

Minutes of the Special Meeting of the Board of Commissioners of the Lake Charles Harbor and Terminal District held at 5:00 P.M., Wednesday, December 16, 2015 in the Board Room of the Port of Lake Charles located at 751 Bayou Pines, Suite A, Lake Charles, Louisiana.

In attendance and constituting a quorum, were:

- Barbara M. McManus, President
- Daryl V. Burckel, Vice President
- Dudley R. Dixon, Secretary/Treasurer
- Michael G. Eason, Assistant Secretary/Treasurer
- Elcie J. Guillory, Commissioner
- John LeBlanc, Commissioner
- Walter M. Sanchez, Commissioner

Absent:

None

Also Present:

- Mike Dees, General Counsel
- Richert Self, Director of Administration and Finance
- Channing Hayden, Director of Navigation
- Todd Henderson, Director of Operations
- Donald Brinkman, Director of Engineering, Maintenance and Development
- Michelle Bolen, Executive Administrative Assistant

Ms. McManus called the meeting to order at 5:00 P.M. and asked Dr. Burckel to give the invocation. Mr. Dixon led the Board and audience in the Pledge of Allegiance.

Ms. McManus asked if there was any public comment regarding any items on the agenda. Ms. McManus stated there were several public comments and they would be addressed at the appropriate agenda item.

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1. Approval of the November 16, 2015 Regular Meeting Minutes.
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Mr. Eason offered a motion to approve the November 16, 2015 Regular Meeting Minutes. Mr. LeBlanc seconded the motion and it carried unanimously.

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2. Submission 2015 – 063 establishing the Regular Meetings of the Board of Commissioners of the Lake Charles Harbor and Terminal District for the calendar year 2016.
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Mr. Dixon offered a motion to adopt Resolution 2015 – 063 to establish the Regular Meetings of the Board of Commissioners of the Lake Charles Harbor and Terminal District for the calendar year 2016. Mr. LeBlanc seconded the motion and it carried unanimously.

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3. Submission 2015 – 064 authorizing the Executive Director to purchase Construction Management, Field Technical and QA/QC services from River West Enterprises, Inc. for the construction of various capital projects for 2016.
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Dr. Burckel offered a motion to adopt Resolution 2015 – 064 to authorize the Executive Director to Construction Management, Field Technical and QA/QC services from River West Enterprises, Inc. for the construction of various capital projects for 2016. Mr. LeBlanc seconded the motion and it carried unanimously.

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4. Submission 2015 – 065 authorizing the Port to issue a purchase order for gate access control security services with Weiser Security Services.
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Mr. Guillory offered a motion to adopt Resolution 2015 – 065 to authorize the Port to issue a purchase order for gate access control security services with Weiser Security Services. Mr. Sanchez seconded the motion and it carried unanimously.

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5. Submission 2015 – 066 approving revisions to the Port of Lake Charles Tariff No. 013.
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Mr. LeBlanc offered a motion to adopt Resolution 2015 – 066 to approve the revisions to the Port of Lake Charles Tariff No. 013. Mr. Guillory seconded the motion and it carried unanimously.

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6. Submission 2015 – 067A authorizing agreements relating to the purchase of property owned by Technip USA, Inc. in Calcasieu Parish, Louisiana, including authorizing the final purchase of said property; and amending the capital budget accordingly.
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Mr. Dees asked to have the back up for this submission added to the minutes. It is inserted below as follows:

“December 7, 2015

The following is a summary of the final terms agreed to by conference call today at 9:30 am and reflects my written notes from that call. Items discussed on the call were that the Port Board approval would occur December 16, 2015; Purchase Agreements could be finalized by January 5, 2016; the State Bond Commission agenda deadline was mid-January, 2016; the Bond Commission would meet to approve mid-February, 2016; expected delays in getting due diligence work performed; Port due diligence would start immediately after Port Board approval and the need for Bill Rase to have Live Oak contact CRBE.

Following the call, the Port spoke to CBRE by phone at approximately 4:30 PM and was told that Technip USA management in both Houston and Paris have approved the following terms and conditions relating to both the Technip/Port transaction and the Technip/Live Oak transaction:

1. Total purchase price-\$28.0 million. Two separate purchase agreements and closings- Live Oak LNG for approximately 110 acres of property north of Global Drive, including all improvements (Technip/Live Oak Property). Port acquires approximately 500 acres of property south of Global Drive as well as the property occupied by Global Drive, including all improvements (Technip/Live Oak Property). Live Oak LNG is a cash transaction. Port acquisition of the Technip/Port Property will be owner financed over five (5) years- equal installments at 5%interest. No prepayment penalty. Neither the Port nor Live Oak LNG pay any real estate commissions.
2. Deposit: \$250,000 cash deposit paid by Live Oak LNG within 3 days of execution of the Live Oak LNG Purchase Agreement. If the Live Oak LNG acquisition of the Technip/Live Oak Property does not close within 30 days after execution of the Purchase Agreement due to reasons that are not attributable to Technip, then the \$250,000 becomes non-refundable. \$250,000 cash deposit paid by the Port within 60 days of the execution of the Port Purchase Agreement. If the Port does not secure the required approvals within 120 days from execution of the Port Purchase Agreement, then the \$250,000 becomes non-refundable. The Port deposit would be refunded if the closing does not occur, within the period specified for a closing to occur as set forth in 3 below, due to title issues, survey issues or environmental issues revealed in the Phase I and Phase II investigations to be undertaken.

