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Regular Board Meeting
Regional Commerce Center, Board Room
6000 Doug Attaway Blvd., Shreveport, LA 71115
October 20, 2016, 4:30 p.m.

Vice President Rick C. Prescott 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 Griggs led the Pledge of Allegiance.

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

Commissioner Prescott called for introduction of guests. Guests: Tyler Comeaux, Burk-Kleinpeter; Anne Gremillion, Gremillion & Pou; Jacqueline Scott, Jacqueline Scott & Associates; Joe Johnson; Zachary Johnson, George Carroll; Don Kimmel and Ty Scoggins, Scroggins Consulting Inc. Staff: Eric England, Brenda Levinson, Danyne Malone, Gloria Washington, Kathy French and Hettie Agee. Guests were thanked.

Commissioner Prescott said any public comments on an agenda item? Hearing none, he said we will move on to Unfinished Business.

UNFINISHED BUSINESS:

Approval of Regular Board Meeting Minutes of September 15, 2016: Commissioner Griggs said the Board Meeting Minutes of September 15th is in your package. If there's been no deletions, additions or changes, I move for approval. The motion was seconded by Commissioner Austin. Commissioner Prescott said it's been moved and seconded for approval and called for any discussion. Hearing none, he said all in favor please say "Aye". Opposed? It passes.

Approval of the September 2016 Financial Reports: Commissioner Griggs called on Gloria to give an update. She said you should have received the financials by email. There's a few things I want to point out to you. On the first page you'll see the General Account ended with \$492,000. \$292,000 of that will be transferred to the Capital Operations Reserve fund because we only leave a balance of \$200,000 in that account. I just wanted to point out on pg. 2 the Miscellaneous Income, \$24,000. That was a refund from AT&T we've been trying to get since October 2015 when I realized they were double billing us. We finally received the check in

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*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*

September with the help of Robert Vinet. I just want to thank him for his help with that. The last thing I wanted to point out, on pg. 11 to let you know we have received the final payment for the Benteler project from LED which completes those funds for that particular project. Calling for questions and hearing none, Commissioner Griggs said the financial report for September 2016 in your package. If there's been no deletions or additions, I move for approval. Commissioner Murphy seconded the motion. Commissioner Prescott said it's been moved and seconded and called for any discussion. Hearing none, he said all in favor please say "Aye". Opposed? It passes.

Marketing Committee Report of October 10, 2016: Commissioner Prescott called the Marketing Committee meeting of October 10, 2016 to order at approximately 12:00 p.m. in the Board Room at the Regional Commerce Center. Commissioner Gregorio led the Pledge of Allegiance.

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

Commissioner Prescott called for introduction of guests: Jon Whitehead, Aqua Group, Anne Gremillion and Daniel Strickland, Gremillion & Pou and Lennis Elston, Ellerbe Family. Staff members: Eric England, Rick Nance, Brenda Levinson, Gloria Washington, Danyne Malone, Hugh McConnell, Kathy French, Ted Knight and Hettie Agee.

Commissioner Prescott called for Public Comments on Agenda Items. Hearing none, he called on Brenda for a Customer Update. Her report included: ADS Logistics, Ronpak, Ternium, Pratt Industries, and Benteler. Calling for questions and hearing none, Commissioner Prescott called on Kathy to give the Public Affairs report who recognized Commissioner Griggs who received an award in BIZ Magazine for his contributions, experience and commitment to our community, the 5 Over 50. She said on November 10th the Mayors Prayer Breakfast would be held at 7:00 a.m. at the Shreveport Convention Center.

Commissioner Prescott called on Eric who said the calendar is in your packages.

Hearing no further business to come before the Marketing Committee, Commissioner Prescott adjourned the meeting at approximately 12:20 p.m.

Commissioner Prescott said the minutes of the Marketing Committee report of October 10, 2016 is in your package. If there are no deletions, corrections or additions, I move for approval. Calling for discussion and hearing none, Commissioner Prescott said all in favor, say "Aye". Opposed? The motion passes.

Operations Committee Report of October 10, 2016: The meeting was called to order by Commissioner Sam Gregorio at approximately 12:21 p.m., October 10, 2016 at the Regional Commerce Center Board Room.

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

Commissioner Gregorio called for introduction of guests: Jon Whitehead, Planet Aqua Group, Anne Gremillion and Daniel Strickland, Gremillion & Pou and Lennis Elston, Ellerbe Family. Staff members: Eric England, Rick Nance, Brenda Levinson, Gloria Washington, Dannye Malone, Hugh McConnell, Kathy French, Ted Knight and Hettie Agee.

