

## Minutes of Meeting April 28, 2016

A Regular Meeting of the Port Commission of Port Freeport was held April 28, 2016 beginning at 4:01 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

### Commissioners present:

Mr. Ravi Singhania, Chairman  
Mr. Bill Terry, Vice Chairman  
Mr. Paul Kresta, Secretary  
Mr. Rudy Santos, Asst. Secretary  
Mr. Shane Pirtle, Commissioner  
Mr. John Hoss, Commissioner

### Staff Members Present:

Mr. Jason Cordoba, Legal Counsel  
Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Jeff Strader, Chief Financial Officer  
Mr. Jason Hull, Director of Engineering  
Mr. Al Durel, Director of Operations  
Mr. Chris Hogan, Director of Protective Services  
Mr. Mike Wilson, Director of Economic Development  
Mr. Jason Miura, Director of Business & Economic Development  
Ms. Dianna Kile, Director of External/Governmental Affairs  
Ms. Mary Campus, Controller  
Ms. Missy Bevers, Executive Assistant  
Mr. Brandon Robertson, Network Systems Manager  
Mr. Cecil Booth, Project Engineer  
Mr. Nick Malambri, Engineering Specialist  
Mr. Jesse Hibbetts, Operations Manager

### Also present:

Mr. Bobby Fuller, Texas Port Ministry  
Mr. Bob Arroyave, Brown & Gay Engineers  
Mr. Dude Payne, Brazoria County Commissioner  
Mr. Chris Sallese, Dannenbaum Engineering  
Mr. James Nash, Horizon Terminal Services  
Mr. Peter Nemeth, Crain, Caton & James  
Mr. Jeff Taylor, Freese & Nichols  
Mr. Sara Vuskov, HDR  
Mr. Ty Thomas, LAN  
Mr. Scott Marr, HDR  
Ms. Ann Poninski, Phillips 66

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:

2. Pledge of Allegiance: U.S. Flag & Texas Flag
3. Invocation – Mr. Bobby Fuller, Texas Port Ministry
4. Roll Call.  
All Commissioners were present.
5. Approval of minutes from the Regular Meeting held March 24, 2016 and the Special Meetings held April 2, 2016 and April 8, 2016.

A motion was made by Commissioner Kresta to approve the minutes as presented. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

6. Reports from Executive Staff:
  - A. Receive report from Chief Financial Officer on monthly activity and matters related to financial results, investments, insurance, leases, real property matters and other related administrative affairs.  
  
Mr. Strader gave a brief financial presentation and update to the Commission.
  - B. Receive report from Director of Engineering on activities and matters related to Freeport Harbor Federal Channel, capital projects and other projects, Hydrographic Report and other related facility engineering matters.

In addition to his report, Mr. Hull shared pictures of the recent sediment sampling done in the harbor for the GRR work-in-kind effort. Mr. Hull also reported that Captains Teeter and Gunning will be attending the vessel simulations in Florida next week as well as Commissioners Hoss and Pirtle. Nick Laskowski, Carlos Tate and Dennis Webb will be attending from the U.S. Army Corps of Engineers. Additionally, Mr. Hull recently signed Notice to Proceed on three new build houses for East End residents participating in the SWAP program.

- C. Receive report from Director of Operations on activities and matters related to operations, vessel activity, tonnage and other related port operation matters.

Mr. Durel touched on recent Port activity and reported project cargo will pick up in June/July. Additionally, he reported on meetings with Tenaris and Coastal Cargo to discuss truck traffic patterns and flow which will be of concern once the manufacturing plant opens. The meeting was very productive with all sides working together to come up with the best plan moving forward when the traffic begins. Mr. Durel also shared a graph showing Hoegh activity with the new vehicle exports since August last year.

- D. Receive report from Director of Protective Services on matters related to safety meetings/injury report, security meetings, EMS update and other related safety, security and environmental matters.

Mr. Hogan commended Brandon Robertson for his work with the new administration building as he rebuilt the entire IT infrastructure for the building which meant there was no down time between the

move. Additionally, he reported the cameras are up at the tide gate for Velasco Drainage District. Beginning next week, they will have access to those cameras. Finally, Chief Brian Davis with the Freeport Fire Department will be leaving the City in May.

- E. Receive report from Director of Business & Economic Development on activities and matters related to industry meetings and Port presentations, Port events, and other related trade development or community relation matters.

Vulcan Materials has offered to provide a water truck to help with the dust along the City of Freeport's current truck route through the East End neighborhood. Mr. Miura also reported that he and Mr. Strader attended the Texas Port Ministry banquet held on March 21, 2016 where they were invited by Bobby Fuller to give a brief update on the Port and current projects. May 4, Mr. Miura and others will be in Austin to testify before the Texas State Senate Committee for Texas Ports to help in the understanding of the Committee with respect to the readiness of Texas Ports in anticipation of the Panama Canal expansion. Additionally, Mr. Miura also reported on a recent meeting of the Rail District and shared a short video of a new concept freight mover he recently observed in Bryan, Texas at Freight Shuttle International.

- F. Receive report Director of External/Governmental Affairs on activities and matters related to federal, state and local governmental affairs, Port tenant updates, USCOE, rail issues, HGAC/TPC, Committees, upcoming Port and civic events and other related governmental affairs.

In addition to her report, Ms. Kile stated that three East End SWAP contracts have been returned to the Port executed and the City of Freeport will have three new rooftops within the city. Ms. Kile continues dialog with representatives on the federal, state, county and city levels concerning any projects or initiatives within the Port. Lastly, Ms. Kile extended an invite to everyone to attend the 16<sup>th</sup> Annual Take-A-Child Fishing Tournament.

