

MISSISSIPPI PORT AUTHORITY

BOARD OF COMMISSIONERS

REGULAR MEETING

December 18, 2014

Minutes of the Mississippi State Port Authority Board of Commissioners Meeting,
Thursday, December 18, 2014, 2510 14th Street, Suite 1500, Gulfport, Mississippi at
which the following Commissioners and staff were present:

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

Staff: Jonathan Daniels, Executive Director/CEO
 Matthew Wypyski, Chief Operating Officer
 John Webb, Director of Engineering
 Dale Waltman, Director of Operations
 Mary Bourdin, Director of Finance
 Mel Arsenault, Director of Compliance
 Carlos Bell, Director of Community Relations/Marketing
 Nick Foto, Deputy Program Manager
 Kim Purchner, Executive Assistant/HRO
 Shawn Meyer, Deputy Director of Operations
 Kim Aguiard, Marketing Specialist

 Ben Stone, Legal Counsel
 David Duhe, Legal Counsel

Others: La'Wanda Johnson, Tropical World
 Shane Bone, Tropical World
 Jeremiah Howard, Tropical World
 Bobby Sargas, Tropical World
 Duane Wilson, DuPont
 Phillip Carter, MDA
 Howard Page, Steps Coalition
 Robert Boone, RFB, LLC
 Jay Carney, T.L. Wallace
 Marcia Crawford, HCDC
 Randall Love, T.L. Wallace
 Glen Cobb, Pathways to the Port
 John Sneed, Stewart Sneed Hewes
 Todd Stockberger, CH2MHill
 Michael Sheeley, CH2MHill
 Rusty Hilton, MS State Pilots' Assn.
 Chris Williams, BMA
 John Coughlin, YAJV
 Richie Ashley, Neel-Schaffer
 Todd Bradford, YAJV
 Maurice Manuel, YAJV
 Mark McDaniel, YAJV
 Stephen Sassy, T.L. Wallace
 Charles Jones, Continental Construction
 Shawn Billings, Continental Construction

Cort McMillin, Continental Construction
 Arena Windham, Hilton Garden Inn Gulfport
 Darius Johnson, ILA
 Kym Davis, YAJV
 Anna Gibson, Watkins Eager
 Cathy Mackenzie, Island View Casino Resort
 Mark Schloegel, Stewart Sneed Hewes
 Daron Wilson, MDA
 Ruth Storey, NAACP

Commissioner Norris 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 Norris.

In accordance with Article IV of the Bylaws as amended, the rotation of Officers occurs at the December meeting of the Board of Commissioners. Commissioner Roberts moved to approve the annual rotation of officers. Commissioner Rester seconded and the motion was unanimously approved for the following positions:

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

PUBLIC COMMENTS:

Ruth Storey, NAACP President read a letter addressed to outgoing President John Rester, regarding correspondence from the NAACP to MSPA regarding a request for funds.

Howard Page, Steps Coalition, addressed MDA regarding the release of a HUD document that addresses job goals.

Director Jonathan Daniels gave a presentation regarding the current landscaping plans that have been developed under a contract with Tropical World Landscaping.

Commissioner Rester moved to approve the November 3rd and 24th minutes. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Roberts moved to approve travel (Dec. 11-12/Daniels to Jackson, MS). Commissioner Knesal seconded and the motion was unanimously approved.

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

DISBURSEMENTS THROUGH DECEMBER 4, 2014
 BILLS FOR THE MONTHS OF NOVEMBER AND DECEMBER 2014 APPROVED AND PAID
 FROM THE GROSS REVENUE FUND OF THE MS STATE PORT AUTHORITY AT GULFPORT

CHK#	VENDOR	DESCRIPTION	CHK AMT
49069	Kentwood Springs	Drinking Water	147.06
49070	Kim Aguillard	Business Expenses	70.12
49071	Bonds Services, Inc.	Janitorial Services	1,275.00
49072	Covington Sales & Service	Gutter Brooms for Street Sweeper	676.73
49073	Eagle Energy, Inc.	Diesel	8,028.48

