

MISSISSIPPI PORT AUTHORITY

BOARD OF COMMISSIONERS

REGULAR MEETING

September 26, 2013

Minutes of the Mississippi State Port Authority Board of Commissioners Meeting,
Thursday, September 26, 2013, 2510 14th Street, Suite 1500, Gulfport, Mississippi at
which the following Commissioners and staff were present:

Commissioners: James C. Simpson, Jr., President
John Rester, Vice-President
Jack Norris, Secretary
E.J. Roberts, Treasurer
Robert J. Knesal, Commissioner

Staff: Jonathan Daniels, Executive Director/CEO
Matthew Wypyski, Chief Operating Officer
Joe Conn, Director of Port Restoration
John Webb, Deputy Director - Engineering
Dale Waltman, Deputy Director - Operations
Bill McGhee, Deputy Director - Facilities
Mary Bourdin, Deputy Director - Finance
Kim Purchner, Executive Assistant/HRO
Nick Foto, Finance Manager
Angie Short, Contract Administrator

Ben Stone, Legal Counsel
David Duhe, Legal Counsel

Others: Denton Gibbes, The Gibbes Company
Lon Elledge, CH2MHill
Brian Varnado, T.L. Wallace
Duane Wilson, DuPont
John Oliver, QES
Christine Brice, Election Committee
Christiana Hassin, Watkins & Eager
Phillip Carter, MDA
Howard Page, Steps Coalition
Shorty Sneed, Stewart Sneed Hewes
Robert Boone, RFB, LLC
Heather Megehee, Yates Anderson JV
Jay Carney, T.L. Wallace
Glenn Cobb, Pathways Committee
Marcia Crawford, HCDC
Melissa Powell, MDA-Horne
Anthony Thompson, Kingdom JCDC/COAAC
Cathy B. Mackenzie, Island View Casino & Resort
Lisa Hathorn, The Gibbes Company
Jerry Levens, Alexander & Van Loon
Michael Costelli, Simpkins & Costelli
Skeeter McClure, Volkert, Inc.
Randall Love, T.L. Wallace
Steve Twedt, Neel Schaffer
Clevis O'Brian
Mark Schloegel, Stewart Sneed Hewes

Bruce Newton, Digital Engineering
 Jayla Simms, Kingdom ICDC
 Councilman Truck Casey

Commissioner Simpson noted the presence of a quorum and called the meeting to order at approximately 8:30 a.m.

The Pledge of Allegiance was led by Commissioner Simpson.

PUBLIC COMMENTS:

Christine Brice, Election Commissioner for District 4, commented on her concern for jobs.

Howard Page, Steps Coalition invited the Commissioners to a Community Meeting on September 26th at 7:00 p.m. regarding the possibility of construction of a concrete plant. Mr. Page also had a question regarding the job number that was reported.

The annual audit report/presentation was given by Jerry Levens of Alexander, Van Loon & Levens regarding Fiscal Year 2013.

Commissioner Rester moved to approve the August 8th and August 26th minutes. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Roberts moved to approve travel (Sept. 17-18/ Daniels to Jackson, MS; Sept. 19-20/ Webb to Atlanta, GA; Sept. 22-23/ Daniels to West Point, MS; Oct. 13-17/Daniels, Wypyski, Roberts, Simpson to Orlando, FL; Nov. 6-8/ Webb to Vancouver, BC). Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Roberts moved to approve the disbursements listed below. Commissioner Knesal seconded and the motion was unanimously approved.

DISBURSEMENTS THROUGH AUGUST 22, 2013
 BILLS FOR THE MONTHS OF AUGUST AND SEPTEMBER 2013 APPROVED AND PAID
 FROM THE GROSS REVENUE FUND OF THE MS STATE PORT AUTHORITY AT GULFPORT

