

MISSISSIPPI PORT AUTHORITY

BOARD OF COMMISSIONERS

SPECIAL MEETING

January 30, 2014

Minutes of the Mississippi State Port Authority Board of Commissioners Special Meeting, Thursday, January 30, 2014, 2510 14th Street, Suite 1450, Gulfport, Mississippi, at which the following Commissioners and staff were present:

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

Staff: Jonathan Daniels, Executive Director & C.E.O.
Matthew Wypyski, Chief Operating Officer
Joe Conn, Restoration Director
John Webb, Director of Engineering
Kim Purchner, Executive Assistant/HRO
Mary Bourdin, Director of Finance
Dale Waltman, Director of Operations
Nick Foto, Financial Manager, Restoration

Teri Wyly, Balch & Bingham
David Duhe, Balch & Bingham

Others: Philip Carter, MDA (via telephone)
Anna Gibson, Watkins & Eager
Lon Elledge, CH2MHill
Brian Varnado, T.L. Wallace
Randall Love, T.L. Wallace
Duane Wilson, DuPont
Gary Burge, DuPont
Chris Williams, BMA
Bill Mitchell, BMA
Don Lancaster, Neel-Schaffer, Inc.
Todd Bradford, YAJV
Inessa Ramsey, CH2MHill
Reed Bryant, GEC
Mark McDaniel, YAJV

Commissioner Rester noted the presence of a quorum and called the special meeting to order at approximately 1:30 p.m.

An update/status presentation on the restoration project was given by Joe Conn.

An update/status presentation on the DuPont relocation project was given by John Webb, Duane Wilson and Gary Burge.

Greg Schruff, SSA
Pastor Chris O'Brien, Seamen's Center

Commissioner Rester 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 Rester.

PUBLIC COMMENTS:

Christine Brice, Elections Commissioner thanked Director Daniels and Commissioner Simpson for their attendance the previous night at the Port Coalition Community Meeting.

Howard Page echoed Ms. Brice's sentiments about last night's meeting and reported that more meetings will be held and he hoped the port would continue to attend and present an update status.

Reilly Morse addressed the Commission and stated he felt the port's reported jobs numbers are still incorrect.

Commissioner Knesal moved to approve the December 9th and 19th minutes. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Norris moved to approve travel (Jan 1-2/Daniels to Jackson; Jan. 20-21/Daniels & Bourdin to Jackson; Jan. 28-29/Daniels & Rester to Washington, DC; Feb 4-7/Daniels to Jackson). Commissioner Roberts seconded and the motion was unanimously approved.

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

FINAL CHECKLIST FOR JANUARY 17, 2014

BILLS FOR THE MONTHS OF JANUARY AND FEBRUARY 2014 APPROVED AND PAID
FROM THE GROSS REVENUE FUND OF THE MS STATE PORT AUTHORITY AT GULFPORT

| CHK # | VENDOR | DESCRIPTION | CHK AMT |
|-------|--------------------------------|---|----------|
| 47850 | Kentwood Springs | Drinking Water | 120.22 |
| 47851 | Adjusters International, Inc. | Fema Grant Management Services | 2,718.96 |
| 47852 | Advanced Disposal Service | Waste Removal Services | 2,312.72 |
| 47853 | AFLAC | Employee Deductions | 1,161.41 |
| 47854 | AirGas Gulf States | Oxygen Cylinder Rental | 33.18 |
| 47855 | Alexander, Van Loon, Sloan | Accounting Services | 1,604.05 |
| 47856 | Anytime Portables, LLC | Portable Restroom Services | 280.00 |
| 47857 | AT&T | Telephone Services | 1,601.81 |
| 47858 | Birmingham Rail & Locomo. Inc. | Materials to Repair Rail Road Track | 442.56 |
| 47859 | Bonds Services, Inc. | Janitorial Services | 1,050.00 |
| 47860 | Mary Bourdin | Gulfport Business Club Dues & Meeting | 39.00 |
| 47862 | Card Services | Travel and Registration Expenses | 1,408.60 |
| 47863 | City of Gulfport | Water | 7,359.60 |
| 47864 | Joseph Conn | Travel Expense | 94.24 |
| 47865 | RJ Young | Copier Maintenance Agreements | 1,133.00 |
| 47866 | C Spire Wireless | Radio/Cell Phone Services | 1,378.02 |
| 47867 | Jonathan Daniels | Business and Travel Expenses | 1,157.36 |
| 47868 | Emerald TC. LLC | Accounting Software Conversion Services | 1,067.50 |