49074	Federal Express Corp.	Express Mail Services	93.15
49075	Fuelman	Fuel for MSPA Vehicles	302.13
49076	Gulf Coast Business Supply, Inc.	Office Supplies	160.00
49077	Lowe's Home Center, Inc.	Maintenance Supplies	94.02
49078	MS Dept. of Human Services CRDU	Employee Deductions	304.45
49079	MS Pub. Employees Credit Union	Employee Deductions	400.00
49080	MS State Tax Commission	Employee Deductions	5,627.00
49081	Smart Sign	Parking Permits	1,220.00
49082	Phillips Building Supply	Maintenance Supplies	59.85
49083	Ports America, Inc.	Maintenance on Cranes	4,170.88
49084	RJ Young Company, Inc.	Copier Maintenance Agreements	1,286.16
49085	Roskopf Electrical Supply Co.	Outdoor Light Fixtures for Office Trailers	218.60
49086	Rose Office Systems, Inc.	Costs to Relocate Maint. & Ops. Trailers	9,200.00
49087	Maria Simpson	Spanish Lunch and Learn	2,294.55
49088	Norma Jean Soroe	Transcription Fees	389.48
49089	Southern Printing & Silkscreen	Christmas Cards	461.68
49090	Southern Pipe and Supply, Inc.	Plumbing Supplies	737.62
49091	Southern Admin. and Benefits	Monthly Service Fees	200.00
49092	The Sun Herald	Advertising	157.88
49093	Swetman Security Services, Inc.	Security Guard Services	22,668.74
CHECK DATED 11/24/14 AND RELEASED PRIOR TO SCHEDULED CHECK RUN			
49067	Matthew Wypyski	Travel Expenses	1,423.26
CHECK DATED 12/2/14 AND RELEASED PRIOR TO SCHEDULED CHECK RUN			
49068	Hancock Bank	December Lease for Suites 880 and 1450	19,673.59
TRANSFERS			
11/26/14	Deferred Compensation	Employee Deductions	2,149.17
11/28/14	Federal Tax Deposit	Payroll Tax Deposit	19,236.70
12/01/14	Public Employment Retirement	Retirement Match and Withheld	40,183.74
Total			\$ 142,910.04

FINAL CHECKLIST FOR DECEMBER 18, 2014

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

CHK#	VENDOR	DESCRIPTION	CHK AMT
49098	Advanced Disposal Services	Waste Removal Services	438.00
49099	AFLAC	Employee Deductions	1,234.83
49100	AirGas Gulf States	Oxygen Cylinder Rental	33.30
49101	Alexander, Van Loon, Sloan	Accounting Services	754.75
49102	Anytime Portables, LLC	Portable Restroom Services	280.00
49103	Melanie J. Arsenault	Business Expenses	167.33
49104	Neopost USA, Inc.	Postage Machine Rental	140.18
49105	AT&T	Telephone Services	1,801.43
49107	Butch Oustalet Ford, Inc.	Replace Radio Unit # 17	447.92
49108	Card Services	Travel Expenses	3,231.72
49109	City of Gulfport	Water	9,150.54
49110	Sun Coast Business Supply	Office Supplies	225.44
49111	Cornerstone Government Affairs	Consulting Services	6,250.00
49112	C Spire Wireless	Radio/Cell Phone Service/Equipment Credits	753.04
49113	Jonathan Daniels	Travel Expenses	239.97
49114	State School Insurance Fund	Employee Deductions	12,765.98
49115	Dept. of Finance & Admin.	MMRS Charges	175.39
49116	Federal Express Corp.	Express Mail Services	27.91
49117	Fuelman	Fuel for MSPA Vehicles	354.53
49118	Hancock Bank	January Lease for Suites 880 and 1450	19,673.59