Commissioner Gregorio called for public comments on the agenda items. Hearing none, he called on Hugh for the Operations report. We had a total of 500 cars, 45,352 tons. Looking at this last quarter, I'm expecting us to finish at about 450,000 tons (a 12% increase from last year). The Red River Waterway Commission footed the bill where the Army Corps budget was used up. A lot of thanks to them. We had a total of 8 barges, 12,928 tons. Again, projecting toward the last quarter of the year, I'm thinking we're gonna be about 145,000. Hearing no questions, Commissioner Gregorio called on Rick for Port Projects.

He reported on 1) the secondary water line; 2) the directional signs; 3) the storage room and the 4) stevedore building.

Commissioner Gregorio called on Eric who said the monthly reports were in their packages and if you have any questions, please get with me. Hugh mentioned the Red River Waterway Commission's involvement with the dredging that was completed on the River after the United States Army Corps of Engineers told us they would not be funding any more dredging. The RRWC stepped up \$3.5 million dollars. We've extended our appreciation to them.

Moving on to the Planet Aqua Group presentation, this year I received a briefing from Jon who has already introduced himself. They had made a request to the Port Commission which we provided to you last week. We asked him to make a presentation to the Board today and with that, I'd invite him to make his presentation.

Jon gave a brief background and then proceeded with the presentation. Calling for questions, Commissioner Watkins said I have one. Y'all are the company that will actually own the operation or run the operation? Jon said we will own and operate it. Commissioner Watkins asked are y'all a for profit company? Jon said yes. Commissioner Austin asked do you have any of these anywhere else? Jon said we have a sister company called Aquatic Exhibits International so right now we have projects from Tacoma, Washington to the National Aquarium in Baltimore to Ken's Aquarium in Australia. I've built six aquariums myself but for a different client, for a different partner. So this is our first aquarium on our own that we're designing and building and operating.

Commissioner Austin asked how many people do you employ? Jon said there will be 10 full time and between 35-40 part time. Commissioner Austin asked who will be the director and what's the director's salary? The director—the general manager will make about \$80-\$85,000 a year and I'll be the general manager. Commissioner Austin asked what will they do? Jon said they will be responsible for the guests' experience, for the taking care of the fish. There are different directors. There's a director for husbandry; there's a director on the animal side and then there's also a director for the guests

experience side. Commissioner Austin said and what benefit do you see this bring to us as a Port to invest \$30,000 and then \$5,000 a year of added expenses every year? I mean the capital outlay's not what bothers me. It's the recurring expenses that bother me. How many recurring expenses can we take on? Jon said it's just---Commissioner Austin said I've got a lot of concerns about it. That's my jest of what's your background, what's your purpose for coming here, that many employees with an \$85,000 salary. I've just got some real concerns, so why don't you tell me a little bit about your background, where you started and what is your particular interest and what drew you to this particular market. Jon said my background is in general contracting and I came over here in 1991. I started in construction. I had a general contracting company for 12 years in California. I still live in California. I started working for a company Merlin Entertainment. They're the second largest visitor attraction company in the world behind Disney back in 2009. I built 15 attractions for Merlin over a six year period, six aquariums and then we started developing this idea on our own. The idea was to look at secondary markets, so Shreveport was one of 12 cities that we looked at. We are currently talking to another 6 cities for pipeline projects down the road. So you have a million and a half people within 100 miles. You're 300 miles from the beach; 200 miles from the nearest aquarium, so there's a lot of opportunities for this type of attraction in this area. We ran a third-party feasibility study. The numbers came out really well. The Barnwell Center was offered to us. There's a bond available for just repairs within the Barnwell Center itself. So we feel this is a good opportunity for us from a business standpoint. Commissioner Austin said what other government entities or private sponsorships are involved in this particular project that you have commitments from? Jon said we have all of the funding in place. We have no money from the City; we have no money from the State. Commissioner Austin said no money from the City. Jon said no, no money from the City and no money from the State and no money federally, no public money whatsoever. Commissioner Austin said except the Port if you get that. Jon said correct. Commissioner Austin said I've got a problem with that. Commissioner Bryant said the Barnwell Center. That's being provided to use. Jon said the Barnwell Center. We're leasing the Barnwell Center. It's not being given to us. Commissioner Bryant said but the bond money is being used to....Jon said the bond money is being used to fix up the Barnwell Center, new HVAC's system, new plumbing. It's not for us. It's for Barnwell Center. It could be for Staples, for a restaurant, it could be for a supermarket. It could be anything. Commissioner Bryant said I understand but if you use that facility, that's the City's contribution if they're going to use their bond money in order to put improvements into the facility....Jon said into the facility, right. There's no City money going into our....Commissioner Bryant said I understand. Commissioner Austin said but you're leasing it from the City, so the City is getting revenue off of it. Jon said right. Commissioner Bryant said I understand, but the City has to pay those bonds. I'm just meaning that...Commissioner Austin said they're looking for a use for the Barnwell Center because it's vacant. Commissioner Murphy said what bothers me also, more less what he was saying, the items that you had on the previous slide about advertising the Port, we have on staff marketing people. We have on staff public relations people. We hire an outside public relations firm and now in addition to that, we're going to have to spend another \$30,000 initially plus \$5,000 a year—to do the same thing again? Jon said okay, so we're going to have 140-150,000 people, primarily school kids coming through there. So I think that they have an opportunity to learn about the Port. They may not be really reading all the marketing literature that you guys are sending out, but if they come in there and they see a visual representation of the Port and the City in relation to each other, what kind of businesses are out there and what the Port actually brings, I think that they may get some value out of an exhibit laid out. Commissioner Murphy said that's in addition to what we have three different people who looks to do the same thing.