3. At closing, Live Oak LNG pays \$9.0 million cash except with credit for the amounts posted by Live Oak LNG as deposit and Technip conveys by cash deed the Technip/Live Oak Property, subject to an easement that would allow Technip access to the Technip/Live Oak Property via Global Drive. The easement would be transferred to the Port upon closing of the Port's portion of the property. There shall be no due diligence period for Live Oak LNG and closing shall occur within 30 days after execution of a mutually acceptable Purchase Agreement. At closing of the Port's transaction, any deposits made by the Port shall be credited from the \$19 million sale price and, for the \$19 million sale price, the Port will pay \$1.0 million cash, except with credit for amounts posted by the Port as deposit, and the remainder (\$18 million) shall be owner financed over five (5) years- equal installments at 5% interest with the right of the Port to prepay without penalty. The Port closing shall occur no later than 90 days from the Port securing all necessary approvals or 120 days from execution of the Purchase Agreement, whichever occurs first.
4. As to the delays for closing of the Technip/Port property, Technip shall grant, if requested by the Port, an additional thirty (30) days for the closing to occur if delays in the closing otherwise occurring timely are due to reasons beyond the control of the Port or due to delays in the performance of necessary services of contractors providing due diligence services for the Port such as Phase I environmental work, surveying or title search or title curative work.
5. Each party (Port and Live Oak LNG) to arrange for their own title examination, surveying, and environmental testing and surveying as to the areas to be acquired by each and each party (Port and Live Oak LNG) pays their own costs as to these matters. Live Oak LNG will reimburse Technip for any costs incurred to subdivide the property. If the Live Oak LNG closing does not occur, then Technip will have the option to cancel the Port Purchase Agreement, in which case Technip will refund any deposit paid by the Port. If the Live Oak LNG closing occurs, but the Port closing does not occur as set forth herein and the Port and Technip do not mutually agree to extend the Port closing period, then Live Oak LNG shall pay Technip an additional \$1.0 million cash for the Technip/Live Oak Property.
6. The above proposed general terms and conditions will be promptly incorporated in more detailed formal purchase agreements similar to those previously provided. The estimated date for completion and execution of purchase agreements is January 5, 2016. The purchase agreements will generally follow the form previously provided by the Port and Live Oak LNG in prior exchanges with CBRE and Technip. Bond Commission approval is expected for February 16, 2016 or March 17, 2016, Following Bond Commission approval, the closing will occur once due diligence work is completed but within the time frame established in 3 above which should not be later than early May, 2016."

Dr. Burckel offered a motion to adopt Resolution 2015 – 067A to authorize agreements relating to the purchase of property owned by Technip USA, Inc. in Calcasieu Parish, Louisiana, including authorizing the final purchase of said property; and amending the capital budget accordingly. Mr. Eason seconded the motion and it carried unanimously.

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7. Submission 2015 – 067B authorizing agreements with Live Oak LNG relating to property to be purchased from Technip USA, Inc. in Calcasieu Parish, Louisiana.
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Mr. Dees asked that the summary included in the Submission be included in the minutes. It is inserted below as follows:

**“TERMS BETWEEN LIVE OAK LNG AND THE PORT
RELATED TO TECHNIP/PORT PROPERTY TRANSACTION**

1) Two separate purchase agreements and closings - Live Oak for property north of Global Drive in one separate purchase agreement. In a separate purchase agreement, the Port acquires all property south of Global Drive and the property occupied by Global Drive. Live Oak is a \$9.0 million cash transaction. The Port acquisition will be a total of \$19.0 million paid as \$1.0 million cash and \$18.0 million owner financed over five (5) years - equal installments at 5% interest. No prepayment penalty.

2) Deposit: Live Oak will pay \$250,000 cash deposit within 3 days of execution of the Live Oak Purchase Agreement and Live Oak will proceed to close within thirty (30) days of execution of the purchase agreement. If Live Oak does not timely close due to reasons not attributable to Technip, then the \$250,000 deposit posted by Live Oak becomes non-refundable. The Port will post \$250,000 cash deposit within 60 days of execution of its Purchase agreement with Technip. If the Port does not secure the required approvals within 120 days from execution of the Port Purchase Agreement, then the \$250,000 deposit posted by the Port becomes non-refundable. The Port deposit will be refunded if the closing does not take place due to reasons attributable to Technip. The Port deposit would be refunded if the closing never occurs due to title issues, survey issues, or environmental issues revealed in the Phase I and Phase II investigations to be undertaken. The Port and Live Oak will not withhold any information from each other regarding any decisions to move forward with the project or either of the closings of the various portions of the Technip properties.

3) At closing, Live Oak pays \$9 million cash with credit for the amounts posted as deposits. Port pays \$1.0 million cash with credit for any amount posted as a deposit. Live Oak, guaranteed by Parallax, will pay, to be evidenced by a promissory note secured by first mortgage on the property to be acquired by Live Oak, the Port's \$1.0 million cash payment made to Technip at its closing and that payment to the Port will be

made on or before December 31, 2016. The payment by Live Oak to the Port is to secure the rights set forth in items 5 and 6 below.

4) Each party (Port and Live Oak) to arrange for their own legal services, title examinations, surveys, and environmental testing as to the areas to be acquired by each and each party (Port and Live Oak) pays their own costs as to these matters.

