

MISSISSIPPI PORT AUTHORITY

BOARD OF COMMISSIONERS

REGULAR MEETING

December 17, 2015

Minutes of the Mississippi State Port Authority Board of Commissioners Meeting,
Thursday, December 17, 2015, 2510 14th Street, Suite 1500, Gulfport, Mississippi at
which the following Commissioners and staff were present:

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

Staff: Jonathan Daniels, Executive Director/CEO
Matthew Wypyski, Chief Operating Officer
John Webb, Director of Engineering
Kim Purchner, Executive Assistant/HRO
Mary Bourdin, Director of Finance
Mel Arsenault, Director of External Affairs
Carlos Bell, Director of Public Engagement
Dale Waltman, Director of Operations
Nick Foto, Deputy Program Manager
Kim Aguiard, Media & Marketing Manager
Shawn Meyer, Deputy Operations Director
Chuck Graham, Crane Manager

David Duhe, Legal Counsel

Others: Duane Wilson, DuPont
Phillip Carter, MDA
Randall Love, T.L. Wallace
Jason Saucier, BMA, Inc.
Shorty Sneed, Stewart Sneed Hewes
Casey Sanders, YAJV
Richie Ashley, Neel-Schaffer
Todd Bradford, YAJV
Maurice Manuel, YAJV
Don Collins, Dan Hensarling, Inc.
Casey McConnell, YAJV
Robert Boone, RLB, LLC
Michael Sheely, CH2MHill
Damon Torricelli, Neel-Schaffer, Inc.
Lillian Jenkins, Horne
Tom Espy, Strategic Systems, Inc.
Veronica Woods, Strategic Systems, Inc.
Greg Schruoff, SSA
Kym Davis, YAJV
Steve Twedt, Neel Schaffer
Chris Williams, BMA, Inc.
Susan McNamara, Watkins Eager
Brian Smith, Watkins Eager
Shorty Sneed, Stewart Sneed Hewes

Inessa Ramsey, CH2MHill
 Hugh Sutherland, L&A Contracting
 Mark McDaniels, YAJV
 Gary Fredericks, Gulfport 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 Rester moved to approve the annual rotation of officers. Commissioner Knesal seconded and the motion was unanimously approved for the following positions:

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

PUBLIC COMMENTS:

There were no public comments.

Commissioner Simpson moved to approve travel (November 11/Daniels to Houston, TX); (November 23-24/Daniels to Jackson, MS); (January 6-7/Daniels, Wypyski + Commissioners to Jackson, MS); (January 20-22/Wypyski, Waltman, Meyer + Commissioners to Tampa, FL). Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Rester moved to approve the November 19th Minutes. Commissioner Knesal seconded and the motion was unanimously approved.

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

DISBURSEMENTS THROUGH DECEMBER 2, 2015
 BILLS FOR THE MONTHS OF NOVEMBER AND DECEMBER 2015 APPROVED AND PAID
 FROM THE GROSS REVENUE FUND OF THE MS STATE PORT AUTHORITY AT GULFPORT

| CHECK # | VENDOR | DESCRIPTION | CHECK AMOUNT |
|---------|----------------------------------|---------------------------------------|--------------|
| 50228 | Kentwood Springs | Drinking Water | 260.07 |
| 50229 | Sage Abra | Tax Forms | 171.17 |
| 50230 | Kim Aguillard | Reimburse for Meeting Supplies | 68.41 |
| 50231 | AirGas Gulf States | Oxygen Cylinder Rental | 32.95 |
| 50232 | Bonds Services, Inc. | November Janitorial Services | 1,450.00 |
| 50233 | City of Gulfport | December Staff Update - Harbor Lights | 500.00 |
| 50234 | Cornett Bolt & Screw | Parts for Crane # 42 | 130.00 |
| 50235 | CVR Computer Supplies | Toner Cartridges | 355.00 |
| 50236 | Jonathan Daniels | Business Expenses | 18.00 |
| 50237 | Eagle Energy, Inc. | Diesel | 5,355.59 |
| 50238 | Federal Express Corp. | Express Mail Services | 33.02 |
| 50239 | Fuelman | Fuel for MSPA Vehicles | 241.29 |
| 50240 | Grainger, Inc. | Air Hose for Cranes | 128.43 |
| 50241 | Gulf Coast Business Supply, Inc. | Office Supplies and Toner Cartridges | 967.12 |