CHK#	VENDOR	DESCRIPTION	CHK AMT
47168	Advanced Disposal Service	Waste Removal/Portable Restroom Svcs.	759.03
47169	AFLAC	Employee Deductions	1,020.46
47170	AirGas Gulf States	Oxygen Cylinder Rental	33.18
47171	Mary Bourdin	Travel Expenses	258.51
47172	City of Gulfport	Water	6,488.46
47173	C Spire Wireless	Radio/Cell Phone Services	1,374.95
47174	Jonathan Daniels	Travel Expenses	1,377.80
47175	Delta Sanitation of MS., LLC	Waste Removal Services	490.00
47176	State School Insurance Fund	Employee Deductions	12,867.52
47177	DFA - Office of Insurance	FY 2014 Unemployment Insurance	4,765.00
47178	Emerald TC. LLC	Accounting Software Conversion Services	277.50
47179	Federal Express Corp	Express Mail Services	83.64
47180	Fuelman	Fuel for MSPA Vehicles	768.72
47181	The Gibbes Company	Professional Services	35,605.44
47182	W.W. Grainger, Inc.	Maintenance Supplies	18.90
47183	Gulf Coast Business Supply Inc.	Laminating Film for Windshield Passes	159.84
47184	Hancock Bank	September Lease 14th Floor	14,432.24
47185	J.H. Haynes Electric Co., Inc.	Labor & Parts to Repair High Mast Lights	9,069.05

47186	HRdirect	Employment Posters	64.99
47187	Hancock Bank	September Lease 8th Floor	5,241.35
47188	Lee Tractor Co., Inc.	Repair Parts for John Deere Tractor	774.52
47189	Maritime Defense Strategy, LLC	Security Training	3,450.00
47190	Lucille Morgan & Associates	Transcription Fees	466.50
47191	MS Dept. of Human Services CRDU	Employee Deductions	117.70
47192	MS Pub. Employees Credit Union	Employee Deductions	480.00
47193	MSPA Petty Cash Fund	Replenish Petty Cash	73.98
47194	MS State Tax Commission	Employee Deductions	6,081.00
47195	Northern Tool & Equipment Co.	Parts for John Deere Tractor	160.57
47196	Pine Belt Oil Co., Inc.	Diesel	1,359.60
47197	Ports America, Inc.	Maintenance on Cranes	13,884.39
47198	Legal Shield	Employee Deductions	14.96
47199	Performance Tire & Wheel, Inc.	Replace Tire on Unit #8	146.17
47200	Redd Pest Solutions	Pest Control Services	365.00
47201	Ronnie's Automotive & Tow Ser.	Oil Change on Unit # 2	42.00
47202	Sage Software, Inc.	Software Support	1,025.24
47203	Southern Printing & Silkscreen	Signage	1,000.00
47204	Specialty Hose & Fabrication	Hydraulic Hose for Caterpillar Back Hoe	139.47
47205	State Dept. of Audit	Statewide Testwork	85.91
47206	The Sun Herald	Advertising	63.42
47207	Swetman Security Services, Inc.	Security Guard Services	22,353.38
47208	United Concordia, Inc.	Employee Deductions	839.98
47209	WESCO	Fuses for High Mast Lights	148.00
47210	Matthew Wypyski	TWIC Card Renewal	129.75
TRANSFERS			
08/08/13	Deferred Compensation	Employee Deductions	3,349.67
08/09/13	Federal Tax Deposit	Payroll Tax Deposit	22,075.37
08/13/13	MS Department of Revenue	July Sales Tax	3,930.00
Total			<u>\$ 177,713.16</u>

FINAL CHECKLIST FOR SEPTEMBER 26, 2013

BILLS FOR THE MONTHS OF SEPTEMBER AND OCTOBER 2013 APPROVED AND PAID
FROM THE GROSS REVENUE FUND OF THE MS STATE PORT AUTHORITY AT GULFPORT

CHK#	VENDOR	DESCRIPTION	CHK AMT
47261	American Assoc. of Port Auth.	Registration Fees	3,000.00
47262	Kentwood Springs	Drinking Water	134.24
47263	AFLAC	Employee Deductions	1,020.46
47264	AirGas Gulf States	Oxygen Cylinder Rental	33.18
47267	Champion Chrysler	Part to Repair Unit 1	121.60
47268	Sun Coast Business Supply	Office Supplies	326.02
47269	Clarion Ledger	Advertising	989.85
47270	RJ Young	Copier Maintenance Agreements	2,304.39
47271	C Spire Wireless	Radio/Cell Phone Service	1,497.84
47272	Daily Equipment	Part to Repair Forklift	1,340.54
47273	Jonathan Daniels	Travel Expenses	632.22
47274	State School Insurance Fund	Employee Deductions	12,867.52
47275	Eagle Energy, Inc.	Diesel	9,717.00
47276	Express Services, Inc.	Temporary Labor	2,035.44
47277	Federal Express Corp.	Express Mail Services	766.04
47278	Fuelman	Fuel for MSPA Vehicles	515.64