5) At least until June 1, 2020 and by mutual agreement thereafter, Live Oak would have reasonable access to the Technip marine facilities and portions of the Port/Technip Property (together hereafter referenced as "Marine Facilities"), including the right to build any temporary infrastructure necessary to move equipment from the slip to the Live Oak/Technip Property. Live Oak would bear the cost of returning the Marine Facilities to its original condition, if requested by the Port or, at the option of the Port, any Live Oak improvements would remain with no payment to Live Oak. The Port's published Tariff No. 013, as amended, applicable to all Port-owned and publicly used facilities, will be applicable to the above-referenced access by Live Oak of the Marine Facilities. Scheduling, priorities and utilization of the Marine Facilities will be handled by the berth application process and procedures under the direction of the Executive Director of the Port as outlined in Sections 235-245 of the Tariff.

6) Right of first offer and refusal: Until June 1, 2020, Live Oak would have the right of first refusal for any lease agreements, though the right shall only apply to the degree that Live Oak plans to use the land for a similar purpose as potential lessee. Live Oak LNG would also have, until June 1, 2020, a right of first offer regarding any lease agreement the Port may enter into for the Port/Technip Property."

Mr. Guillory offered a motion to adopt Resolution 2015 – 067B to authorize agreements with Live Oak LNG relating to property to be purchased from Technip USA. Mr. LeBlanc seconded the motion and it carried unanimously.

 8. Submission 2015 – 068 approving a stevedore license for Sonic Stevedores, LLC.

Mr. Dees stated the Board could make a motion to act on all of the stevedore licensing as one. **Please note that the items 8 – 11 were voted on after the discussions on Item No. 12.**

Mr. Guillory offered a motion to adopt Resolution 2015 – 068 to approve a stevedore license for Sonic Stevedores, LLC. Mr. Dixon seconded the motion and it carried unanimously.

 9. Submission 2015 – 069 approving a stevedore license for Federal Marine Terminals, Inc.

Mr. Guillory offered a motion to adopt Resolution 2015 – 069 to approve a stevedore license for Federal Marine Terminals, Inc. Mr. Dixon seconded the motion and it carried unanimously.

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- 10 Submission 2015 – 070 approving a stevedore license for James J. Flanagan Shipping Corporation.
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Mr. Guillory offered a motion to adopt Resolution 2015 – 070 to approve a stevedore license for James J. Flanagan Shipping Corporation. Mr. Dixon seconded the motion and it carried unanimously.

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- 11. Submission 2015 – 071 approving a stevedore license for Lake Charles Stevedores, Inc.
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Mr. Guillory offered a motion to adopt Resolution 2015 – 071 to approve a stevedore license for Lake Charles Stevedores, Inc. Mr. Dixon seconded the motion and it carried unanimously.

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- 12. Submission 2015 – 072 approving a stevedore license for Coastal Cargo Lake Charles, LLC.
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Ms. McManus stated there were several requests to speak on Submission 2015 – 072. She stated that in 2009 the Port was getting about 938,000 metric tons of cargo. Now, in 2015, they are getting 389,000 that is bid out on bulk cargo. They are getting 389,000 metric tons and about 71% is going to containers. Only 29% is being bid out. They are not expecting that to change. In fact, the Port may get less. She asked for public comments.

She first read into the minutes a letter addressed to the Board from Representative A. B. Franklin.

“As the State Representative of the working force utilized by the Port of Lake Charles, and some of the companies working thereon, I am opposed to the renewal of Coastal Cargo Lake Charles, LLC’s application for a stevedoring permit.

The Port of Lake Charles has already licensed more than ample stevedore companies who have chosen to utilize the local qualified work force that benefit the Port of Lake Charles and the economy of Southwest Louisiana. Based upon my investigation, the home office for Coastal Cargo Lake Charles, LLC is located on Poydras Street in New Orleans, Louisiana. Contrary to their representations, Coastal Cargo Lake Charles, LLC loaded a ship on Friday, November 27, 2015, utilizing out of state labor. This is the only ship that they have worked since being licensed in July 2015. The Port does not have sufficient work to support another stevedoring company.

I respectfully oppose the re-licensing of this stevedoring company as it is contrary to the best interest of the Port of Lake Charles and the local economy.

Sincerely,

A.B. Franklin
State Representative – District 34”

Ms. McManus asked Mr. Hunter Lundy to address the Board.

Mr. Lundy, resident of Calcasieu Parish, Louisiana, stated he is speaking tonight as a local citizen, a friend of local labor and the local economy. He opposes the re-licensing of Coastal Cargo similar to what Representative A. B. Franklin just said in the letter that was read into the record. He was not here in July, but he has the transcript from the July 2, 2015 meeting where Mr. McCready was speaking on behalf of Coastal Cargo, trying to get the license. At that time, he represented, as shown in the transcript on page 7712, that they would not be a virtual stevedore that brings people in from out of town. They will have a general manager and he has been tasked with that position. They will hire locals from the community. They do not plan to displace anyone. They are bringing in new business. That is what he represented. The next day, the Port Board approves the license. In the Lake Charles American Press article, he said the company would hire locals and not be a virtual stevedore when people...when he brings people in from out of town. He will not do that. Mr. Lundy pulled a transcript from another meeting that was held, a special meeting that was held on July 7, 2015. He looked at the comments that were made by Commissioner Sanchez and looked at Mr. Eason's comments too. He thinks they are very significant and looking in particular to what Mr. Eason said is one of the things that stared him in the face is that Mr. Eason takes men at their word. Quoting Mr. Eason, he said, "The ILA asked for an opportunity. He heard that. He heard Mr. McCready say three times that he wants to hire local. He saw it in their application that he wants to hire local." That is something that is put in writing. He takes men at their word, quoting Mr. Eason, "I take men at their word and respects them for that until I know otherwise." Mr. Eason said he hires a lot of people in his own industry and he will say the most important thing for him, what he looks for, is experience. He does not have to tell them a story on what their experience is. Really, it is a matter of sitting down and telling their own story. They do not want someone like him walking in on the Port and making some kind of mistake. They all know what could happen.

