

## Minutes of Meeting January 12, 2017

A Regular Meeting of the Port Commission of Port Freeport was held January 12, 2017 beginning at 3:00PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

### Commissioners present:

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

### Staff Members Present:

Mr. Jason Cordoba, Legal Counsel  
Ms. Phyllis Saathoff, Executive Director/CEO  
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. Missy Bevers, Executive Assistant  
Ms. Mary Campus, Controller  
Mr. Brandon Robertson, Network Systems Manager  
Mr. Cecil Booth, Project Engineer  
Ms. Callie Cole, Accounting Clerk  
Mr. Nick Malambri, Engineering Specialist

### Absent:

Mr. Ravi Singhania, Chairman  
Mr. John Hoss, Commissioner

### Also present:

Mr. Bob Arroyave, Brown & Gay Engineer  
Mr. Bobby Fuller, Texas Port Ministry  
Mr. James Nash, HTS  
Mr. Gary Basinger, The Alliance  
Mr. Delvin Dennis, Klotz Associates  
Mr. William Wachel, WSP/PB  
Mr. Jeff Taylor, Freese & Nichols

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Bobby Fuller, Texas Port Ministry
3. Pledge of Allegiance: U.S. Flag & Texas Flag

4. Roll Call.

Commissioner Terry noted that both Commissioner Singhania and Commissioner Hoss were absent.

5. Safety Briefing – Mr. Chris Hogan

6. Approval of minutes from the Regular Meeting held December 1, 2016.

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

7. Receive report from Executive Director/CEO 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.

Just before the holidays, Ms. Saathoff along with Jason Hull, Commissioner Hoss and Commissioner Pirtle traveled to Dallas to meet with BG Hill and Col Zetterstrom at the Corps' division offices to review the status of the Freeport Harbor Channel Improvement Project and talk about the upcoming TSP Vertical Team meeting which is set for February 21. State legislature is back in session with over 1400 bills filed thus far. The Port's legislative affair consultants are actively monitoring the session and will begin sending reports as well as attending the next commission meeting to give an update to the Board. Ms. Saathoff added there are bills being filed with regard to heavy haul corridors. Staff will continue to monitor to make sure our corridors are grandfathered and the Port don't lose the advantages it presently has. Upcoming dates include TPA Legislative Reception February 22, Transportation Advocacy Group Legislative Day February 23 and Brazoria County Day March 7. The next meeting of the Brazoria-Fort Bend Rail District is January 20 at 9:00 a.m. On the agenda will be discussion with engineering firms who responded to the request for qualifications for project management as well as considering legislation to help the District achieve its goals of getting the rail built. The regular meeting of the Nexus Group was postponed to January 25 at 2:00 p.m. due to schedule conflicts. Ms. Saathoff noted that Kevin Cadenhead will be at the next Commission meeting to give an update on the annual audit. She added that staff is finalizing the contents of Comprehensive Annual Financial Report 2016 and plan to have it on February's agenda. Vessel activity was busy up until the end of the year with a lot of Ro/Ro carrier and project cargo activity. There has been a lower number of aggregate vessels calling for Vulcan Materials, staff will be looking at the forecast for the year to see if any adjustments need to be made. More will be reported at the next meeting. Ms. Saathoff also reported on new projects and services staff has been working on including going back out for bids for security services with the bid specifications and the evaluation matrix to be reviewed with the Security/Safety Advisory Committee January 17. A pre-bid meeting will be held on the improvements to the EOC building for the Customs Border Protection January 17 at 10:00 a.m. A schedule has been set for the demolition of East End properties with advertising taking place this month, pre-bid January 24, bid opening the 31<sup>st</sup> and award February 9. In addition, the Port is anticipates receiving approval from the UPRR for the Parcel 14 Rail Development project. This approval is necessary to move forward with the project advertisement which will take place in February with anticipated award in March. An update will be given to the Finance Advisory Committee January 26 on the accounting billing software project. Ms. Saathoff also reported that we have an election this year. The two positions up for election are; Position 1, Precinct 1 (At-Large) and Position 2, Precinct 1 (Brazosport). January 18 is the first day for filing and February 17 at 5:00 p.m. is the last day to file. Finally, a CAP meeting will be held this evening at 6:00 p.m. and Jason Hull will be hosting the Southern Brazoria County Traffic & Safety Control Committee January 19 at 10:00 a.m. Commission Pirtle added that an Alliance meeting will also be held January 18.

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

In addition to attending the Dallas Corps meeting, Commissioner Pirtle reported attending the Canine for Cops meeting January 10.