| | | | |
|-------|------------------------------------|---|-----------|
| 47869 | Express Services, Inc. | Temporary Labor | 913.14 |
| 47870 | Federal Express Corp. | Express Mail Services | 755.56 |
| 47871 | Frazier Law Firm, PLLC | Employee Deductions | 342.06 |
| 47872 | Fuelman | Fuel for MSPA Vehicles | 651.69 |
| 47873 | The Gibbes Company | Professional Services | 29,936.69 |
| 47874 | G-Neil Company | Office Supplies | 59.28 |
| 47875 | W.W. Grainger, Inc. | Maintenance Supplies | 306.72 |
| 47876 | Great Southern Club | Monthly Dues and Business Expenses | 389.92 |
| 47877 | Gulf Coast Business Supply Inc. | Office Supplies | 153.01 |
| 47878 | Gulfport Yacht Club | Business Expenses | 114.70 |
| 47879 | Harrison County Tax Collector | 2013 Property Taxes - North Port Property | 4,675.05 |
| 47880 | MS State Treasure Fund 3601 | Long Distance Telephone/Internet Services | 734.85 |
| 47881 | JOC Group, Inc. | Marketing Data Subscriptions | 2,705.00 |
| 47882 | Robert J. Knesal | Per Diem and Travel Expenses | 370.96 |
| 47883 | Mississippi Utilities Supply | Plumbing Supplies | 720.46 |
| 47884 | MS Dept. of Human Services CRDU | Employee Deductions | 117.70 |
| 47885 | MS Mgmt. & Reporting System | MMRS Charges | 88.83 |
| 47886 | MS Power Company | Electricity | 34,069.66 |
| 47887 | MS Pub. Employees Credit Union | Employee Deductions | 400.00 |
| 47888 | Jack Norris | Per Diem and Travel Expenses | 382.96 |
| 47889 | Ports America, Inc. | Chiquita Out of Berth/Crane Maintenance | 24,274.67 |
| 47890 | Legal Shield | Employee Deductions | 166.41 |
| 47892 | Redd Pest Solutions | Pest Control Services | 365.00 |
| 47893 | John Rester | Travel Expenses | 290.96 |
| 47894 | RJ Young Company, Inc. | Iforms Software and Services | 22,192.39 |
| 47895 | Eluse J. Roberts | Per Diem and Travel Expenses | 150.64 |
| 47896 | Rose Office Systems, Inc. | Rental for Facilities/Ops./Crowley Trailers | 3,830.00 |
| 47897 | Shred It - Mobile | Monthly Shredding 8th & 14th Floors | 122.10 |
| 47898 | Sorg Printing | Stationery | 757.00 |
| 47899 | James C. Simpson, Jr. | Per Diem and Travel Expenses | 394.79 |
| 47900 | Southern Printing & Silkscreen | Stationery | 237.90 |
| 47901 | Southern Pipe and Supply, Inc. | Plumbing Supplies | 392.01 |
| 47902 | Southern Admin. and Benefits | Monthly Service Fees | 200.00 |
| 47903 | State Dept. of Audit | Statewide Testwork | 60.64 |
| 47904 | Stewart Sneed Hewes, Inc. | Public Officials Bond/Addtl. Insurance 2013 | 1,267.97 |
| 47905 | The Sun Herald | Advertising | 355.58 |
| 47906 | Swetman Security Services, Inc. | Security Guard Services | 43,388.32 |
| 47907 | T. Parker Host | License Refund | 55.00 |
| 47909 | Matthew Wypyski | Travel Expenses | 135.80 |

CHECKS DATED 12/23/13 AND RELEASED PRIOR TO THE MEETING

| | | | |
|-------|------------------------|---------------------|--------|
| 47843 | Express Services, Inc. | Temporary Labor | 768.96 |
| 47844 | Guardian | Employee Deductions | 869.26 |

CHECK DATED 1/6/14 AND RELEASED PRIOR TO THE MEETING

| | | | |
|-------|----------------|-----------------------------|--------|
| 47845 | Brooks Johnson | Reimbursement for TWIC Card | 130.64 |
|-------|----------------|-----------------------------|--------|

CHECKS DATED 1/10/14 AND RELEASED PRIOR TO THE MEETING

| | | | |
|-------|---------------------------------|---------------------|----------|
| 47846 | MS Dept. of Human Services CRDU | Employee Deductions | 117.70 |
| 47847 | MS Pub. Employees Credit Union | Employee Deductions | 400.00 |
| 47848 | MS State Tax Commission | Employee Deductions | 5,698.00 |
| 47849 | Vision Service Plan | Employee Deductions | 188.23 |

TRANSFERS

| | | | |
|----------|------------------------------|-------------------------------|---------------|
| 12/26/13 | Deferred Compensation | Employee Deductions | 3,169.67 |
| 12/26/13 | Public Employment Retirement | Retirement Match and Withheld | 40,255.70 |
| 12/27/13 | Federal Tax Deposit | Payroll Tax Deposit | 17,882.23 |
| 01/09/14 | MS Department of Revenue | December Sales Tax Payment | 2,921.22 |
| Total | | | \$ 273,889.26 |

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: Midstream Fuel Service; Americas Escort Service

Steamship Agent: Aztec Maritime Services, Inc.

