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Caddo-Bossier Parishes Port Commission
Regular Board Meeting
Regional Commerce Center, Board Room
6000 Doug Attaway Blvd., Shreveport, LA 71115
June 15, 2017, 4:30 p.m.

President Commissioner Gregorio called the meeting to order at approximately 4:30 p.m. in the Board Room of the Regional Commerce Center, 6000 Doug Attaway Blvd., Shreveport, LA.

Commissioner Murphy led the Pledge of Allegiance.

Commissioner Gregorio called on Mr. England for roll call: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins. We have a quorum. Absent: Rick C. Prescott and Roy Griggs.

Commissioner Gregorio called for introduction of guests. Guests: Mike Middleton, Caddo Parish Commission; George Carroll, Joe and Zachary Johnson; Josh Leonard, The Boles Law Firm; Jacqueline Scott, Jacqueline Scott & Associates; Alex Washington, Washington and Wells; Ed Walsh and Sarah McKinney, Gremillion & Pou; Ty Scoggins, Scroggins Consulting, Inc.; Tyler Comeaux, BKI and Mike McSwain, Architect. Staff: Eric England, Brenda Levinson, Danye Malone, Rick Nance, Gloria Washington, Kathy French and Hettie Agee.

Commissioner Gregorio asked if there any requests for public comments regarding an agenda item? Hearing none, he said we'll go to Unfinished Business.

UNFINISHED BUSINESS:

Approval of Regular Board Meeting Minutes of May 18, 2017: Commissioner Gregorio said the Regular Board Meeting minutes of May 18 are in your packages. Is there any amendments or alterations? If not, I would move for their approval. The motion was seconded by Commissioner Austin. Commissioner Gregorio said we have a motion and second and called for any discussion. Hearing none, he said all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

Approval of April 2017 Financial Reports: Commissioner Gregorio said the April 2017 Financials are also in your package. He said I would move for approval of the April 2017

"This institution is an equal opportunity provider and employer."

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

financials. Commissioner Bryant seconded the motion. Commissioner Gregorio said we have a motion and second and called for any discussion. Hearing none, he said all in favor please say “Aye”. Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

Marketing Committee Report of June 5, 2017. Commissioner Rick C. Prescott, Chairman, called the Marketing Committee meeting of June 5, 2017 to order at approximately 12:00 p.m. in the Board Room at the Regional Commerce Center.

Commissioner Griggs led the Pledge of Allegiance.

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

Commissioner Prescott called for introduction of guests: Ed Walsh and Sarah-McKinney Williams, Gremillion & Pou; Shirley Wilson, EJES; Ty Scroggins, Scroggins Consulting; Charley Kingery, Wieland; Tyler Comeaux, BKI and Mark Jusselin, TRC Solutions. Staff members: Eric England, Dannye Malone, Brenda Levinson, Ted Knight, Rick Nance, Kathy French and Hettie Agee.

Commissioner Prescott called for Public Comments on Agenda Items. Hearing none, he called on Brenda for Potential Customers/Projects. Updates were given on Benteler and Project McCarty. She reported that our newest customer, Vulcraft, has six barges of product on the way to the Port with the first two due scheduled to arrive on Friday, June 2nd. The product was scheduled to go into our Transit Shed. However, the Transit Shed sustained damage to the roof during the storm front that moved through the area Memorial Day weekend. Our Operations team worked with Vulcraft on storage options for the incoming coils and coordinated with ADS Logistics for warehouse and transportation assistance if needed. Ultimately the decision was made to keep all the incoming product in the Transit Shed and hope the weather would hold out until the temporary roof was installed. Luckily the roof repair was completed and the 2nd of the two barges was successfully unloaded before another weather front moved into the area.. The customer was very pleased with the coordination efforts and outcome.

She continued with the customer update, ADS, WLA, Calumet, Ronpak and Ternium and called for questions. Commissioner Murphy said I keyed on that with your mentioning about more product moving from Memphis and New Orleans. That’s also by barge? Brenda said that’s also by barge. Commissioner Murphy said we hit a home run with that. That will help the whole River. The reason I brought this up is for the benefit of the rest of the commissioners. You may not recall, the Corps of Engineers bases the operations of keeping this Lock & Dam No. 5 strictly on commercial transits of the locks. Now if we’ve got a customer coming up here every week or ten days with two barges, that puts tremendous pressure on the Corps of Engineers to keep this River all the way open to here. So everybody benefits on the way including us.

Commissioner Prescott called on Kathy to give the Public Affairs report.

Commissioner Prescott called on Eric who said a Personnel Committee meeting would be held on June 15th at 3:30 p.m. followed by our regular Board meeting at 4:30 p.m. I'll mention to you that as you know we pursued refinancing two bond issues and at one point, we were in the money on one of them. The good news is we are now in the money on both of them. So we are proceeding with refinancing both of them on or about June 20th. So if there are any final resolutions we have to do, we'll get those on the 15th agenda. Commissioner Austin said I have a question. Would you explain the private placement of the bond refinancing in a Texas bank and who is the finance advisors, the bond attorneys and the terms and the limits of the interest rate—are they 20 or 30 year bonds, General Obligation bonds, what they're going to be used for. Give us an overview of why we're using a Texas bank for private placement. Eric said the two bond issues we had pursued refinancing, one of which was an LCDA bond issue where we issued bonds for general improvements; the second was our water bonds. Commissioner Austin said what was the amount on the first bond and how much are we refinancing? Commissioner Austin, the LCDA original amount was \$24,900,000; the amount to be refinanced is \$16,900,000. The second one, which is the Utility, specifically the water loan, the original amount was \$10.8; that bond has been refinanced before, but the principal balance when we refinanced it, I believe it was in 2011, was \$10.8 and we're proposing to refinance \$8.9 million. Commissioner Austin said who are we using as a Financial Advisor and who are the bond attorneys? Eric said the Municipal Advisor for us is Government Consultants. The underwriter in this case is Crews & Associates. Commissioner Austin asked out of Little Rock? Eric said yes, so Crews was the one to answer your question about why a Texas bank. Crews was given the responsibility of identifying the best possible deal for the Port. Commissioner Austin asked are they buying all the bonds? Eric said they are; we initially approached them for primarily the Utility refinancing because the LCDA was not in the money. Commissioner Austin asked do you have the variable rates from what to what? Eric said let me reverse that. Our key refinancing was the LCDA, not the Utility. Part of the LCDA problem that we had was it still had some property tax covenants in it. We had to dedicate part of the property tax to it. What we wanted to do was free up any covenant to the property tax and make it a strictly lawfully available funds pledge so we could free up our property tax for the years going forward based on the tax renewal. We wouldn't have any other covenants to the property tax. Commissioner Austin asked is there a plan on the refinancing of the bonds to use excess money that you're getting off of them—is there a plan to spend that money within a reasonable period of time? Eric said no, this is strictly an interest rate reduction...Commissioner Austin said it's for interest rate for saving money. How much will you net on the refinancing? Eric said it's very little on the LCDA because the key thing there was to release the covenant of the property tax. Commissioner Austin said what's very little to some people is a lot...Eric said it's measured in hundreds of thousands of dollars, not millions. Commissioner Austin said so how much? Commissioner Austin asked how much net after expenses? Eric said on the LCDA, we're looking at \$466,000 net present value benefit. The NPV on the Utility is \$257,000. Commissioner Austin said and do you have from the private placement, do you have a tax free bond range of interest rates? Eric said they're fixed. They've made a commitment: 3.02 for the LCDA and 3.15 for the Utility. It is a private placement. They will buy the entirety of both of them. Commissioner Austin said the total amount of bonds that we're refinancing is how much? Commissioner Austin asked how much will our debt be? Eric said off these two, \$25,841,000. Commissioner Austin asked is that for 20

years? Eric said on one of them 19.8 and 19.8, so roughly 20 years. Commissioner Austin said thank you. Eric said that concludes my report.

Hearing no further business to come before the Marketing Committee, Commissioner Prescott adjourned the meeting at approximately 12:29 p.m.

Commissioner Gregorio said the Marketing Committee report of June 5, 2017 is in your packages. I would move their approval. Commissioner Gregorio called for any discussion. Hearing none, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

Operations Committee Report of June 5, 2017: The meeting was called to order by Commissioner Griggs at approximately 12:30 p.m., June 5, 2017 at the Regional Commerce Center Board Room.

