Minutes of the Regular Meeting of the Board of Commissioners of the Lake Charles Harbor and Terminal District held at 5:00 P.M., Monday, May 20, 2019 in the Boardroom of the Port of Lake Charles located at 1611 West Sallier St., Lake Charles, Louisiana.

In attendance and constituting a quorum, were:

Michael G. Eason, President

John LeBlanc, Vice President

Elcie J. Guillory, Secretary/Treasurer

David J. Darbone, Assistant Secretary/Treasurer

Dudley R. Dixon, Commissioner (arrived at 5:10 p.m.)

Carl J. Krielow, Commissioner

Thomas L. Lorenzi, Commissioner

Absent:

 None

Also Present:

 Bill Rase, Executive Director

 Richert Self, Deputy Executive Director/Director of Administration and Finance

 Michael K. Dees, General Counsel

Jon Ringo, Assistant General Counsel

Regan Brown, Assistant Director of Navigation

 Nik Pestello, Director of Engineering, Maintenance and Development

 Todd Henderson, Director of Operations

 Michelle Bolen, Executive Administrative Assistant

Mr. Eason called the meeting to order at 5:00 P.M. and asked Mr. Guillory to give the invocation. Mr. LeBlanc led the Board and audience in the Pledge of Allegiance.

Mr. Eason asked if there were any public comments regarding any items on the agenda. Three people asked to address the Board.

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 GFOA AWARD

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Mr. Eason and the Board members congratulated Mr. Self and staff for outstanding achievement upon receiving the GFOA award yet again. This is the 18th year in a row the Port has been recognized for their work.

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1. Approval of the March 25, 2019 Regular Meeting Minutes.

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Mr. LeBlanc offered a motion to approve the March 25, 2019 Regular Meeting Minutes. Mr. Krielow seconded the motion and it carried unanimously.

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2. Submission 2019 – 009 approving and levying for the tax year 2019 an ad valorem millage rate of 2.53 mils.

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Mr. Rase stated this is not a reassessment year so they will keep the same percentage that they have had in the past. This is the different levels of how the properties are assessed in the District. It will make a little bit of difference in the amount of money that the Port is able to receive. Next year will be the reassessment year where they will take a look at the millage itself. This is a standard procedure to move forward with the adoption of the millage.

Mr. Guillory offered a motion to adopt Resolution 2019 – 009 to approve and levy for the tax year 2019 an ad valorem millage rate of 2.53 mils. Mr. Darbone seconded the motion and it carried unanimously.

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3. Submission 2019 – 010 authorizing the District to enter into a professional services contract with Gahagan & Bryant Associates, Inc. for consulting services.

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Mr. Rase stated that Gahagan & Bryant have been the Port’s go to people for the channel and dredging situations for a number of years. They actually help develop the DMMP, which the Port now works under with the CORPS of Engineers. He asked to continue with that particular contract for the next period. They do have a cap on the amount of work they will do for the Port of $110,000. Each activity is looked at in a different vein, but they have been really successful. Staff has checked them out looking at different ports throughout the country and all of them have been very satisfied with the work Gahagan & Bryant has done.

Mr. Darbone offered a motion to adopt Resolution 2019 – 010 to authorize the District to enter into a professional services contract with Gahagan & Bryant Associates, Inc. for consulting services. Mr. Lorenzi seconded the motion and it carried unanimously.

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4. Submission 2019 – 011 accepting the responses of the Louisiana Compliance Questionnaire.

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Mr. Rase said he would turn this over the Mr. Self, but it is something that has to be approved each year as part of the Port’s audit.

Mr. Self stated that as part of the standard audit, every year they have to go through a standard Louisiana Compliance Questionnaire for governmental entities. It goes through questions such as the name of the people on the Board, what are their terms, are they appointed, did you comply with the state bid law, did they have the budget approved and submitted to the Board. Things such as that. They go through it and answer the questions yes or no and the auditors will step back in and audit this Questionnaire as part of the regular audit. They do it every year.

There was only one issue that they found and they will discuss it further in June. There was a lack of documentation for some hours for employees. What the Port has done since that time, is started a time clock and that will improve and enhance internal controls to the point where they should not have any more issues.

Mr. Krielow asked if the issue with hours will be discussed in the audit. Mr. Self replied that it would.

Mr. LeBlanc offered a motion to adopt Resolution 2019 – 011 to accept the responses of the Louisiana Compliance Questionnaire. Mr. Lorenzi seconded the motion and it carried unanimously.

Mr. Eason recognized Mr. Raymond Dallas, ILA 2047 President, to address the Board.