Commissioner Simpson moved to approve cash request #65 - MSPA (\$21,702.63); CH2MHill (\$192,709.53); QES (\$6,134.19); Neel Schaffer (\$785,879.94); CDM (\$74,166.50); Atkins (\$93,235.11); for a total of \$1,173,827.90. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Knesal moved to approve cash request #66 - Neel Schaffer (\$19,216.77). Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Simpson moved to approve the following progress payments: BMA (\$541,424.43); QES (\$19,703.00); W.C. Fore Trucking (\$291,920.42). Commissioner Knesal seconded and the motion was unanimously approved.

Commissioner Norris recused himself and left the meeting.

Commissioner Roberts moved to approve payment of \$13,058.70 to Balch & Bingham. Commissioner Knesal seconded and the motion was unanimously approved.

Commissioner Norris returned to the meeting.

OLD BUSINESS:

Commissioner Simpson moved to authorize membership in the Green Marine Environmental Program with an annual fee of \$5,000 for 2014. The annual fee is based on annual revenues. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Roberts moved to authorize participation in the WLOX South Mississippi Proud campaign. The cost is a not to exceed amount of \$19,320 for a six month period. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Norris moved to approve Amendment No. 3 to Task Order No. 5; Contract No. 010-HUD-011 with Anchor QEA, LLC. Amendment No. 3 increases the task by 365 days with no change in costs. Commissioner Knesal seconded and the motion was unanimously approved.

Commissioner Roberts moved to approve Amendment No. 2 to Task Order No. 20; Contract No. 010-HUD-001; Neel Schaffer, Inc. Amendment No. 2 closes out Task Order No. 20 and all work has been completed and accepted. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Knesal moved to approve Modification No. 2 to Contract No. 13-EN-03 with QES, Inc. Modification No. 2 adds \$75,000 to the contract for continued and uninterrupted construction materials testing and lab support for current and upcoming port construction projects. Commissioner Norris seconded and the motion was unanimously approved.

NEW BUSINESS:

Commissioner Simpson moved to approve a one year extension, with 2 one-year options for the Hancock Bank Lease (8th floor Restoration offices). There is no change in the lease rate. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Norris moved to approve Task Order No. 28 under Contract No. 010-HUD-001 with Neel Schaffer, Inc. Task Order No. 28 has a not to exceed amount of \$124,718.00 and duration of 164 calendar days. Commissioner Roberts seconded and the motion was approved with the Commissioners voting as follows: Norris, Roberts, Rester – affirmative, Simpson, Knesal – negative. (SEE MORE ON THIS ITEM AFTER EXECUTIVE SESSION)

COMMUNICATIONS UPDATE:

E-blasts have been sent out regarding open packages and employment opportunities.

The campaign to market the port's real estate is underway.

Commissioner Rester and Director Daniels recently met with the Editorial Board of the Sun Herald and a couple of newspaper articles were a result of that meeting.

Commissioner Simpson and Director Daniels attended the Steps Coalition Community Meeting last night.

All five Commissioners attended the Gulf Coast Legislators' Reception in Jackson last week.

The next Community Port Tour is scheduled for Saturday, February 15th.

PATHWAYS TO THE PORT UPDATE:

Mr. Boone recently met with the workforce development team at the MS Gulf Coast Community College and they are in the process of putting together a proposal to release to MDA regarding the timeline and costs for community training.

MS Power is interested in partnering with the workforce efforts of the port in providing jobs to low and moderate income individuals.

PORT RESTORATION UPDATE:

On planning and design, work is currently ongoing on two large packages for bid. One is the facilities building on the port and should go out for advertisement in April. The other is the site work and utilities.

For procurement, two packages are currently out - the crane procurement and sub-grade preparation.

Shore protection work has started on schedule.

OPERATIONS REPORT:

Matt Wypyski, MSPA COO recognized Dan Johnson, ILA President and thanked him for the quality of work the labor force constantly does.

