

**Greater Lafourche Port Commission**

**AGENDA**

**May 13, 2015 at 10:30 AM**

**Administration Building · 16829 East Main St · Galliano, LA**

(Posted: May 7, 2015 at 4:00 PM)

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Consider approval of minutes for April 8, 2015 regular meeting
- V. Executive Director's Report
  - A. Northern Expansion**
    - 1. Northern Expansion Slip C Bulkhead (J. Wayne Plaisance)
    - 2. Northern Expansion Slip C West Sweep Dredge (J. Wayne Plaisance)
    - 3. Northern Expansion Slip C East Sweep Dredge (J. Wayne Plaisance)
    - 4. Northern Expansion Slip D Bucket Dredge (Picciola & Associates)
  - B. Airport Projects**
    - 1. Glide Slope (LPA/Baker)
    - 2. Apron Expansion (LPA/Baker)
    - 3. Pump Station – Engine & Pump Replacement (Picciola & Associates)
  - C. Port Security and Grant Projects**
    - 1. Cybersecurity and Resiliency (2013)
    - 2. Port Wide Sustain & Maintain (2014)
    - 3. Risk Mitigation Plan (2014)
  - D. Other Port Projects**
    - 1. Storm Harbor Marina (J. Wayne Plaisance)
    - 2. Nerby Collins Commercial Marina Bulkhead (J. Wayne Plaisance)
    - 3. N. J. Theriot Road Elevation & Improvements (Angelette-Picciola)
    - 4. FEMA: Breakwaters (Picciola & Associates)
    - 5. Assumption of Maintenance Study (URS/AECOM)
  - E. Presentation from NOAA**
- VI. Committee Reports
  - A. Executive Committee**
    - 1. Consider approving the summer employee applicants
    - 2. Consider approving the request from Edison Chouest Offshore for a Landlord Estoppel Agreement
  - B. Permits & Waterways Committee**
    - 1. Review permit applications from Louisiana Delta Farms Partnership, Lafourche Parish Government, Shoreline Southeast, James George, and Louisiana Delta Farms Partnership
  - C. Construction & Development Committee**
    - 1. Consider approving Change Order No. 6 from Johnson Bros for the Slip C Bulkhead project
    - 2. Consider approving Substantial Completion Certificate from Johnson Bros for the Slip C Bulkhead project
    - 3. Consider approving lowest responsive bid for Slip D Bucket Dredge project
  - D. Finance Committee**
    - 1. Consider approving payment of April invoices and recognize expenditures over \$10,000
    - 2. Public comment and hearing for the adoption of the 2015 millage rate
    - 3. Adopt the millage rate for the tax year 2015
    - 4. Consider approving 2014 Financial Audit
    - 5. Consider approving out of state travel requests
- VII. Any other business - None
- VIII. Public Comment – None
- IX. Adjournment

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# OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION

May 13, 2015

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Wednesday, May 13, 2015 at 10:30 AM at the Administration Building 16829 East Main Street, Galliano, LA.

President Gisclair called the meeting to order and Secretary Cheramie called roll.

ATTENDED: Chuckie Cheramie, Perry Gisclair, Kris Gaudet, Donald Vizier, Wilbert Collins, Larry Griffin, Jimmy Guidry, and Ervin Bruce

ABSENT: John Melancon Jr.

Upon motion by Griffin and second by Bruce, with no public comment, the board unanimously approved the minutes for April 8, 2015 regular meeting.

## **Executive Director's Report**

Northern Expansion – Engineer John Plaisance stated Slip C Bulkhead project is complete. There is a change order and the substantial completion certificate on the agenda for approval today. Slip C West 1400' Sweep Dredge project is complete and in the lien period. Slip C East 1600' Sweep Dredge project contracts have been signed and the notice to proceed was issued on May 6<sup>th</sup>. Engineer Joe Picciola reported bids were received yesterday for Slip D Bucket Dredge project and his recommendation of award is for the low bid of \$959,500 from Crosby Dredging.

Airport Projects – Davie Breaux stated all work is complete for the Glide Slope project. We are lining up the funding for the flight check to be done by FAA. Byron E. Talbot Contractors has completed the Apron Expansion paving and striping last week. Currently working on cleaning site, seeding, and fence installation. They should be complete in two weeks. Engineer Joe Picciola reported the pre-bid meeting for the Pump Station Engine & Pump Replacement is scheduled for May 27<sup>th</sup> with the bid opening June 9<sup>th</sup>.