| | | | |
|-----------|------------------------------------|---|---------------|
| 50242 | Logista | Computer Equipment and Services | 1,488.00 |
| 50243 | MS State Treasurer Fund 3601 | Long Distance Telephone/Internet Services | 1,935.27 |
| 50244 | Kalmar USA, Inc. | Replacement Hydro Motor for Crane #94 | 944.36 |
| 50245 | Robert J. Knesal | Travel Expenses | 1,407.19 |
| 50246 | Lowe's Home Center, Inc. | Maintenance Supplies | 197.28 |
| 50247 | MS Dept. of Human Services CRDU | Employee Deductions | 304.45 |
| 50248 | MS Gulf Coast Chamber of Comm. | Registration Fees | 20.00 |
| 50249 | MS Pub. Employees Credit Union | Employee Deductions | 400.00 |
| 50250 | MSPA Petty Cash Fund | Replenish Petty Cash | 23.87 |
| 50251 | MS State Tax Commission | Employee Deductions | 6,565.00 |
| 50252 | Piltz, Williams, LaRosa & Co. | Grant Administration Services | 218.75 |
| 50253 | Ports America, Inc. | Draying Dole Containers | 7,347.89 |
| 50254 | Redd Pest Solutions | Pest Control Svcs | 271.00 |
| 50255 | RJ Young Company, Inc. | Copier Maintenance Agreements | 1,666.38 |
| 50256 | Rose Office Systems, Inc. | Construction Trailer Rentals | 3,031.00 |
| 50257 | Seal Electrical, Inc. | Relocate Wash Rack Equipment | 1,381.00 |
| 50258 | Shred-It USA, LLC | Document Shredding | 33.54 |
| 50259 | Norma Jean Soroe | Transcription Fees | 419.48 |
| 50260 | Southern Printing & Silkscreen | Staff Shirts and Signage | 1,749.43 |
| 50261 | Southern Admin. and Benefits | Monthly Service Fees | 200.00 |
| 50262 | Swetman Security Services, Inc. | Security Guard Services | 23,164.77 |
| 50263 | Terex Global GmbH | Repair Parts for Crane #94 & Parts for Stock | 4,407.31 |
| 50264 | United States Postal Service | Postage for Meter | 1,000.00 |
| 50265 | WalMart Community | Supplies for Staff Update Lunch | 71.26 |
| TRANSFERS | | | |
| 11/27/15 | Deferred Compensation | Employee Deductions | 2,211.67 |
| 11/27/15 | Federal Tax Deposit | Payroll Tax Deposit | 22,061.24 |
| 12/01/15 | Public Employment Retirement | Retirement Match and Withheld | 46,353.28 |
| Total | | | \$ 138,584.47 |

FINAL CHECKLIST FOR DECEMBER 17, 2015

BILLS FOR THE MONTHS OF DECEMBER 2015 AND JANUARY 2016 APPROVED AND PAID
FROM THE GROSS REVENUE FUND OF THE MS STATE PORT AUTHORITY AT GULFPORT

| CHK# | VENDOR | DESCRIPTION | CHK AMT |
|-------|------------------------------|--------------------------------------|-----------|
| 50269 | AFLAC | Employee Deductions | 1,397.33 |
| 50270 | Kim Aguiard | Reimburse for Business Expenses | 136.99 |
| 50271 | AirGas Gulf States | Oxygen Cylinder Rental | 34.50 |
| 50272 | Neopost USA, Inc. | Postage Machine Rental | 140.18 |
| 50273 | AT&T | Telephone Services | 1,721.18 |
| 50275 | Can't Be Beat Fence Co., LLC | Release of Retainage | 463.78 |
| 50276 | Card Services | Travel Expenses | 1,616.50 |
| 50277 | Card Services | Christmas Cards & Marketing Software | 1,056.98 |
| 50278 | City of Gulfport | Water | 11,779.19 |
| 50280 | C Spire Wireless | Radio/Cell Phone Services | 1,715.36 |
| 50281 | Daily Equipment | Steering Cylinder to Repair Forklift | 2,859.85 |
| 50282 | Jonathan Daniels | Travel Expenses | 74.85 |
| 50283 | Federal Express Corp. | Express Mail Services | 269.06 |
| 50284 | Fuelman | Fuel for MSPA Vehicles | 407.24 |
| 50285 | Grainger, Inc. | Maintenance Supplies | 171.75 |
| 50286 | Chuck Graham | Travel Expenses | 952.10 |
| 50287 | Great Southern Club | Monthly Dues and Business Expenses | 688.54 |

