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CADDO-BOSSIER PARISHES PORT COMMISSION

Special Board Meeting

Regional Commerce Center, Steering Room

6000 Doug Attaway Blvd., Shreveport, LA 71115

November 9, 2020, 3:30 p.m.

President Roy Griggs called the meeting to order at approximately 3:30 p.m. in the Steering Room of the Regional Commerce Center, 6000 Doug Attaway Blvd., Shreveport, LA. He thanked Commissioner Bigby for chairing the meeting and gave God the praise for his being here after being diagnosed with Covid and the flu. I'm grateful for your prayers. Prayer changes things. Please pray for Stonewall Baptist Church in Bossier as we lost one member and have several suffering.

Commissioner Griggs led the Pledge of Allegiance.

The roll was called. Commissioners: Roy Griggs, Walter O. Bigby, Jr., Bill Altimus and Capt. Thomas F. Murphy. Absent: Erica R. Bryant, Sam N. Gregorio, James D. Hall and Rick C. Prescott. A quorum was not present.

Introduction of guests: Ed Walsh, Romph & Pou Agency; Staff: Eric England, Gloria Washington, Tyler Comeaux and Hettie Agee.

Commissioner Griggs asked if there are any public comments on agenda items. Hearing none, he called for the first item on the Agenda.

2020 GENERAL FUND BUDGET AMENDMENTS: Mr. England proposed we would go through these first and then talk about the '21 General Fund and then swap over to Capital.

You will see first the General Fund Budget with three columns: 2020; 2020 Proposed and the 2021. The big item where we're sensing quite a bit of revenue change is in the Mineral Leases.

Moving on to the 2020 amended Expenditures, a big item for us where we saw a decrease is the Telephone/Communication line item and you can look over to 2021 and see where we go from \$200k down to \$110k. We conducted an audit this year and found savings in eliminating the unnecessary lines. Where we saw an increase on our office supplies, with the stay-at-home order, we did purchase laptops for the staff that did not have them and set up the plans for them to operate from home.

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

MEMBERS: Roy Griggs, President; Walter O. Bigby Jr., Vice President; Bill Altimus, Secretary Treasurer; Erica R. Bryant; Sam N. Gregorio; James D. Hall; Capt. Thomas F. Murphy; Rick C. Prescott

Marketing/Economic Development - as you can see that has been significantly decreased.

Back to the revenue on stevedoring, we had a slight decrease in our revenues; we also had a decrease in our expenses. We anticipated some legal expenses due to some of our ongoing matters, mainly in terms of HR employment suit, but they did not materialize. That wraps up a discussion on the 2020 Amended.

2021 GENERAL FUND BUDGET: The Industrial Land Lease Rentals are holding their own. The warehouse on Doug Attaway Blvd is scheduled to be finished in 3rd quarter time frame of next year. We're seeing customer orders pick up as a result of rebounding from Covid. Some of our customers are just now shipping with a great sense of regularity and consistency—folks like Priefert, Vulcraft, Ternium, ADS to name a few. Some good news from a general cargo stevedoring standpoint is Ternium has expressed to us they're going to see an increase in their barge traffic over their rail traffic over the next year. Commissioner Griggs said I want to ask this question, based upon your projection for 2021 and we're in the pandemic now, so when you forecast for '21, are you forecasting that we may be in the same condition for the year 2021? Mr. England said we are. Commissioner Griggs said so if we come out, we could do better than what we are projecting. Mr. England said there still is a slight amount of uncertainty, and that uncertainty is reflected in these numbers.

Expenditures for 2021- there is roughly \$35-\$36,000 for salary increases. Our benefits correspond with that. What I've placed in the budget is a 1.5% Cost of Living increase, and what I felt was important is to make sure that our staff's buying power remains the same. I researched a COLA via the Consumer Price Index and 1.5% was what has been realized over the past 12 months. So, I thought that was a solid number to propose for '21 to ensure that our entire staff's buying power remained the same. One thing we are noticing under the Dues/Fees/Subscriptions/Memberships—one thing in particular is increase in price. Office Supplies/Printing/Postage etc. We talked a little bit about that especially the telephones where we're seeing the greatest decrease. We won't have those large expenses like we had this year buying the computers etc. The Marketing budget item is \$275; so, we are anticipating that we will see more travel in 2021 than we did, also our CEA's with the Economic Development organizations. Under Stevedore/Terminal Operations we've made our projections based on what we know. That concludes the General Fund.

2020 CAPITAL OPERATIONS AMENDMENTS BUDGET: Mr. England said the Capital budgets' revenues are the property tax, water and sewer revenue and a few other from our funding partners like Port Priority, the State of Louisiana and Red River Waterway Commission. Since we are going to amend the 2020 Capital budget, we added a line item for the Public Service Commission. Commissioner Campbell was instrumental in us receiving funds for LED lighting at our general cargo dock which has helped us in night-time operations.

Expenditures – If you take just a moment to look past Professional Services, you'll see the grouping of our bond issues and see the commonality in the titles of those bonds. If you see the

word “Utility” or “Water Revenue”, those payments are covered 100% from the water and sewer revenue shown in the budget. In other words, the City of Shreveport reimburses us for those debt service payments and it’s reflected in the revenues.