47279	The Gibbes Company	Professional Services	38,595.79
47280	W.W. Grainger, Inc.	Paving Material, Maint. Vests and Supplies	2,722.93
47281	Van Grundmann	Registration Fee	280.00
47282	Gulf Coast Business Supply Inc.	Office Supplies	380.90
47283	Hancock Bank	October Lease 14th Floor	14,432.24
47284	Harbor Square Parking Garage	Quarterly Parking 14th Floor	2,697.18
47285	Hancock Bank	October Lease 8th Floor	5,241.35
47286	Robert J. Knesal	Per Diem	80.00
47288	Lowe's Home Center, Inc.	Maintenance Supplies	323.02
47289	Maximum Auto Parts	Freight	20.00
47290	MS State Tax Commission	Employee Deductions	6,055.00
47291	Tort Claims	FY 2014 Tort Claim Assessments	11,311.18
47292	Jack Norris	Per Diem	40.00
47293	Hurricane Electronics	Radio Chargers	102.00
47294	Piltz, Williams, LaRosa & Co.	Grant Administration Services	180.00
47295	Ports America, Inc.	Maintenance on Cranes	4,271.88
47296	Legal Shield	Employee Deductions	14.96
47297	Puckett Machinery Company	Safety Shoes	162.95
47299	Eluse J. Roberts	Per Diem	40.00
47301	James C. Simpson, Jr.	Per Diem	80.00
47302	Swetman Security Services, Inc.	Security Guard Services	22,179.50
47303	United Concordia, Inc.	Employee Deductions	839.98
47304	Dale Waltman	Business Expense	33.61
47306	John Webb	Travel Expenses	577.81
47307	Harbor Square Parking Garage	Quarterly Parking 8th Floor	672.90
TRANSFERS			
9/19/13	Deferred Compensation	Employee Deductions	3,349.67
9/20/13	Federal Tax Deposit	Payroll Tax Deposit	21,411.77
9/25/13	Public Employment Retirement	Retirement Match and Withheld	42,342.90
			42,342.90
Total			\$ 215,741.50

Commissioner Roberts moved to approve the Port User Licenses, pending receipt of all fees and insurance documents. Commissioner Knesal seconded and the motion was unanimously approved.

The following items were approved:

RENEWAL LICENSES:

Vendor: Alliance Supply Management. LTD

Steamship Agents: Christian Bay Shipping/dba Fillette, Green Shipping Services; Wilhelmsen Ship Service

NEW LICENSES:

Vendor: Henry Marine Service, Inc.

Commissioner Rester moved to approve cash request #61 - L&A Constructing (\$1,436,788.13); QES (\$2,271.59); MSPA (\$23,664.35); RFB, LLC (\$6,800.00); Anchor QEA (\$24,034.77); Atwell & Gent (\$60,229.62); Thompson Engineering (\$41,549.20); Atkins (\$60,395.59); Volkert (\$6,277.88); CH2MHill (\$308,652.61) for a subtotal of \$1,970,663.74. Commissioner Knesal seconded and the motion was unanimously approved.

Commissioner Roberts moved to approve the following progress payments: BMA (\$162,211.32); BMI Environmental (\$12,346.26); Lanier & Associates (\$15,100.70); QES (\$11,790.00); Rod Cooke Construction (\$110,822.20); W.C. Fore Trucking (\$191,744.44). Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Norris recused himself and left the meeting.

Commissioner Rester moved to approve payment of \$106,120.00 to Yates Anderson JV (under Restoration Agreement Request #61), for a total of \$2,076,783.74; Progress Payment to Balch & Bingham of \$44,778.08. Commissioner Knesal seconded and the motion was unanimously approved.

OLD BUSINESS:

Commissioner Rester moved to approve Amendment No. 1 to Task Order No. 11 under Contract No. 010-HUD-006; Yates Anderson JV (Construction Management). Amendment No. 1 increases the duration from 150 days to 260 days with no change to cost or scope. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Norris returned to the meeting.

