrease in operations and that means a decrease in revenue. This, while we've continued to see the River at a high level, typical pool right now should be in the 13/14 range. We're in the 22/23 range. The reason why we're seeing that higher level is because the Corps is allowing for a slower drop so you don't have that siltation sand bar forming in the channel. As long as the River is high, the idea behind the technology and the science of the River is that silt stays suspended and it'll wash, settle in the channel. Even though we have seen like the super cargo moves, the steel coil shipment moves, eventually the River is going to get to pool and there will be an incredible amount of dredging to be done. It's still undetermined exactly how much dredging will need to be done. So in addition to the period of time that we saw in the spring and summer, it could very well spread out well into the fall with the dredging that has to be done. We are going to see our General Fund budget in need of amendment if nothing else is done from this point. What I mean by if nothing else is done, the Red River Waterway Commission has asked the Port for their damages from the flood event. Included in that report to them we mentioned our estimated revenue loss. At this point what we wanted to tell you is if the Waterway Commission does

not provide the Port Commission any type of assistance for our revenue loss, by fall I estimate and I think our forecasts are accurate, we will need to come to you to amend our general fund, our Capital Operations budget. And what we would propose to do is to do at the same period of time that we would be bringing you the 2016 budgets anyway. Whereas if this flood event had not occurred, we would have met our revenues for 2015. We would have already been going through one public hearing for the 2016 budget process. What we're saying is while we're gathered for one public hearing for the 2016 budget, we'll hold the 2015 amendment public hearing as well so as to coordinate those with your schedule and not call a separate meeting for that matter. However, that's the worst case scenario that I just presented. If the Waterway Commission does come with some funds to help us with our General Fund, it may be that we do not need to amend our budgets. We will know that likely within the next 60 days long before we would propose holding our hearings on the 2016 budget. With that, I'll be glad to answer any questions or address any comments. Capt. Murphy called for questions.

Capt. Murphy called for General and Capital Operations Reserve Funds. Eric said as you know as you see on pg. 1 of our financial each month details of the Port's assets we have in various accounts some of which are invested in bonds and you've received that presentation this morning from the Sisung Group. We wanted to open before the Executive Committee the discussion of establishing reserve funds. The initial idea was to have one for our General Fund, that would match our General Fund expenditures and one that would match our Capital Operations expenditures mainly in terms of debt service. I will say that during the Bylaws Committee Friday there was discussion about not doing this about the taking a cautionary role in establishing reserve funds mainly in terms that even the Port has incredible demands in terms of our capital projects and capital maintenance projects, that some of those that view that reserve funds are viewed as unnecessary just as an account for money that does not have an obligation. So those were some of the comments that were made. Commissioner Bryant said I want to clarify. I believe reserve funds are necessary and at some point we need to have it in place. I think the discussions were more about does it need to be now. But I think your bond rating will be identified with a minimum reserve balances and you should have that in writing as a policy, but I think there are those that think that right now it's a double edge sword that you should have reserve balances, but some of your taxpaying citizens feel that if your reserves are too high, then you don't need the money. So it can, while you have to have them to operate because if you hadn't had reserve the balances, the situation that you had this year, how would you cover those costs. If the Red River Waterway does not come through for us and your revenues are way down, how do you cover those costs? You cover them from your reserve balances because you have them, and that's why they're there in the case of extraordinary circumstances, in case your revenues aren't coming in as what you thought. Many things can happen. You know you project the sales tax to be here and they plummet. We didn't know, so you have to prepare for that. You have to have those types of things, so the reserves need to be there. It's just a matter of when and how much in my opinion. Commissioner Gregorio said so does that decision get made at the Bylaws Committee that goes to the Board, or does it get made at the Board level to begin with or...Eric said it was brought up in the Bylaws Committee meeting in the context of did the Bylaws Committee want to recommend that the Bylaws note that the Commission would establish reserve funds. And that was, if you will, that was what prompted the initial discussions Commissioner Bryant was describing. Commissioner Gregorio said not that it was required to be in the Bylaws but it was discussed against part of their mandate. Eric said so that it would always have that reference in the guiding Bylaws of the Commission should whatever reason. Commissioner

Bryant said if this Board set a minimum reserve or whatever in the General Fund, where would that policy be? Eric said it would be established by Ordinance. Commissioner Bryant said and it doesn't have to go in the Bylaws; you could just have an Ordinance establish what the minimum reserves are. Eric said that's correct. And that to answer, Commissioner Gregorio, your question, the Executive Committee would be the first step in having the discussion and then of course. But the Executive Committee only being four members, everything that the Executive Committee does has to be ratified by the Board anyway. We were looking for feedback. I just felt remiss if whereas originally I communicated with you via memo of where we were in it, I wanted to make sure that the Executive Committee was aware of some of the discussion that was not in complete agreement to the original reserve fund. Capt. Murphy said then Commissioner Bryant, if I'm reading you right, then you're suggesting that this body, the Executive Committee, recommend that we perhaps have them to study having creating an Ordinance for establishing a reserve fund. So if you would suggest that it be...Commissioner Bryant said at some point I think that it does need to be addressed. I think for a fund that receives property tax that you should at least have a reserve of at least 25% of the revenues coming into that fund....in reserve. In that reserve and once you put it by Ordinance, that you would have that in your financial statements, not as restricted but it would state in there how much is reserved for this purpose and so we know, and anybody reads our financial statements. I guess I do agree with other Board members who are concerned about the timing of that and that we may want to wait until after whenever we call the election. Anyway I agree. But at some point you really do need to put those in effect. Capt. Murphy said okay. Does that action of this Executive Committee would be a recommendation or do we need that in the form of a motion. Eric said I would tell you that as your Executive Director and with your Director of Legal Affairs, your Director of Finance & Human Resources, that between the three of us that we can maintain these reserves for you without an Ordinance without anything and not go below these thresholds we've proposed without coming before the Board. We can establish our own internal reserve funds. It is not necessary for it to be by Ordinance, but again, it's as good as the three of us sitting here and I just want to tell you that for whatever we're not here, just know that there isn't an Ordinance to protect, but we operate under those parameters right now anyway. We were just seeking did the Board want to establish an Ordinance. We've gotten that feedback from you. Commissioner Bryant said I think at some point it needs to be by Ordinance and that's because you will get asked that question, is that required by your Board or is that just something you're doing operations and by your Board carries more weight than operations. So yes, y'all have a number in mind where you like to see a reserve, we all do and try to keep it at that and try to keep us from spending such that it goes below that. However, to actually have it recognized in the financial statement it would have to be by Ordinance and so at some point, not today I understand that, but at some point it needs to be by Ordinance. That's my thought for right now. Yeah, operations you all keep it at a level you think it's a good level in order to operate and be able to operate in situations where you have unexpected financial issues that you didn't....so yeah, keep those but at some point I would like to see it come back to the Board for an Ordinance, but I'm not prepared to make that....Commissioner Gregorio said here's my concern is that part of this is a timing question. So if we're putting it off we've just made a timing decision intentionally or unintentionally. So do we need to have that discussion at the Board level. Do we do it now or do we wait? That's really a policy decision. I think that discussion should be had, so my thought would be to recommend to the Board that we discuss whether we should set up these reserve funds, whether we discuss the amount or not, I'd leave that to staff and Eric to tell us what they recommend but I think we should discuss whether we should them up. Capt. Murphy said