Commissioner Gregorio said Anne wants to say something behind you. Do you mind if she addresses also? Anne said Capt. Murphy, I'd like to address that. When I first was getting to know Jon and what the aquarium was going to mean for our cities, he, of course, part of the attraction for the aquarium was the fact that it was right on the Red River. I mean you step outside and you're on the River. And so immediately he didn't know me from Adam—he didn't know that I was connected with the Port—he didn't know that I would. And so he began talking about he saw that it could be a perfect complement and a help to explain the Port activities, the activities of the Red River Waterway Commission in that it's there to support commerce as well as recreation. And so a description within this exhibit is coming from Gremillion & Pou, if you will. In other words, I saw it as an opportunity. This aquarium is going to be open 52 weeks out of the year and to have a permanent exhibit, it would be able to help communicate to young people, as well as their parents, to really get it into their minds that what our Port is about is industry and using the River for commerce and using the multi-modal transportation network. It became like a permanent advertisement, if you will, where now when Daniel and I go out and make the pitch. Ah, they would have seen it because it would have been an interactive exhibit. The \$5,000 a year is simply to maintain or to change and adapt the exhibit. In other words, if it gets tired looking, that's not good branding for the Port or if another major industry comes, which we all know it will, we want to be able to tell that story and to be able to incorporate that. And so, it's almost like that would be like an insurance policy if the exhibit doesn't get tired and dated but it stays state of the art just like the Port of Caddo Bossier. But the message is from the exhibition literally was influenced a great deal by Gremillion & Pou.

Commissioner Bryant said so the \$5,000 per year would only go to the Port's exhibit...Jon said correct...Commissioner Bryant said if we would have one and what if we don't need it? What if the exhibit still looks good and it's not tired? Jon said we could do it on a billing. I mean the thing is you get 150,000 people using it once. Buttons and things are gonna break and so...Commissioner Bryant said I understand. I was just asking in case. Jon said that's fine. If we don't need it, then we don't need it. Commissioner Watkins said I can piggyback on what Erica said. That was gonna be my suggestion. If we do happen to do this, and I think the thing it's very important to keep that exhibit up if it's got our name on it, but I think we should control the \$5,000 per annual if it needs it instead of just turning it over every year. Jon said absolutely.

Anne said in fact, the original intent was that the Port would have input. The exhibit would be designed by the Port and the commissioners and the story that we're always trying to tell and help the public understand about us.

Commissioner Gregorio said let me ask one question. How would the proposal you put out today help the aquarium? Jon said because as I said, we've got two different ways of looking at. We could do this as a purely biological kind of offering but we want to show how industry, not just in the fresh water, not just in the Port, but in the oceans how industry and the environment have to work together. You can't just say oil rigs are bad; the ocean's a grave and the two should never meet because that's not realistic. You have to be pragmatic. You have to understand that these two...all of these elements have to work together. And they can work together. I mean it's proven right here and it's proven all over the world. So that's what we're trying to represent. We're trying to represent a realistic...Commissioner Gregorio said are you saying that one of the messages of the aquarium, not related to the Port, but just