Mr. Lundy stated he learned early in the week of Thanksgiving that Coast Cargo was going to load their first ship here and they represented that they were not going to use local labor, contrary to what they told this terminal district and contrary to what was quoted in the newspaper. As a friend, Mr. Lash Chretien, ILA, asked him, and he called and tried to call Coastal Cargo on two different occasions and left phone numbers and never got a return call. He cannot help but think about what the Governor-Elect says that he does not tolerate the liars, schemers or cheaters. He does not do it and does not tolerate it. So he thinks this license was issued on a premise of false promises, because they did not use local labor. They brought in labor from out of state and he is sorry they are in a different atmosphere today that they were six months ago. You can have a TWIC card but still have an out of date Visa. So all this labor came from out of state. He likes being able to know local labor has been down here

for 30 – 40 years. He knows this particular ship that came, every worker that would have been called out locally would have had more than 20 years experience. So, he is stating that it is a matter of security purposes. He knows what the law is and he knows that the Board scrutinizes the law, but there is an exception. You can have an administrative exception and you can have restrictions that are necessary in circumstances such as we live in today. They just learned a few weeks ago that you can pass immigration and be a U.S. citizen and yet you can still be a Jihad terrorist and kill people. He thinks they are living in a climate, this political body really needs to scrutinize, and he is just going by the fact that when somebody tells him something, like Mr. Eason, he takes them at their word until they show him differently. He is reading from the record and he is reading from the Lake Charles American Press and these people told the Board something that was not true. He suggests the Board not renew their license tonight and that they vet carefully over who they are going to use and who is going to come to the Port. He knows the Lake Charles Harbor and Terminal District implemented Homeland Security provisions years ago that everybody comes in with a TWIC card, but he is suggesting that if you have a TWIC card, and you are not going to be a citizen of the U.S. and you are not going to have a Visa, or have a Visa that is outdated and still have a TWIC card, and so why is the local economy important? It has to do with who is coming in and out of this Port. In addition, and that is for security reasons, in addition to the fact that he is big on this business about when you tell somebody something, you live up to it. They have not lived up to it. For those reasons, he respectfully suggests that the Board deny their application. Again, he knows what the Shipping Act says, and the Board may deny such access when, and the Board may restrict access when it is necessary and he believes it is necessary under these circumstances because of false representation that was made at the time of the application.

Ms. McManus thanked him for his comments. Mr. Lundy thanked the Board for letting him object.

Ms. McManus called upon Mr. Isaac Goins, Sr., to address the Board. Mr. Goins, President of ILA 2047, stated he is coming behind Mr. Lundy to “Amen” everything Mr. Lundy said. He wants to reiterate the fact that there are consequences when you lie. There should be. He is looking at the Board and their faces. These people looked at the Board and their faces and lied to the Board and told them they would use local labor. They, as longshoremen, were not as dishearten as they Board thinks they were, because they know there is a God. There is a God and he is looking down on all of us. All he is asking the Board to do is lay the consequences down where they belong. That is on Coastal Stevedore for lying to the Board and that is to deny the permit to stevedoring in Southwest Louisiana. They, as members, spend their money in Southwest Louisiana. They do not bring it back out of state or across the boarder. They spend it right here locally. They have been spending it here for over thirty years. His family has been in Southwest Louisiana for over 100 years. All they want the Board to do is represent them. That is what the Board’s job is – to represent the people of the community. They are the community. They are the community. They may not look like they are part, but they are part of the community. Just like everybody else wants a piece of the pie, they wanted a piece of the pie too. They were looking forward to it. But, all of their diligence and hard work over the years, at this here port, he hates to point fingers, but he is going to point fingers, Mr. Dees and Mr. Rase received some misinformation. Mr. Dees told the Board there was enough work to sustain another stevedore. There is not enough work to sustain another stevedore. They have been out of work and have only worked two days this month.

The 4 – 500 hours that Coastal did could have helped some families in this area to spend money at these local businesses for their children.

Mr. Goins stated he was not against non-union labor. He is not against anyone working. He has been working since he was thirteen years old. He has been paying Social Security since he was thirteen. But the fact is, when you lie to people, there should be consequences. All he is asking is that the Board do their duty, their diligence, which the Board is supposed to do – and that is to look out for them. He stated their lives are in the Board's hands. They do not come to these meetings unless something pertains to them. They let the Board run their business and conduct the affairs where they are supposed to do. But when you put down your fellow man and you throw them to the side, as you did them, he does not think that is fair. As a voter of southwest Louisiana, as a citizen of Southwest Louisiana and as a disabled Vietnam veteran he says deny the license.

Ms. McManus thanked Mr. Goins for his comments.

Mr. Guillory asked that when the Board met last time, he asked Coastal to meet with the ILA. Did they meet? Mr. Goins said that they did after a lengthy process of almost begging them. It was two weeks before they brought their first ship in and they met and told Coastal they would go all the way to New Orleans, it did not make them any difference to them. They wanted to obtain the business and show them that they were willing to work. They had a platform to form a good relationship. You can ask any employers they work for. The longshoremen do whatever it takes to get the job done. They have been doing that. They have not asked for an increase in salary in over 30 years. They have been making \$17.50 since 1987. Why? Because they want to keep the Port of Lake Charles competitive. They want their jobs. Do you realize, if you are making \$40.00 per hour when you do not have a ship, you still are not making any money? They try to be as competitive and try to work the Port to show them that they are willing to whatever it takes. They do that.