49119	Harrison County Tax Collector	2014 Property Taxes - North Port Property	4,828.04
49120	Logista	Computer Services	1,167.58
49121	MS State Treasurer Fund 3601	Long Distance Telephone/Internet Services	723.73
49122	Robert J. Knesal	Per Diem and Travel Expenses	1,420.91
49124	Lowe's Home Center, Inc.	Materials to Relocate Trailers & Supplies	2,252.86
49125	MS Economic Council	Membership Dues	402.63
49126	MS Dept. of Human Services CRDU	Employee Deductions	304.45
49127	MS Power Company	Electricity	37,391.36
49128	MS Pub. Employees Credit Union	Employee Deductions	400.00
49129	MSPA Petty Cash Fund	Replenish Petty Cash	36.57
49130	Necaise Locksmith	Desk Locks for Payroll Files	235.00
49131	Jack Norris	Per Diem	80.00
49132	Office Furniture Solutions Inc.	Office Furniture	1,638.26
49133	Ports America, Inc.	Maintenance on Cranes	17,594.95
49134	Legal Shield	Employee Deductions	182.36
49136	Redd Pest Solutions	Pest Control Services	271.00
49137	Eluse J. Roberts	Per Diem	80.00
49138	Ronnie's Automotive & Tow Ser.	Inspection Stickers for MSPA Vehicles	130.00
49139	Security Blanket, Inc.	Move Phone Equipment to Trailers/Reprogram	700.00
49140	Shred It - Mobile	Document Shredding	90.72
49141	James C. Simpson, Jr.	Per Diem	200.00
49142	Southern Printing & Silkscreen	Promotional Items	252.95
49143	State Dept. of Audit	Statewide Testwork	10.61
49144	State Treasurer of MS	Unclaimed Property - License Refunds	87.50
49145	Stewart Sneed Hewes, Inc.	FY15 Additional Insurance	10,241.17
49146	The Sun Herald	Advertising	1,486.80
49147	Swetman Security Services, Inc.	Security Guard Services	22,156.28
49148	The Focus Group	Promotional Items	3,150.00
49149	Vision Service Plan	Employee Deductions	213.66
CHECKS DATED 12/5/14 AND RELEASED PRIOR TO THE MEETING			
49094	Jonathan Daniels	Travel Expenses	261.83
49095	Nick Foto	Travel Expenses	1,247.64
49096	Great Southern Club	Monthly Dues and Business Expenses	1,844.96
49097	Matthew Wypyski	Travel Expenses	1,104.81
TRANSFERS			
12/10/14	MS Department of Revenue	November Sales Tax Payment	3,343.14
12/11/14	Deferred Compensation	Employee Deductions	2,149.17
12/12/14	Federal Tax Deposit	Payroll Tax Deposit	18,316.97
Total			<u>\$194,143.76</u>

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: A&M Petroleum Co.; A3M Vacuum Service, Inc.; D.A. Marine Fumigation, Inc.; Delta Sanitation of MS, LLC; Glenn Machine Works, Inc.

Transfer Company: Services International, Inc.

Commissioner Roberts moved to approve the following progress payments: BMA (\$58,506.39); L&A Contracting (\$491,678.20); and QES (\$8,610.00). Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Rester moved to approve cash request #78 - MSPA (\$51,568.67); QES (\$20,228.41); Neel Schaffer (\$115,711.37); L&A Contracting (\$1,748,570.96); Atkins (\$15,982.00); Anchor QEA (\$36,870.37); RFB, Inc. (\$3,612.50) for a subtotal of \$1,992,544.28. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Simpson (via telephone) left the meeting.

Commissioner Rester moved to approve payment of \$286,408.11 to CH2MHill (under Restoration Agreement Request #78). Commissioner Roberts seconded and the motion was approved with the Commission voting as follows:

Commissioner Roberts	Affirmative
Commissioner Rester	Affirmative
Commissioner Knesal	Negative

Commissioner Knesal recused himself and left the meeting.

Commissioner Rester moved to approve payment of \$484,414.34 to Necaise Brothers (under Restoration Agreement Request #78). Commissioner Roberts seconded and the motion was approved with the Commissioners voting as follows:

Commissioner Roberts	Affirmative
Commissioner Rester	Affirmative
Commissioner Knesal	Abstained
Commissioner Norris	Affirmative

Commissioner Knesal returned to the meeting.

Commissioner Rester moved to approve payment of \$250,325.00 to Yates Anderson JV (under Restoration Agreement Request #78, for a total of \$3,013,691.73; Progress Payment to Balch & Bingham of \$19,887.50). Commissioner Roberts seconded and the motion was unanimously approved.

OLD BUSINESS:

Commissioner Knesal moved to approve Amendment No. 4 to Task Order No. 12; Contract No. 010-HUD-002 with Thompson Engineering. Amendment No. 4 increases costs by \$8,970.82. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 3 to Task Order No. 5; Contract No. 010-HUD-012; CDM Smith, Inc. Amendment No. 3 requests an extension of 498 days with no change in costs. Commissioner Knesal seconded and the motion was unanimously approved.

Commissioner Knesal moved to award the DuPont Ilmenite Facility Foundation and Silo Project to the lowest and best bidder, Continental Construction Company. Continental Construction Company's bid of \$44,957,000.00 was the lower of the 2 bids submitted. Commissioner Rester seconded and the motion was unanimously approved.