so therefore you are making that in the form of a motion. Commissioner Gregorio said I might. Commissioner Bryant said could we table it for the next Executive meeting in November. Commissioner Gregorio said I hear you. What would be the reason to wait? Commissioner Bryant said just so we can talk to---I don't know if we bring it to Operations or Marketing or do you have something? Danye said if I may, I know what the concern is that we have a tax renewal that's going to come up in 2018. Do you postpone it for that length of time. I heard Mr. Austin loud and clear. He said that I guess the Bossier Parish School Board had a reserve of \$16 million dollars and they could not get their renewals passed because the citizens thought they had adequate funds and that there was no need to renew the tax millages. I think that is the general concern right now and do we hold off until that period of time? That's a substantial period of time between now. Commissioner Bryant said I guess Sam was right in that you should have a discussion because it really doesn't matter. The money is there. It's in your fund balance regardless if you set it aside to say a million reserve that my fund balance can't drop below this level, but if you have high fund balance, it is what it is. Danye said for bond rate purposes you would have to establish by Ordinance though. For bond rating purposes you're establishing that we have said we do not want our fund balance to drop below this level and we're going to maintain it at this one. So you have that where you're saying—that's what I'm saying—at some point we need to say at what level we think our fund balance should never drop below but that's just identifying it, but if your fund balance is a way above that now, it would be way above that in 2018. I just think that what they may be trying to avoid you can't avoid. If it's high. Commissioner Gregorio said it may be the amount that's in the reserve. Commissioner Bryant said right. If the total amount in reserve is more than...Commissioner Gregorio said that would require the discussion and y'all's recommendation and particularly how we describe it. If we're trying to set aside a year's worth of bond payments, that might make sense. When we have capital improvements, if we're trying to set aside for a specific purpose, that might make sense. Commissioner Bryant said you want to say in there reserve bond payments, reserve this and that. If you get to a point like we talked about the rail cars, if we want to start saying we're going to set aside, then we need to start saying reserved for losses and whatever those amounts are going to be every year and that's shown in there. That's better if let's say you have \$16 million dollars and if you said, oh yeah, but \$2 million of that is for this and \$2 million of that is missing. When you really get down to that, all you really have available for general operations is this. So it could help you in the sense that you've broken down as opposed to just \$16 million dollars. Danye said right, I understand, but I wanted to point out what the concerns was. Commissioner Gregorio said actually I like your comment because my suggestion is to bring it up for the Board after we have y'all's recommendations for what funds and how much and then we can hear Lynn's comments because he might be right. I sure would like to hear that. Commissioner Bryant said at the next Operations meeting. Commissioner Gregorio said will that be sufficient time lines? Eric said right, we'll shoot for September Operations meeting and bring it back before the full Board, to that committee of the whole. Commissioner Pannell said and then we can discuss about moving forward and that time line too. Commissioner Bryant said the question becomes—it should be prior to 2018. That just makes good business sense. You get creamed for doing it too early, but if you do it too late, you don't give yourself the opportunity, one to prepare and one to call another election if you need to. (Inaudible). And I'm sorry if I know what they said, but it's going to have to be on the October ballot. Eric said we'll do that and set that for the September Operations meeting. Thank you for your feedback on that.

Eric said in regard to Professional Services Selection, as you know the Executive Committee is charged with choosing the professional services and then making those recommendations to the Commission. Today I want to visit with you about the M/WBE Consultant. Before we go into where we are, I want to give you a background as to the Port's development history in regard to M/WBE development. Some time ago we had a review of our M/WBE process and it was done by Martin Burrell Associates. The results of that report brought forth some goals and some objectives that the Port could accomplish. At that time, we viewed the Strategic Action Council's Minority Supplier Institute as the ideal partner for us with that regard. As many of you know, there's been change in the leadership and a change in the staff of the Strategic Action Council and if I may, just provide a side note to that. While we were pursuing a contract with MSI, we learned that the MSI was an operating committee of the Strategic Action Council, that the entity in which we would of entered the CEA with was actually the Strategic Action Council because MSI is a committee not capable of entering into a contract per se. But those contract discussions, or those CEA discussions were for an amount each year in exchange for the services to be provided that were highlighted in the Burrell Associate's report. But in the amount of time that has passed since that original study and given just there's not been the progress we had hoped in working through that, we began, the committee chairman, Commissioner Pannell of the MBE Committee, so as you know when we performed the process of identifying the entities that were capable of doing the MBE study, there were several respondents and we had a meeting where they each made a presentation. One of those that presented is represented here today and with that, I would like to hand it over to Commissioner Pannell who had asked to make a few comments about how he sees the Commission moving forward as opposed to moving forward with the Strategic Action Council. Commissioner Pannell called Ms. Scroggins to come to the podium and said this is where we are. I talked to several commissioners and they have expressed their position on where we were with MSI and everything else. The other thing that happened that's extremely important is that we had some internal changes within the staff at the Port. We hired Dannye Malone who has an extensive background in minority participation. And we hired Kathy French who is our community outreach person. The conversation I've had with some commissioners is that we revisit this situation now to see if we can reconstruct this in a more positive way and bring more stuff into the Commission as a whole instead of outsourcing everything. So in that vane, we've discussed this as what I see as a solution to that is to instead of giving a contract to someone with specific duties for a specific cost and in our efforts to move this forward, because it has been delayed for far too long. We will continue to have discussion that the work can be done inside the Port itself and how we can maintain things like data bases etc. Construction of those data bases and how we put them together, we would not want the staff to spend that much time dealing with. So what we've asked Ms. Scroggins to look at offering her services more on an hourly basis rather than getting tied into a set contract. We feel like that would be better and those costs and procedures would be done between the Port Director, our legal staff and myself to see what we need and what are the things we need now. So Ms. Scroggins to introduce herself and answer any questions, but I hope we can move forward on this. Like I say it has been delayed for too long. Commissioner Prescott said I want to statement before she comes. I think at one of the previous meetings I made the suggestion about a commissioner being involved with those entities you are talking about and they never moved on it and I think it's imperative that we do something for ourselves instead of outsourcing it because nothing has happened. I mean are we just going to continue on that path giving them funds and we're not receiving anything for it. I would just like to commend you with you of being the chairman of that committee to reaching out to the Commission and bringing it before us to