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

Guests in attendance: Ed Walsh and Sarah-McKinney Williams, Gremillion & Pou; Shirley Wilson, EJES; Ty Scroggins, Scroggins Consulting; Charley Kingery, Wieland; Tyler Comeaux, BKI; Mark Jusselin, TRC Solutions. Staff members: Eric England, Dannye Malone, Brenda Levinson, Ted Knight, Rick Nance, Kathy French and Hettie Agee.

Hearing no public comments on the agenda items, Commissioner Griggs called on Brenda for the Operations report. She reported on the damaged UP cars and the plan put in place to get the cars moved safely down the track and out of the way.

With regard to barge activity, Oakley had 20 barges in May; Red River Terminals had 2 and that was for a total of 36,338 tons. Our rail activity continues to grow and get better. We switched 2,000 cars in May. Benteler had 58 cars. Ternium and ADS are extremely busy moving product through as well. We had a good month and the tonnages will be sent out when we receive them.

Rick reported: 1) on the redundant water line, the contractor has been instructed to wait on the one on Doug Attaway; 2) we received 60% drawings in from EJES on the rail expansion; 3) we received word the Legislative Hearing approved the ADS expansion; 4) the retaining wall repair to the south entrance of the warehouse, the beams for the support have been poured. Commissioner Griggs called for questions and comments.

Eric gave an update on the ADS warehouse expansion and explained the anticipated financing. He said they would be at the Red River Waterway's Ports Committee on Tuesday night, June 20th. Also we were successful in applying for EDAP through LED for roughly half a million dollars. With regard to our damages to the transit shed, we've notified our Insurance Agent of Record with our property damage claims and damage to products. For the assets we own and lease, the Red River Terminals suffered

some damage as well. Commissioner Gregorio said he wanted to say to you and the staff and the Operations people I think y'all did a very good job of handling this emergency. I was very worried about them just getting here and all of a sudden, there goes the roof; there goes their business; there goes their logistics—all the reason to be here—and that the Port's quick effective response, I think my impression is it's given them a lot of confidence in us and increased the relationship versus starting off the relationship on a bad foot and having them doubt us. It seems like a congratulation goes out to everybody who was involved in it. Eric said thank you. And just to bring closure to the conversation with regard to our physical damage to the building, we have an excellent temporary fix to the building, McElroy Metals and the contractor had enough product on hand where we were able to put an incredibly quick fix to the roof. What we're going to do now is work with the customer to see when there will be a lull in their shipments where we can time the permanent fix. For now, our temporary fix is adequate. We're seeing where there are any leaky spots. Two barges of coil are in the building; two more are headed and two more after that. So it's worked. Thank you.

Brenda added the company met with them afterwards and said everything they did had not gone unnoticed. They were very appreciative.

Hearing no further comments, the meeting was adjourned at approximately 12:42 p.m.

Commissioner Gregorio said the Operations Committee report of June 5, 2017 is also in your packets. I would move their approval. Hearing no discussion, Commissioner Gregorio said all in favor, please say "Aye". All opposed, "Nay". That passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

Finance Audit Committee Report of May 18, 2017: The Finance Audit Committee meeting was called to order by Committee Chairman Roy Griggs at approximately 3:00 p.m. in the Board Room at the Regional Commerce Center.

Commissioner Griggs called on Eric for roll call: Committee members present: Roy Griggs, Sam Gregorio Lynn Austin and James L. Pannell. We have a quorum. Steve Watkins and James D. Hall joined the meeting later. He called for introduction of guests: Tim Nielsen and Jerrod Tinsley, Heard, McElroy & Vestal, Tyler Comeaux, BKI and Seth Dickerson, The TIMES. Staff: Eric England, Gloria Washington, Danyne Malone and Hettie Agee.

Commissioner Griggs called for public comments on agenda items. Hearing none, he said we have Jerrod Tinsley and Tim Nielsen, Heard McElroy & Vestal to present the 2016 Audit Presentation. Jerrod came to the podium to do the presentation.

Jerrod said we appreciate y'all letting us come out. We're here to talk about the 2016 Audit report. As always Gloria and staff here were really great to work with, very responsive, very helpful. Anything we asked for, whether it was normal stuff we asked for, anything out of the ordinary,

she was very quick to get it to us and work with us. I just want to tell Gloria and Eric thanks for that. I appreciate them as always.

General entries, as far as general entries that we make, were similar to the prior year. We made some for bonds, investments, some capital assets, capital leases and the GASB '68 Pension Liability associated accounts. Those were ordinary accounts that we made journal entries for during the audit—nothing out of the ordinary there. Once the audit report is approved by the Board, we will get it sent in to the Louisiana Legislative Auditor prior to the June 30 deadline.

Pg. 28 of the report, the Schedule of Findings and Questioned Costs, gives a good little summary. You'll see the auditor's report expresses an unmodified opinion on the basic financial statements of the Port. Basically an unmodified opinion is a clean opinion; that's a good opinion. It just means the financial statements are fairly presented of all material respects in a conformity with GAP. We found no material weaknesses or significant deficiencies related to the audit of the basic financial statements. We found no instances of noncompliance. The Port was not subject to a federal single audit for year ended 12-31-16.

Commissioner Gregorio said what I'm seeing is a clean audit result? Jerrod said yes sir, that's correct. Commissioner Gregorio said no recommendations for us because we're doing it well? Jerrod said correct. Commissioner Gregorio said I'm seeing increase in net assets over time consistently. Jerrod said yes sir. Commissioner Gregorio said I'm seeing Port Operations after the flood rebounding. Jerrod said yes. Commissioner Gregorio said our cash flow position is good. Jerrod said I would agree with that. Commissioner Gregorio said I'm seeing a significant decrease in bonds, a reduction in the amount of bonds that we owe. Jerrod said that's correct. It's down to barely over \$40 million this year. As you can see, in 2012, it was over about \$55 million. It's steadily been decreasing. Commissioner Gregorio said good. So did I miss anything with what I just said? Tim said I want to point out also that y'all have two bonds that have paid out in the early part of '17, so two of the older bonds that you have will also be paid out during this year. So, agreeing with what you said, the Port has really done a very good job of increasing net assets. You're in a good cash flow position from operations and capital outlays. So I think y'all ought to be very proud of the way the Port's operated over the last number of years. Commissioner Gregorio said thank you very much. You know what even adds to that is two significant floods in shutting down our River barge. We still maintain those great financial positions. Tim said and also in regard to the audit this year, we've looked at Internal Controls Over Financial Reporting and we'll be issuing that report next week. It's very straight forward. A little bit of the format you saw in our original report, but in that report our opinion will be that the Caddo-Bossier Port Commission is maintaining in all material respects effective internal control over financial reporting as of 12-31-2016. Commissioner Gregorio asked so that's still to come? Tim said yes sir. That'll be issued next week.

Commissioner Griggs said based on what you're saying there's no recommendation that you would have that we could do anything better? Tim said there's some general comments we make during the audit, but we don't have anything that we considered material weaknesses or deficiencies that have to be presented in a letter to the Commission. But from time to time we make recommendations. There are a few comments I make to Eric and Gloria about some internal controls to shore those up. That's not anything of a material weakness or deficiency that needs to be reported in an official letter.

Commissioner Griggs said that's good news. Thank you very much for that. Tim said thank y'all. Commissioner Griggs called for any other questions of the commissioners or a comment?