Port Security and Grant Projects – April Danos stated that the Cybersecurity and Resiliency project is scheduled to be complete by August 31<sup>st</sup>. We continue to process invoices for the Port Wide Sustain & Maintain project. Joni Tuck stated the kickoff meeting for the Risk Mitigation Plan was held last week. We are scheduling interviews with tenants and stakeholders and expect the preliminary report out by June 3<sup>rd</sup>. Director Chett Chiasson mentioned the Port Security Grant program, which Tuck replied that the Port's application is due by May 19<sup>th</sup>.

Other Port Projects – Engineer John Plaisance reported the contractor for the Storm Harbor Marina is doing the final drainage work. We will be able to inspect drainage during the next rain event to make sure it works. Davie Breaux stated that if it does not work, we will rework the drainage prior to final payment to contractor. Engineer Plaisance stated that the notice to proceed was issued May 4<sup>th</sup> for the Nerby Collins Commercial Marina Bulkhead project. Dolphin Services is gathering materials and should begin within the next week. Engineer Larry Picciola stated that traffic problems have continued on the N. J. Theriot Road Improvements project. The board approved Barriere to pave at night which will start Thursday night from 6:30pm to 5:00am because the asphalt laying will cause long stretches of roadway to be shut down. This will take about 6 nights to complete the main road then 10 additional days to complete the driveways. Engineer Joe Picciola reported that Bertucci has approximately 4 more days of work pending weather on the FEMA Breakwater project. Tom Hunter with AECOM reported that there were a few comments of additional data needed from the Corp regarding the Assumption of Maintenance Study which have since been submitted to the Corps. Chiasson announced that he just received word that DOTD is opening bids today on the LA 3090 overlay project.



Presentation from NOAA – Tim Osborn updated the board on various projects and programs that NOAA is involved in. In April, NOAA completed a waterway survey of the entire Port thanks to Picciola & Associates as well as the Corps surveys of Belle Pass. The updated chart will include Slip C. The obstructions that were identified in Belle Pass will be investigated by the Port to remove potential hazards to navigation. NOAA is involved with the establishment of the anchorage in the gulf which seems to be well supported. He thanked the board for making the concept of the storm harbor marina a reality. NOAA is currently going through a program that covers other coastal parishes to take part in a similar project. It is a great facility to be used during emergencies. In regards to this tropical season, we are hearing that it should be low activity but we already at a storm last week along the west coast. During conference calls throughout hurricane season, the conversation always seems to be Mississippi River or Port of New Orleans and this side of the coast tends to not be recognized in terms of activities and evacuations. Osborn stated as of this week, we are creating a self-standing coordination team with the USCG Captain of the Port to be in constant contact with him specific to this area of Port Fourchon, Terrebonne, Morgan City, and the South Lafourche Levee District so that all the issues can be considered.

Darrin Wright the program manager to the National PORTS system then addressed the board. The PORTS System is the Physical Oceanographic Real-Time System. Port Fourchon is the 25<sup>th</sup> seaport to join this partnership program with NOAA. PORTS provides information on water levels at real time observations that are updated every 6 minutes. This information is available online or by a phone call. We currently have the water level gauge but we have been trying to get security grants for other sensors. PORTS can provide other environmental parameters identified by mariners such as current speed and direction, air and water temperature, wind speed and direction, barometric pressure, water pressure, etc. Tim Osborn then stated if you look at all the ports in this system these are some of the largest ports in the nation that rank worldwide in cargo and Port Fourchon is joining them in terms of status. Fourchon is not a cargo port but serving an enormous need to the US. Osborn and Wright then presented Chiasson and the board a plaque and key to the PORTS System.

Gisclair thanked NOAA for their work and recognizing the status of the Port. Osborn stated it is great what the Port has done for this nation. Chiasson stated that we have worked closely with NOAA for many different things. During storms that impact Port Fourchon, NOAA is here with us during the aftermath to help restore operations in Fourchon and some of the first people in Port to survey the channels to help us resume operations. We greatly appreciate the partnership we have with NOAA.

Chiasson announced in the audience today we have Kathy Stuart from Senator Cassidy's office and Rachel Perez from Senator Vitter's Office and thanked them for attending the meeting.