NEW BUSINESS:

Commissioner Knesal moved to approve Task Order No. 10 under Contract No. 010-HUD-013 with Atwell & Gent. Task Order No. 10 has a not to exceed value of \$15,740.00 and duration of 95 calendar days. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Roberts moved to authorize an advertisement for bid the DuPont Ilmenite Facility Electrical Package Project. Commissioner Rester second and the motion was unanimously approved.

Commissioner Roberts moved to authorize the tariff rates for 2015, reflecting no increase in rates. Commissioner Rester seconded and the motion was unanimously approved. While glad to have no increase to port users, Commissioners Rester and Knesal expressed their concern over going a number of years without an increase and then having to possibly make up the difference with a large increase in one year.

PORT RESTORATION UPDATE:

All active projects are progressing nicely. L&A Construction is approximately 45% complete on Berth 3; the progress is very evident from Necaise Brothers on the site and infrastructure project; Southern Industrial is moving very well on pile driving activities.

OPERATIONS REPORT:

Matthew Wypyski reported on the monthly maritime activity:

Vessel calls	Vessels	14		Truck Count	4,412
	Tugs	9		Railcar Count	503
	Barges	25		TEU's	9,846
				Tonnage (short tons)	116,200

Dredging is on schedule and going very well. The expected completion is at the end of January.

EXECUTIVE DIRECTOR'S COMMENTS:

Director Daniels wished everyone Happy Holidays and commented on the brisk pace of current port construction activities.

Staff met last week with the Department of Defense to continue talks regarding our status on becoming a Strategic Military Port. A technical evaluation is currently underway and this is the first technical evaluation that has been performed since 2005.

Most everyone has heard by now on the possibility of opening relations with Cuba -- we are keeping abreast of the situation and one of our tenants is currently active in their trade lane.

MSPA hosted a Legislative Briefing this week to keep our legislators updated on the status of the port's restoration.

Director Daniels reported on the first reportable job count that will go to HUD associated with our new tenant, Gulf Coast Shipyard. Gulf Coast Shipyard is the first new maritime tenant that we have had here since 1999. A total of 92 jobs will be reported and of those 92 jobs, 55 are LMI and 37 are non-LMI. This means that 59.78% of these jobs were LMI positions. Therefore, we exceeded our 51% requirement regarding LMI positions.

GENERAL COUNSEL'S COMMENTS:

Ben Stone had no comments.

MDA'S COMMENTS:

Daron Wilson extended his thanks to Commissioner Rester for his service as President in the past year and he is very pleased that Commissioner Rester has been reappointed by

the Governor for another 5-year term. He also welcomed Jack Norris as the incoming President and looks forward to his service as well.

The job report is great news and Jonathan Daniels was commended on his continued efforts in recruiting new tenants and business development for the Port. Mr. Wilson expressed his pleasure that the first attracted tenant has exceeded their job projections.

COMMISSIONER COMMENTS:

Commissioner Roberts commented on all the positive things that have taken place at MSPA during 2014 – 3 new hires, with Mel Arsenault, Kim Aguillard and Carlos Bell; new tenants - McDermott and Gulf Coast Shipyard; new long-term agreements with existing tenants. We are beginning to see exciting things happening.

Commissioner Knesal also spoke of his excitement that Director Jonathan Daniels has done a super job in his first year. He hit the ground running and is always bringing prospective tenants to this Board. Thanks to John Rester for his role as President this past year and Jack Norris will do just as well. Commissioner Knesal thanked port staff, including Matt Wypyski in his role as Deputy Director, for the hard work and efforts throughout the past year. In closing and for the purpose of full disclosure, Commissioner Knesal will be recusing himself on any action involving Necaise Brothers Construction as he is a partner in a subdivision deal with that company.

Commissioner Norris thanked John Rester and all port staff for a very productive year. He stressed the fact that we have over \$200 million in current, active construction and just awarded another \$45 million contract today. We have many exciting things to look forward to in 2015.

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

Commissioner Rester moved to enter Executive Session to discuss Lease Matters with a prospective tenant. Commissioner Knesal seconded and the motion was unanimously approved.

(THE BOARD OF COMMISSIONERS ENTERED INTO EXECUTIVE SESSION AT APPROXIMATELY 9:20 A.M.)

Commissioner Knesal moved to come out of Executive Session. Commissioner Roberts seconded and the motion was unanimously approved.

Commissioner Norris stated that no action took place during Executive Session

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

The meeting adjourned at approximately 10:40 a.m.

Approved and Attested



Jack Norris
President



Robert J. Knesal
Secretary