Mr. Dixon asked if that included working with Coastal. Mr. Goins said they spoke to Coastal and thought they had good rapport with them. They thought they covered all the bases that needed to be covered. But when it all came down... Mr. Dixon asked if they would not have a problem working a non-union job. Mr. Goins stated he would not have a problem working a non-union job, but he is a union person. Mr. Dixon stated he understood.

Ms. McManus called upon Mr. Keith McCready, Coastal Cargo Lake Charles local manager.

Mr. McCready, addressed President McManus, the Commissions and people in the community that they did not lie to them. They brought in the business. Chipolbrok never called on this Port before. Mr. Sanchez stopped him to say that they are coming with or without Coastal. They are coming because of existing projects. Do not try to tell this Board that that Coastal brought in business that was not coming here because of existing projects that were already on board. Mr. McCready stated they have a relationship. Mr. Sanchez stated that is different than Coastal bringing in work. Mr. McCready said, "Ok." Mr. Sanchez said the work was coming. So, do not try to tell this Board that Coastal did something that brought work that was going someplace else. That is not going to float. That is another statement that is not accurate. He asked Mr. McCready to finish his remarks.

Mr. McCready stated they are actively seeking local employees. When this vessel was presented to them, they had not had time. They had just opened a local office on Bayou Pines West. It is listed. They are actively seeking, through a third party, local representation. He said the gentleman said he was a union man. That is fine. They told the Board before, if they come and apply for a job and they have work, he will not reject a hundred of them. That is not the case. They did not do this with the intent to bring in intentionally out of state workers. They had to do it to complete the job that they were awarded. Their intent is to hire local people. Period. He has had two interviews in the last week. Now they have hired a third party, a local employment company, to seek people on their behalf. They cannot make money if they bring people in from out of town. They are paying for hotels, per diems, etc... It does not make good business sense. That is not their intent.

Mr. Dixon stated they just got through listening to Mr. Goins who is an ILA worker and he is willing to work for them. So, if he goes and puts an application in with your group that is here now. Is Coastal going to use him if you have a need for him? Mr. McCready said, "Yes." So, you are not wanting to replace him with somebody that you will need to put up in a hotel and feed etc... Ms. McManus stated she assumed the gentleman would have to meet Coastal's qualifications. Mr. McCready stated that was correct. Mr. McCready stated that this man had just explained he had decades of experience, so he has to believe he is qualified. He does not object to that. Mr. Dixon said that they could just go put applications in and Coastal will give them a call and say they have a ship in. Mr. McCready stated he had no objection to that what so ever.

Ms. McManus asked Mr. McCready to explain his employment practices. She said she was sure they have requirements that they need and require of a person applying for work. Mr. McCready stated it depended on the position. A crane operator would have to be a skilled individual, or a checker or clerk or laborer. Ms. McManus stated the reason she is asking him this, is if he applied Coastal would call him. That does not necessarily mean he meets your qualifications. She asked him to explain that a little better. Mr. McCready said they would get a laborer or someone who is going to pick up sticks and dunnage, work inside the hold of the ship, work in the yards where they load out the materials, a crane operator would work onboard the ship discharging the cargoes. They are looking for foremen that are qualified that can lead the men in the hold safely. The qualifications are not any different than the ILA's qualifications. They are qualified stevedores. Each man may have a different ability. It depends. This ship they had one crane operator to operate the ship. Labor inside the hold was four. They employed 14 people in the process. He did not have one application in hand at that point. He does say they have a third party now, local, that has an office here that is trying to present him with people. He has had two people. One was a phone call and never showed and the other was a young lady who came in looking for a CIC, clerk in charge, position. But she was only willing to work until 5 p.m. and they all know the stevedoring business is seven days a week sometimes 24 hours a day.

Mr. Dixon asked if Mr. McCready could tell the ILA members exactly what they need to do to get on Coastal's list. Mr. McCready said for them to come to his office and fill out an application and explain to him what their qualifications are. Mr. Dixon asked if they have good

qualifications, and he plans on using them, can they work on another ship with a stevedoring company? Mr. McCready stated he had no objection to that.

Mr. LeBlanc said that in the last interview when they were applying for a stevedoring permit, he asked Mr. McCready specifically would he hire, and he said he would. And part of that is Mr. LeBlanc does not think he has lived up to that expectation. How long before the ship was actually loaded did they know prior to coming to Lake Charles? Mr. McCready said the discharge was only a couple of few weeks. They did not even have an office set up yet. Mr. LeBlanc said that makes his point. He said Mr. McCready stated they would hire local. He did not have an office set up where they could go and apply. He thinks they have fallen short on what they have told the Board when they came and asked for a permit. He sat here and told the Board that he would hire local even if they were non-union. If these guys went to him and put an application in he would hire them if they met the qualifications. Mr. McCready said yes. Mr. LeBlanc said they did not have a local office. Seems to him that he has a hard time returning local phone calls because he remembers from the first time Mr. McCready was here, they would leave phone calls, leave messages for him. No one ever returned a call. Mr. Hunter Lundy left two messages for him and no one has ever returned his call. He does not know if the phone information he has given out is incorrect, but he would do a better job of getting the information out so someone could contact him so he could get information back to them.

Mr. McCready stated no one has contacted him personally and he gave them his business card. Mr. LeBlanc said that ok, they would get with Mr. Lundy and find out what number he called and what number Mr. McCready gave him and make sure they all have the right number. Mr. McCready was ok with that.