We continue per our agreements with Sportran and the City of Shreveport Fire Department. Commissioner Griggs said I know we talked about the Fire Station operation. Did we put a cap on the amount? Mr. England said we did not. There was discussion but upon review of the CEA with the City of Shreveport it was determined a cap was not in place.

As we move to Specific Project Costs in the Capital budget for the 2020 Amended, we borrowed money several years ago for a redundant water line. You can see the Robson Farms water line is one of those projects.

Land purchases, if you look down at the Land Purchase line item, you can see we have reflected it as well.

The Portable Fabric Warehouse will be a project we’ll consider in 2021.

Port Complex Security is finished.

The Slack Water Harbor Hardstand project – fortunately that bid was awarded for substantially less than the engineer’s estimate.

Stevedoring Equipment is revised. We’re now buying a skid steer machine. That single piece of equipment is going to pay tremendous dividends in two major operations at our Port.

Moving to Material Handling Equipment, I mentioned those steel coils that we’ll be handling and the equipment we’ve purchased. We found that we were able to increase our handling efficiency by decreasing our cycle time, the amount of time it takes to do one pick of a particular load.

The Northeast Gravel Yard – as you all know we’re expanding the Slack Water Harbor general cargo dock. We had a tenant that was leasing space from us there. With us moving forward with that construction project, they needed a site elsewhere and we’re preparing the premise for that type of lease. We think that even if that lessee terminates their lease in the future, we know it will be of value for dry van storage or tractor trailer storage. It’s a site we can improve; we can control and then we can make our money back we spend in improving that site through the lease.

The Masterplan for the property we have acquired recently and are acquiring is shown.

I’ll cover I-69, ’20 and ’21, as we’re talking, since it’s a multi-year project. We’ve reported to you that the sum of the project is roughly \$32.25M. The agencies, DeSoto Parish, Caddo Parish and the Port are placing funds through a CEA to serve as local match with the Bossier City \$6.5M. So when you take the \$6,750,000 that DeSoto, the Port and Caddo are bringing plus the \$6.5 M from Bossier City’s reallocation of \$200K funds and another \$4M from NLCOG, that’s serving as a match for the total of the \$32M I-69 Service Road project.

You see the revenue decrease from the Red River Waterway Commission. This is just reflective of their participation and the anticipated draws we'll make for the 100,000 sq. ft. warehouse as well as when we dredge the Slack Water Harbor. The DOTD, our engineering department has been successful in convincing them to provide us that line item amount of \$354,000 for a lean to for our 150,000 sq. ft. bldg. adjacent to the RCC. This lean to will provide a covered space for truck drivers to secure their loads moving out of the way of the warehouse yet still be under your cover so that another truck can enter the building and receive their load.

Water and Sewer – That number is reflective of the debt service.

Expenditures –we are in compliance with all of our bonds and the covenants of our bonds. We are not in any way defaulting on our bonds due to Covid or any such thing. We just signed a term letter for roughly 2.3% on a 20-year amortization. It's going to be a private placement as this is relative to the bond issue we are completing for the Sorensen purchase and to replenish our Economic Development Reserve Fund.

Specific Project Costs – The Bossier Water Line project, you can see we've done quite a bit of work and that we're anticipating a large amount of engineering to be completed in 2021. We have received an engineer's estimate for that and it's roughly a 2022-2023 expense in the \$9M range which is a great price for such an enormous project to bring our Port to redundant water and having water capacity that we currently do not have now. I think in 10-20 years the commissioners and the staff and future customers of the Port will look back on that and say that was a very wise \$9M to plan for in 2022. We have looked that far down the road and that will provide our Port that much more in terms of a strategic advantage for economic development for Northwest Louisiana.

Most of the other line items are pretty straight forward. They're projects that if you see a "0" in the 2020 Amended column and you see a number in the 2021, we've done our best to make these headings pretty self-explanatory. I'll be glad to answer any questions. At the back of that budget we have a listing of the safety tariffs. We are in the parish of Caddo but not served by Fire District 5. We are served by the City of Shreveport Fire Station 20. We take that \$300,000 and that helps offset our \$600,000 of operating costs for 50% of Fire Station 20.

That concludes the summary for the budgets and I'll be glad to answer any questions. Commissioner Griggs thanked Eric and asked if there were any questions at this time. Hearing none, he said I do appreciate all the footnotes in the budget and think it helped all the commissioners to understand the different line items. A lot of work had been put into the budget and we certainly appreciate that.

Mr. England said thank you for the compliment and every year our budget is done as a team. We sit in a room and we complete the budget as a team. Accolades to Gloria for putting up with us, and frankly in this Covid world we did it. We were able to work it out. It makes us more appreciative of the environment we've had before.

Hearing no other business to come before the Commission, Commissioner Griggs adjourned the meeting at 4:20 p.m.

Respectfully submitted,


William "Bill" Altimus

Secretary-Treasurer

NOTICE OF PUBLIC HEARING: 2020 AMENDED AND 2021 BUDGETS

December 14, 2020 4:30 p.m.

Regional Commerce Center, 6000 Doug Attaway Blvd., Steering Room, Shreveport, LA 71111

Regular Board Meeting, Monday, December 14, 2020 4:30 p.m.

Regional Commerce Center, 6000 Doug Attaway Blvd, Steering Room, Shreveport, LA 71111