- 7. Receive report from Commissioners on matters related to meetings and conferences attended, Port presentations and other related Port Commission matters.

Commissioner Singhania welcomed Phyllis Saathoff back to Port Freeport as CEO. Ms. Saathoff added that it was good to be back home and commended staff on all the work that has been accomplished in the time period she was gone and looks forward to building from there. Commissioner Singhania commended Jeff Strader and Jason Hull on their diligent work while the CEO position was open. He also commended staff on getting the new building up and running in a short time period.

Commissioners Santos, Singhania & Hoss reported on the Panama delegation who came to Port Freeport May 19. Commissioner Hoss also reported participation on the weekly teleconference with the Corps of Engineers. Commissioner Singhania also mentioned the upcoming Public Hearing May 4 in Austin to provide testimony to the Senate Select Committee on Texas Ports. Ms. Saathoff talked about the 100 day plan she has created to allow her to quickly gather information and increase her knowledge of the current state of the Port and evaluate how to move forward with continued growth and development.

- 8. Public Comment

Mr. Bobby Fuller welcomed Port Freeport to their new home on Cherry Street and welcomed Ms. Saathoff back to Port Freeport. He also thanked Jeff Strader and Jason Miura for attending the Texas Port Ministry banquet and participating in the question and answer session conducted at the banquet. Commissioners

Pirtle & Hoss thanked Mr. Fuller and Texas Port Ministries for all they do and the services they provide to the seafarers in the area.

9. Receive presentation from Dannenbaum Engineering regarding the RESTORE Project for the San Bernard River.

Chris Sallese gave a presentation to discuss and educate the Board on the two projects recently submitted to the State for grants through the RESTORE Act program. The projects include restoration and modernization of the County fishing pier located at Quintana Island and the San Bernard River Ecosystem Restoration Project.

10. Approval of financial report presented for period ending March 31, 2016.

A motion was made by Commissioner Terry to approve the financial report as presented. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

11. Adoption of a resolution approving the acceptance of the Port's portion of proceeds received from high bidders on delinquent tax property held in trust by Brazoria County, Texas and authorizing the Chairman to join in conveyance to high bidders.

A motion was made by Commissioner Pirtle to approve the resolution. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

12. Approval of a Stevedore License Application submitted by Gulf Stevedoring Services, LLC.

Mr. Durel stated that this is a new application by Gulf Stevedores. They were asked by one of their ocean carriers to submit an application to handle stevedoring in Freeport as they are bidding on some of the project cargo that will be moving through the Port over the next few years. Mr. Durel recommended approval of this application. Commissioner Kresta questioned the amount of lost time injuries indicated on the application. Mr. Durel assured the Board the Port's safety program was stressed to the stevedore. This application is new and will expire December this year.

A motion was made by Commissioner Santos to approve the license. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

13. Approval of a modification to Port Policy 2.2 – Open Meetings.

As directed by Commission in February, staff modified the current policy to include language to address the issue of social events, press conferences, ceremonial events, etc. where the possibility may exist of a quorum of Commissioners being present. This modification addresses the concerns and protects the Port moving forward with events as well as going a step beyond what the law requires. Mr. Strader stated it was staff's recommendation for approval of the proposed changes.

A motion was made by Commissioner Kresta to approve the modification. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

14. Approval to purchase a used 135-foot man-lift for Port Operations.

After researching different types of man lifts suitable for our needs, it was determined BlueLine Rental offered the best choice and value. Mr. Durel recommended purchasing the man lift in the amount of \$59,200.

A motion was made by Commissioner Santos to approve the purchase. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

15. Approval to purchase a used street sweeper for Port Operations.

Mr. Durel stated that staff had also researched several models/options for a street sweeper and the model from Art's Trucks & Equipment was determined to be the best option.

A motion was made by Commissioner Santos to approve the purchase in the amount of \$69,500. The motion was seconded by Commissioner Terry with all Commissioners present voting in favor of the motion.

16. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:

- A. Under authority of Section 551.071 for discussion regarding:
  - 1. Consultation with attorney regarding search and seizure at Port Freeport premises.
- B. Under authority of Section 551.072 for discussion regarding:
  - 2. Discussion regarding matters related to the Lease Agreement between Port Freeport and Horizon Terminal Services, LLC.
  - 3. Discussion regarding matters related to the Lease Agreement between Port Freeport and Ports America Texas, Inc.
  - 4. Discussion regarding the terms and conditions of a potential agreement for container handling.
- C. Under authority of Section 551.074 for discussion regarding:
  - 1. To deliberate the appointment, employment, evaluation, reassignment or duties of a public officer or employee – Director of Engineering.
  - 2. To deliberate the appointment, employment, evaluation, reassignment or duties of a public officer or employee – Chief Financial Officer.

17. RECONVENE OPEN SESSION to review and discuss the following:

18. Consider action including but not limited to the appointment, employment, evaluation, reassignment or duties of a public officer or employee – Director of Engineering.

A motion was made by Commissioner Kresta to provide the Director of Engineering a one-time lump sum of 4% of their salary for services provided during the months of January, 2015 through April, 2016 while the Commission pursued hiring a new Chief Executive Officer. The motion was seconded by Commissioner Terry with all Commissioners present voting in favor of the motion.

19. Consider action including but not limited to the appointment, employment, evaluation, reassignment or duties of a public officer or employee – Chief Financial Officer.

A motion was made by Commissioner Kresta to provide the Chief Financial Officer a one-time lump sum of 4% of their salary for services provided during the months of January, 2015 through April, 2016 while the Commission pursued hiring a new Chief Executive Officer. The motion was seconded by Commissioner Terry with all Commissioners present voting in favor of the motion.

20. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:30 p.m.