Mr. LeBlanc also asked when they opened their local office. Mr. McCready said they physically manned and put furniture in it within the last month. Mr. LeBlanc stated that they said when they were here previously, that they had a local office if he remembered correctly. Mr. McCready said that they did not have a local office then.

Mr. LeBlanc thinks Coastal has failed to meet the expectations at the Port of Lake Charles, to be honest, on what they said they were going to do. And, unless they can live up to these expectations, he thinks their tenure here is going to be pretty short. Mr. McCready stated he understood. Mr. LeBlanc said that for him personally, he just thinks that maybe not all the information has gotten out. But, they have to look out what is best for our local labor. Bringing someone in from out of state, and they had two weeks prior notice that they would have the ship there, he thinks that with all the communications he has with the local union, local people, that he could have picked up the phone and said, "Hey, I do have a ship coming in two weeks. It will take ten people to offload the ship. Do you have ten qualified people available?" Mr. LeBlanc thinks Coastal would have had ten qualified people show up to give him an application that he could have chosen from. Now, the way they do their business is their business, but he thinks they did not communicate very well and he is very disappointed with him and Coastal.

Dr. Burckel commented on the circumstances of the timing of when they came in. The Port granted this license in July. There was a ship in November. All that time, they could not set up a process for taking applications for notification if they have a ship come in two weeks ahead

of time, he has a couple of weeks notice that they have a ship coming in, and there is still no way for him to contact labor or for labor to even have a way to come to your business and make an application. He thinks that is very disappointing, and he is echoing the same thing. What Mr. Lundy read is what Mr. McCready told us and what the Board believed and the union knows that it is not union work. They know that, but it is an opportunity to work and that is what they were looking for and that is what the Board was told, that they would have. So, from the very first outset, the very first chance they have to show that they are willing to work with labor here in Southwest Louisiana, the first thing they do is basically turn their back on them and say well, it is coming too fast and they have to go ahead and use their own labor from outside. He hopes that if should this be renewed, that this never happens again.

Ms. McManus asked if Mr. McCready has a local office number or someone in the office at this time. Mr. McCready stated January 5, 2016 the phone company was coming out to hook up the data lines and the phone lines. He is working off a cell phone. She asked if the number given was the correct number. He said it was and was 288-369-3985.

Mr. Eason asked what their process is so he does not have any misunderstanding of exactly how they work. If their office is open January 5, 2016, and all the processes are in place for applications, does he take applications from various workers and keep a file until he needs them? Is there a due diligence process to make sure they qualify for the respective positions? Mr. McCready stated that anyone who comes in will be given an application. Mr. Eason asked if he keeps that application on file until he has a need for employees. Mr. McCready stated that was correct. Mr. Eason said that assuming their office is set up, he is using the January 5th date, is there any reason why any person in the community cannot make an application? Mr. McCready said there was none whatsoever.

Ms. McManus stated that they have to make an application to be hired. Mr. McCready said yes.

Mr. Sanchez asked how he notifies longshoremen that there is a ship in and work available. What does he do to pull together a gang? Mr. McCready said that if he has that application, he would use it as a point of reference. It is a phone number, cell phone number, email address. But then he would have to get a qualifying "yes" that they would be there at hypothetically 7 a.m. to go work.

That is what Mr. Sanchez wanted to know, if he put together a list of things on how he communicates with them and if there is somebody in the office who goes and contacts whoever is listed available. Mr. McCready said yes.

Mr. Dixon asked how many ILA members were in the audience and how many of them would work with Coastal and is willing to put in an application with them if they have non-union people on the ship?

Mr. Lash Chretien stated that first of all, if they called them and they go through the right process, they did not have a problem working for a non-union. They tried to working with them. They went overboard. He even called them and told them they would work for free on this last ship, just to show them the courtesy of the ILA at the Port of Lake Charles. They

would work the ship for free and they still turned them down. Is that what they are talking about, about going to get with them? If they put ILA on an application, they are not getting a job. These are the facts. He said they will work this ship for free.

Mr. Chretien said they met with these people and they gave them the same information they gave the Board at the same time. They were going to do this and do that. The ILA left the office all excited. They told them to give Coastal their pension plan so everything is all together. The ILA told them if they need six men to work the ship, they will hire six men. Yes, they are minimum manning with other stevedores, but now that they would be working for Coastal, they would have to give them the same minimum manning, so it would be whatever they want. They do not have problem with that. They just want to do all the work at the Port of Lake Charles. That is their life. They do not have to be hunting applications, all they have to do is make one phone call and say they need 15 men tomorrow and two of those men can be working and two can be crane operators, etc. They have all that. Already qualified people under the safety provisions they have to have. They have their TWIC cards. The guards know the longshoremen.

They have not worked since November 11th. The last ship that was here was November 27th. They just looked at it and could not touch it. The ILA had two people working at the Port on some containers. When the guys went to go to lunch, they got a message from the gate that no longshoremen can come on the docks. They asked what about these people already working? They put a stop to that. Half their "cars" were driving around in a truck all day. He asked what is wrong with this. They are doing our work. When they came to work, he asked the guards if they were checking Coastal's TWICs. They said no and he said they checked theirs.

Ms. McManus asked Mr. Henderson if the TWIC cards were checked. He said they were.

Mr. Chretien said he was not saying if they did not do it, he is just saying what he asked the guards. All he is saying is if Coastal wants to sit down and meet with them they are willing to meet to do anything. Ms. McManus asked if they met with them. He said they did meet. Everything was excellent. Every one of them that went and they said it looked like things looked good. But, when it came back, all the phone call said was they are not going to use them and do not worry about it.