possibly move and have our own in-house, if that's the right word, to handle our situation and that way we'll be involved as well. Because right now we're just out on an island and I mean this is passionate to me. I have been sitting and listening and that's what I do but this is very passionate to me and I would like to see us move in a different direction. Commissioner Pannell said I personally tried. We had a goal we were trying to reach. The thing about it is. We offered a contract to these people and I didn't want to really get that deep into it but they held that contract until changes started happening within their operation. When those changes started happening, we didn't like those changes. Fortunately enough, the contract had not been signed. So when that happened, that's when we decided not to sign the contract and figure out another way to do this and I think this is a much improved process here. I think we will remain in control because we will not have to go back to them and say we're not moving fast enough; this is not what we wanted and so I think I would like the commissioners that I have talked to. I've had conversations with some of the commissioners, including Jimmy and Steve and you about this and I've gotten some good feedback in that area and from the Commission's standpoint, they have been extremely supportive in this area. So I'd like at this point thank y'all too but I'll go back to Ms. Scroggins. She said good afternoon. Just want to introduce myself. I'm Tiya Scroggins; I go by Ty. I'm Julie Searing. Ty said we're with Scroggins Consulting and we are happy to answer any questions that you may have for us. If you'd like us to tell you a little bit more about ourselves, we'll be happy to do that as well. Commissioner Gregorio said I see your rates at the end of your document. Are those your government rates? Ty said GSA rates. Commissioner Gregorio said a standard rate. And then as I look at your proposal, as we sit here today there is no specific structure or format that you're presenting or recommending but you're going to be looking to determine what the best process or system is and presume, come back to us after you develop that system. Am I reading that right? Ty said correct. Commissioner Pannell said because we're going to be involved in that process. Commissioner Gregorio said there's nothing on the table as we sit here. They're going to develop that. That's my question, thank you. Capt. Murphy said is there anything more, questions. Commissioner Prescott said when we had the meeting of trying to get someone to look at our MBE program downtown, Ms. Scroggins was one of the companies represented that I was very impressed with. I'm very pleased the Board that she would do a great job. She's already been before us so far as what she can do. Commissioner Pannell said the motion we're requesting today is for her and the staff to go into negotiations on serving in that position. Is that correct, Eric? Eric said to wrap up those negotiations and to retain the services of her firm to move forward. Commissioner Bryant said I make that motion. The motion was seconded by Commissioner Gregorio. Capt. Murphy said it had been moved and seconded to retain the services of Scroggins Consulting with our staff. All in favor, please say "Aye". Opposed, "Nay". Hearing no nays, it passed unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, and Erica R. Bryant, Ex-Officio

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Commissioner Gregorio said from the conversation I understand we will expect great things from y'all. Ty said you will get great things from us.

Capt. Murphy said the last item on our list is Port Bond Issue for Omni Project. Eric said our last item on the agenda is what I've written you about in a previous memo regarding Omni Specialty

Packaging. Omni is on the verge of expanding their existing warehouse and manufacturing facility located on Hwy. 1 within the Port complex by 300,000 ft. They're in an approximate 150,000+ facility now where they manufacture and blend specialty chemicals for the automotive and other specialty type chemicals. Their building facilities, the warehouses and the offices, are currently owned by the Port and we lease those facilities to them. In our talks with Omni, we've gone down a couple of avenues of how we could work with them and grow and expand this 300,000 sq. ft. facility and there are two options on the table both of which will require us to raise—the estimate for the 300,000 sq. ft. facility is approximately \$12 million dollars. The first option on the table is the Port to issue bonds for this project, not as conduit bonds, but Port bonds whereby we would issue the bonds in our name and perhaps even through LCDA, whatever the case may be, but this would be our obligation. What we would do is amend our lease agreement with Omni where the increase in their rental would match and slightly be an increase amount over the debt service from the bond issue. The second option which is currently being evaluated would have to do with Omni needing this 300,000 sq. ft. facility in the time frame faster than what the Port could deliver it if we were to build it. In that scenario, what I would title it, it would be similar to the transaction we did with Ronpak whereby Ronpak built the facility and then we in turn, buy it at the end of their construction for an agreed upon amount that would be agreed upon before construction began and also based on appraisal at the end of construction. I walked through those two scenarios, because either way we go, whether it be the Port built it or whether it be Omni build it and sell it to us, we would have to raise the capital and that capital amount is \$12 million dollars. In order to do that, we need to have the Executive Committee select a bond counsel and given the nature of this bond issue as we expect, we believe that a financial advisor (FA) will be needed and we propose not only, of course we need bond counsel, but also issue an RFP for financial advisor at this time. With regard to bond counsel, it would be our recommendation of the Boles Law Firm who would be partnering with Alex Washington as co-bond counsel. And then with regard to the FA, looking forward, we would like to see the issuance of an RFP as quickly as we can after this meeting and have those RFP's back in by the end of the month to where we could have during a, for example, our September Operations meeting in conjunction with that meeting and presentations made to the Board on those RFP's for the FA. That's an overview or summary of where we are with regard to that customer and how we see moving forward. We would appreciate any feedback and guidance and then eventually if the Executive Committee is in a position to make a recommendation on the bond counsel and then the issuance of the RFP, we'll move in those directions. Thank you. Commissioner Austin said how soon, Eric, do you expect to do that. Eric said the bond. We would hope that between now and the end of the year. Commissioner Austin said rates are very favorable right now. Eric said we believe just in terms of timing, if we do go through the RFP process, that put us off in under 30 days. But Omni needs some time to continue evaluating. Commissioner Gregorio said do you need any action from this committee today. Eric said we do. If the committee is favorable to the selection of bond counsel, we would like to see that from the committee so that we could get that ratified by the Board as quickly as possible. The key to that decision is in any type bond issue like this the key document to trigger these things is the preliminary resolution in which you name the bond counsel as well as the financial advisor. We realize it's going to take some time to select the financial advisor as we go through this process, but our goal then would be to adopt the preliminary resolution at the September Board meeting. So from this committee today we'd like to see a selection of the Boles Law Firm partnering with Alex Washington. Commissioner Gregorio said let me ask you a couple of questions on that. Have we from our past usage have we been happy with the Boles firm and with the Alex Washington firm. Eric said yes



sir, we have experience with both and are pleased with their performance. Commissioner Gregorio said are their prices and charges in line with the standard. Eric said they are. Commissioner Gregorio said and we've been happy with not just the end product but the day to day interaction with them. Dannye said I have with both. Commissioner Gregorio said and my last is more of a comment. If Omni does build it, I presume that by some method we would have oversight in the construction to make sure it's being built according to what we're going to end up with. Eric said absolutely. We would have a project manager on our behalf and when we have entered into those types of agreements in the past, we purchase it and lease it back without any warranty whatsoever. They take it as it is. Commissioner Bryant said I am good with the bond counsel. I agree we should go out for RFP's on financial advisor. I don't think we've got the best pricing in the past on our FA's that we used in the past, so it would be good to get prices and see if we can get a better quote than we've got in the past. Commissioner Gregorio said I make a motion to select the Boles Law Firm and the Alex Washington Law Firm as the bond counsel on the Port bond issue for the Omni project. The motion was seconded by Commissioner Bryant. Capt. Murphy said it had been moved and seconded. All in favor, please say "Aye". Opposed, "Nay". Hearing no nays, it passed unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, and Erica R. Bryant, Ex-Officio

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Eric said do you want to make a motion for an RFP? Commissioner Gregorio said I move we get an RFP for Financial Advisor for the Omni project. The motion was seconded by Commissioner Bryant. All in favor, please say "Aye". Opposed, "Nay". Hearing no nays, it passed unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, and Erica R. Bryant, Ex-Officio

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Commissioner Austin said gonna have to tell you that I'm not on the Executive Committee but I am on the LCDA and I can tell you that if the bond issue goes through the Port instead of Omni, you can get a better rate on a 30 year bond issue because of our bond rate. The Port's gonna have a lot better bond rate than a private entity.

Capt. Murphy adjourned the meeting at approximately 11:57 a.m.

The Executive Committee report of August 10, 2015 is in your package. If there are no additions, deletions or corrections, as Chairman I will move that the Executive report of August 10, 2015 be adopted. The motion was seconded by Commissioner Austin. Hearing no discussion, the vote was taken. All in favor please say "Aye". Opposed, "Nay". The motion passes unanimously.