Mr. Dallas stated that regarding the saying, the squeaky wheel gets the grease, he is squeaking again. He invited a couple of guys to show up. They just want to be a part of the Port of Lake Charles like they always have been. He does not want to come in here and have unfair statements. He just wants to speak from the heart and what he knows without a fact is they are not in competition with other ports in their area. The other ports have no bagged goods. He was told the bagged goods are limited. There is hardly any USDA. When they do get the private sale, it falls into their lap. It is nothing the stevedores or the Port does. They just happen to get it. He said Mr. Rase made a comment to him a couple of months ago that they need to be more viable. He could not agree more. When you work 3 – 4 months or one ship every three months, it is hard to be viable. He asked that the Port also be viable and work and try to see what these other ports are doing and let us get into a more competitive field. If they are lowering dockage and wharfage fees or giving free storage – he cannot believe that they cannot be in competition with Beaumont and Port Arthur. They have no bagged goods, but they are booming. Warehouses are slammed full. Ships are waiting in line to get into these ports. He knows they have a great facility here also. In his opinion, these guys working now, it is not wages they are working for, it is insurance. Everyone is having trouble providing insurance for their family. The last ship they had was March 5. March 5. If they paid this administration or anyone else on this staff for when a ship hits City Docks, they would be looking for other jobs also. They do not want to look for other jobs. This is their home. The Port has created a competition thing out here. When they asked for competition, they had some Commissioners tell them no. It is not good. When other companies come here and want competition, the same people say it is good now. They all know what is going on and they would like a little more cooperation and more meetings and let us see what they can do to get the longshoremen back to work in the Port of Lake Charles because working a ship every 4 or 5 months, it is impossible to be viable. He thanked the Board.

Mr. Eason called upon Mr. D. J. Gallow to address the Board.

Mr. Gallow, ILA 2047 worker, stated he has been a longshoreman for over 47 years. This is one of the worst years that they have ever had for man hours. He saw on TV that the Port is number 15 in the nation, but as far as man hours, they are bottom line. In order to have insurance for their families, they have to go to work. They have not had any ships come in here. The Dock Board needs to do something with the stevedore companies. They need to get together and do something to help them bring some ships in this Port. This is the only job a lot of them have this year. They do not want to go anywhere else. If the Port gets some ships in here, they can make their insurance for their family and they can make a living. This is a part-time job for them. They want to do it this way because they have been doing it and they love doing it. But the Port has to help them. They cannot do it on their own. So, the Port needs to put an effort to help bring some ships here. If it is to get some more stevedore companies in here to the Port, then the Port needs to do what they have to do to help them. He thanked the Board.

Mr. Eason called upon Mr. Lash Chretien, ILA 1998 President, to address the Board.

Mr. Chretien stated the last ship they had was March 5. The stevedores cannot tell us and the Port cannot tell us when they will get another ship to come here. The warehouses are completely empty. Completely empty. There is not a stitch of cargo on the docks. So, if they are going to get a ship, it will take a month to put the cargo on the dock before they can go to work on it. Summertime is coming up. The Port has a hell of a sales staff and apparently a big payroll too. The stevedores say they have staff and stuff all over the place. They must not be trying to sell Lake Charles. They cannot say who ran G2O out of here, who used to be Gearbulk. They have so much cargo in Port Arthur for Gearbulk, they do not have a place to put it. The Port had them here. He does not know why they lost it. It sure was not wages, because they were two dollars cheaper and now are three dollars cheaper. The others received a dollar raise in October. So, they are three dollars cheaper than the others. Here they are at $17.50 and the others are at $20.50. So, they are doing their share. When Port Arthur gets the Gearbulk ships, they have to go over there and load it for them. It is not the labor. There are not but two places left. It is the stevedores or the Port. He does not know if they jacked their rates up or what has been done. These are things and they need to come up with some answers. They cannot wait until they have a big private sale of just rice again. This has been going on for a long time. They said they were going to try to get other cargo. Someone else is getting other cargo if Port Arthur is full. There is some of everything over there. Beaumont has all kinds of stuff. They have the army, wood pulp and everything they have. He cannot say it is the railroad because Port Arthur has only one railroad too. So, it is not that. They need help. Their people will not have insurance and they will be the ones at Charity hospital or having to go to New Orleans or someplace like that. It is tough. He thanked the Board.

