

Minutes of Meeting

March 10, 2016

A Regular Meeting of the Port Commission of Port Freeport was held March 10, 2016 beginning at 3:00 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. Jason Cordoba, Legal Counsel
Mr. Jeff Strader, Chief Financial Officer
Mr. Al Durel, Director of Operations
Mr. Jason Hull, Director of Engineering
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/Government Affairs
Ms. Mary Campus, Controller
Ms. Missy Bevers, Executive Assistant
Mr. Cecil Booth, Project Engineer
Mr. Nick Malambri, Engineering Specialist

Also present:

Mr. Bobby Fuller, Texas Port Ministry
Mr. Bob Arroyave, Brown & Gay Engineer
Mr. Steve Bruno, Bruno Public Affairs
Mr. Dave Ellis, Texas A&M Transportation Institute
Mr. Brett Huntsman, Texas A&M Transportation Institute
Ms. Brianne Glover, Texas A&M Transportation Institute
Mr. Edward Smith, P66
Mr. David Eby, Terracon
Mr. Neil McLellan, HDR Engineering

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 – Bobby Fuller, Texas Port Ministry

4. Roll Call.

All members of the Board were present.

5. Approval of minutes from the Regular Meeting held February 25, 2016.

A motion was made by Commissioner Kresta to approve the minutes with a notation that both Commissioner Pirtle will also be attending the vessel simulation in Florida with Commissioner Hoss. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

6. Receive report from Interim Executive Port Director/Director of Engineering and Interim Executive Port Director/Chief Financial Officer on activities and matters related to administrative affairs. Port tenant updates, USCOE, rail issues, AAPA Committees, leases, contracts, upcoming Port and civic events and other related administrative affairs.

The Marshall at Jones Creek has asked the Port to give an update and/or briefing to the residents on the 36A Rail Corridor. Mr. Strader and Mr. Muira are set to an update the evening of March 15. He updated the Board on the Soft Resources' progress on selecting new accounting software. After conducting interviews with staff in February, they are now compiling the requirements list and long list of recommendations which should be in hand this month. Harbor Safety and Security Advisory committee received in depth briefing relative to managements findings for a Harbor Safety Program. Mr. Strader reminded the Board that an abbreviated version of that plan was presented to the full Board and it was requested the more extensive presentation be made to the Board in the form of a workshop. After some discussion, it was suggested a workshop be held after the new CEO is in place. He also mentioned that Doc Adams contract is set to expire at the end of April, however, the work he was contracted to do is complete so the purchase order will be closed out. Should his assistance be needed again, a new contract will be presented to the Board. Mr. Strader also noted that Freeport LNG has scheduled its first wave of project cargo in June. This will be in the form of 26 heat exchangers. The dockage/wharfage alone will be over \$100,000. Commissioner Hoss inquired about the accident report for the collision between ship and dock 7 and the status of the repairs. Mr. Hull stated that the shipping company was notified of the damages. They chose to have the Port make the repairs with a 20% markup per the Tariff. Request for Proposals has gone out. Competitive bids will be opened March 17. Commissioner Singhanian inquired about the visit from Senator Kolkhurst and Senator Taylor. Ms. Kile stated that the Senators will be here March 21 at 10:30a.m. and will provide Commissioner Singhanian with an agenda and guest list.

Mr. Hull shared pictures of damages from a Ports America yard truck that drove through fence Tuesday night damaging post indicator values, bollards (sp?). They have been put on notice but response has not been received as to who will make repairs.

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

Commissioner Hoss reported attending the BayTran luncheon. Commissioner Pirtle reported attending the 36A Coalition meeting. He also noted that he has received several contacts from citizens requesting levee road be re-opened. He requested this item be added to the next agenda for discussion.

8. Public Comment

There were no comments from the public.

9. 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. The personal property made the basis of this agenda item is generally described as various and miscellaneous office furniture and equipment.