### **Committee Reports**

Executive Committee - The committee met on April 22<sup>nd</sup> in Port Fourchon with Cheramie, Melancon, Griffin present, and Gisclair absent. They also met on May 11<sup>th</sup> in Galliano with all present.

Chairman Gisclair presented hiring the 5 maintenance roustabouts as follows: Tyler Naquin, Tyler Truxillo, Andrew Diaz, Brody Williams, and Gavin Guidry. The remaining maintenance applicants were pulled for alternates as follows: 1<sup>st</sup> Michael Rodrigue, 2<sup>nd</sup> Donjohrae Marts, 3<sup>rd</sup> Corey Helmer, 4<sup>th</sup> Jake Terry, and 5<sup>th</sup> Randy Wells. The board then approved hiring the clerical position which resulted in Tedi Berthelot. The remaining clerical applicants were pulled for alternates as follows: 1<sup>st</sup> Amber Mobley, 2<sup>nd</sup> Brooke Guidry, 3<sup>rd</sup> Madison Kiger, 4<sup>th</sup> Molly Williams, 5<sup>th</sup> Olivia Boudreaux, 6<sup>th</sup> Arden Arceneaux, 7<sup>th</sup> Marley Duet, 8<sup>th</sup> Allison Brady, 9<sup>th</sup> Sarah Terrebonne, 10<sup>th</sup> Miranda Ledet, 11<sup>th</sup> Gavin Guidry, and 12<sup>th</sup> Aimee Crosby.

Upon motion by Cheramie and second by Griffin, with no public comment, the board voted to approve the request from Edison Chouest Offshore for a Landlord's Subordination and Estoppel Agreement for all companies. The vote resulted in 7 yeas, 1 absent, and 1 abstain by Gisclair.

Permits & Waterways Committee - The committee met on April 22<sup>nd</sup> in Fourchon with Chairman Cheramie, Griffin, Collins present and Gisclair absent. They also met on May 11<sup>th</sup> in Galliano with all present.



Chairman Cheramie presented for the board's review the permit applications from Louisiana Delta Farms Partnership, Lafourche Parish Government, Shoreline Southeast, James George, and Louisiana Delta Farms Partnership.

Construction & Development Committee - The committee met on April 22<sup>nd</sup> in Fourchon with Griffin present, and Vizier, Bruce and Gisclair absent. They also met on May 11<sup>th</sup> in Galliano with all present.

Upon motion by Bruce and second by Guidry, with no public comment, the board unanimously approved Change Order No. 6 an increase of \$67,354.06 from Johnson Bros. for the Slip C Bulkhead project.

Upon motion by Collins and second by Griffin, with no public comment, the board unanimously approved the Substantial Completion Certificate dated April 9, 2015 from Johnson Bros. for the Slip C Bulkhead project.

Upon motion by Collins and second by Cheramie, with no public comment, the board unanimously awarded the lowest responsive bid of \$959,500 from Crosby Dredging, LLC for the Slip D Bucket Dredge project.

Finance Committee - The committee met on April 22<sup>nd</sup> in Fourchon with Chairman Melancon, Gaudet present and Gisclair and Guidry absent. They also met on May 11<sup>th</sup> in Galliano with all present.

Upon motion by Gaudet and second by Collins, with no public comment, the board unanimously approved the payment of April invoices and recognized expenditures over \$10,000 which total \$3,193,363.72.

Gaudet opened the floor for any public comment and hearing for the adoption of the 2015 millage rate which is proposed to stay the same at 6.83 mills, with no public comment requested three times, the commenting period closed.

Gaudet presented for the board's consideration to adopt the millage rate for the tax year 2015 Gaudet then read the resolution out loud. *"Be it resolved, that the following millage(s) are hereby levied on the 2015 tax roll on all property subject to taxation by Greater Lafourche Port Commission 6.83 mills; Be it further resolved that the proper administrative officials of the Parish of Lafourche, State of Louisiana, be and they are hereby empowered, authorized, and directed to spread said taxes, as hereinabove set forth, upon the assessment roll of said Parish for the year 2015, and to make the collection of the taxes imposed for and on behalf of the taxing authority, according to law, and that the taxes herein levied shall become a permanent lien and privilege on all property subject to taxation as herein set forth, and collection thereof shall be enforceable in the manner provided by law."* Upon motion by Gaudet and second by Griffin, discussion followed stating this tax is used for port operations, maintenance, and improvements. A roll call vote resulted in 8 yeas by Cheramie, Gisclair, Gaudet, Vizier, Collins, Griffin, Guidry, Bruce with 1 absent by Melancon.