**Marketing Committee Report of August 10, 2015:** Commission President Capt. Thomas F. Murphy called the Marketing Committee meeting of August 10, 2015 to order at approximately 12 Noon in the Board Room at the Regional Commerce Center and welcomed everyone.

Commissioners present: Lynn Austin, Erica R. Bryant, Sam N. Gregorio, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell, Rick C. Prescott and Steve Watkins. A quorum was present.

Commissioner Gregorio led the Pledge of Allegiance.

Commissioner Murphy called for introduction of guests. Guests in attendance: John Hubbard, AEP/SWEPCO; Tyler Comeaux, BKI; Anne Gremillion and Daniel Strickland, Gremillion & Pou; Larry Harper, IMS; Ty Scroggins and Julie Searing, Scroggins Consulting, LLC and Steve Melvin, EJES, Inc. Staff members: Eric England, Rick Nance, Brenda Levinson, Dannye Malone, Gloria Washington, Ted Knight, Hugh McConnell, Kathy French and Hettie Agee.

Commissioner Murphy called for Public Comments.

Commissioner Murphy called on Brenda for a Customer Update. Her report included: ADS Logistics; Carbo Ceramics; Pratt Industries; Ronpak and Ternium. Benteler continues to track well. They are making pipe. They have been doing some serious performance tests on the finishing line. They're meeting those benchmarks and the tests are being successful. They're moving forward and continues to be on track. As of the end of June, they have 280 employees and are still hiring.

Brenda said during the month of July we got three RFI's from LED. One was for a company looking to relocate an aircraft component part back to the US and looking for a 75,000 sq. ft. bldg. that could be expandable. The second project was an electronic accessories company. This was a new operation but were looking for a way to get into it and ramp it up. They were looking for 25,000 sq. ft. expandable. On both of those they're looking for an existing building to cut down their costs. The largest project was called Project USA and actually tagged this as a reshoring and is a global consumer products provider. What they're wanting to do is bring a major portion of their business back to the United States which is a growing trend in the manufacturing industry. We submitted the Ron Bean site for this in case it comes down to looking at a Greenfield site. Another inquiry came from a large real estate company that had been to the LED data base looking for a site. They had looked at our Scopini Island site and had contacted us for more information. We continue to work with Omni and Calumet on their expansion plans. We did visit with Priefert about an expansion plan.

Commissioner Murphy called for questions from Brenda and called on Kathy for her report. She thanked Gremillion & Pou for their assistance this month. This is the longest list I've ever seen as far as the amount of coverage we've received. And that's because of two things, Super Load 1 and Super Load 2. But the other interesting thing to note is where all of those places were covering those stories. The Houston Chronicle covered it; Lake Charles covered it, Dallas, Biloxi, Gulfport and Chatanooga, Tennessee. I think that's pretty interesting that we got coverage all over the place for those stories. Gremillion & Pou is also going to give a Public Information Campaign next month. We have had a very busy July. Eric did a great job last week on Tom Pace's Talk of the Town radio and LED is going to be here again today to wrap up the interview that Eric did for their quarterly magazine. He's also got a busy day tomorrow where he's going to meeting with Senator Cassidy and Senator Vitter at different times. I'm going to be leaving here right after this to go to Memphis and represent the Port for an I-69

Coalition meeting. In July we gave the following tours: Congressman Charles Boustany (Commissioner Prescott and Markey assisted), Little Rock Port, Chris Scott, Peggy Rainey. Several Port reports were given at different functions: Inner Tech Committee Meeting, two presentations, one at the Breakfast Club, Rotary Club at Willis Knighton and at another Rotary Club. We've also attended various functions representing the Port such as the Sheriff's Breakfast meeting, various City Council meetings, Police Jury meetings, Chamber of Commerce events and other committee meetings. The big thing that happened in July was the Red River Flood summit meeting. It was a joint participation between Caddo and Bossier and all the entities. We did not invite the press to join us at that time because it was a working meeting. It was very much a successful meeting. Commissioner Gregorio said I know you've probably thought about this, but that was a pretty good report by Brenda about what's going on with the Port. Just a suggestion to see if some news articles and TV shows, TV articles could be generated to get that out to the public. Kathy said to follow up with what Brenda was talking about with Priefert, Priefert did make a statement to the media this weekend and said theirs is an article out in Texas talking about the possible expansion to the Port but also they have not decided yet between the Port and keeping it in Mt. Pleasant, Texas. Commissioner Prescott said he wanted to commend Kathy on the tour with the Senator she did a great job. It was well put together. Kathy said I definitely appreciate your being there.

Commissioner Murphy called on Eric for the monthly Report. Eric said the calendar is in your packages. If you have any questions, just let us know. I wanted to let you know that we got notice late last week of a 3132 Project Advisory Committee meeting this coming week and I plan to attend it. Also we had told you that Benteler was going to have a Grand Opening ceremony in October. They are going to reschedule the Grand Opening ceremony for early next year. As soon as we have that definitive date, we'll let you know.

Commissioner Murphy said one thing under our Public Affairs report in your package I think in the month of July I heard the word or saw the word Port published more in that one month than I have in the eight years I've been here and I want to thank our staff and all those responsible for getting the word out about what goes on out here.

Hearing no further comments or further questions, the meeting was adjourned at approximately 12:27 p.m.

Commissioner Murphy said the Marketing Committee report for August 10, 2015 is also in your package. He asked if there are any additions, deletions or corrections. Hearing none, being the committee of the whole, I will entertain a motion for adopting them as printed. Hearing no discussion, the vote was taken. All in favor, indicate by saying "Aye". Any opposed, "Nay". It passed unanimously.

**Operations Committee Report of August 10, 2015:** The meeting was called to order by Secretary-Treasurer Sam N. Gregorio at approximately 12:28 p.m., August 10, 2015, at the Regional Commerce Center Board Room. Any public comments? I see no one else has come in since the last meeting so we will continue on.

Commissioners present: Lynn Austin, Erica R. Bryant, Sam N. Gregorio, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell, Rick C. Prescott and Steve Watkins. A quorum was present.

Guests in attendance: John Hubbard, AEP/SWEPCO; Tyler Comeaux, BKI; Anne Gremillion and Daniel Strickland, Gremillion & Pou; Larry Harper, IMS; Ty Scroggins and Julie Searing, Scroggins Consulting, LLC and Steve Melvin, EJES, Inc. Staff members: Eric England, Rick Nance, Brenda Levinson, Danye Malone, Gloria Washington, Ted Knight, Hugh McConnell, Kathy French and Hettie Agee.

Commissioner Gregorio called on Hugh for the Operations report. Hugh said rail activity this year so far has had its up and downs. We've had some transitions go on with the frac sands companies. Some cargos are pretty strong, pretty stable; some have fallen off. Just wanted to say that from 2012-2014 we averaged around 600,000 tons per year by rail. This year we're on track for a little over 400,000. So we are gonna be down on our rail tonnage and I'm expecting about 45%. To let you know why, frac media last year through July we had recorded 73,000 tons. This year we're recording 35,000 tons, so about half. Aggregate shipments with the changeover to West Louisiana Aggregates from Select, of course we know the Haynesville Shale has slowed on the drilling. But just to let you know that we went in 2014 from 157,000 tons through July to this year through July 47,000 tons, so about 100,000 less. Then on petroleum shipments, which some of it was due to the River being up, tanks being full—they couldn't empty those tanks because the barges couldn't come. So last year through July we reported about 63,000 tons; this year 38,000 tons. So we're seeing a reduction in those tonnages passing through. But folks like Ternium are still pushing a lot of coils through the Port and expecting their numbers to be about the same. July last year was 137,000 tons; through July this year was 92,000 tons. So they're kind of on track. Good news! Benteler has two more cars coming in tomorrow, in fact two more billet cars. That'll make four they've received. That's a sign they're getting up and running and continuing with their commissioning. Budget numbers coming up, we've had some Hwy 1 crossing repair done. We've had the Ron Bean crossing repaired. Some of those were expenses we didn't plan on the first of the year. So just kind of setting the table for numbers that may not be the best we've had in year's past. All in all, the activity level is pretty stable. The equipment is running very well and we still are doing ongoing maintenance on the tracks at the Port. In total, there were 438 cars that came into the Port and 36,563 tons.