| | | | |
|---|------------------------------------|---------------------------------------|--------------------|
| 50288 | Gulf Coast Business Supply, Inc. | Office Supplies | 430.18 |
| 50289 | Gulfport Yacht Club | Business Expenses | 58.74 |
| 50290 | Hancock Bank | January Lease for Suites 880 and 1450 | 19,994.17 |
| 50291 | Robert J. Knesal | Per Diem | 200.00 |
| 50292 | Lowe's Home Center, Inc. | Maintenance Supplies | 168.68 |
| 50293 | Mayer Electric Supply Co., Inc. | Electrical Supplies | 51.00 |
| 50294 | MS Economic Council | Membership Dues | 402.63 |
| 50295 | MS Dept. of Human Services CRDU | Employee Deductions | 304.45 |
| 50296 | MS Power Company | Electricity | 51,664.62 |
| 50297 | MS Pub. Employees Credit Union | Employee Deductions | 400.00 |
| 50298 | Jack Norris | Per Diem | 40.00 |
| 50299 | Ports America, Inc. | Draying Dole Containers | 8,085.75 |
| 50300 | Legal Shield | Employee Deductions | 78.96 |
| 50304 | Eluse J. Roberts | Per Diem | 200.00 |
| 50305 | Rose Office Systems, Inc. | Return Freight on Trailer | 3,053.00 |
| 50306 | Seal Electrical, Inc. | Install Power to West Pier Dock 7 | 2,726.00 |
| 50307 | Sorg Printing, LLC | Business Cards | 38.00 |
| 50308 | James C. Simpson, Jr. | Per Diem | 200.00 |
| 50309 | Southern Printing & Silkscreen | Staff Shirts | 1,715.00 |
| 50310 | Southern Admin. and Benefits | Unreimbursed Medical | 11,853.14 |
| 50311 | The Sun Herald | Advertising | 4,935.13 |
| 50312 | Swetman Security Services, Inc. | Security Guard Services | 22,624.55 |
| 50313 | Terex Global GmbH | Replacement Parts for Both Cranes | 33.68 |
| 50314 | Southern Tire Mart, LLC | Repair Parts for Crane #42 | 345.00 |
| 50316 | WXXV TV | November Web Camera Lease | 1,200.00 |
| CHECKS DATED 12/14/15 AND RELEASED PRIOR TO THE MEETING | | | |
| 50266 | PJ'S Coffee | Staff Christmas Update | 126.00 |
| 50267 | Matthew Wypyski | Travel Expenses | 1,189.40 |
| CHECK DATED 12/15/15 AND RELEASED PRIOR TO THE MEETING | | | |
| 50268 | Quality Bakery | Staff Christmas Update | 292.50 |
| TRANSFERS | | | |
| 12/01/15 | Public Employment Retirement | Retirement Match and Withheld | 46,353.28 |
| 12/10/15 | MS Department of Revenue | November Sales Tax Payment | 4,398.88 |
| 12/11/15 | Federal Tax Deposit | Payroll Tax Deposit | 21,668.87 |
| | | | Total \$230,316.99 |

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

The following items were approved:

RENEWAL LICENSES:

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

Transfer Co.: International Services, Inc.

NEW LICENSES:

Vendor: LNJ Services, Inc.

Commissioner Rester moved to approve the following progress payments: Balch & Bingham (\$23,870.84); BMA (\$68,096.85); Continental Construction (\$1,788,375.00); G.A. West & Company (\$170,606.81); Precision Construction, LLC (\$112,898.00); Prism Systems, Inc. (\$2,700.00); QES (\$7,631.50); Warren Paving, Inc. (\$48,393.32); and YAJV (\$208,315.13). Commissioner Knesal seconded and the motion was unanimously approved.

Commissioner Norris moved to approve cash request #105 - MSPA for \$35,965.84 and cash request #106 - Southern Industrial for \$668,757.23. Commissioner Simpson seconded and the motion was unanimously approved.