Commissioner Pannell said I guess this question's for Eric. We have a financial advisor and we have a relationship with y'all too. How do those two work as far as if there's some recommendations that we should have? Would we look more toward the Financial Advisor as opposed to—you get information from both. Eric said just as a recital, we have a Municipal Advisor which is Government Consultants, Nnamdi Thompson. We have our Financial Advisor which is Sisung who manages our investments, mainly our bonds that we've invested our money in. Then of course, we have our Auditor of Record, Heard McElroy & Vestal. So on financial transactions it's a combination of Government Consultants and Heard McElroy & Vestal, not necessarily our Financial Advisor, Sisung. But principally when we are issuing bonds, it's more of an interaction with our Municipal Advisor, Nnamdi Thompson. The concern there is the Municipal Advisor will analyze revenue over expenditures to determine the necessary debt coverage ratios to make sure that our projections are in keeping with those minimum debt coverage ratios. And then if there's expertise that the auditor needs to provide for an issue, we do contact Heard McElroy & Vestal. Commissioner Pannell said so when we get information, you have taken all that in consideration. Eric said absolutely. Commissioner Pannell said and we get it, because I depend on the information that Eric gives and I just want to understand exactly where that interacts because I have great respect for you and for Government Consultants. So the main thing that I was looking at was were we protected on all ends that everybody is kind of in sync that if something happened a loan would be given. Eric said one thing to point out is pg. 19 of our Audit. You'll see that Heard McElroy & Vestal analyze—you can see at the bottom third of the page they've analyzed our long term debt, not only on the previous pages by each issuance, but they have put together what our projected debt service requirements are for the future years in the audit. From a planning standpoint, when we're analyzing future bond issues, we have to forecast our revenues against these numbers as well. So this is how the audit is useful to us in management. Commissioner Pannell said and if we're in a situation where the market dictates that we should refinance to save money, who makes that recommendation? Eric said that recommendation comes from Nnamdi with Government Consultants, our Municipal Advisor. That's a strict commercial transaction. Commissioner Pannell said I've been in for quite a while and I think y'all been in here since I've been here, and we've been pleased. I know that during the time that I was President and Secretary-Treasurer was when I started kind of getting into how things work. And I know Tim has been very helpful to me because I depend on the people who know and he's already been dependable. His company's been dependable. So I'm happy and I think that we've shown we're happy with you. Commissioner Griggs asked if there were any other comments.

Commissioner Austin said Eric, on our investment portfolio, do you know what the annual rate of return was with Sisung on his investments? Eric said I don't know it right off. I have that information in my office. I can provide it to you right after this meeting. Commissioner Austin asked how much do we have that's unrestricted that he's investing for us, approximately how much money? Eric said actually Gloria later in the agenda is going to be going over that. We have that information. Commissioner Austin said what he doesn't have, we have in LAMP, right? Eric said we have it both at Capital One, both for our working capital, operating, and at LAMP. But the majority, the lion's share, is invested with Sisung at Bank of New York. Commissioner Austin said LAMP is about .88 right now? Gloria said yeah, I think that's exactly what it is. Commissioner Austin asked and it's like 24 hour notice to pull the money from LAMP? Gloria said absolutely, it's always liquid. The \$18 million that's invested, none of that is

restricted. Tim said you have \$18 million dollars worth of investments that are not restricted and you have—it shows on the Balance Sheet there's about \$4.5 million dollars worth of cash that's unrestricted and then there's approximately another \$10 million dollars that is restricted. Commissioner Austin asked if they are restricted on what they may invest in as far as equities or bonds or government backed securities? Gloria said we have an Investment Policy that we adopted. Commissioner Austin asked we don't have any equity investments? We don't invest in stocks? Eric said that's correct. Commissioner Austin said the municipal bonds etc. are government backed? Eric said that's correct, in accordance with State law. Tim said right, and a part of that is State law as Eric mentioned. I know the \$10 million dollars that you have, that's an array of bonds, government backed mortgage securities. Depending on the life they bring anywhere from around 1% to—you do have some of those bonds going out further, Lynn, that go up to a little over 5%, depending on the time frame on those. Commissioner Pannell said I think that's useful information from the standpoint that we just had a tax renewal and we have to in every way we can make sure that people understand that we are spending their money and making wise investments. I think that we cannot say that enough. I think that the fact that the firm that we have doing our business says a lot about how we feel about our business also. So we appreciate y'all from that angle also. And Mrs. Gloria, we love her. Commissioner Griggs said absolutely. In times like this where we're financially solid I think is very important and we can't say enough from my point of view how much we appreciate what you're doing in helping us stay solid because things are not that good everywhere now. And for us to be in a position like this speaks volume for what we do around here. So thank you so much for that. Eric thanked Jerrod and Tim.

Eric said if we could, with a quorum today present, we would like to have a motion from the committee that it be placed on the next—it has to be adopted by June 30th, so we can place it on the June Board meeting for consideration and adoption by the Board. Could we have a motion? The motion was made by Commissioner Pannell and seconded by Commissioner Gregorio. He said it's been moved and properly seconded. Any discussion? All in favor say "Aye". Opposed? The motion passes.

YEAS: Commissioners: Roy Griggs, Sam N. Gregorio, Lynn Austin Murphy and James L. Pannell

NAYS: None

ABSENT: Erica R. Bryant, James D. Hall

ABSTAINING: None

Eric said Gloria will be handling the next four items and then I'll handle Capital Projects. This is the part of the agenda as a result of our recent discussions at our workshop. Gloria's prepared to go over these and we welcome the interaction from the Board, the dialogue, questions, comments. Please feel free to interrupt at any time and ask questions. Gloria said the first bullet point is our Financial Position. Commissioner Pannell asked so how do you determine that you're getting the maximum return on that \$700 if you left it there as opposed to putting it somewhere where the interest would be more—would it pretty much be the same if we left it there? If we have excess, would that excess be still reaping the same amount of interest as it would if it was somewhere else. She's saying that it is so it doesn't matter that it stays there. Commissioner Griggs said but it can be used as excess? Gloria said yes sir, and it's liquid. It's always liquid in LAMP. If I call and say we need it, they will wire it that day. Eric said you might want to point out that we can't use LAMP as an operating account. Gloria said no. We can't operate out of it every day. We can transfer monies out of it as we need it and we've never done that before. Commissioner Griggs asked if that could be used for capital projects. Eric said the LAMP money? Commissioner Griggs said the excess money. Eric said it could be. Gloria said it

could be. It's not stipulated. It could be used for administrative if we needed it. There's no stipulation on it other than the \$364,000 that's one half of the water debt payment. Commissioner Gregorio asked Gloria if he could ask a question. On the Capital One, the second line item, it went from \$4.2 to \$1.9 basically. I presume some money was taken out for a project. What was that? Gloria said yes sir. We had some bond debt service payments due, some large ones in March. We paid about...Commissioner Gregorio said those are bond debts that are not covered by other accounts I take it? Gloria said the only two bond issues that's covered by other accounts are the small ones, \$3.53 million and the \$4.74 million. All other bond payments are paid from the Capital Account. Those two only have their own separate account because it was mandated in the bond issue payments. If you look on pg. 11 of the financials, under the first column, you'll see that we paid almost \$3 million dollars in bond payments in March. Commissioner Pannell said the bond payment is a yearly payment? Gloria said twice a year. You pay principal and interest once a year in March and then you pay interest only in September. We have one bond where you pay principal and interest in April and interest only in October. Commissioner Pannell asked so that payment reoccurs every year? Gloria said yes sir. Commissioner Pannell said so the amount that's in there now...to have the proper amount in it it's transferred from--. Gloria said we're required at the beginning of the year for our property tax to set aside our annual debt service. So by the time the large checks come in for property tax which is February, that account is funded for the debt service for the whole year. Any more questions?

Gloria said we would move on to liabilities. Eric said Commissioner Austin did we adequately answer your question about the bonds? Eric said the liabilities, we will use the audit for that. Gloria said Jerrod went over the liabilities. Do you want me to describe the bond issues? In your audit starting on pg. 15 it lists our balances for our bond issues. No. 10 Long-Term Debt, I just wanted to go down each one of those bond issues and let everyone know the purpose of that bond issue. Commissioner Gregorio said both of those are almost paid off? Gloria said we will be done in 2017. Our next one was \$15 million dollars.

Gloria said we pretty much discussed Working Capital. She said if you turn in your financials to pg. 2, we are pretty much on schedule with each line item in revenue and expenditures for year to date. Are there any questions about where we are? That would be on pg. 2 and pg. 11, I think.

Commissioner Griggs said I have one question. The M/WBE participation, we're at 3.6%. Eric said right. Commissioner Griggs said and that amount is through---Eric said the end of March. Commissioner Griggs said that does not go through a bid process does it? Eric said no, On the General Fund side, there's nothing that is bid. On capital, there would be opportunity for bid. But these are more in line for day to day expenditures, not bid. So this number, while today it's at 3.6%, as we progress through the year, it'll increase because the amount we've spent to date as a function of our total expenditures, yields a lower percentage. As we spend more with our monthly vendors, that number will increase. Gloria said the numerator will increase. This \$1.23 million, the denominator, that remains constant. The \$44 thousand will increase every month, so your percentage will go up every month. And this is through the first quarter in 2017. Commissioner Griggs asked what do you think that number will look like at the end of the year? Gloria said if you're at 3.6% and this bottom number remains constant and you're at the first quarter, I'd say well over 10%. Commissioner Griggs said okay. Commissioner Gregorio said if it's the same ratio, it'd be about 14%. Are the expenses that would go in there back loaded in the year or is it pretty well evened out the whole year? Gloria said they're pretty much the

same each month. Commissioner Gregorio said so about 14%. Gloria said it may have some of Ty in there. That's why it didn't say 15, but the majority of them are constant.