Commissioner Roberts moved to approve Amendment No. 2 to Task Order No. 9; Contract No. 010-HUD-011 with Anchor QEA (Dredging Design and Services). Amendment No. 2 closes Task Order No. 9 with a de-obligated amount of \$148,673.72. Commissioner Knesal seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 1 to Task Order No. 14; Contract No. 010-HUD-001 with Neel Schaffer (General Engineering & Design). Amendment No. 1 closes out Task Order No. 14. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Roberts moved to approve Amendment No. 1 to Task Order No. 24; Contract No. 010-HUD-001 with Neel Schaffer (General Engineering & Design). Amendment No. 1 extends the task order from 165 days to 260 days with no change to costs or scope. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Knesal moved to approve Amendment No. 3 to Task Order No. 4; Contract No. 010-HUD-013 with Atwell & Gent (Electrical Design Services). Amendment No. 3 closes out Task Order No. 4. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Roberts moved to approve Amendment No. 3 to Task Order No. 5; Contract No. 010-HUD-003 with QES (Construction Materials Testing). Amendment No. 3 closes Task Order No. 5 with a de-obligated amount of \$270,550.39. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Knesal moved to approve Amendment No. 5 to Contract No. 010-HUD-007 with Volkert, Inc. (Environmental Services). Amendment No. 5 increases duration from 4 to 5 years with no change to scope or contract value. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 2 to Task Order No. 8; Contract No. 010-HUD-007 with Volkert, Inc. (Environmental Services). Amendment No. 2 has an increase in costs from \$75,000 to \$150,000 and increase duration by 365 days. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Knesal moved to approve Amendment No. 10 to Contract No. 011-HUD-014 with Atkins North America (3rd Party EIS); Change Order No. 1 has a cost increase of \$32,492.00 and modifies the scope in support of an Expanded Environmental Justice

Assessment for the EIS and there is no change in duration. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Roberts moved to approve Change Order No. 1 to Contract No. 011-HUD-018 with L&A Contracting Co. for the west pier upgrade. This change has an increase in costs of \$19,741.53 with no increase in duration. Commissioner Rester moved to approve and the motion was unanimously approved.

NEW BUSINESS:

Commissioner Rester moved to approve the FY13 Audit as presented by Jerry Levens. Mr. Levens and the MSPA Finance Department were commended for the great job they do and also verified that Mr. Levens had been performing the audits at the port for 20 years. Most importantly, in all those 20 years we have had clean audits with no material findings. Commissioner Knesal seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Task Order No. 13; Contract No. 010-HUD-011 with Anchor QEA (Dredging Design and Services). Task Order No. 13 has a not to exceed amount of \$97,000.00 and a scope of 10 dives. The duration is 499 calendar days. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Rester moved to approve a letter of intent with the U.S. Army Corps of Engineers regarding operations and maintenance dredging. This letter of intent proposes a one-time contribution from MSPA, not to exceed \$8 million. Commissioner Norris seconded and the motion was unanimously approved.

Commissioner Rester moved to authorize negotiations toward a memorandum of understanding with a potential customer that is engaged in the maritime industry and would utilize port property. Commissioner Roberts seconded and the motion was unanimously approved.

COMMUNICATIONS UPDATE:

The community port tours were extremely successful with a large turnout of 185 people, despite the rain. Thanks go to Director Daniels and the port management staff for their assistance.

The port is currently on Twitter using “@portofgulfport”.

The port audits, dating back to 2003, are now posted on the port’s website.

PATHWAYS TO THE PORT UPDATE:

Job descriptions and organizational charts have been received from all port tenants, the ILA and stevedoring companies. Letters of Intent have also been received from six key training providers.

PORT RESTORATION UPDATE:

The final design of the port will be complete by December of 2013.

We are still working on the final procurement package for the cranes and hope to issue a RFP in the month of November.

Sheet piles and land side test piles are ongoing on the wharf upgrade. The Shore Protection project work will start in mid-December and the PVD Completion Project will begin next week.

OPERATIONS REPORT:

Matthew Wypyski reported on the monthly maritime activity:

Vessel calls	Vessels	15		Truck Count	6,226
	Tugs	19		Railcar Count	515
	Barges	58		TEU's	15,563
				Tonnage (short tons)	170,172

EXECUTIVE DIRECTOR'S COMMENTS:

The recent Trade Mission to Chile and Brazil was very successful and many thanks go to Governor Bryant and Gulfport Mayor Billy Hewes for their participation. Director Daniels met with several companies with a focus on breakbulk, container and ro/ro cargoes. In addition, the potential exists for the Port and the City of Gulfport to develop a relationship with our counterparts in Rio de Janeiro which could lead not only to enhanced trade opportunities, but also to cultural and educational exchanges.

