

Minutes of Meeting August 13, 2015

A Regular Meeting of the Port Commission of Port Freeport was held August 13, 2015 beginning at 4:16 PM at the Administration Building, 200 W. Second Street, 3rd Floor, 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. Frank Mauro, Legal Counsel
Mr. Glenn Carlson, Executive Port Director/CEO
Mr. Al Durel, Director of Operations
Mr. Mike Wilson, Director of Economic Development
Mr. Chris Hogan, Director of Protective Services
Mr. Jason Hull, Director of Engineering
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Mr. Brandon Robertson, Network Systems Manager

Absent:

Mr. Jeff Strader, Chief Financial Officer

Also present:

Mr. Bobby Fuller, Texas Port Ministry
Mr. Jonathan Frels, Bracewell & Giuliani LLP
Mr. Drew Masterson, First Southwest
Mr. Rhett Brady, JP Morgan
Ms. Sarah Marsh, Dole Fresh Fruit
Mr. Steve Bruno, Bruno Public Affairs

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 members of the Board were present.
5. Approval of minutes from the Regular Meeting held July 23, 2015.

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

6. Reports from Executive Staff & Commissioners:

- A. Receive report from Executive Port Director/CEO on activities and matters related to federal, state and local governmental affairs. Port tenant updates, USCOE, rail issues, HGAC/TPC, AAPA Committees, leases, contracts, upcoming Port and civic events and other related administrative and governmental affairs.

Mr. Carlson reported that Jeff Strader continues to recover from medical issues and we look forward to his return. Dole Fresh Fruit has extended their last two year option with will be effective February 1, 2016 through January 31, 2018. The USCOE visit will take place August 27th. Key users of the channel will also be present along with Captain Teeter to support the information conveyed to the Corps and Mr. Gary Waxman of the OMB regarding the tremendous projection of vessel activity and the safety concerns related to the channel. Commissioner Singhanian stated that he, Commissioners Terry and Hoss will also be present for the meeting with the Corps on the 27th.

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

Commissioner Hoss reported attending a breakfast with Randy Weber as well as participated in weekly teleconferences with the Corps of Engineers. Commissioner Singhanian reported attending a meeting with Phillips 66 as well as a groundbreaking event at BASF.

At this time, Commissioner Singhanian stated that for holiday and planning purposes, he is suggesting the tentative board meeting dates for November and December; November 12, December 3 and 17. He also asked if there are any conflicts with the dates to please let Missy know.

7. Receive comments from the Public.

Mr. Steve Bruno with Bruno Public Affairs addressed the Board to give an update on the past legislative session.

8. Adoption of a Fourth Supplemental Resolution Authorizing the Issuance of Port Freeport Senior Lien Revenue and Refunding Bonds, Series 2015A (AMT); Prescribing the Terms and Provisions Thereof; Approving the Sale of the Bonds and Authorizing the Execution and Delivery of a Bond Purchase Agreement and a Paying Agent/Registrar Agreement; Authorizing the Redemption Prior to Maturity of Certain Outstanding Obligations; Approving the Preparation and Distribution of an Official Statement; and Resolving Other Matters Related Thereto

Ms. Campus asked that the Board consider agenda items 8 and 9 at the same time as they are related. Ms. Campus then reminded the Board about the bond issuance Jeff has discussed with them before and the resolutions that were passed in August (201) and January (2015) to reimbursement ourselves for capital

improvement projects that have been ongoing which include Parcel 25 improvements for the OEM carriers as well as Velasco Terminal Backland Paving. Drew Masterson with First Southwest and Jonathan Frels with Bracewell & Giuliani to explain the highlights of the bond issue plan which consists of 30 year bonds, approximately \$42 million in total. \$30 million will be for the Velasco Terminal project with \$6 million for refinancing old debt and the balance for the other parcels.

After presentation by Mr. Masterson and Mr. Frels and discussion, a motion was made by Commissioner Terry to approve the resolutions authorizing the issuance of bonds not to exceed \$45 million. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

9. Adoption of a Fifth Supplemental Resolution Authorizing the Issuance of Port Freeport Senior Lien Revenue Bonds, Series 2015B (AMT); Prescribing The Terms And Provisions Thereof; Approving The Sale Of The Bond And Authorizing the Execution and Delivery of a Bond Purchase Agreement and a Paying Agent/Registrar Agreement; Approving the Preparation and Distribution of an Official Statement; and Resolving Other Matters Related Thereto.

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

10. Adoption of a resolution declaring items surplus and ordered sold separately for cash, after notice of sale and receipt of bids to the highest bidder; destroyed if no bids are received; or offered as trade-in for new property of the same general type.

Mr. Hogan stated that this resolution is to surplus the old iPad 2's previously used by Commissioners.

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

11. Approval of Commissioners Travel Arrangements for the AAPA Annual Convention in Miami, Florida November 2-4, 2015.

Commissioner Singhania stated that this travel is for Commissioners Terry, Kresta, himself and possibly Commissioner Hoss. Travel will

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

Discussion then took place regarding the additional \$250 registration fee for guests of attendees. A motion was made by Commissioner Hoss to authorize the expenditure for spouses and/or significant others should they attend the convention. The motion was seconded by Commissioner Santos with all Commissioners voting in favor of the motion and Commissioner Singhania abstaining.

12. Approval of Port Policy 2.8.

Ms. Campus stated that this policy covers the liability insurance for commissioners which was previously discussed in committee and additional work on the language was requested. Mr. Strader and legal counsel have fulfilled that request and now recommend approval of this policy. Mr. Mauro gave a brief overview of this policy which states it is the intent of the Port to protect its Commissioners from defense expense and legal liability through the purchase of appropriate public officials' liability insurance.

After some discussion, a motion was made by Commissioner Hoss to approve the policy, but requested staff research how the Port covers employees in same circumstance. The motion was seconded by Commissioner Terry with all Commissioners present voting in favor of the motion.

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

A. Under authority of Section 551.072 for discussion regarding:

1. Discussion regarding the terms and conditions of a potential Agreement between Port Freeport and Phillips 66.
2. Discussion regarding the terms and conditions of an amendment to the Lease Agreement between Port Freeport and Hoegh Autoliners.
3. Discussion regarding the terms and conditions of an amendment to the Lease of Container/Trailer Marshalling Yard Complex between Port Freeport and Dole Fresh Fruit.

B. Under authority of Section 551.074 for discussion regarding:

1. To deliberate the appointment, employment, hiring of a public employee – Director of Business & Economic Development.
2. The appointment, employment, evaluation, reassignment or duties of a public officer or employee – Executive Port Director/CEO.

14. RECONVENE OPEN SESSION to review and consider the following:

15. Approval of Amendment No. 1 to the Lease Agreement between Port Freeport and Hoegh Autoliners.

This item was tabled for further consideration.

16. Approval of Amendment No. 11 to the Lease of Container/Trailer Marshalling Yard Complex between Port Freeport and Dole Fresh Fruit.

A motion was made by Commissioner Hoss to amend the lease with Dole allowing them to relocate within the Port contingent upon splitting the relocation cost of moving their transfer station estimated at \$30,000 and allowing staff to expend the cost for necessary improvements for their container yard at a cost estimated to be and not to exceed \$150,000. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

17. Approval regarding the hiring of Director of Business & Economic Development.

A motion was made by Commissioner Kresta to proceed with hiring of Jason Miura as recommended by Mr. Carlson and Shey Harding with compensation at \$140,000/yr. with no car allowance added above the salary but reimbursed the government as published. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

18. Adjourn.

With no further business before the Commission, the meeting was adjourned at 7:36p.m.