OLD BUSINESS:

Commissioner Rester moved to approve Amendment No. 3 to Task Order No. 25 with Neel Schaffer, Inc. under Contract No. 010-HUD-001. Amendment No. 3 increases costs by \$45,872.00. Commissioner Knesal seconded and the motion was unanimously approved.

Commissioner Knesal moved to approve Amendment No. 1 to Task Order No. 20 with Anchor QEA, LLC under Contract No. 010-HUD-011. Amendment No. 2 extends the performance period by 90 days with no increase in costs. Commissioner Norris seconded and the motion was unanimously approved.

Commissioner Simpson moved to approve Amendment No. 3 to Task Order No. 16 with Anchor QEA, LLC under Contract No. 010-HUD-011. Amendment No. 3 extends the performance period by 120 days with no increase in costs. Commissioner Norris seconded and the motion was unanimously approved.

Commissioner Knesal moved to approve Amendment No. 6 to Task Order No. 22 with Neel Schaffer, Inc. under Contract No. 010-HUD-001. Amendment No. 6 increases costs by \$298,234.00. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Knesal moved to approve Amendment No. 6 to Task Order No. 7 with Atwell & Gent under Contract No. 010-HUD-013. Amendment No. 6 has an increase in costs of \$98,000.00 and adds 321 days. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Knesal moved to approve Amendment No. 3 to Task Order No. 8 with Atwell & Gent under Contract No. 010-HUD-013. Amendment No. 3 adds 187 days to the task order. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 4 to Task Order No. 5 with CDM Smith under Contract No. 010-HUD-012. Amendment No. 4 decreases costs by \$49,649.68 and closes the task order. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 1 to Task Order No. 11; Contract No. 010-HUD-007 with Volkert, Inc. Amendment No. 1 decreases costs by \$533.03 and closes the task order. Commissioner Norris seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 4 to Task Order No. 32 with Neel Schaffer, Inc. under Contract No. 010-HUD-001. Amendment No. 4 reallocates funds of \$6,069.00. Commissioner Norris seconded and the motion was unanimously approved.

Commissioner Norris moved to approve Amendment No. 1 to Task Order No. 17; Contract No. 010-HUD-002 with Thompson Engineering. Amendment No. 1 decreases costs by \$370.65 and closes the task order. Commissioner Rester seconded and the motion was unanimously approved.

NEW BUSINESS:

Commissioner Rester moved to authorize the salvage or sale of four Operations vehicles (2004-2009 models) and to purchase four replacement vehicles for a not to exceed amount of \$89,848.00. Commissioner Knesal seconded and the motion was unanimously approved.

Commissioner Knesal moved to approve Task Order No. 13 with QES, Inc. under Contract No. 010-HUD-003. Task Order No. 13 has a not to exceed amount of \$353,013.35 and duration of 365 calendar days. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Norris moved to approve Task Order No. 39 with Neel Schaffer, Inc. under Contract No. 010-HUD-001. Task Order No. 39 has a not to exceed amount of \$935,958.00 and duration of 560 calendar days. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Knesal recused himself from the next item and left the room.

Commissioner Rester moved to approve Task Order No. 2 with Eley Guild Hardy Architects under Contract No. 016-HUD-031. Task Order No. 2 has a not to exceed amount of \$751,703.00 and duration of 200 calendar days. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Knesal returned to the meeting.

PORT RESTORATION UPDATE:

Phase 1 project is continuing on schedule; the rail tie-in will be completed this weekend; the subgrade grading on the north side is ongoing; 50,000 tons of limestone has been delivered; punch-out is ongoing on the electrical platforms; interim crane power work is ongoing and on schedule for late January completion.

The contractor is mobilizing this week for the water tank project. The test pile program will begin after Christmas.

J.E. Borries, the contractor for the piers in the small craft harbor, is preparing submittals and intends to mobilize after Christmas.

On the wharf upgrade, Berth 4 is almost complete – we're waiting on installation of the crane railing. For Berth 5, the waterside crane beam is 80% complete; the landside crane beam is 25% complete and the concrete slab demolition is 50% complete. The stainless steel ledger has been installed in Berth 1.

The Terminal 3 M&R Building is moving along – we plan to pour the 2nd floor slab tomorrow.