Moving on to barge activity. We know the River is back down. It is open. We are still about 8 ft. above normal pool. There are at least three dredges running. Pine Bluff Sand & Gravel is here on site today. We met with some of those folks and I know from Rich Brontoli's report, there are two other dredges working further south. With that high water they're able to pass through trouble areas. As the water continues to fall, those trouble areas will then become an issue so it's good that all that dredge work is being done now in advance of the water falling out. Wanted to say that Super Load 1 and Super Load 2 came and went. It was impressive to see all the moving parts that were involved in that. The coordination that went into--Kuehne & Nagle put it together and Edward's Moving was the company that actually had the equipment to move those pieces. The stop signs, the street lights, the utilities that had to be moved, coordinate with so many different political leaders in Shreveport, but then also to get into Texas and deal with those DOTD's. The requirements change from State to State. Good news for us, we were able to use our Slack Water dock and or Slack Water Harbor. The dock and all worked out just great. We were able to move the crane out of the way. They set up and had no issues whatsoever. Another name that you all have been hearing a lot about, Priefert Steel, we first started talking to them in November of last year. Got to meet Chris Shipp. He came out and saw the Port and made several

trips. Things are starting to happen. We're expecting some good news to continue from those folks. Our stevedores unloaded 2 barges of steel coils. One was for Commercial Metals which was ultimately for Priefert. Commercial was the broker they worked through. The second barge we unloaded was directly for Priefert and we have two more on the water. The next barge load should be in about 10-12 days. We've got a warehouse full of coils and our guys are loading those to trucks every day and shipping those to Mt. Pleasant. As other conversations I've heard, they may go to other mills and other facilities they have. So it sounds like a really good relationship has been developed and we're really excited about it. A company called Florida Marine came along with Priefert. Historically we've had one tow company, Terral River Service, that calls on the Port routinely. What has occurred is now you've got another tow company working the Red. Not too many rivers have more than one carrier. So with that Oakley had 11 barges for the month; Genesis Energy reported 6 barges. There were a total of 20 barges, 35,579 tons. I did want to say that the tons reported this year are not really a good accurate reflection of the progress, the activity and the things that have been happening. We've got new companies looking at us and all the media attention.

Commissioner Gregorio called for questions. Hearing none, he called on Rick for Port Projects. Rick said 1) the new stevedore building is supposed to be in draft form this week and we'll start the final review of it so we can get it out probably in the next month or so; 2) the parking lot expansion is concreted. They're doing dress up now and finalizing their joint sealing. Chains have been put up. 3) On Benteler, the Doug Attaway Ext. has been striped and the signage put up; 4) The main lift station for Benteler, wet well is sunk and they're getting into the electronics; 5) the batture rail we had, the switches were not in. They've completed that run around and is in active use; 6) the auger spoil from Benteler we were asked if we could use it so I'm in the process of building a dike down by the Slack Water Harbor with the spoils to establish a new spoil pit; 7) we had a fendrer rehab job and I'm going to let Larry Harper from IMS brief that. Larry said IMS was selected to do the project. The project consisted of encasement or replacement of 53 timber piles and 3 rolls of non timber fenders. We prepared the documents; we had a bid scheduled for June 30, a mandatory pre-bid scheduled for June 23. Seven contractors examined the plans. On the pre-bid meeting we only had one contractor to show. We contacted the other six that did not show to find out what were the problems or why they did not show. Two of them did not respond; one stated that the project seemed to be too risky for them; the other one said that the project was too small; one stated that they were too busy; another one stated it was not in their core of work. We held the bid opening on July 29. No bids were received. We contacted the contractor who attended the mandatory pre-bid meeting, CWW, to find out why he didn't submit. They indicated that the reason they didn't submit was their current work load didn't allow them to accept any additional work. Even they were too busy. So with no submission of the bids, the Commission has the flexibility of re-advertising this contract without the one year stipulation that you would have had if you had rejected all the bids. So our recommendation is that we re-schedule this bid for first quarter of next year because this project has to be completed during the low water time that occurs in the summer except it didn't occur this particular summer. With that, that's all we have. Any questions? Commissioner Gregorio said does that require any action by this committee or the Board. Dannye what's your thought? Dannye said I don't think it matters at the present time, Commissioner Gregorio. Questions?

Commissioner Pannell said just a comment. I have a gentleman I have been talking to that I would like for him to come and make a presentation before this Board. There's a new process. Some people are familiar with so it may not be called CM at Risk. That process is being used by the Federal government, several other entities and it's something we need to look at and it would save us money. You're familiar with it. I just saw you had a meeting for one in New Orleans. But that process needs to be explained to the Board, but I don't want to get into that today but that would prevent some of these issues here. We would maintain control of the project throughout the process and once that budget is set, that project has to come in at that budget or below that budget but it stays in our hands completely throughout that process. I've been in contact. He's willing to come up. He's offered to come up before and I wanted to get with Eric to see under what process we would use because I don't know if it's necessary for him to come to a Board meeting or what. But I'm putting Eric in touch with him. Rick said while those are obviously some of the explanations they gave, the fender system, normally you come out and look things and the fender system was well under water all during this time and I have a feeling that some of them were scared away because they couldn't see what they were getting ready to do and that's one of the reason we extended the bids for 30 days to see if it would go down. Then we had the second rise so I think that was also involved in this activity. Rick any more of your report.

Eric said while we were still on projects that was discussed during the Executive Committee meeting regarding H&W and the contract for them to demolish the buildings at the Port as a result of the 2015 flood. In the Executive Committee meeting today we discussed a mechanism for the Port on future contracts waive certain insurance requirements we have in place and we still have to report back to the Board with that regard the plan that was discussed during the meeting. However, in this interim time, we have a low bid from a contractor, H&W, to demolish these buildings and their insurance is less than our requirements. We want to ask the Commission for authorization to move forward with this contractor recognizing that they do not meet our insurance requirements but also that there is a need to move forward with this project in this interim period largely because this is a FEMA reimbursable expense and there is a period of time which we need to be contracting these services. With that regard, I would answer any questions or facilitate any discussion with that regard. Commissioner Hall said I make a motion we approve the award of the bid to the low bidder. I think you said you're going to come back to the Board in the future, but with this contract specifically we need to acknowledge they do not meet our insurance requirements. However, it is our recommendation to award this contract to this contractor. The motion was seconded by Commissioner Pannell. Discussion? Contractor Gregorio said Jimmy specifically the only change that's needed for the insurance is to waive the excess liability coverage. In other words, there would not be any change in the commercial general liability. So with that regard, I was going to suggest would you accept an amendment to your motion that the waiver be only as to the excess or umbrella liability limits? Commissioner Hall said so move. Commissioner Pannell said second. Any other discussion please. Hearing none, all in favor, please say "Aye". Opposed, "Nay". It passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Erica R. Bryant, Sam N. Gregorio, Lynn Austin, James D. Hall, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Eric said thank you. We'll move forward with that contract. Appreciate the vote on that.