Eric said we've covered the agenda items unless there are any questions or comments. Commissioner Griggs called for additional questions. Eric said all we have remaining is the Capital Projects. Commissioner Griggs said Gloria thank you very much. It was echoed by the Board.

Eric said commissioners, our final agenda item involves just a discussion. I wanted to, while we're talking about finances, give you some information with regard to some of our capital projects that we are budgeting for this fiscal year where we see some changes coming. We're not seeking to change the budget today. We're just really for a discussion and to get feedback at this point. The first one is regarding our commercial development. You will recall last month we had Mike McSwain make the presentation for the property on the Cupples West as well as on the site that had been originally proposed by our Gate D. We had placed in the budget for 2017 an amount to do preliminary design work for the commercial development for the project near Gate D. Now that we've identified the development for Cupples West, there's significant increase in the cost associated with it mainly by way of an access road where the site by Gate B did not have an access road because you had Hwy. 1 access. We will have to install an access road for the site on Cupples West. What we are proposing to do is recommend that we go with the Cupples West site. We still have to interact with the Port Expansion Committee and we'll do that. We also want to allow Mike McSwain to take it to the next step of what we originally envisioned with him. And the way we work with architects is you ask them to do some programming; you ask them to come up with some concept and then they take that to the next phase which is the schematic design, which is what we all saw when Mike McSwain made his presentation. From there, he digs a little bit deeper. He starts analyzing the concept taking into account topographical information if there's any other analysis that have to be done etc. Then you take that design development phase and you move to the preparation of construction document, the actual plans you put out on the street for contractors to bid on. To put it in dollars and cents, it'd be roughly \$307,000 to get Mike McSwain through this development of the construction documents. The construction document phase is roughly \$150,000 of that. The roughly other \$150,000 is for what he's done to date and that design development phase. As we approach the fall time frame, we're gonna have our budget meeting prior to November when we have the actual 2018 budget meetings, these are things we'll want to have a feel from the commissioners on so we can make the necessary changes, if applicable, to the Capital Operations budget. I'll be glad to answer any questions with regard to the commercial development. I have two others for discussion as well.

Commissioner Gregorio said Eric, I've got a question. You know McSwain came and presented. Was there an economic feasibility study, or is that still to be done? My question is how do we know that project is going to be economically feasible? Eric said no, that's not a part of the analysis at this point. Commissioner Gregorio asked is it intended to be part of the analysis before we commit to either building it or spending the money? Eric said it is not, not a part of the proposed budget at this point. Commissioner Gregorio said let me talk about that a little bit. My first thought is I think I would feel better if we had an economic feasibility study that told us based on these demographics, this location etc. here are the businesses that would work. Here is the probability or not to do it at all. I think that would just be helpful in order to make that decision. Eric said we can certainly bring that

up. We have some more discussion to do in Port Expansion. We can add that to the discussion and bring back a recommendation to the Board if that's the case.

The second one I'm gonna describe two things: number one is the warehouse that we have applied for Port Priority funding and Red River Waterway Commission assistance. What I'm gonna talk about has nothing to do with that. We're talking about two warehouses. All the discussion that you may have in mind with regard to the Port Priority application warehouse, forget about that. That's a separate project from what I'm about to discuss.

Concurrent with us designing that warehouse, we also commissioned the design of a second warehouse, stand-alone facility. The intended placement of that warehouse is adjacent to the ADS Warehouse on Doug Attaway Blvd. It'll be a stand-alone warehouse. We completed the majority of the design last year and we have the design on the shelf. That's what the goal was—was to get design ready projects on the shelf ready to go so that if funding opportunities came about. We've learned some things that our customers are telling us that we did not know, information in hand at the time we commissioned that design and we need to update these plans. Primarily we want to take the live load capacity of that floor from 3,000 psf to 4,500 psf. We want to make the floor stronger so we can stack mainly steel coils in there. That's gonna come at a cost of roughly, for design, \$42,500. We have three things that we need to do with this second warehouse. It's not a line item in our 2017 budget. What we're proposing to do when we go through the budget process is add this as a line item as well. So the extra design costs for the piles is roughly \$42,000. We're gonna need to do some survey work which will be \$10,000. We want to construct a railroad. At the time we didn't believe a rail was possible. We didn't take no for an answer and we believe the design fee for the rail will be in the \$75,000. So \$125,000± we're proposing to add to the budget for this warehouse design. The cost of this warehouse will be in excess of \$12 million. That's for another day to figure out the funding stream for that, but we want to get these plans on the books. Be glad to answer any questions or comments about that. Commissioner Gregorio said my only thought is if we have a customer like ADS that's thinking about using that soon? Eric said we do. We have demand—to go back to the first warehouse that I asked you not to think about. We're adding on 50,000 sq. ft. to that one. That's what will soon happen when we put that project out for bid. A side comment, that project has been approved by all the administrative staff of Port Priority. It just has to go through the formality of being presented to the Joint Legislative Transportation Committee at the State Capital. We'll be bidding that project this summer is our goal. I say all that to say yes, we're going to build that over the next 18 months and its space will be occupied as soon as we build it. We're trying to get ahead of the curve and have this next warehouse ready. Commissioner Pannell said I think that's pretty wise based on our known history that we went through, a long drawn-out lawsuit based on the fact that we did have a warehouse that wasn't designed actually the way we wanted it to be designed and it caved. We were reimbursed for it, but when you look at the fact that all of the streets and everything on the inside of this Port are designed for much heavier loads than go out on the regular highway, when you're looking at marketing warehouse to potential customers, I think that we have to look at the customers that we have to look at the customers we have now first before we even worry about other customers. And if they are customers that are within this area, that's a good possibility that is going to have to be more in there than it would normally be. If you took a company that was bringing something into the Port, they've got to drive on the streets out there that would not warrant a load of a particular size, but you can move anything in and around this Port of a heavy size there and where you're going to eventually put that should definitely be

sufficient to serve that need. We learned that the hard way, so I don't see us making another mistake like that intentionally. I'm 100% for that effort. Eric said mind you we started this process before we even knew Nucor was going to be a customer. We believe that with the logistics success they have demonstrated and all the partnerships that they're gonna have with other steel customers, I think there's gonna be another design behind this one, after this one, if not one, possibly two. It's heading in the right direction.

So if there are no more comments about the warehouse, the final item is in follow up to the presentation, the proposal made this month at our committee meetings last week regarding the reuse water line. Just to provide a minor recital to it, in 2016, looking forward to the 2017 budget process, we identified that we wanted to study the reuse water system in greater detail. While we have Lucas Wastewater Treatment Plant as a source of the reuse water, we have a pipeline that connects Lucas to the Port. We have a general filtration system at Lucas. We wanted to explore what it would take to increase the number of reuse water users and potentials for the Port. During the presentation of the reuse water, there was discussion about not taking it not only from reuse water but to also explore other water sources, potable water sources drawing from the River etc. From the comments that were received at the committee meeting, BKI has revised their scope of services. In your packages there's a Scope of Services from BKI. We have Tyler Comeaux if he'd like to address anything.

Tyler said based on that conversation, in summary of what's in the scope, based on the conversation received and a follow-up discussion with Eric and Rick with our team, we're gonna look at what we're calling alternative water sources, not only the potable water from Amos Plant in Shreveport, but also the potential of having a satellite plant out here to service the customers and/or a population around here. Also looking at the reuse system in several different ways and we have also added some legislative action that may need to happen to be favorable for you. In our studies and in the work we've done, the reuse legislation currently is very rigid and it's not tailored to a type of industrial park like this. So there may be some legislative action that we'll have to look into discussion with you and we've accommodated that in the scope. Because there's a lot of uncertainty—there's a lot of things that could waiver this project one way or the other. Something may be more feasible so instead of not turning over every leaf we set up this project as a cost plus project. So Eric, Rick and I are going down the road three months from now and say well what about that alternative, we're not stuck in the middle. The scope is a guideline. We're not gonna not turn over every leaf for you and look at everything possible. And that's why we set it up as a cost plus so that we can turn over every leaf. I'm not looking to Eric and saying, this is not really in our scope. I want to do what's best for the Port and turn over every leaf and look at all the conceptual plans that we can look at and locations etc. That's kind of the adjustments we've made in this project.