We are starting to see walls going up for the West Pier Facilities Buildings. Pile caps are 36% complete; 1,966 piles have been installed to date; rail pocket and wall is 36% complete; east grade beam is 38% complete and the slab is 11% complete.

The Phase 2 project is out for bid with a bid opening of December 22nd.

EXTERNAL AFFAIRS REPORT:

Mel Arsenault reported on the Restoration Project HUD Goals – the first one being Section 3. There are 3 sections to that goal:

1) 3% of the value of non-construction contracts need to be awarded to Section 3 contractors or sub-contractors. We are cumulatively at 4%.

2) 10% of the value of construction contracts need to be awarded to Section 3 contractors or subcontractors. We are cumulatively at 30%.

3) 30% of new full time-hires (FTE's) need to be Section 3 individuals. We are cumulatively at 31%

The second goal we're required to meet is the tenant jobs. We're required to create 1,300 new jobs with the focus on low and moderate (LMI) income persons. As we report to MDA this week, we will be at 101 new jobs created.

OPERATIONS REPORT:

Matthew Wypyski reported on the maritime activity for November:

| | | | | | |
|--------------|----------|-------|--|----------------------|---------|
| Vessel calls | Vessels | 17 | | Truck Count | 5,590 |
| | Tugs | 7 | | Railcar Count | 579 |
| | Barges | 6 | | TEU's | 11,002 |
| | Vehicles | 6,475 | | Tonnage (short tons) | 146,237 |
| | | | | | |

We recently completed a visit to Shanghai to monitor the cranes that are being built for MSPA. We saw them operating and being tested. They are currently scheduled to be loaded onto a ship in early January and arrive here on or around March 19, 2016.

EXECUTIVE DIRECTOR'S COMMENTS:

On December 8th, a public hearing was held for the draft EIS. When this EIS is approved, it will add 180 acres. The public comment period closed this past Monday and we anticipate closure of this process around the middle of 2016.

McDermott will begin spinning pipe off their spool base this week. Fifteen acres of the 180 acres will be earmarked for their development to the south of the east pier. They currently have three contracts, one being deployed in Trinidad. Therefore, we are seeing an international operation from McDermott which shows we are in immediate need for those 180 acres.

With everything we've discussed, it shows that planning and design of this restoration project is pretty much over with. We are now moving into implementation and need to celebrate the success we've had over the last year.

Director Daniels recapped the successes of the past year and thanked Commissioners and staff for a prosperous year and look forward to the next year.

GENERAL COUNSEL'S COMMENTS:

David Duhe had no comments.

MDA'S COMMENTS:

Philip Carter had no comments.

COMMISSIONER COMMENTS:

Commissioner Rester thanked Jack for the outstanding job in his role as President. He also welcomed Commissioner Roberts as incoming President. Commissioner Rester thanked tenants, vendors, staff and fellow Commissioners for their tremendous efforts. He expressed his appreciation to his fellow Commissioners for continuing to work together on some really tough issues. The progress that everyone continues to make is impressive.

Commissioner Knesal also appreciates the efforts but expressed his concern and issued a stern challenge regarding the time it takes to approve payment to contractors. Federal funds do take time, but there should be a speedier process and this should be a top priority.

Commissioner Simpson commented on the commissioning of the USS Jackson and commended Carlos Bell on the job he did to work towards the port hosting this amazing event.

Commissioner Roberts mentioned his appointment by the City of Gulfport four years ago and how they stressed upon him the need to focus on obtaining long term leases at the Port of Gulfport. Just to mention a few, Chemours, Dole and Island View have all committed to long term leases since that was mentioned. Commissioner Roberts stated that the City of Gulfport and other coastal cities will be the benefactor of staff's hard work for years to come.

Commissioner Rester moved to close the meeting to discuss the need for an Executive Session. Commissioner Norris seconded and the motion was unanimously approved.

Commissioner Simpson moved to enter Executive Session to discuss Real Estate Matters (lease amendment). Commissioner Rester seconded and the motion was unanimously approved.

(THE BOARD OF COMMISSIONERS ENTERED INTO EXECUTIVE SESSION AT APPROXIMATELY 9:50 A.M.)

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

Commissioner Roberts 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 10:30 a.m.

Approved and Attested


E.J. Roberts
President


James C. Simpson, Jr.
Secretary