Ms. Campus stated that in preparation for the move to the new administration building, staff is requesting approval to declare items that will not be moved declared surplus.

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

10. Adoption of a resolution supporting the Brazoria-Fort Bend Rail District's amendment to the bylaws for Brazoria County to add a sixth member to the Board of Directors.

Mr. Muira stated that at the last meeting it was discussed support the rail district in their decision to add a sixth member to their Board. Sean Stockard with the Brazoria County Economic Development Alliance will be the additional member representing Brazoria County allowing each entity to have two representatives. Legal Counsel has prepared a resolution in support and it is staff's recommendation to approve this resolution.

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

11. Approval of a purchase contract for property located at 302 E. Broad Street.

Mr. Strader explained that some of the homes on Broad and 2nd Street are larger than the homes in the 5th through 8th Street area. The same guidelines set by the Board are followed for determining the contract price. Mr. Strader recommends approving this contract at \$70,000 plus standard closing cost.

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.

12. Approval of a purchase contract for property located at 223 E. 2nd Street.

Mr. Strader stated the same guidelines are used for this home as well. Management recommends approving this contract in the amount of \$76,200 plus standard closing costs.

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

13. Receive update from Steve Bruno with Bruno Public Affairs regarding legislative affairs.

Mr. Steve Bruno gave a brief update to the Board on what he does for the Port during legislative session versus the interim session. He also talked about the passing of HB 1321 in the last session which expanded Port Freeport's existing heavy lift corridor. Another main focus in the last session was transportation funding. At Commissioner Singhanian's suggestion, he will be giving quarterly reports to the Board.

14. Receive presentation from Texas A&M, Texas Transportation Institute regarding the Economic Impact Study.

Mr. Dave Ellis with Texas A&M Transportation Institute gave a presentation outlining the latest findings of Economic Impact Study and introduced colleagues Brett Huntsman and Brianne Glover.

15. Approval of Interim Executive Port Director/Director of Engineering & Commissioners travel March 22-24, 2016 for the vessel simulation.

Commissioner Hoss clarified that both he and Commissioner Pirtle will be attending the simulation however, with the dates conflicting with other scheduled events, only one Commissioner may attend.

A motion was made by Commissioner Santos to approve travel for Jason Hull and two Commissioners. The motion was seconded by Commissioner Terry with all Commissioners present voting in favor of the motion.

16. Discussion and potential action regarding Community Advisory Panel meeting process and Commissioner attendance.

Commissioner Singhanian stated that staff will draft a policy/procedure for future CAP meetings indicating no more than three commissioners will attend. Should a quorum attend, all guidelines will be met regarding. The policy will be drafted prior to the next CAP meeting.

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

17. Receive update regarding the Port Freeport website.

Mr. Muira stated that the new website is up. The beta testing was done last week and with help of Port staff, all changes and kinks were worked out. The new website is very interactive and picture heavy with lots of good information. Mr. Muira asked everyone to take a look at the new site and should they want to add or change anything to please let him know. Mr. Muira also stated that the website has a Customer Relationship Managing program (CRM) where a customer can contact the Port requesting certain information regarding Port business or who they should speak to about certain projects. Requests will automatically generate and send a link to Business Development so they can reply to the request. The request will also create a database with their information.

18. 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. Discussion with attorney regarding statutory duties of Port Freeport related to dredging and maintenance of waterways.

B. Under authority of Section 551.072 for discussion regarding:

1. Discussion regarding the terms and conditions of a potential lease on Parcels 4, 5, 6, 19, 27, 34 and 38.
2. Discussion regarding pending Port projects affecting the purchase, exchange, lease or value of all Port real property.

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

20. Discuss and consider approval of engagement letter with the Cordoba Law Firm, PLLC.

Mr. Cordoba stated that with Frank Mauro's retirement at the end of the month, the law firm's name was changing. He presented an engagement letter for approval adding that it replicates the letter previously executed by the Board. He went over the rates from himself as well as staff. He also stated that Frank remains in the contract in the event Mr. Cordoba is not able to make a meeting, he would like Frank to be able to fill in for him. At Commissioner Singhania's request, he will make a change in the contract to read \$1,800 per month for all meetings, preparation and agenda review.