Commissioner Pannell said Sam spoke about the strip mall project and trying to understand who the potential customers are. This situation here, it seems to me that most of the facts that we need to make some decisions are there for us to get. This is what I'm looking at. In the presentation I just had about when the water bonds are paid off and that goes back to the City of Shreveport, we already know how much our customers are paying for water here now. Not looking at the potable water situation, but the reuse water situation, the conversations should be had with the customers that say what would the parts per million—Tyler said the clarity of the water—Commissioner Pannell said what would the clarity of the water be for you to accept this before hand? Tyler said correct. Commissioner Pannell said we

don't want to spend the money and then turn around and say we don't want it. We figure out what that would be. One problem that I see that should be addressed and, it should be addressed because at the time those water bonds are paid off, they revert back to the City. At some point, some discussion should be made at that point that we paid for that reuse water line. We should own that reuse water line. Right now we're in a situation where we've already been asked to share the cost of whatever revenue that we get from that reuse water line. Any time you take a position you always have to have a fallback position for your position to even matter. And our fallback position is we don't have to have that water. It's their \$5 million dollars they will pay you for it and we don't want to lose the \$5 million dollars, but the water we get from right here is the same water. So why would you not—we're giving this line back to you, so why would we not own that line because we're going to improvements to that line, and if you're not in a position to say that you're gonna help us with those improvements, and that was something that you was throwing away some years back, then I don't think we should sit here and not negotiate that situation and I don't see anybody having a better hand than we have. So before we get too far into this, I think that some plans ought to be made to either determine that their reuse water line is going to be eventually ours before we start talking about spending money on it or—we need to spend our time talking about. I need to know what the expense would be to bring water from right here if I've got to share that with someone and I'm saying that we should have a number in hand to say who the potential customers are for the reuse water. Because if you use the potable water, you're going to use the same amount of gallons of reusable water at Pratt, so we know what that number is. And so, we're reducing their cost or may not be reducing their cost for what they're paying for it, but we are definitely preserving potable water that the City is sending down here to use for recycling which is crazy. So it might end up being just a wash but we should have some numbers where we're not speculating too much on this situation here, if that makes any sense to you.

Tyler said that's the intention of the project. It's to develop—what we're calling it is an Alternative Source Water Preliminary Engineering Report, and based on that you will have preliminary numbers for two different types of water treatment off of the Red and three different types of reuse treatment and all that's going to be developed. Those two different types of water treatment are going to treat it to different clarities in the water and that's going to be based off of what your tenants tell us what they would need. Commissioner Pannell said and all I'm saying is the other figure that we should have is the known users of that...Tyler said correct...because we don't want to spend all this and then we're trying to figure out who potential customers would be like we're doing with the warehouse and we're doing with the strip mall. We ought to know before we get anywhere who those customers—and I'm saying that we should have—I don't know if commitment would be the right word but at least have an agreement that they would do that before we spend money in it and I don't see no reason why they wouldn't, not only the one that we have now but we could speculate on who those future tenants and customers would be. Tyler said absolutely.

Commissioner Watkins said my gut tells me that we're trying to put the cart before the horse. I think it piggybacks a little bit on what James said. I don't feel very comfortable spending a quarter of a million dollars if we don't know if this thing's gonna work. Before we dive too deep into this, I would like to know some pretty simple things like how much would a water plant even cost, if it was even feasible. That may put us out of the game before we ever get in the game. I think we need to have some discussions with the City of Shreveport about some cooperative endeavor agreements if we build this and how that's gonna play out. We certainly don't want to be in competition with the Shreveport

Water Department. Like James, I think we need to know what kind of users we would have here. So for us to spend a quarter of a million dollars, I'd feel a lot better if we had some more numbers, some more concrete things in front of us before I would say we spend this kind of money. If it comes back and says the water plant is going to be \$20 million dollars, we're pretty much out of the water plant business. Why would we even spend this money to look at it?

Commissioner Pannell said I think clarification needs to be made that the original project that we were talking about was the reuse water project. If we're going to talk about possibly having a water purification system, then that may be something that we put on hold until we get some numbers on this reuse system. The reuse system is—it's no losing situation in that because it's plain that if you're using purified water, that's just like me opening a bottle of water to take a shower with. So why would I need a bottle of purified water so I'm saying re-usable water, that is something that we have a commodity that we are throwing in the River with reusable water. You've got a commodity that you're not using. And in order to use that commodity, it's going to take some degree of purification for that. But that's not going to be nowhere near the cost of what it takes to get that water to potable water which is what Steve is saying. Before you go that far I think the reuse water situation is as far as you want to go at this point until we---and I'm saying a water purification system we should be able to get ball park figures just based on what somebody else pays for water. Tyler said and we do and in the discussion with Rick and Eric, we talked about cost per gallon of water, capital costs. It really depends on the type of treatment that you're gonna select, and it's gonna show the type of clarity of the water that you're gonna. In our experiences, we've built water plants in different regions of the State and honestly, there's Bossier just built a water plant. You can use—obviously it's gonna be economies of scale because the water plant here is 50 million gallons. You aren't going to have a 50 million gallon plant. There's going to be some economies of scale because that type of treatment would cost per gallon with a little bit of economies of scale factor you can kind of get a relative cost as far as water plant. If you don't want to dive into the whole conceptual phase, that's absolutely fine. I guess one of the things to keep in mind is this is cost plus, we're only going to do what you want us to do. If we go on down the road that's a dead end road like Commissioner Watkins was saying, there's no reason to travel down that road. If we come back to Eric and say it's going to cost \$20 million dollars, there isn't any reason to investigate. It's not a lose for us; we're not going to lose any money; you aren't going to lose any money. It is what it is. That road's cut off. We're going to keep going down the road that's better or more efficient for you. I understand your reservations there with the cost. I just want to reiterate that it is not to exceed only and it's cost plus only so that we're going to spend what you want us to spend it on.

Commissioner Griggs called for any additional comments or questions. Eric said at this point, this is Scope of Services No. 2. I think what we have to do now is go back and prepare a third scope to get it more in line with this additional feedback. We'll report back to the commissioners with that.

Commissioner Griggs adjourned the Finance Committee at approximately 4:12 p.m.

Commissioner Gregorio said again all these have been sent to us previously. Unless there's any changes or corrections, I would move their approval. The motion was seconded by

Commissioner Watkins. Commissioner Gregorio called for any discussion. All in favor say "Aye". Opposed? The motion passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

NEW BUSINESS:

2016 AUDIT: Mr. England said the 2016 Audit was presented previously and no changes have been made to it from its presentation by Heard McElroy & Vestal and it's recommended for adoption at this time. The motion was made by Commissioner Austin and seconded by Commissioner Bryant. Commissioner Gregorio said that was a very clean audit, very nice feedback. Mr. England said it was, the best that we could have hoped for. Commissioner Gregorio called for discussion. Hearing none, all in favor of the audit, please say "Aye", Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

RESOLUTION NO. 12 OF 2017

BY THE CADDO-BOSSIER PARISHES PORT COMMISSION:

A RESOLUTION INDICATING THE INTENTION OF THE CADDO-BOSSIER PARISHES PORT COMMISSION TO BECOME A PARTICIPATING POLITICAL SUBDIVISION OF THE LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY; APPROVING THE APPOINTMENT OF ERIC ENGLAND AS A DIRECTOR TO REPRESENT THE CADDO-BOSSIER PARISHES PORT COMMISSION ON THE BOARD OF DIRECTORS OF THE AUTHORITY; AND TO OTHERWISE PROVIDE WITH RESPECT THERETO

WHEREAS, Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended, comprised of La. R.S. 33:4548.1 through 4548.16 is known as the Louisiana Local Government Environmental Facilities and Community Development Authority Act (the "Act");

WHEREAS, the Act creates the Louisiana Government Environmental Facilities and Community Development Authority (the "Authority") for the purpose of assisting political subdivisions, as defined in the Act, and other designated entities in acquiring, financing and

constructing certain facilities, including environmental, public infrastructure, community and economic development purposes, and to otherwise establish programs to aid in the financing of local government and economic development projects;

WHEREAS, the Caddo-Bossier Parishes Port Commission (the “Commission”) is a participating political subdivision of the Authority in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED that pursuant to the Act, the appointment of Eric England to serve as a Director of the Authority for a term of two (2) years from the date hereof is hereby approved.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its adoption, and a certified copy hereof shall be forwarded to the offices of the Authority.