Mr. Guillory asked Mr. Chretien about a ship goes somewhere and they have to where to unload it. Mr. Chretien replied that the same ships that were coming to Lake Charles are going to Port Arthur. Mr. Guillory asked if there was a reason for it. Mr. Chretien replied that he has been trying to find that out. There are not but two places that can tell them the real deal. That is the stevedores and the Port. If they had told them it was that crucial, they might could have gotten together and met with G2O. This customer has been here for the last 10 years and they just up and left. Ten years. That was their only captive business they had here. They had a ship every month. It would be here 4 – 5 days and they would make good money. That is gone. The last ship that was in the Port was March 5. They have not had anything. No cargo on the docks.

The only ship they had here in the last month was a Gulf Stream ship. He has been trying to call the man from Gulf Stream for the longest to talk to see if they can talk and work something out. They are bringing in all out of town people to do the work. All out of town people. When the ship was working you could see that most of them were bussed in here in vans. They cannot do anything about anything.

Mr. Guillory asked if they had bussed them in here lately. Mr. Chretien said they were. This happened last week. He called the Port Director. He told him he was going to try to get in touch with the man so he could try and meet with him. It does not make sense. The only ship that came in the last three months was a ship that does not want to use them or talk to them about it. It is all Mexicans and stuff. Mr. Guillory asked if it was Gulf Stream. Mr. Chretien said it was.

Mr. Darbone stated it was tough for anyone to try and raise a family and pay your bills when you do not work for 3 – 4 months. He appealed to the Commissioners to try to come up with something that they might be able brainstorm or something.

Mr. Krielow spoke to Mr. Chretien, but said Mr. Dallas or both could answer. They are obviously, as he understands it, going over there and working ships in other ports where the business went. Do they have any ideas, absent the competition issue that the Board fought a year to try and implement that the Board has decided that they wanted to go with the exclusive deal at City Docks. Absent that, are there any solid, constructive ideas or information that they have that could help in figuring out how they capture some business?

Mr. Chretien replied that Mr. Mark Abraham, when he was on the Board, brought this up in a meeting. He said he did not understand why they do not have the cheapest dockage, cheapest wharfage and cheapest warehouse storage than anybody. He said anything that creates jobs for the longshoremen. He said they did not need to make money at City Docks because they make enough at all of the casinos and BT-1.

Mr. Chretien said this is the richest port out of all these ports around here. The Port can create some jobs if they want.

Mr. LeBlanc asked Mr. Chretien what if they put together a committee or a meeting, and we bring him and some of the leadership in and sit down with the Port and bring in their ideas – what they think is plausible or can happen. He said they would take a look at it and asked Mr. Rase to facilitate this meeting to sit down and bring it in. Mr. Chretien said that was great. Mr. LeBlanc said to bring their ideas to say these things, they feel, will help us generate more business. He knows they have already talked about, “Well, we think competition,” but they have already gone through that. Come to the table with some ideas that they can look at and say, “Yea.” They may not agree with any of them, but if they come to the table with some ideas that they can bring forward and say, “Hey, we think this is what it is going to take to bring ships back, bring cargo back,” they will entertain anything and everything because everyone here feels the same way. No one wants to see anybody is in distress because they do not have work going on. Mr. Chretien stated that he appreciated that.

Mr. LeBlanc said that if they can generate more work here, bring some ideas to the table and bring some good ideas and sit down at the table and talk about which ideas they think will make it and give reasons why they think they can do it. If there are some ideas where they say no, then they will give some reasons why they cannot do it. He said Mr. Chretien was talking about cutting wharfage and things like that. The reality of that is that sometimes there is a domino effect to that that affects a lot of things. So, do not be alarmed if they say this is the reason why they cannot do this. They need to understand, they will give them the reasons. Come with some solutions. He encouraged Mr. Rase and staff to come up with some ideas as well. They put them all out there and ask what can they work with. At the end of the day, hopefully they can come up with some things that they can put to the table and yes, they can make this happen. Or at the end of the day, none of these things are going to work. They just need to understand what the driving issue is behind this. He suggests they sit down sooner than later and look at and put something together. Mr. Chretien stated they are free anytime.

Mr. Krielow stated Mr. Rase discussed about having some Board members in attendance. He knows you cannot have the whole Board, but two or three of the Board members with staff and labor to have discussions and what can or cannot be done.

Mr. Rase stated that first they will get the meeting together and can have maybe two Board members. He does not want at all to get this to be something where they cannot be open and free to discuss different things. He will leave this up to the President to figure out how they want to handle it. It is no problem having the meeting.

Mr. Chretien stated he appreciated what they are doing.

Mr. LeBlanc said for them to come up with some ideas and bring them to them to see what they can do and think outside the box. What can they do and put those ideas together and come to them and present them to them. The Board can look at what they have to offer and what the Port can do here and make an educated decision on where they need to move forward.

