

Minutes of the Regular Meeting of the Board of Commissioners of the Lake Charles Harbor and Terminal District held at 5:00 P.M., Monday, January 25, 2016 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
Dan Loughney, Director of Marketing and Trade Development
Todd Henderson, Director of Operations
Donald Brinkman, Director of Security, Engineering, Maintenance and Development
Michelle Bolen, Executive Administrative Assistant

Ms. McManus called the meeting to order at 5:00 P.M. and asked Mr. Dixon to give the invocation. Dr. Burckel 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.

- 1. Approval of the December 16, 2015 Regular Meeting Minutes.

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

-
2. Submission 2016 – 001 authorizing the Executive Director to enter into and execute any and all documents determined to be necessary regarding the Agreement and Plan of Merger involving Pinnacle Entertainment, Inc., Gaming and Leisure Properties, Inc. and Gold Merger Sub, LLC as it relates to the Ground Lease Agreement with PNK (Lake Charles), LLC and its parent company, Pinnacle Entertainment, Inc.
-

Mr. Sanchez offered a motion to adopt Resolution 2016 – 001 to authorize the Executive Director to enter into and execute any and all documents determined to be necessary regarding the Agreement and Plan of Merger involving Pinnacle Entertainment, Inc., Gaming and Leisure Properties, Inc. and Gold Merger Sub, LLC as it relates to the Ground Lease Agreement with PNK (Lake Charles), LLC and its parent company, Pinnacle Entertainment, Inc. Mr. Eason second the motion and it carried unanimously.

-
3. Submission 2016 – 002 approving a stevedore license for Coastal Cargo Lake Charles, LLC.
-

Mr. Rase stated this submission is an application that was submitted to staff. Staff finds that it is complete in the format that the District requires it to be, so they are submitting it to the Board for approval.

Dr. Burckel offered a motion to adopt Resolution 2016 – 002 to approve a stevedore license for Coastal Cargo Lake Charles, LLC. Mr. LeBlanc seconded the motion.

Ms. McManus stated there were several people who wished to speak on this item.

Ms. McManus called upon Ernest Malone, Legal Counsel for Coastal Cargo, to speak to the Board. Mr. Malone stated that last summer the Board granted a license and the factors that the Board is authorized to consider have not changed since that time. They do not know of any reason or valid cause that would be a stumbling block to approve it again. They would appreciate the opportunity to go ahead and have it approved again as the motion has been made.

Ms. McManus called upon Mr. Keith McCready, Coastal Cargo Manager, to address the Board. He declined to speak unless he was called upon by the Board.

Ms. McManus called upon Mr. Hunter Lundy, local attorney, to address the Board. Ms. McManus asked him to keep it short as this item was discussed at last month's meeting.

Mr. Lundy stated that they were in opposition at the last session and they were asked by counsel for the Port and various board members to provide some support for having the

license denied. He sought an opinion from a counsel in Washington, D.C. and from the Federal Maritime Commission. They received an opinion, and he had a discussion with Mr. Sanchez outside. He knows that in using the word "may" instead of "shall" he does not know any lawyer that would give an opinion that would tell someone it was the absolute the result. These people gave them an opinion for reasons for this permit to be denied. He said he guesses it comes down to an administrative point for the Port. Just how many stevedores are the Port going to permit? An unlimited number? When the work does not justify? He said various defenses were provided for this application to be denied. He said the Port has four permitted stevedores without now. The opinion that was given by the Cozen O'Conner firm, if you look you see Ann Mick's name on it. She was the lawyer with the firm 25 years ago that collaborated with the Port's counsel in stating that Flanagan Stevedoring could not prevail in their claim against the switch engine in the fact that the then owners of Lake Charles Stevedores were the only unloading stevedoring. Her advice is good advice. Back then it was an administrative decision to only have one stevedore as an unloader. The law has not changed. This Board has the authority to limit the number of stevedores. The Board has the responsibility to administer. He knows, and with all respect to Mr. Sanchez and Dr. Burckel, he respects both, the last time Mr. Sanchez stated he denied a permit was that he had specific reasons for denying that permit. Mr. Lundy stated he did not think one needed specific reasons more than the fact that the Port has ample stevedores. The Board is trying to administer the Port and they are using local labor. If you deny a stevedore application permit, the Board can do it for administrative purposes.

All of the defenses under the Federal Maritime Commission under the Commerce Clause, under the Louisiana Sovereign Immunity have been laid out here. He thinks it is just a policy. If the Lake Charles Harbor and Terminal District wants to permit everybody that comes here then that is a policy decision. If the Board chooses to deny this and the following people that are up next, they can do that and are protected under the law to do that. But, it is not a legal question, because the law is there to justify them making a business decision to turn these people down. It is just a business decision. They responded to the request at the last meeting. They provided the authority and now it is back up again. He thanked the Board for their time.

Ms. McManus called upon Mr. Lash Chretien, President ILA Local 1998, to address the Board.