one of the overall messages is that co-existence of industry and the habitat...Jon said absolutely...Commissioner Gregorio said and then the Port would be an exhibit reflecting that overall message. Jon said correct. Commissioner Gregorio said okay, I understand. Any other questions? Commissioner Pannell said what form of time frame are we looking at? Commissioner Austin said by December 31st of this year. That's what it says here. Commissioner Gregorio said are you asking...Commissioner Pannell said it's not something that we're fixing to...someone said I'm not ready to vote...Commissioner Pannell said I...Commissioner Bryant said when is the facility expected to..Jon said summer of next year. Commissioner Bryant said so why would you need the money December of this year? Jon said so that we can understand. I mean the money itself is not as important as the commitment. We need the commitment so that we can finalize the design. Commissioner Bryant said let's say we decide to do it, we make the commitment for '17. As long as you have something that's showing we commit, that would be okay? Jon said absolutely. Commissioner Bryant said I think 12-31-16 is too fast of a turn around. Jon said sure. I mean if we have the commitment, then we can work around that. Commissioner Gregorio called for other questions, other comments? Commissioner Watkins said and this may be too personal since y'all are a For Profit business, but are y'all financially set to open this with or without help from the community? Jon said correct. Commissioner Gregorio said and by community you mean...Commissioner Watkins said us or people donating to it. If you don't get an ounce of sponsorship, y'all have the financing in place to open it. Commissioner Gregorio said other comments, questions, thoughts? Mr. Whitehead, thank you very much. We appreciate you coming.

Commissioner Gregorio said our last item on the agenda is Insurance Agent of Record, Eric. Eric said our insurance Agent of Record is Montgomery Agency and they are currently on a 5-year term. That term ends at the end of this calendar year, at the end of our fiscal year. It's my recommendation to renew this relationship with the Montgomery Agency for a period of 5 years. Commissioner Watkins said I'll make that motion. Commissioner Pannell said I'll second. Commissioner Austin said what's the built in annual increase in the premiums for the five year period? Is there a maximum, minimum whatever? Eric said we've never had a built in maximum. What we've seen historically year over year is nothing more than 5% for our premiums increase. Commissioner Austin said is there anything to protect us from you know a 5-year contract and them going up 40% one year? Eric said not that I'm aware. It's subject to the markets in writing those policies. Commissioner Watkins said I think we still...Commissioner Austin said I think we need some kind of cap on it....Commissioner Watkins said we still approve the insurance yearly. Commissioner Austin said I'm talking about from David's company to us is there a built in cap in the increase. Eric said absolutely. We as a Commission approve that through our budget process and we have the option of choosing the coverage, but there's nothing that will protect us from the market if we want equal coverage from it being priced. Commissioner Austin said we're not locked into it is what you're saying. Commissioner Austin said we're not locked into it. Eric said that's right. Commissioner Gregorio said should this...traditionally does this go through the Executive Committee? Eric said no this takes an action of the Board. Commissioner Gregorio said or the budget committee? Eric said the budget is typically handled by the Executive Committee which the next meeting is in November and they would have to make a recommendation to the Board and that would follow at the November Board meeting. We need to take action on this at this time so that we can secure our policies before the end of the year. Commissioner Gregorio asked if there have been any other companies apply? Eric said no other companies have applied. Commissioner Gregorio said we have a motion and a second on the

table. Any other discussion or further discussion? Hearing none, he said all in favor, please say “Aye”. Opposed? It passes.

YEAS: Commissioners: Lynn Austin, Erica R. Bryant, Sam N. Prescott, Capt. Thomas F. Murphy, James Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Roy Griggs and James D. Hall

ABSTAINING: None

Commissioner Gregorio adjourned the meeting at approximately 12:47 p.m.

Commissioner Griggs said the Operations Committee report of October 10, 2016 is also in your packets. If there are no deletions, additions or changes, I move for approval. Hearing no discussion, Commissioner Prescott said all in favor, please say “Aye”. All opposed, “Nay”. The motion carries.

Commissioner Prescott said anything else. I move that the meeting be adjourned at approximately 4:38 p.m.

Respectfully submitted,

Commissioner Roy Griggs
Secretary-Treasurer

November 2016 Meeting Notices!!

Next Regularly Scheduled Meeting: Thursday, November 17, 2016, 4:30 p.m.

Executive Committee Meeting, Monday, November 7, 2016, 10:00 a.m.
Marketing and Operations Committee Meetings, Monday, November 7, 2016, 12 Noon
Regional Commerce Center, 6000 Doug Attaway Blvd, Board Room, Shreveport, LA