Mr. LeBlanc stated to Mr. Chretien that he did not put in an application and one of the ways to get employed by Coastal is that members are going to have to go and fill out an application. He understands that he does not think so and Coastal can just call the ILA up and send the labor. But from a business standpoint, if he is going to be employed by Coastal, he is going to have to go down there and fill out an application so they can do the background checks, check and make sure he has the qualifications. That is just part of being employed. He said one of the things he will do, if he wants to go to work for them, is go down to their office and fill out an application so that when work comes available, they have a database to go to for hiring..

Mr. Chretien, said he was not out of order and would sure appreciate if the Board would do some more studying on Coastal before they give them a permit because they like us here, they

like the community. They do not have to be approved tonight. Maybe 30 or 60 days, whatever, so all of them could see what they are actually trying to do.

Mr. Guillory stated he wanted to make a motion on items from No. 8 through 11, Resolution 2015 – 068, 2015 – 069, 2015 – 070, and 2015 – 071 be approved for a stevedore license. Mr. Dixon seconded the motion and it carried unanimously.

Mr. Guillory offered a motion that based on the disappointment that he is hearing and has heard throughout the times they met, he is very disappointed with Coastal Cargo that they did not work in good faith with the ILA and the stevedore license be denied on the grounds they did not work in good faith.

Ms. McManus stated that before they have a second to the motion, he would like Mr. Dees to tell them about the legality of the issue. Mr. Guillory said he would withdraw the motion. Mr. Dees said it was ok to withdraw.

Mr. Dees stated that tonight he could not tell them that they have a basis to deny them based on what has been said to be misleading information that was given to the Board before. He does not know that and needs some time to check that out. That is what he would ask the Board to do. Just sitting here analyzing things, the misleading information was relative to this Board's desire that Coastal hire local. That is a wonderful attribute. He is for it, the Board is for it, the ILA is all for it. The problem is the Commerce Clause says you cannot mandate that. The Commerce Clause is part of the U.S. Constitution and for example, the Port grants leases to Cameron LNG, Sasol, Lake Charles LNG and G2X. That same desire to hire local applies to those projects. Those projects are not hiring local 100%. They are bringing in a lot of people from everywhere. That is the purpose of the Commerce Clause. They have to have a national economy that does not mandate all business that they only use local people or that they primarily use local people or that their first choice is local people. You just cannot do that. As good of a thing as it, you just cannot do it legally.

Mr. Guillory suggested the Board defer the permit for 90 days and see if they can work something out and at that time if they have not worked things out, then they can deny the license. He offered that as a motion.

Dr. Burckel asked Mr. Guillory if he meant the ILA negotiate with Coastal, because Coastal has already stated they are a non-union shop. Mr. Dees stated he would be more comfortable with a 30 day deferral and he would have time to research the issue about misleading information, if that was the case. He would like that much time and would not be comfortable with a longer delay than 30 days. He is comfortable in knowing that the law is that they cannot mandate Coastal hire local. He knows Mr. Chretien indicated that they offered to work for free, but in actuality what they said was they will not charge their hourly fee, but they want their benefits paid. To do that, he might be wrong, they have to have a contract with the union and contract to pay those benefits that are union benefits. The Board needs to be very careful that they are not mandating that. The Board absolutely cannot mandate that anybody hire union contract as union employer. He wants to make that clear.

Ms. McManus asked Mr. Dees to remind the Board about the lawsuit filed against the Port of Miami. Mr. Dees said this is the case that was provided when Coastal came up back in July. The Miami Port Director decided, much like this argument here tonight, that they had plenty of stevedores and there were plenty of companies available to hire what labor was available. It appeared to be obvious to him, much like this situation. He elected to take a new company like Coastal and deny them the permit. It resulted in a \$3.0 million judgment against the Port of Miami. Essentially, because the reason of the Maritime Commission, there was no objective evidence that what he was saying was true and that is what they have today. They do not have an independent study that says that. It is not a matter of them having too many stevedores. They have plenty of business. What the Commerce Clause and the Federal Maritime Commission of the Shipping Act wants to assure is there is maximum competition for shipping interests. Again, as wonderful as it is to say we want to make sure our local people work, we cannot mandate that. It is a worthy goal and something everybody ought to be for, but we cannot as a public body mandate that as part of this license. That is the rub the Port has here. He does not know of any basis that they can say to deny Coastal. He wants to research the issue about the misstatements and their activity and let him see if there is a basis for it.

Mr. Sanchez asked to address Messrs. Goins and Chretien. He has known Mr. Lundy for 30 years. Mr. Lundy called him this week and Mr. Sanchez said he was so glad to hear from him. Part of the information Mr. Lundy has was information that Mr. Sanchez had provided him about previous decisions this Board has made about when and under what circumstances the Port has denied stevedoring licenses. He asked for Mr. Lundy's help and is asking for it again now. It is clear, he cannot vote to deny a license to that man and his entity based on whether or not he will sign a union contract. That cannot be done. They have denied stevedoring licenses to other entities in the past. One of those at least was non-union. But there were multiple objective business reasons that were in place at that time. All of which he provided to Mr. Lundy. Mr. Dees knows about it as well. He is happy to wait 30 days to review this. He is happy to have Mr. Lundy to research and find out if there is a legitimate business reason that shows why it is not in the Port's interest that is unrelated to whether or not he will negotiate with Mr. Goins then he will consider that. But, he cannot vote and will not expose the Port to \$3.0 million worth of liability or more on denying it just because he is less than direct or his actions have been different than his statements at the last meeting.