BE IT FURTHER RESOLVED, that if any provision or item of this Resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Resolution which can be given effect without the invalid provisions, items or applications, and to this end the provisions of this Resolution are hereby declared severable; and

BE IT FURTHER RESOLVED, that all Resolutions or parts thereof in conflict herewith are hereby repealed.

Approved as to legal form and content:

/s/ Dannye W. Malone

Dannye W. Malone

6/14/17

Date

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Thomas F. Murphy,
James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

And this resolution was declared adopted on this 15th day of June, 2017.

/s/ Sam N. Gregorio, President
Sam N. Gregorio, President

/s/ Eric England, Executive Port Director
Eric England, Executive Port Director

APPOINTMENT OF DIRECTOR

I, Sam N. Gregorio, do hereby appoint Eric England as a member of the Board of Directors of the Louisiana Local Government Environmental Facilities and Community Development Authority representing the Caddo-Bossier Parishes Port Commission.

/s/Sam N. Gregorio, President
Sam N. Gregorio, President

Date: June 15, 2017

Mr. England said this is a resolution for us to continue our membership with the LCDA. It will appoint me as your designee. The motion to adopt was made by Commissioner Hall and seconded by Commissioner Watkins. Commissioner Gregorio said we have a motion and second. Any discussion? Hearing none, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

RESOLUTION NO. 13 OF 2017

BY THE CADDO-BOSSIER PARISHES PORT COMMISSION:

A RESOLUTION AUTHORIZING THE CADDO-BOSSIER PARISHES PORT COMMISSION TO ENTER INTO AN AGREEMENT WITH THE STATE OF LOUISIANA, DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT, UNDER THE LOUISIANA PORT CONSTRUCTION AND DEVELOPMENT PRIORITY PROGRAM FOR ASSISTANCE IN THE IMPLEMENTATION OF A PORT IMPROVEMENT PROJECT; PROVIDING FOR THE NECESSARY DOCUMENTATION OF THE NEED FOR THE PORT IMPROVEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Caddo-Bossier Parishes Port Commission has a need for port improvements; and

WHEREAS, the Caddo-Bossier Parishes Port Commission has reviewed the application for Heavy Load Multimodal Warehouse Expansion and agrees with said agreement; and

WHEREAS, the Caddo-Bossier Parishes Port Commission has applied for State matching funds pursuant to Chapter 47 of Title 34 of the Louisiana Revised Statutes of 1950, as amended, to implement a project to improve its port operation and the Caddo-Bossier Parishes Port Commission is fully aware of its obligations under said Statute; and

WHEREAS, the Caddo-Bossier Parishes Port Commission is a political body duly organized and existing under the laws of the State of Louisiana and is eligible to apply for funds under said Statute; and

WHEREAS, currently, no funds have been made available by the State for construction of the project; and

WHEREAS, the Sponsor desires to utilize its own funds for the construction of this Project and to be reimbursed by the Port Construction and Development Priority Program once funding becomes available, in accordance with R.S. 34:3457, *et seq.*

NOW, THEREFORE, BE IT RESOLVED by the Caddo-Bossier Parishes Port Commission as follows:

Section 1. That the Caddo-Bossier Parishes Port Commission acknowledges that an application was submitted to the Louisiana Port Construction and Development Priority Program.

Section 2. That at the appropriate time and prior to commencement of work on the project the Caddo-Bossier Parishes Port Commission agrees to execute a Project Agreement and a Statement of Sponsorship pursuant to the Statute and hereby authorizes and empowers Eric England, Executive Port Director to enter into and execute said agreement with the Louisiana Department of Transportation and Development.

Section 3. That Eric England, Executive Port Director is hereby the Authorized Representative for the Caddo-Bossier Parishes Port Commission to represent the port with regard to the receipt of funds from the Louisiana Port Construction and Development Priority Program for a port improvement project.

Section 4. That said Authorized Representative shall have the authority to sign and approve all documents that are necessary under the circumstances to accomplish the above project.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its adoption.

BE IT FURTHER RESOLVED, that if any provision or item of this Resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Resolution which can be given effect without the invalid provisions, items or applications, and to this end the provisions of this Resolution are hereby declared severable; and

BE IT FURTHER RESOLVED, that all Resolutions or parts thereof in conflict herewith are hereby repealed.

Approved as to legal form and content:

/s/ Dannye W. Malone

Dannye W. Malone

6/14/17

Date

/s/ Sam N. Gregorio, President

Eric England, Executive Port
Director

Sam N. Gregorio, President

Eric England, Executive Port Director

Mr. England said this resolution is in regard to the ADS warehouse expansion. As you all know, they have an existing facility they lease from us. We submitted an application to the Port Priority Program for an expansion. As part of that process it goes through a legislative review and recommendation. We've completed those steps. We were authorized for \$3.7 million dollars of the project. We've been invited to make a supplemental request for the difference between \$3.7 million and \$5.1 million in next quarter's round of funding. This resolution will authorize us to enter into a reimbursement agreement with the State of Louisiana Port Priority Program and it will allow us to move forward with the project of the expansion. When I emphasize the word, reimbursement, the key provision of the program now is a cash management system whereby they have a backlog of projects. The funding for this project will likely not come about until the 2020/2021 timeframe and at which time when the funds become available, the State will provide them to us. In the interim, the Red River Waterway Commission has agreed to provide us the financing to move forward with the project. From our fiscal standpoint, we will move forward with advertising through a subsequent resolution on this agenda. All costs associated with the project will be paid by us, reimbursed immediately from the Red River Waterway Commission and at a date 2020/2021 when funds become available from the State, the State will compensate us and then we will in turn reimburse the Red River Waterway Commission. What I do want to emphasize to the Commissioners at this point is that you will see us going through a similar pattern of activity in subsequent months for that difference between the amount that wasn't

funded in this quarter, the \$3.75 and the difference between that and \$5.1. This is great news for us. We couldn't have asked for a better outcome. We are going to receive \$5.1 million from the State with the difference from the Red River Waterway Commission which will reimburse us for our out-of-pocket costs which up to date have been our design costs. It's recommended for approval. The motion was made by Commissioner Pannell and seconded by Commissioner Hall. Calling for discussion, Commissioner Watkins asked what assurances do we have that the State will pay this money in 2020/2021? Are we just rolling the dice? Mr. England said to answer your first question, we have no assurances other than the continued appropriation of funds through the Capital Outlay Bills. That's where Port Priority is funded. The Port will not be left owing anyone. Our contract with the Red River Waterway Commission states if funding never comes from the State, we don't have to pay the Waterway Commission back. Commissioner Gregorio called for any other questions? Any other discussion? Hearing no more discussion, we'll take a vote, all in favor, say "Aye", Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

RESOLUTION NO. 14 OF 2017

BY THE CADDO-BOSSIER PARISHES PORT COMMISSION:

A RESOLUTION AUTHORIZING THE EXECUTION OF A MEMORANDUM OF COOPERATIVE ENDEAVOR BETWEEN THE RED RIVER WATERWAY COMMISSION AND THE CADDO-BOSSIER PARISHES PORT COMMISSION, AND TO OTHERWISE PROVIDE WITH RESPECT THERETO

WHEREAS, the Caddo-Bossier Parishes Port Commission (the "Commission") was created by the legislature of the State of Louisiana as set forth in Title 34, Chapter 37 of the 1950 Revised Statutes of the State of Louisiana for the purpose of regulating commerce and traffic within the port area in a manner which is conducive for the development of its infrastructure;

WHEREAS, the Red River Waterway Commission (the "RRWC") is authorized, pursuant to La. R.S. 34:2316, to cooperatively assist in developing ports in conjunction with port commissions within the district;

WHEREAS, the RRWC, and the Commission desire to enter into a Memorandum of Cooperative Endeavor to improve the Commission's facility on the Red River in Shreveport,

Louisiana, by constructing a fifty thousand (50,000) square foot expansion to the existing port owned warehouse (the “Facility”);

WHEREAS, the Commission has applied for funding in the amount of \$5,173,321.61 from the State of Louisiana, Department of Transportation and Development (the “LA DOTD”), through its Port Construction and Development Priority Program for the construction of the Facility;

WHEREAS, if the Commission is awarded LA DOTD funding for the construction of the Facility, the Port is requesting the RRWC to cooperatively assist in the design and construction of the Facility by contributing ten (10%) percent of the construction costs in the amount of \$574,814.51; and the engineering and related soft costs in the amount of \$488,591.49;

WHEREAS, any funds approved by LA DOTD will not be received by the Commission for approximately three (3) to five (5) years, during calendar years 2020 through 2022;

WHEREAS, the Commission desires to construct and have the Facility operational in 2017 and 2018, prior to the availability of the LA DOTD funds to construct the Facility;

WHEREAS, the RRWC is willing to advance to the Commission the amount approved for funding by the LA DOTD in an amount not to exceed \$5,173,321.61 for the construction of the Facility during calendar years 2017 and 2018; and

WHEREAS, the advance of the funds to the Commission for the construction and development of the Facility will directly result in a significant increase in tonnage shipped on the Red River.