Matthew Wypyski reported on 2013 maritime activity:

| | | | | | |
|--------------|---------|-----|--|----------------------|-----------|
| Vessel calls | Vessels | 177 | | Truck Count | 74,392 |
| | Tugs | 219 | | Railcar Count | 8,150 |
| | Barges | 500 | | TEU's | 209,665 |
| | | | | Tonnage (short tons) | 2,147,963 |
| | | | | | |

For TEU's, that is a 3.6% increase over 2012 and for tonnage, a 5.6% increase over 2012.

EXECUTIVE DIRECTOR'S COMMENTS:

In response to Mr. Glenn Cobb's question, we continue to have discussions regarding a freezer for poultry.

Director Daniels will be participating in both Senate and House Appropriation meetings in Jackson.

The next regularly scheduled HUD monitoring will take place February 10 – 14.

Many of our staff members will be joining AAPA Committees: John Webb – Dredging, Environmental & Engineering; Mary Bourdin – reappointed to the Finance Committee; Dale Waltman – Harbor Operations and Security; Matt Wypyski – Maritime Economic Development Committee and Joe Conn will be join soon. Director Daniels has been appointed to the Defense Committee.

We have been watching and evaluating the Harbor Maintenance Tax in Washington, DC. Also, the Senate continues to negotiate funds for the Tiger Grant. Tiger Grant funds were recently used for the upgrade to the KCS line between Gulfport and Hattiesburg.

Director welcomed the new President of the ILA, Dan Johnson - a strong supporter.

GENERAL COUNSEL'S COMMENTS:

Ben Stone thanked the Commission for allowing Balch & Bingham to be a part of the exciting things happening at the port.

MDA'S COMMENTS:

Phillip Carter had no comments.

COMMISSIONER COMMENTS:

Commissioner Simpson commented on his attendance at the Port Coalition Community Meeting last night and thanked Mr. Page, Ms. Brice, Ms. Johnson and Ms. Fredericks for the courtesies extended. Constructive dialogue is extremely helpful and he suggested that this be kept in mind while moving forward. Statement made by a constituent were considered a personal attack and Commissioner Simpson will more than likely not attend any further meetings.

Commissioner Rester thanked Director Daniels and Commissioner Simpson for their attendance last night at the Community Meeting. He noted it has been clearly demonstrated that we are all working toward a common goal and we will be more productive if we do that together. Personal attacks make that difficult. We receive constant feedback and it seems there is a whole new excitement about the port and where we're going. As a Commission, we're going to work very hard to continue that.

Commissioner Knesal thanked Director Daniels and his staff for their continued efforts.

Commissioner Simpson moved to approve travel (Daniels, Conn, Shortt, Arsenault to Jackson from Feb. 12-13; Wypyski to Washington, DC from Feb. 10-13; Johnson to Tampa/Clearwater from March 2-7). Commissioner Roberts seconded and the motion was unanimously approved.

OLD BUSINESS:

Commissioner Norris recused himself and left the meeting.

Commissioner Roberts moved to authorize the selection of Yates Anderson Construction Manager for the purpose of negotiating a contract agreement for construction manager at risk services for the DuPont Bulk Handling Facility Relocation Project. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Norris returned to the meeting.

Commissioner Knesal moved to award the bid for the West Pier Subgrade Preparation Project #319 to the lowest responsive bidder, Ruiz Contracting (\$577,108.00). The lowest bid was received from TCB Construction at \$493,209.91 but deemed non-responsive. Commissioner Norris seconded and the motion was unanimously approved.

NEW BUSINESS:

Commissioner Knesal moved to authorize the advertisement for bid the concrete piling installation for the DuPont Facility Relocation Project. Commissioner Roberts seconded and the motion was unanimous.

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

Commissioner Simpson moved to enter into Executive Session to discuss a Legal Matter (lease agreement with a potential tenant). Commissioner Knesal seconded and the motion was unanimously approved.

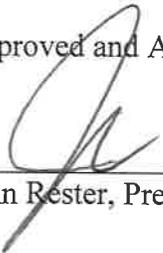
(THE BOARD OF COMMISSIONERS ENTERED INTO EXECUTIVE SESSION AT APPROXIMATELY 2:40 P.M.)

Commissioner Rester stated that no action took place in Executive Session.

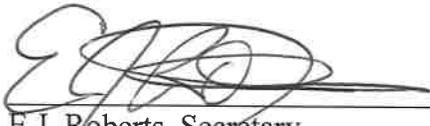
Commissioner Simpson moved to approve the execution of a Letter of Intent with a prospective tenant. Commissioner Roberts seconded and the motion was unanimously approved.

The meeting was adjourned at approximately 3:05 p.m.

Approved and Attested



John Rester, President



E.J. Roberts, Secretary