Commissioner Gregorio called for the Benteler Compression Station and Eric, I think you're going to address that. Eric said with regard to Benteler, as you all recall in 2012, there was a \$29 million dollar infrastructure incentive package put forth on the Benteler for various components of the Benteler infrastructure such as the road, the rail and other projects within the Benteler facility. Benteler has asked the Port Commission to consider the construction of a compressor station access road. To give a little background on it, there is a compressor station adjacent to the Benteler facility and in order for us to extend Doug Attaway Blvd, it was necessary for us to interrupt access to this compressor station. Therefore we rerouted the access to that compressor station road. In doing so, we allowed access to that compressor station to go uninterrupted. The mechanism where we suggest where we can facilitate the Port paying for this is through an amendment to our agreement with Benteler whereby originally the Port Commission contributed \$3,000,000. What we would like to do is propose that at the August Board meeting we bring a resolution and the necessary amendments to increase that amount for the cost of the compressor access road in the amount of \$135,000. Therefore we would amend it from \$3,000,000 to \$3,135,000. I would be glad to answer any questions that the commissioners may have. Commissioner Gregorio called for any questions. If not do I hear a motion. The motion was made by Commissioner Austin and seconded by Commissioner Hall. Discussion please. Hearing none, all in favor, please say "Aye". Opposed, "Nay". It passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Erica R. Bryant, Sam N. Gregorio, Lynn Austin, James D. Hall, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Commissioner Gregorio said next Sandbag machines and called on Eric. He said we've been approached about the interest of the Port Commission participating in the purchase of what I would call sandbag filling machines. I want to emphasize sandbag filling machines because in talking about this there has been some confusion as to whether it is a sandbag machine that actually manufactures the sandbags or the sandbag filling machines. The discussion has been about sandbag filling machines and at this time we know that BPPJ and the City of Bossier City are considering a two party CEA to purchase two machines to be placed in Bossier Parish and Bossier City for future flood fights. These machines are unlike any that are in the area in that they are capable of filling some thousand plus bags in an hour each. And further that they are automated. They do not require the coordination of labor, whether that be employees or utilizing other sources of labor to handle the machines. You fill this machine and it returns filled bags. The Port's attention so far, rather my attention, has been with the dialogue where we know that there is a two-party CEA, and talking with other Commissioners, I know there is interest for other entities perhaps in Caddo Parish more specifically, also the City of Shreveport. We wanted to get some feedback from the Commission please about some direction about how we could move forward and partner with these entities to extend the Commission's presence in the community. That's all I have and I'll be glad to answer any questions.

Commissioner Gregorio said how about some discussion to help Eric on this. Commissioner Murphy asked where would that be located, the machine be physically located. Eric said it's our understanding in

my talks with the BPPJ that they would be located in two different spots, not in the same area, for the machines in Bossier Parish. I would ask Commissioner Hall so you know. I don't know the specifics, but...Commissioner Hall said I think one in public works in the City. One would be in the parish in the location that they would have. The benefit of the machines are that they bag and load so you don't have a lot of manpower and it provides citizens some remedy in high water situations to protect their property.

Commissioner Gregorio said I like the idea for the sandbag. We certainly have the problem recently. You know we have it every other year. And it's certainly always a river-related issue. It seems to be appropriate inside our what we do would be a help to the communities. I see it as very positive.

Commissioner Bryant said I agree. I think it's positive in that I mean I think the citizens of both Bossier and Caddo Parish are contributing property tax wise to this body and I think it would be a good idea for us to show we're providing back to the community especially in that area. From the Caddo Parish standpoint, it took a lot of man hours, a lot of overtime, a lot of bodies in order to prepare those sandbags and have them available for citizens and we pretty much worked around the clock. And I think that something like this would be helpful to us. They would be located—the parish maintains two public work sites. One serves the north end of the parish, one that serves the south end of the parish. So we would coordinate between those two sites if we were able to secure those sandbag machines. Commissioner Gregorio said I think we would need a motion.

Eric said if I might could provide some more information and it might help steer the motion, Commissioner Gregorio is it's our understanding that these machines run around \$90,000 apiece. And two machines would be more than adequate for the need in Bossier Parish is what we understand. It's our idea that it would be our goal to enter into a three part CEA with the BPPJ and Bossier City whereby the Port's contribution would be in the neighborhood of approximately \$60,000. In other words, we would split the cost of two machines three ways. We have had a conversation with Brian Crawford with the City of Shreveport—he's the CAO as you know—about pursuing this with the City of Shreveport. Whereas Bossier City and Bossier Parish are further along and likely close to executing this CEA, we can become a party of the CEA there, we need to have discussions in Caddo Parish about if possible entering into a three-party CEA with Caddo and the City of Shreveport. But one thing to consider is I think what we would want to do is match our contributions in Caddo and Bossier Parish equally, so another way, if our contribution in Bossier Parish is \$60,000. In the event that a three-party CEA is not the answer in Caddo Parish and Shreveport, we would limit our contribution to \$30,000 with the Parish of Caddo and \$30,000 with the City of Shreveport. I just wanted to offer that. We will likely be going through a budget amendment process anyway so we can cover these funds in that process.

Commissioner Pannell asked if the motion would be only for Bossier until something happens with Caddo. We get that motion out of the way and move forward with it. Commissioner Gregorio said that's what I am hearing. Do I hear a motion? The motion was made by Commissioner Prescott to enter into a CEA with Bossier City, Bossier Parish for the \$60,000. The motion was seconded by Commissioner Pannell. Any discussion? Hearing none, all in favor say "Aye". Opposed, "Nay". It passes unanimously. AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, James L. Pannell, Rick C. Prescott and Steve Watkins.



NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Commissioner Gregorio called on Eric for the Traffic Ordinance/Speed Limits. Eric said with regard to traffic ordinance/speed limits, we did as you know on our 2,300 acre Port complex, the roads within are not State roads, are not Federal roads, and are not parish roads. They're Port roads, and with the increased amount of activity that we've seen over the past couple of years, we felt it was important for us to investigate how the Caddo Sheriff's office could assist the Port in maintaining a safe driving environment within the Port. When we did that initial research, we discovered that in order for the Caddo Sheriff's Office (CSO) to issue citations that an ordinance would be necessary and in that ordinance which Dannye has prepared a draft of which we're proposing the Commissioner consider at the Board meeting later this month, we have to name the individual Port roads and the speed limits for each of those roads. It is our recommendation that the Commission consider adopting this traffic ordinance so that we can establish these speed limits by ordinance and so that we can call upon the CSO to enforce those speed limits that we've established. And simply the speed limit is 25 miles an hour for those. I will be glad to answer any questions or address any concerns with that regard. Commissioner Gregorio said one of my concerns is that road coming directly here to this building, 25 miles an hour just seems so slow to me and I think we would have a lot of violations, so I would like to look at raising that to an appropriate number and secondly, my other thought, do we have some data to justify speed limits or some experts who's in that field so that we could base our decision on some valid evidence? Eric said that's correct. When Doug Attaway was designed, the consulting engineer was Demopoulos and Ferguson and the recommendation for the speed limit at that time was 25 miles per hour. The speed limits for the roads within the Port---we'll focus on just a couple of them at this time---are attributable to the type of activity that you'll see in that area. Doug Attaway Blvd. is one of our arterial roads leading to our general cargo dock where you have what is considered high loads, loads that are taller than your normal 18 wheeler loads and also what we call your heavier loads. For example, as you know, Ternium distributes a large amount of their finished product to the ADS warehouse as you see across the street from the RCC here. As you know, in the Port complex weight restrictions that you see on State roads are not in effect. That is one of the things that makes that relationship between ADS and Ternium attractive is the fact that they are able to overload their trucks. As we looked at Doug Attaway Blvd, we're taking into account those heavier loads as well as those taller loads and ensuring that whatever speed limit that we do come with takes into account that those heavier loads will need more braking distance. With regard to Ron Bean, there is research to support the speed limit on it and it largely has to do with the radius of curve near the intersection of Robert Harris and Ron Bean Blvd. In order for us to raise the speed limit beyond 25 on that road, for example, we would have to widen the radius of curve. In summary, we can go back and analyze between now and the Board meeting if there is a possibility of raising the speed limit on Doug Attaway, but at this time the Ron Bean Blvd. will have to maintain a 25 m/p/h speed limit because of that radius of curve. Also due to the fact that the way our access roads are constructed, and I'll just visualize, our roads have a crown in the center and as you go around a corner, what you would want to see is that exterior shoulder of the road raise. All of our roads are built with declining elevations of those near the shoulder. That's the science that we do have or if you will the research behind the formulation of the speed limits. We will go back and re-review the Doug Attaway portion between John Holt Blvd. and Hwy 1. What we're saying is that between here and Hwy

1 we would want to keep a lower speed just due to the type of cargo. Capt. Murphy said along just exactly what you said here, looking at the coils that come in that are down there now, and especially if we are continuing getting the barges of coils, some of those coils weighting 22 tons, and for a truck. You know drivers if they can go 40, they're going to go 40 and come around that curve that's down there now, we will look forward to having problems, so we may just want to consider keeping it down. I personally think it would be a bad idea on the existing road now to increase the speed limit on John Holt going from the cargo docks out there. Truck drivers, if they can they will go faster and we're going to have a problem. Commissioner Pannell said this is what I'm having problems with. If the Ordinance passes and we put the signs out there, I don't see the Sheriff coming in here spending time enforcing that. At some point, we probably would have to start looking at cameras or something, because it doesn't matter what speed limit you put out there, who's going to enforce it? So at some point, if you've got a problem now, I don't see the problem being solved because you put speed signs out there. And so, that's what I'm confused about. Who's going to come in and make sure. What kind of process then? If you have an accident out here and nobody is looking at it, who's to say that accident vehicle was going too fast. Commissioner Gregorio said James, I hear what you're saying and I don't disagree with anything you just said. However, I do think it's important for the Board, the governing body, to establish a speed limit for our own protection because if we don't have a speed limit, perhaps we have some complicity in something. Commissioner Pannell said all I'm saying is I agree with that and I have no problem with that but we still need to look at something other than just the speed limit for the purpose of the Port because your purpose is not to protect yourself because you put a sign out; your purpose is to make sure people are safe. So if we're going to look at this, we need to look at both issues and not just one. That may be for a later time but...Commissioner Gregorio said I think that's part of the discussion with the CSO, how they are going to actually enforce it. Eric said and that's what the Ordinance—the Ordinance creates that conduit so that the CSO can enforce on behalf of the Commission, in other words issue citations. That's what this Ordinance would provide. Commissioner Gregorio said and some discussion that they would actually be out here and show a presence. Let me go back to Capt. Murphy for a second if I may. First of all, whatever we do different than the 25 m/p/h I would like for us to have some evidence based for it and perhaps some expert opinion for it, but for as to this main road coming to our center, could we have an either a speed limit for anything over a gross vehicle weight and a different one for something under it? Is that something to look at also. That would help solve your issue. Other thoughts, questions, comments? Eric, do you need a motion for anything? Eric said what we would like to do is bring this before the Board, but I believe we're gonna need more than a couple of weeks on this or more than a week just to get our—let us come back before---perhaps a motion to authorize the Board to continue along the development of an Ordinance to bring back before the Commission. That would keep us moving in that regard. Commissioner Gregorio said do I hear such a motion. The motion was made by Commissioner Hall and seconded by Commissioner Pannell. Any discussion? Hearing none, all in favor, all in favor say "Aye". Opposed, "Nay". It passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Commissioner Gregorio called on Eric to give the FEMA Update. He said with regard to the 2015 flood, we want to make sure that the Board knows we are in the process of submitting an application to FEMA for reimbursement. Rick in our office is heading up that effort. In fact he told us that they're going to be with us at 1:30 p.m. today. They'll be back for another meeting. There's a short window of time to receive a maximum reimbursement from them, and that's what we're working towards, everything from our administrative time to the actual expenses. The key is it's from a period of time after the flood, not pre-flood, but that point in time they've established post flood. So we are preparing applications. I just wanted to provide an update in that regard. Commissioner Gregorio called for questions.

Commissioner Gregorio called on Eric for monthly reports. He said they'd been covered by our presentations and I'll be glad to answer any final questions.

Commissioner Gregorio called on Eric for Port Expansion Study Technical Memorandum No. 4. Eric said Tech Memo 4 has been reviewed in its final draft form and recommended by the Port Expansion Committee. It's been provided to the remainder of the Board and it's recommended at this time. So we would seek a motion from the committee to adopt Port Expansion Study Technical Memo 4. Commissioner Gregorio called for the motion. The motion to adopt was made by Commissioner Austin and seconded by Commissioner Prescott. Any discussion? Hearing none, all in favor, all in favor say "Aye". Opposed, "Nay". It passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Commissioner Gregorio said that's the end of our agenda. Anything new; any other comments. Hearing none, he adjourned the meeting at approximately 1:06 p.m.

Commissioner Gregorio said the Operations Committee report for August 10, 2015 is in your package. I move that they be adopted. The motion was seconded by Commissioner Pannell. Hearing no discussion, the vote was taken. All in favor, please say "Aye". Any opposed, "Nay". It passed unanimously.

**Port Expansion Committee Report of August 20, 2015:** Committee Chairman Watkins said the Port Expansion Committee met at 3:30 p.m. today. There was a quorum at the meeting. At the meeting Tyler Comeaux with BKI presented the Technical Memo No. 5 in final draft form. TM 5 will be tweaked once more and distributed to members not present today and we will asked for it to be placed at our September 8<sup>th</sup> Operations meeting. Minutes of the meeting will be prepared and presented at the September Board meeting. That concludes my report.