Ms. McManus stated that before they go on, there is a motion on the floor. She asked Mr. Guillory if he wished to continue with the motion. He decided to withdraw the motion of 90 days and offered a motion to defer a decision on the Coastal Cargo Lake Charles, Inc. stevedore license for 30 days. Mr. Dees suggested until January 25, 2016. Mr. Eason seconded the motion. Mr. Eason asked if Mr. Dees was comfortable on the 30 days for research. He thinks it is a reasonable request. He joined Mr. Sanchez and spoke to Mr. Lundy around Thanksgiving, and if the Port is wrong in the law, show them, give them whatever he has and tell him some basis that exists. He does not know if Mr. Lundy knows of anything tonight, but in the next 30 days, he is confident that we can verify things.

Ms. McManus stated January 25, 2016 is longer than the 30 days motioned on, and asked if Mr. Dees wanted to reconsider the license at the January 25, 2016 meeting. Mr. Dees stated that was correct.

Mr. Dixon stated that gives Coastal time to get their business set up and these men to go out and put their applications in to see if they can work something out in the mean time.

Mr. McCready stated they also have the third party that will vet everyone. Ms. McManus stated that they are going to have to have applications from each person that wants to work.

Mr. LeBlanc stated that their current license goes through December 31, 2015. So, they would only be without a permit from January 1 – 25th. He asked if they had any ships scheduled during that time. Mr. McCready stated they have one tentatively. Nothing finalized as of yet. It could happen. Mr. Dixon asked if they could give a temporary permit. Mr. Dees stated they could but he would ask that if they need a permit the Board can hold a special meeting. Just notify the Port and they can have one. Ms. McManus asked if the Board could extend the license until January 25, 2016. Mr. Dees said they could.

Mr. Sanchez offered a substitute motion that they reconsider the 2016 license at the January 25, 2016 meeting and extend an interim license until that is considered. Mr. Dixon seconded the motion and it carried unanimously.

Ms. McManus asked Mr. Lundy if he had another comment. Mr. Lundy stated he did not see this as a Commerce Clause issue at all, because at some point you have an administrative procedure allocation as the Lake Charles Harbor and Terminal District. He knows the Board failed to renew other licenses on other stevedores because they did not do what they were supposed to do. He knows that these people lied. Mr. McCready wants to stand up here and say he did not receive his phone calls, and he knows he called. He knows the ILA have called and knows they met with them and knows what he read in the newspaper and the record. He is just pointing those things out. He appreciates the Board's concern about litigation and liability, but he thinks this is more. This is about an administrative procedure obligation that the Board has. The credibility is at stake. Do you just overlook? Ms. McManus stated they will look at all of those things.

Mr. Lundy says you overlook credibility because you are afraid somebody is going to file a suit. He says you do not.

Mr. LeBlanc asked for a transcript of the July board meetings minutes to review what was exactly said.

Mr. Lundy stated he would help Mr. Dees as much as he can.

Ms. McManus thanked him.

Dr. Burckel stated the Committee met on December 8, 2015 to discuss evaluation ratings and compensation for the Executive Director and General Counsel and the District's 2016 Operating, Non-Operating and Capital Budget.

Dr. Burckel stated the committee approved a motion to recommend for adoption to the full Board at the December 16, 2015 meeting Resolution 2015 – 073 to approve an evaluation rating of "Exceeds Expectations" for the Executive Director along with a 6% salary adjustment effective January 1, 2016. Also, they recommend his contract maintain the other benefits as included in the existing contract and the contract term be fixed from January 1, 2016 through December 31, 2018. The Committee also recommended to the full Board an evaluation rating of 4.75 out of a scale of 5.0 points for the General Counsel and a 6% salary adjustment increase to be effective January 1, 2016. No second is needed for a Committee recommendation and Resolution 2015 – 73 was approved unanimously.

The Committee also reviewed the 2016 budget. Dr. Burckel asked Mr. Self to present the budget to the Board.

The Committee approved a motion to recommend to the full Board at the December 16, 2016 board meeting adoption of Resolution 2015 – 074 to approve the District's 2016 Operating, Non-Operating and Capital Budget. Being a committee recommendation, no second to the recommendation is necessary. Resolution 2015 - 074 was approved unanimously.

14. November 2015 Financials Briefing Note

The Briefing Note concerning the November 2015 Financials was rendered to the Board and is on file in the Executive Offices.

15. Monthly Staff report from Director of Administration and Finance.

The Director of Administration and Finance's Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

16. Monthly Staff report from Director of Navigation.

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

17. Monthly Staff report from Director of Operations.

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

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

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

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

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.

20. Monthly Staff report from the State Port Lobbyist.

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

21. Monthly Staff report from the National Port Lobbyist.

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

22. Executive Session

- 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.

Ms. McManus asked for a motion to enter into Executive Session. Mr. Eason offered a motion to enter into Executive Session. Dr. Burckel seconded the motion and it carried unanimously. The Board entered into Executive Session at 6:13 p.m.

The Board returned from Executive Session at 6:45 p.m. Mr. Sanchez offered a motion to return to Regular Session. Dr. Burckel seconded the motion and it carried unanimously. No action was taken in Executive Session.

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

There being no further business to come before the Board, Ms. McManus adjourned the meeting at 6:45 p.m.

All discussions held on the above items were recorded on Compact Disc Number 1, and filed in the Executive Offices of the District.

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.

BARBARA M.MCMANUS, President

ATTEST:

DUDLEY R. DIXON, Secretary/ Treasurer