NOW THEREFORE, BE IT RESOLVED by the Caddo-Bossier Parishes Port Commission, in legal and regular session convened, that it hereby authorizes the execution of the above-described Memorandum of Cooperative Endeavor in accordance with the terms and conditions set forth therein.

BE IT FURTHER RESOLVED, that Eric England, the Executive Port Director, is hereby authorized to execute the Memorandum of Cooperative Endeavor referenced hereinabove, and any and all other documents necessary to complete the transaction in the name of and on behalf of the Commission.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon its adoption.

BE IT FURTHER RESOLVED, that if any provision or item of this Resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Resolution which can be given effect without the invalid provisions, items or applications, and to this end the provisions of this Resolution are hereby declared severable; and

BE IT FURTHER RESOLVED, that all Resolutions or parts thereof in conflict herewith are hereby repealed.

Approved as to legal form and content:

/s/ Dannye W. Malone

Dannye W. Malone

6/13/17

Date

Mr. England said my discussion with regard to Resolution No. 13 carries forward partially with Resolution No. 14. This Resolution will authorize me to enter into an agreement with the Red River Waterway Commission with the parameters of the funding schemes that I described previously. But it's germane to our agreement with the Red River Waterway Commission. So this will establish the Red River Waterway Commissions essentially giving us a line of credit to draw upon to build the warehouse expansion and to receive those funds. In the event the State does not reimburse us, the money is not obligated by the Port to be repaid. The motion was made by Commissioner Austin and seconded by Commissioner Pannell. Any discussion? Hearing none, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

RESOLUTION NO. 15 OF 2017

BY THE CADDO-BOSSIER PARISHES PORT COMMISSION:

A RESOLUTION AUTHORIZING THE PUBLICATION OF AN ADVERTISEMENT FOR COMPETITIVE BIDS TO CONSTRUCT RAIL YARD IMPROVEMENTS AT ITS INDUSTRIAL COMPLEX UNDER THE PROVISIONS OF THE LOUISIANA PUBLIC BID LAW, AND TO OTHERWISE PROVIDE WITH RESPECT THERETO

WHEREAS, the Caddo-Bossier Parishes Port Commission (the “Commission”) desires to construct rail yard improvements at its industrial complex;

WHEREAS, the engineering design and related professional engineering services were performed by EJES Incorporated, and are now complete;

WHEREAS, the Commission desires to advertise for competitive bids in its official journal for the award of a contract to the lowest responsible bidder for the construction of rail yard improvements at its industrial complex in accordance with La. R.S. 38:2212, et seq.; and

WHEREAS, the Official Journal for the Commission is The Shreveport TIMES, whose mailing address is 401 Market Street, Suite 1500, Shreveport, LA 71101, and whose telephone number is (318) 459-3469.

NOW, THEREFORE, BE IT RESOLVED by the Caddo-Bossier Parishes Port Commission that Eric D. England, Executive Port Director, or his designated representative, is hereby authorized to advertise for competitive bids for the award of a contract to construct rail yard improvements.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its adoption.

BE IT FURTHER RESOLVED, that if any provision or item of this Resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Resolution which can be given effect without the invalid provisions, items or applications, and to this end the provisions of this Resolution are hereby declared severable; and

BE IT FURTHER RESOLVED, that all Resolutions or parts thereof in conflict herewith are hereby repealed.

Approved as to legal form and content:

/s/ Dannye W. Malone

Dannye W. Malone

6/13/17

Date

Mr. England said Rs. No. 15 is for a project that was included in the 2017 Capital Budget. The engineer’s estimate is within the budgeted amount and this Resolution will allow us to move forward and advertise the project. It’s recommended at this time. A motion was made by

Commissioner Watkins and seconded by Commissioner Bryant. Any discussion please? Hearing none, all in favor please say "Aye". Opposed? It passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

RESOLUTION NO. 16 OF 2017

BY THE CADDO-BOSSIER PARISHES PORT COMMISSION:

A RESOLUTION AUTHORIZING THE PUBLICATION OF AN ADVERTISEMENT FOR COMPETITIVE BIDS TO CONSTRUCT FENDER REPAIR SYSTEM IMPROVEMENTS AT ITS INDUSTRIAL COMPLEX UNDER THE PROVISIONS OF THE LOUISIANA PUBLIC BID LAW, AND TO OTHERWISE PROVIDE WITH RESPECT THERETO

WHEREAS, the Caddo-Bossier Parishes Port Commission (the "Commission") desires to construct Fender Repair System improvements at its industrial complex;

WHEREAS, the engineering design and related professional engineering services were performed by IMS, and are now complete;

WHEREAS, the Commission desires to advertise for competitive bids in its official journal for the award of a contract to the lowest responsible bidder for the construction of Fender Repair System improvements at its industrial complex in accordance with La. R.S. 38:2212, et seq.; and

WHEREAS, the Official Journal for the Commission is The Shreveport TIMES, whose mailing address is 401 Market Street, Suite 1500, Shreveport, LA 71101, and whose telephone number is (318) 459-3469.

NOW, THEREFORE, BE IT RESOLVED by the Caddo-Bossier Parishes Port Commission that Eric D. England, Executive Port Director, or his designated representative, is hereby authorized to advertise for competitive bids for the award of a contract to construct Fender Repair System improvements.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its adoption.

BE IT FURTHER RESOLVED, that if any provision or item of this Resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Resolution which can be given effect without the invalid provisions, items or applications, and to this end the provisions of this Resolution are hereby declared severable; and

BE IT FURTHER RESOLVED, that all Resolutions or parts thereof in conflict herewith are hereby repealed.

Approved as to legal form and content:

/s/ Dannye W. Malone

Dannye W. Malone

6/13/17

Date

Mr. England said this project is also included in our 2017 Capital Budget. The estimate is within the budgeted amount. This project has been on the books for quite some time. As you know, the floods of 2015 and 2016 prohibited us from performing this work due to the elevations of the River. We have a pool level at this time and we anticipate it to maintain so it's an ideal time to get it out for bid before the fall rains are upon us. It's recommended for adoption at this time. The motion to adopt was made by Commissioner Murphy and seconded by Commissioner Austin. Any discussion please? Hearing none, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

RS. NO. 17 OF 2017: A RESOLUTION AUTHORIZING THE INCURRENCE OF DEBT AND ISSUANCE OF EIGHT MILLION, NINE HUNDRED FORTY-NINE THOUSAND DOLLARS (\$8,949,000) UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2017 OF THE CADDO-BOSSIER PARISHES PORT COMMISSION, STATE OF LOUISIANA, PRESCRIBING THE FORM, TERMS AND CONDITIONS OF SAID BONDS; DESIGNATING THE DATE, DENOMINATION AND PLACE OF PAYMENT OF SAID BONDS; PROVIDING FOR THE PAYMENT THEREOF IN PRINCIPAL AND INTEREST; AND PROVIDING FOR OTHER MATTERS RELATED THERETO. (Published in The TIMES 6/21/17)

Mr. England said Resolution No. 17 is what we commonly refer to as our final bond resolution with regard to the Utility System Revenue Refunding bonds. It's recommended for adoption at this time and the anticipated closing date for this bond issue is the 20th of this month. The motion was made by Commissioner Hall and seconded by Commissioner Bryant. Any discussion please? Hearing none, all in favor please say "Aye". All opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