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

21. Discussion regarding next Board Meeting tentatively scheduled for March 24, 2016.

Commissioner Singhania noted that the next Board meeting will be March 24 and CEO interviews will be March 23. There was no additional discussion regarding this item.

22. Adjourn.

With no further business before the Commission, the meeting adjourned at 7:10 p.m.

RESOLUTION

At a Regular Meeting of the Port Commission of Port Freeport held at the office of said Port at 200 West Second Street, Third Floor, Freeport, Texas on the 10th day of March, 2016, among other business came on to be considered the following resolution, which was upon motion duly made and seconded, adopted by vote of all Commissioners present, which resolution is as follows:

FINDINGS

1. Due and proper notice of the date, time, place and purpose of this meeting has been duly given in accordance with the provisions of the Texas Open Meetings Act, and such meeting has been conducted in accordance with said Open Meetings Act.

2. Section 62.122 of the Texas Water Code provides that the disposition of salvage or surplus personal property shall be in the same manner as a commissioner's court of a county under Subchapter D, Chapter 263 of the Texas Local Government Code.

3. The Commission finds that the property set forth in Exhibit "A", which is hereby incorporated by reference, is found to be salvage or surplus personal property, no longer needed for Port purposes, and should be disposed of as follows:

a. Sold to the highest bidder by competitive bid or auction, after notice in a newspaper after the 30th day but before the 10th day before the date of sale; or b. offer the property as trade in for new property of the same general type; or c. If no bids are received, it may be destroyed or disposed because it is worthless; or d. donated to a civic or charitable organization in Brazoria County as the expenses of sale would be greater than the bid price, and the donation serves a public purpose, and so long as the charitable organization will incur the expenses for transportation or disposal.

NOW THEREFORE, BE IT RESOLVED that the property set forth in Exhibit "A" and attached hereto is surplus property and shall be disposed of in any one of the following manners and as permitted by law:

a. Sold to the highest bidder by competitive bid or auction, after notice in a newspaper after the 30th day but before the 10th day before the date of sale; or b. offer the property as trade in for new property of the same general type; or c. If no bids are received, it may be destroyed or disposed because it is worthless; or d. donated to a civic or charitable organization in Brazoria County as the expenses of sale would be greater than the bid price, and the donation serves a public purpose, and so long as the charitable organization will incur the expenses for transportation or disposal.

EXHIBIT A

Various and miscellaneous office furniture and equipment located at 200 West 2nd Street
3rd Floor, Freeport, TX 77541 not suitable to be moved to the new administration building.

**RESOLUTION IN SUPPORT
OF BRAZORIA COUNTY APPOINTING AN ADDITIONAL DIRECTOR TO THE
BOARD OF THE BRAZORIA – FORT BEND COUNTY RAIL DISTRICT**

At a regular meeting of the Board of Port Freeport of Brazoria County, Texas (“Port”) held at the office of the Port at 200 West Second Street, Third Floor, Freeport, Texas, on the 10TH day of March, 2016, among other business, on motion duly made and seconded, the following resolution of support was passed and adopted:

FINDINGS

1. Due and proper notice of the date, time, place and purpose of this meeting has been duly given in accordance with the provisions of the Texas Open Meetings Act, and such meeting has been conducted in accordance with said Open Meetings Act.
2. The Brazoria – Fort Bend Rail District (“District”) has proposed an amendment to the bylaws of the District allowing Brazoria County to appoint an additional director.
3. The Port would like to pass a resolution in support of Brazoria County appointing an additional director to the board of the District.

NOW, THEREFORE, BE IT RESOLVED, that the Port hereby passes this resolution in support of Brazoria County appointing an additional director to the board of the District.