Mr. Chretien stated that he knows they are back up here with the same situation they had before. He does not want to repeat what Mr. Lundy just said but they have more than enough stevedores to protect what they have. These stevedores just came here now. They said they have all been blessed to say they got Sasol, LNG. Everybody is being blessed but the longshoremen. They are having to fight for the same jobs. The company said they will not meet with anyone until they get a license. They said they wanted to use local labor. He knows for a fact that 90% of the people they had working on the last ship was all out of town people. They promised the Board they would use local labor. The ILA offered to meet with them and work the situations out. They have to provide jobs for their families. He has documentation that in 2011, there were 266,396 man hours worked. That provided insurance for over 200 families. In 2015, there were 160,000 man hours worked. They lost over 100,000 man hours in the last 3 years. Ms. McManus stated that she pointed out to him previously that the cargo coming in is less.

Mr. Chretien, said that now that the cargo is coming in they are going to cut the ILA out again. All he is saying is some of this stuff has to be common sense stuff. And some of this stuff has to be business stuff. The Board represents everybody in the community. Everybody. All these people and families. Some of these people lost their insurance because of some of the decisions this Board has made. They are the last people getting some and they work the hardest jobs they have in this city. Throwing sacks in a hold in a ship is a hard job. They finally got some gravy jobs coming and they are getting rid of all that.

He stated he had one last thing to say and that on the front page of the newspaper Saturday it talked about everything that is good about the cargo coming. It was also stated in there that the work went so smooth, like ballet dancing. Guess what? The longshoremen have done that. They did not say anything about them doing a good job. There was nothing about that in the paper. They were out there watching the Port people. There are millions and millions of dollars of equipment and not just anyone can do it. They are qualified and trained to do this work. They have safety programs. They have everything. They asked to meet with Coastal and they turned them down. They do not know what the next step is for them. Every month suppose another stevedore comes and does the same thing. They are coming here, not to help Lake Charles, or help our economy. They are coming here to make the money off the ship and take it elsewhere. It is not going to stop. They told the Board last time, they would not bring in any out of town workers. They did. They do not know what the next stevedore is going to do. They are not giving anyone any guarantees. He talked with a bunch of public officials and everyone said to support local labor. He said that he guesses what everyone says does not mean anything. And them not having insurance for their families does not mean anything. But it means something to them(ILA). He thanked the Board.

Ms. McManus stated there is a motion on the floor to approve the stevedore license for Coastal Cargo Lake Charles. Mr. Guillory asked for a roll call. The roll call resulted in the following:

Mr. Guillory	No
Mr. LeBlanc	Yes
Dr. Burckel	Yes
Mr. Dixon	Yes
Ms. McManus	Yes
Mr. Sanchez	Yes
Mr. Eason	Yes

With a vote of 6 in favor to 1 not in favor, the motion carried.

Ms. McManus stated that there is nothing they want more than for the Lake Charles people to have jobs. That is one of the reasons they have been trying to get business into the Port and on Port property to create jobs for the people of Lake Charles.

Ms. McManus called upon Mr. McCready to address the Board. He stated they attended a job fair at the Civic Center with their hiring personnel. They received about 90 applicants that showed up and signed in. Only one longshoreman from the union came to the job fair. It was

a matter of qualifications. He has people out there that will be working tomorrow that are local residents. That is what they are trying to do. Nothing has changed. It is a matter of having people apply. As he has said, if they are qualified, they will work. They are doing their best.

Ms. McManus asked if their office would be open on a weekly basis. He stated they would be open.

Mr. LeBlanc asked him about the 90 applications and that only one was a longshoreman. Mr. McCready stated that was true.

-
- 4. Submission 2016 – 003 approving a stevedore license for Gulf Stream Marine, Inc.
-

Ms. McManus called upon Mr. Kevin Bourbonnais, President and CEO of Gulf Stream Marine, Inc., to address the Board. He stated his company has a very strong record along the gulf coast for working with deep water ports and in fact employing local labor and growing within the community. That is their intention. Ms. McManus asked if they had a local office. He said they did not at the time but are located in Brownsville and are looking for a local office. That is their formula. They go into locations, set up a local office and hire local management. They have done that for 25 years. Ms. McManus asked if they will have a job fair. He stated they will hold a job fair.

Dr. Burckel offered a motion to adopt Resolution 2016 – 003 to approve a stevedore license for Gulf Stream Marine, Inc. Mr. Eason seconded the motion and it carried unanimously.

-
- 5. Executive Director Quarterly Expenses Briefing Note
-

The Briefing Note concerning the Executive Director Quarterly Expenses was rendered to the Board and is on file in the Executive Offices.

-
- 6. DBE Goals Briefing Note
-

The Briefing Note concerning the District’s DBE Goals was rendered to the Board and is on file in the Executive Offices.

-
- 7. December 2015 Financials Briefing Note
-

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

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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. Sanchez offered a motion to enter into Executive Session. Mr. Eason seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:26 p.m.

The Board returned from Executive Session at 5:55 p.m. Dr. Burckel offered a motion to return to Regular Session. Mr. Eason seconded the motion and it carried unanimously. No action was taken in Executive Session.

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

There being no further business to come before the Board, Mr. LeBlanc offered a motion to adjourn. Mr. Eason seconded the motion and it carried unanimously. The meeting adjourned at 5:55 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