Mr. Dixon said Mr. LeBlanc mentioned putting a committee together. Mr. LeBlanc was not sure about putting a committee together. Mr. LeBlanc said the President could appoint two people. Mr. Krielow said up to three. Mr. Dixon asked if Mr. LeBlanc would make that in the form of a motion and put in on the agenda.

Mr. Rase said they were going to form a focus group. He does not think they want to go much further than that. Mr. Eason said it was for discussion only. Mr. LeBlanc agreed. No action would come out of it. It would be just discussion and they could then bring something to the Board. If they just have a meeting where they hash things out because if they put a committee together, there has to be a public meeting. He suggested to just go to the conference room and put in a few ideas and get a white board and start saying what do you think we can do and help us with and start systematically going through each and everything. Then the Board can say that is a great idea and we can work on this or no they cannot do this and this is the reason why.

Mr. Eason suggested Mr. Chretien pick a couple of people on their end, he will pick a couple of people on this end along with staff. Mr. Rase or someone will get back with them.

Mr. Dallas said to Mr. Krielow that hearsay is one thing. He does not have any data in front of him, but Port Arthur, not sure about Beaumont, but Port Arthur has adjusted their dockage and wharfage. He knows it is not free. There was a time this Port did a whole lot of things to be more attractive to the carriers. They are not asking that they go back 20 years and do what they used to do, but he believes in his heart there has to be something they can do to meet in the middle. Storage fees – like Mr. Chretien said Mr. Abraham mentioned many years ago that City Docks is very important to the longshoremen. He knows L’auberge and Golden Nugget, Sasol and LNG is very important and BT-1 are the revenue of the Port of Lake Charles. With Mr. Self getting the commendation, he know the Port is doing great money-wise. They are just asking to be part of the Port of Lake Charles like they use to be. He addressed Mr. LeBlanc that they will discuss a lot of things, just not today, but he would like this to get moved upon as soon as possible. Mr. LeBlanc agreed.

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 5. Executive Director Quarterly Expenses Briefing Note

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The February 2019 Financials Briefing Note was rendered to the Board and is on file in the Executive Offices.

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 6. Forecast I Financials Briefing Note

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The Forecast I Briefing Note was rendered to the Board and is on file in the Executive Offices.

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 7. April 2019 Financials Briefing Note

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The April 2019 Financials Briefing Note was rendered to the Board and is on file in the Executive Offices.

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 8. Monthly Staff report from Deputy Executive Director Monthly Report.

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The Deputy Executive Director’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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 9. Monthly Staff report from Director of Navigation.

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The Director of Navigation and Security’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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 10. Monthly Staff report from Director of Operations.

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The Director of Operations’ Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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 11. Monthly Staff report from Director of Marketing and Trade Development.

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The Director of Marketing and Trade Development’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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12. Monthly Staff report from Director of Engineering, Maintenance, and Development and Security.

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The Director of Engineering, Maintenance, and Development and Security’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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 13. Monthly Staff report from the State Port Lobbyist.

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The State Port Lobbyist’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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 14. Executive Session and appropriate action in any of the following matters:

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Mr. Eason asked for a motion to enter into Executive Session. Mr. Guillory offered a motion to enter into Executive Session. Mr. Krielow seconded the motion and it carried unanimously.

The Board entered into Executive Session at 5:31 p.m.

* Suit against the Port of Lake Charles – Suit No. 2013-001091- 14th JDC, State of LA.
* Suit against the Port of Lake Charles – Suit No. 2014-004268-14th JDC, State of LA.
* IFG Port Holding, LLC vs LCHTD – Case: 2:16-cv-00146 U S District Court, Western District of Louisiana, Lake Charles Division.
* LCHTD vs IFG Port Holding, LLC – Case: 2:16-cv-00785 U S District Court, Western District of Louisiana, Lake Charles Division

The Board returned from Executive Session at 6:02 p.m.

Mr. Eason stated no action was taken in Executive Session.

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15. Other Matters which may properly come before the Board.

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There being no further business to come before the Board, Mr. Eason asked for a motion to adjourn. Mr. LeBlanc offered a motion to adjourn and Mr. Darbone seconded the motion and it carried unanimously. The meeting adjourned at 6:02 p.m.

All discussions held on the above items were recorded using the FTR Gold program, and saved on the District’s main file server in the District’s office.

Please note that when the votes are shown as unanimous, it is the policy of the Board that the President does not vote except in the event of a tie vote by the rest of the Board and/or unless otherwise indicated.

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 MICHAEL G. EASON, President

ATTEST:

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ELCIE J. GUILLORY, Secretary/ Treasurer