Gaudet then presented for the board's consideration approving the 2014 Financial Audit. Mr. Mark Felger, CPA with Lanaux & Felger presented to the board the highlights of the financial statements. He stated that there are 3 reports that are involved in the audit. The first report is the Independent Auditor's Report which resulted in an unmodified opinion which is the best one to get. This opinion states that the financial statements are presented fairly in all material respects in accordance to general accepted accounting principles. The second report is the Yellow Book Report also known as the governmental auditing standards which resulted in no compliance findings and no deficiencies in internal controls. The third report is the Single Audit Report resulted in an unmodified opinion on compliance with federal program requirements and no deficiencies in internal controls.

Some financial highlights are: net position of \$245.7 million (12% increase from 2013), annual operating revenues of \$26 million (1.1% increase), cash and cash equivalents of \$67.5 million (18.2% increase). The Port had operating profits of \$7.3 million (15.9% decrease from 2013), net income before



capital grants of \$12.2 million (5.6% decrease), capital grants of \$14 million and expense grants of \$600,000.

The total revenue and capital additions by source are identified on a graph as 58% of self-generated fees, 31% of state and federal capital construction grants, 9% of ad valorem taxes, 1% of state and federal operating & maintenance grants, and 1% of other. The total expenses and other uses of funds are identified on a graph as 53% of capital construction and purchased equipment, 15% of depreciation and disposal of assets, 12% salaries and benefits, 10% lease expense, 5% maintenance supplies and operating facilities, 4% other operating expenses, and 1% hurricane damage repairs. He then presented a bar graph that shows the difference from capital construction grants versus expenditures and in 2014 it shows that with \$17.3 million of construction approximately \$7 million was self-funded. The Port is financially secure and in good health.

Mr. Felger then presented a 2013 comparison chart to other ports of similar size to Fourchon such as Iberia, Lake Charles, St. Bernard, and Baton Rouge. This resulted in total assets ranking Fourchon with over \$240 million of assets second to the Port of Lake Charles at approximately \$365 million of assets. The comparison of net operating revenue generated by investments and fixed assets which looks at the total amount invested versus generated revenue leaves the Port at 34% profit margin for an annual return of 15.2% on investment which is very good.

Felger then presented the final graph that represents the future reporting requirements for LASERS unfunded liabilities that comes into play in 2015 GASBY #68. Governmental entities that participate in pension plans will be required to show on financial statements their share of the unfunded liability. Felger's estimate for the Port is approximately \$6 million. The unfunded liability continues to grow while the number of active employees shrink and the retirees grow. The Port will have to continue to increase funding percentage for active employees which has increased from 24.6% in 2012 to 36.5% in 2014. He stated that recently his job seem to be more of a compliance officer making sure that all the laws and regulations are followed by each company. Over the years, he has found that the Port sets a tone that they expect of their employees. He commended the board to continue to be proactive in compliance efforts. He then extended his thanks to the directors and staff for cooperation during the audit process.

Chiasson stated this report shows that the Port does have funding that we don't spend however we are knowledgeable and understand that not many entities have that. We also have a master plan that we are expected to spend \$300 to \$500 million over the next 20 years so the \$67 million that we have in the bank is not nearly enough to pay for the future project. We have a lot to do and a lot of opportunity. It is very important to us to continue to be good stewards of public money and achieve what needs to be done. Felger agreed that the only way the Port has grown in the last 18 to 20 years is because of how the Port manages funds and being forward thinkers. Griffin also stated that the people of the 10<sup>th</sup> ward should be congratulated since they taxed themselves for this Port. Upon motion by Gaudet and second by Griffin, with no public comment, the board unanimously approved the 2014 Financial Audit.

Upon motion by Gaudet and second by Collins, with no public comment, the board unanimously approved the out of state travel request from Jon Callais to attend the AAPA Port Security Seminar in Virginia on July 21<sup>st</sup>.

Upon motion by Cheramie and second by Collins, the board adjourned the meeting at 11:38 AM.

ATTEST:



Perry Gisclair, President



Harris "Chuckie" Cheramie, Jr., Secretary