RS. NO. 18 OF 2017: A RESOLUTION AUTHORIZING THE CADDO-BOSSIER PARISHES PORT COMMISSION TO BORROW SIXTEEN MILLION NINE HUNDRED SEVENTEEN THOUSAND DOLLARS (\$16,917,000) FROM THE LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY; PROVIDING FOR THE REPAYMENT THEREOF IN PRINCIPAL AND INTEREST PURSUANT TO A LOAN AGREEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH: . (Published in The TIMES 6/21/17)

Mr. England said previously in the meeting we adopted the Resolution for our membership and my appointment to the LCDA Board. I want to point out that Rs. No. 18 is germane to us borrowing from the LCDA. This Resolution will set forth the ability for us to restructure the bonds that previously had a covenant tied to our property tax. This is the borrowing that will release that and we'll be able to have the "Lawfully Available Funds" pledge as the primary source and it will free up that other covenant so that when we're able to borrow money, based on the future revenues of our property tax election, we'll be able to tie the covenants to those bond issues and not this one. This Rs. No. 18 is recommended for adoption at this time. The motion was made by Commissioner Hall and seconded by Commissioner Bryant. Any discussion please? Hearing none, all in favor please say "Aye". All opposed? One abstention.

YEAS: Commissioners: Sam N. Gregorio, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: Lynn Austin

RESOLUTION NO. 19 OF 2017

BY THE CADDO-BOSSIER PARISHES PORT COMMISSION:

A RESOLUTION REQUESTING AUTHORITY TO ADVERTISE FOR COMPETITIVE BIDS FOR THE HEAVY LOAD MULTIMODAL WAREHOUSE EXPANSION PORT IMPROVEMENT PROJECT, AND TO OTHERWISE PROVIDE WITH RESPECT THERETO

WHEREAS, the Caddo-Bossier Parishes Port Commission (the "Commission") submitted an application for funding of the Heavy Load Multimodal Warehouse Expansion Port Improvement Project (the "Project") under the Port Construction and Development Priority Program;

WHEREAS, the Project has been recommended to the Louisiana Joint Legislative Committee of Transportation, Highways, and Public Works by the Department of Transportation and Development for funding by the Port Construction and Development Priority Program;

WHEREAS, no funds have been made available by the State for the construction of the Project and the Commission has available local funds in an amount of not less than one hundred (100%) percent to insure construction of the Project;

WHEREAS, the Commission desires to utilize its own funds for the construction of this Project and to be reimbursed by the Port Construction and Development Priority Program once funding becomes available, in accordance with R.S. 34:3457;

WHEREAS, at the request of the Commission, Kevin Bryan prepared plans and specifications for the Project, which plans and specifications are designated by State Project No. H.013074;

WHEREAS, the Commission has reviewed the final plans, specifications and cost estimate and submitted these documents to the Department of Transportation and Development. The Commission will accept the final plans and specifications contingent upon the Department of Transportation and Development's final approval inasmuch as they comply with the requirements of the Port Construction and Development Priority Program;

WHEREAS, all necessary servitudes, rights-of-way, spoil disposal areas, rights of ingress and egress and the means thereof have been acquired by the Commission, and the titles thereto are valid and indefeasible;

WHEREAS, the Commission has obtained all necessary permits required for the construction of the Project;

WHEREAS, the Commission has agreed to accomplish all necessary utilities, fencing and other facility relocations and alterations made necessary by the Project;

WHEREAS, the Official Journal for the Commission is The Shreveport TIMES, whose mailing address is 401 Market Street, Suite 1500, Shreveport, LA 71101, and whose telephone number is (318) 459-3469; and

WHEREAS, the Commission desires to advertise for competitive bids, in accordance with La. R.S. 38:2212, et seq., for the award of a contract in the name of the Caddo-Bossier Parishes Port Commission, and furnish engineering services during the progress of the work.

NOW, THEREFORE, BE IT RESOLVED by the Caddo-Bossier Parishes Port Commission, in regular session convened on this fifteenth (15th) day of June, 2017, that the Department of Transportation and Development be and is hereby requested to authorize the Caddo-Bossier Parishes Port Commission to advertise for competitive bids in accordance with La. R.S. 38:2212, et seq., for the award of a contract in the name of the Caddo-Bossier Parishes Port Commission, covering the aforesaid improvements.

BE IT FURTHER RESOLVED that the Department of Transportation and Development be and is hereby assured that all necessary servitudes, rights-of-way, rights of ingress and egress and the means thereof have been obtained by the Commission, and the titles thereto are valid and indefeasible and the Commission expressly agrees to defend any action for the failure to secure any servitude, right-of-way, right of ingress or egress, and the Commission does hereby assume complete responsibility for providing engineering services during construction and the maintenance and upkeep of the Project after construction.

BE IT FURTHER RESOLVED that the Department of Transportation and Development be and is hereby assured that all required permits have been obtained by the Commission.

BE IT FURTHER RESOLVED that the Department of Transportation and Development be and is hereby assured that the Commission has its local matching funds available in an amount not less than one hundred (100%) percent of the total project cost to insure the construction of the Project.

BE IT FURTHER RESOLVED that the Commission will and does hereby assume complete responsibility for all utilities, fencing, and other facility relocations and alterations made necessary by the Project.

BE IT FURTHER RESOLVED that the Commission does hereby save and hold harmless the Department of Transportation and Development against any loss or damage of any kind incident to or occasioned by Activities undertaken in pursuance of this agreement and expressly agrees to defend any suit brought against the Department of Transportation & Development, and pay any judgment which may result from said suit as it relates to the Project.

BE IT FURTHER RESOLVED that Eric D. England, Executive Port Director, or his designated representative, is hereby authorized to advertise for competitive bids for the award of the Project.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its adoption.

BE IT FURTHER RESOLVED, that if any provision or item of this Resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Resolution which can be given effect without the invalid provisions, items or applications, and to this end the provisions of this Resolution are hereby declared severable; and

BE IT FURTHER RESOLVED, that all Resolutions or parts thereof in conflict herewith are hereby repealed.

Approved as to legal form and content:

/S/ Danny W. Malone

Dannye W. Malone

Director of Legal Affairs

6/14/17

Date

/s/ Sam N. Gregorio

Sam N. Gregorio, President

/s/ Eric England

Eric England, Executive Port Director

Mr. England said we discussed this project in two other resolutions. This Heavy Load Multimodal Warehouse Expansion is a name that was assigned by the Port Priority Program. This is also known as the ADS warehouse. So with the funding scheme in place and the resolutions for us to enter the appropriate agreements for funding and reimbursement, our next step is to advertise it for bid. This resolution will give us the authorization to do such and is recommended for adoption. The motion was made by Commissioner Murphy and seconded by Commissioner Watkins. Any discussion? Hearing none, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: Rick C. Prescott and Roy Griggs

ABSTAINING: None

PORT DIRECTOR'S REPORT: Mr. England said I wanted to share with you that our deal with the solar panel company is moving forward. As of today, we've reached an agreement with a majority of the commercial terms and we just have some minor tweakings to do. So we'll enter into a six month option with them to allow them time to continue their due diligence with their application to the SPP. So it's moving along favorably. That concludes my report unless there are any questions.

Commissioner Pannell said I would like to make a couple of comments please. I'd like to congratulate Ms. Scroggins. She got an award in Baton Rouge last week. And I also would like

to say publicly to my fellow commissioner, Steve, the report that was on one of the TV channels. We all know the tragedy of when he lost his daughter. A lot of times you don't know the rest of the story and the fact that she was interested in assisting people and her father and her mother has taken that up. People do things behind the scene and they don't ask for any kind of accolades and I thought that it was good to have because none of us would probably have known that. It was a great honor to him and his wife and shows his dedication and commitment and I would like to publicly congratulate him on that. Thank you.

Commissioner Gregorio called for any other comments, thoughts, old business? He said hearing none, we stand adjourned at approximately 4:50 p.m.

Respectfully submitted,

Commissioner Roy Griggs
Secretary-Treasurer

July 2017 Meeting Notices!!

Next Regularly Scheduled Meeting: Thursday, July 20, 2017, 4:30 p.m.

Marketing and Operations Committee Meetings, Monday, July 10, 2017, 12 Noon
Regional Commerce Center, 6000 Doug Attaway Blvd, Board Room, Shreveport, LA