As mentioned earlier, the Port held tours on Sept. 21st for the public to get an inside look at the site and gain insight to the Port's existing operation. With the solid turnout and general enthusiasm, it is anticipated that we will conduct tours again in the future.

Director Daniels attended the groundbreaking ceremony in West Point, MS for the Yokohama tire production facility. This is not only important for the state, but could be advantageous for the Port as we will be active in attempting to gain the rubber import activities.

On September 18, a presentation was made to the Joint Legislative Budget Committee regarding part of our 2015 request.

Two Legislative Briefings were held, one in Jackson and one in Gulfport, informing those in attendance the status on the Restoration Project.

We are working closely with the US ACE regarding a program to get the channel back to authorized depth in the next dredging cycle. We are discussing an option to have the Port step in with an investment match against a federal allocation to conduct a project to dredge our channel.

A letter was received from Stuart Jablon, Vice-President of Dole, reporting that Dole is coming upon their 50th anniversary at the Port of Gulfport and he is looking forward to the completion of the West Pier expansion where Dole's new facility will be able to accommodate a sister ship to the three vessels currently in their schedule.

GENERAL COUNSEL'S COMMENTS:

Ben Stone had no comments.

MDA'S COMMENTS:

Daron Wilson had no comments.

COMMISSIONER COMMENTS:

Commissioner Simpson complimented the full design team and noticed their "heavy lifting" to get the schedule completed. He also thanked Governor Bryant and Mayor Billy Hewes for their assistance in promoting the Port of Gulfport during their recent travels to Chile and Brazil. Commissioner Simpson also recognized Restoration Director Joe Conn and Executive Director Jonathan Daniels for keeping the numerous restoration contracts under budget and using less time.

Commissioner Rester moved to close the meeting to determine the need for Executive Session. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Roberts moved to enter Executive Session to discuss real estate matters (Island View) and personnel matters. Commissioner Rester seconded and the motion was unanimously approved.

(THE BOARD OF COMMISSIONERS ENTERED INTO EXECUTIVE SESSION AT APPROXIMATELY 9:30 A.M.)

Commissioner Simpson stated that no action took place during Executive Session

Commissioner Roberts made a motion to suspend the rules and add three agenda items (Island View Lease, use of the Construction Management at risk method of procurement for the DuPont project and a personnel matter). Commissioner Knesal seconded and the motion was unanimously approved.

Commissioner Rester moved to give authorization to the Executive Director to execute the personnel matter as discussed by Commissioners. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Rester moved to adopt Resolution No. 13-03 regarding construction management at risk in connection with the DuPont facility. Staff will proceed with a draft RFQ for these same services for consideration at the October Board Meeting. Commissioner Roberts seconded and the motion was unanimously approved.

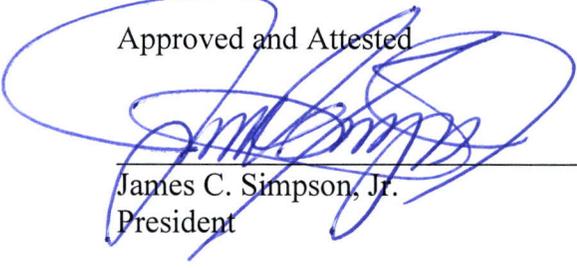
Commissioner Norris recused himself and left the meeting.

Commissioner Rester moved to approve the Amended and Restated Island View lease in the form presented by Port Counsel on September 25, 2013, subject to the comments discussed during Executive Session on September 26, 2013, and subject to the approval of MDA and also subject to Island View making a binding commitment to reconstruct the hotel on the leased premises and the closing of the financing to construct the hotel. Commissioner Roberts seconded and the motion was unanimously approved.

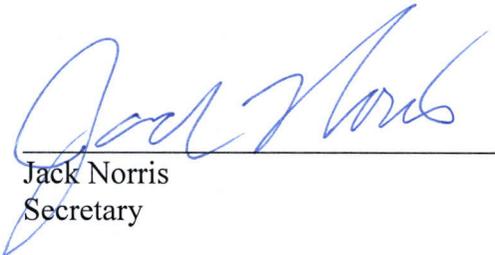
Commissioner Knesal moved to adjourn the meeting. Commissioner Rester seconded and the motion was unanimously approved.

The meeting adjourned at approximately 11:20 a.m.

Approved and Attested



James C. Simpson, Jr.
President



Jack Norris
Secretary