NEW BUSINESS:

**Railcar Wheelset Repair Project – Award of Bid:** Mr. England said we did receive two bids for the repair of the railcars that were damaged during the flood earlier this year and it's our recommendation to award the project to McDevitt Company based on their bid of \$230,687.50. Commissioner Austin made a motion to approve. The motion was approved by Commissioner Prescott. Commissioner Murphy said it had been moved and seconded that we adopt the Railcar Wheelset Repair bid as present. Any discussion? All in favor, please say "Aye". Opposed, "Nay". Hearing no "Nay's", it passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr., Erica R. Bryant and James D. Hall

ABSTAINING: None

**Rs. No. 15, 2015 Benteler Lease Agreement Amendment:** Mr. England said as you will recall the original lease agreement with Benteler provided the Port would provide \$3,000,000 for infrastructure and the proposed amendment is to increase that amount from \$3,000,000 to \$3,135,000 to cover a gravel access road to a compressor station adjacent to the site. The motion to approve was made by Commissioner Pannell and seconded by Commissioner Prescott. Commissioner Murphy said it had been moved and seconded that we adopt Rs. No. 15 of 2015, the Benteler Lease Agreement Amendment. Any discussion? All in favor, please say "Aye". Opposed, "Nay". Hearing no "Nay's", it passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr., Erica R. Bryant and James D. Hall

ABSTAINING: None

**Authorization – CEA with Bossier Parish Police Jury and City of Bossier City for Sand Bag Filling Machines:** Mr. England said the next item is to authorize the Port enter into a three party CEA with Bossier Parish Police Jury and the City of Bossier City for the purchase of two sandbag filling machines. The motion to authorize was made by Commissioner Pannell and seconded by Commissioner Austin. Commissioner Murphy said it had been moved and seconded that we authorize a CEA with the Bossier Parish Police Jury and the City of Bossier City for the purchase of sandbag filling machines. Any discussion? All in favor, please say "Aye". Opposed, "Nay". Hearing no "Nay's", it passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr., Erica R. Bryant and James D. Hall

ABSTAINING: None

**Tenant/Customer Pollution Insurance Coverage Requirements:** Mr. England said at the recent Executive Committee meeting we discussed increasing the insurance requirement for customers and tenants for their pollution policies from \$3 million to \$5 million. The Executive Committee voted in favor of this increase from \$3 million to \$5 million and we seek ratification from the Board today to make that increase. Commissioner Murphy said it had been moved and seconded that we increase the customer insurance requirements as presented. Any discussion? All in favor, please say "Aye". Opposed, "Nay". Hearing no "Nay's", it passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr., Erica R. Bryant and James D. Hall

ABSTAINING: None

**Proposed Amendments to Caddo-Bossier Parishes Port Commission By-Laws:** Mr. England said as Commissioner Austin mentioned during his By-Laws Committee report, in keeping with the existing By-Laws of the Commission, amendments to the Commission's By-Laws are to be presented at one regular or special called meeting of the Commission before they can be adopted by the Commission. So today there's no action needed but you have been provided a copy of the By-Laws by email from Dannye yesterday and they're also presented in your packages today, the amendments. We ask that you take a look at them and unless there's objection, we will place these on the Board meeting agenda for September 17<sup>th</sup> for adoption by the Board. If there are no questions, I can move into my Port Director's report.

**Port Director's Report:** Mr. England said we are authorized to move forward with the three party CEA with Bossier Parish Police Jury and wanted to give you an update with regard to our progress with Shreveport and the parish of Caddo. We have made contact with both of them and our goal is to enter into a three party agreement and we'll keep you posted as we progress through that.

We have finished the RFP for the Financial Advisory firm and it's our goal to issue that RFP tomorrow, if at the latest on Monday and that we would seek to have those proposals back on the 10<sup>th</sup> of September and that we have presentations in the time period before our next Board meeting in September possibly around the lunch hour. Just depending on the number of responses we get, we'll limit their time to 20/30 minutes for Q&A and their presentation. Depending on how many responses we get will determine how those presentations are scheduled before the Commission. Commissioner Gregorio said I'm sorry, Eric, did you say what day the presentations are? Eric said we're tentatively scheduling those for the 17<sup>th</sup> which is also our Board meeting day.

In addition, I wanted to give you an update on our progress with Priefert Steel. It's a fast moving project unlike any that we've worked on to date. For their manufacturing facility, we believe that they'll be making a decision in the next 30-45 days. The Red River Waterway Commission has verbally given us the go ahead to make an offer based on a dollar amount that they're willing to commit to the project, but make that offer contingent upon ratification by their Board at their September Board meeting. Their number is \$4 million dollars and they have asked that we partner with \$1 million. Our infrastructure incentive package will be in that \$5 million dollar range. We believe we're going to be with Priefert next week in Mt. Pleasant where we can put a proposal in front of them and we propose to structure the deal similar to the way that we did with Ronpak in 2011. Based on their timeline, they need their facility built quicker than what we could build it and at the end of construction, we would purchase the facility and then lease it back to them. The revenue opportunities for the Port will include rail, general cargo barge handling, the land lease as well as the warehouse lease. Upon us purchasing the warehouse, we will lease it back to them for a price. So we will keep you posted on that but we wanted to share with you that news that we had received that go ahead from the Waterway Commission and their commitment to this project mainly because of the large volumes of barge traffic that are going to come with this project. Two barges have already been shipped to the Port and another five barges are expected between now and the end of the year of their raw product.

Looking ahead all six of you were in the Port Expansion meeting, but our September 8<sup>th</sup> committee meetings are very important based on the discussion of not only the Port Expansion meeting but also our previous committee meetings. Based on the discussion of our previous committee meetings, we will have on the Operations Committee agenda a discussion of our property tax renewal as well as it was asked that our reserve fund also be discussed in greater detail following our most recent discussion. Also, as you all heard we have our Port Expansion final presentation that day. During our Marketing Committee meeting, Gremillion & Pou will be making their presentation based on the Public Relations and Business Development Plan. If you can, please make those September meetings. They'll be some of the most important meetings that we've had in time and we look forward to the discussion that will come of it. That concludes my report unless there are any questions. Commissioner Gregorio said again, what time on the 17<sup>th</sup> was the presentations, time of day. Mr. England said we're tentatively planning from 12:00 to 3:00 p.m. But we don't know exactly and it will depend on the number of responses we get to the RFP. If we receive too large a number, it may be the presentations have to be done over two days just based on y'all's schedule. On that day we have already a MBE Committee scheduled at 3:00 p.m., so our goal is to plan the presentations to be made from 12 to 3:00 p.m., have an MBE Committee meeting at 3:00 p.m. and then roll into our Board meeting at 4:30 p.m. That's the plan. We'll be checking with you as to your availability. If the Commissioners would prefer that those be separated, we can do that. However our goal with regard to the FA is to have a selection made as quickly as possible given this schedule mainly due to the fact that we have to adopt a preliminary resolution as quickly as possible for

the bond issue. In that preliminary resolution you have to name both your bond counsel and your FA, so that's what's driving the urgency of need for the selection of the FA.

Commissioner Murphy called for any other business. Hearing none, the meeting was adjourned at approximately 4:46 p.m.

Respectfully submitted,

Commissioner Sam N. Gregorio  
Secretary-Treasurer

### **September Meeting Notices!!**

***Next Regularly Scheduled Meeting: Thursday, September 17, 2015, 4:30 p.m.***

Board Room, 6000 Doug Attaway Blvd., Shreveport, LA 71115

**MBE Committee Meeting, RCC Steering Room, September 17, 2015 3:00 p.m.**

**Marketing and Operations Committee Meetings, Monday, October 5, 2015, 12 Noon**

6000 Doug Attaway Blvd., Shreveport, LA 71115