Commission Santos reported attending the Highway 288 Corridor luncheon along with Commissioners Hoss and Pirtle.

9. Public Comment

There were no comments from the public.

10. Approval of a Professional Services Agreement for the 5<sup>th</sup> Street and FM 1495 Intersection Improvements Project.

Mr. Hull stated that the project involves improving the radius turns at the intersection of 1495 and 5<sup>th</sup> Street to better accommodate the trucks turning down the new improved truck route. It will also include relocating some utilities and drainage. It is staff's recommendation to authorize the Executive Director to execute a Professional Services Agreement with Freese & Nichols in an amount not to exceed \$39,200.

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

11. Approval of the purchase of a truck for Engineering Department.

Mr. Hull stated that this purchase was previously discussed in Committee and based on advice, staff looked at a government purchasing program and also received bids from local dealerships. The bid tab included shows the lowest and best price that met the requirements was submitted by Chastang Ford in Houston in the amount of \$33,696. It is staff's recommendation to accept this low bid. In addition, the vehicle does not come with graphics therefore staff also requests approval of a purchase order not to exceed \$1,000 to purchase the required Port Freeport logo and graphics. After a motion by Commissioner Santos to accept staff's recommendation with the graphics and second by Commissioner Kresta, Commissioner Kresta asked the Board to consider staying local to purchase the vehicle since the bids between the first (Chastang) and second (Gulf Coast) was insignificant. After clarifying the bidding requirements with legal counsel and Mr. Hull, Commissioner Kresta motioned to amend the original motion to stay local and accept Gulf Coast's bid of \$35,392. The motion/amendment was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion. The motion also authorized the additional graphics for the truck.

12. Approval of a Professional Services Agreement for the East End Properties 2017 Project.

Mr. Hull stated this agreement for the asbestos abatement for approximately 22 houses surveyed for asbestos with 19 of them containing such. The agreement is not for the removal of asbestos but to oversee the demolition and required air quality monitoring and paperwork by the State. It is staff's recommendation to authorize the Executive Director to execute a Professional Services Agreement with Rain Bowen Environmental LLC in an amount not to exceed \$80,500.

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

Ms. Saathoff requested the Board to move up Item 17 prior to going into Executive Session.

13. 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 (consultation with attorney) for discussion regarding:
  - 1. Consultation with attorney regarding purchase contract for property located at 311 E. Broad Street.
  - 2. Consultation with attorney regarding purchase contract for property located at 526 E. Broad Street.
  - 3. Consultation with attorney regarding proposed legislative changes to Chapters 172, 222, 284 and 370 of the Texas Transportation Code.
  - 4. Consultation with attorney regarding matters related to the Lease Agreement between Port Freeport and Mammoet USA South, Inc.
- B. Under authority of Section 551.072 (deliberation of real property) for discussion regarding:
  - 1. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcel 31.
  - 2. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 7, 8, 10, 26, and 37.
  - 3. The potential purchase, exchange, lease or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5 and 7.
  - 4. Discussion regarding the potential exchange, lease or value of real property located in Freeport, Texas, including but not limited to the area known as the East End of Freeport and bordered by the following streets: FM 1495; East 2<sup>nd</sup> Street; Terminal Street and East 8<sup>th</sup> Street in Freeport, Texas.
  - 5. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 4, 5, 6, 9, 14, 19, 27, 31, 34, and 38.

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

15. Approval of a purchase contract for property at 311 E. Broad Street.

Mr. Strader stated this item is to approve the purchase of a house in the East End neighborhood in the amount of \$62,000 plus standard closing cost, with exception to any back taxes or curative work under Schedule C of the title commitment, and a realtor fee of 4.5% going to Greg Flaniken as he began the process with this property prior to terminating his services with the Port.

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

16. Approval of a purchase contract for property at 526 E. Broad Street.

Mr. Strader stated this is also for the purchase of a house in the East End neighborhood in the amount of \$60,000 with standard closing costs with exception to any back taxes or curative work under Schedule C of the title commitment.

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

17. Approval of resolution supporting Brazoria-Fort Bend Rail District's proposed changes to legislation.

Robert Collie with Andrews Kurth joined the meeting via teleconference. Ms. Saathoff stated that the Rail District is considering legislation that will help ensure that the Rail District can achieve its objective and mission to develop rail between Port Freeport and Brazoria-Fort Bend County. Earlier in the year, there was a review of the authorities of the Port and the counties as well as other sections of the law to allow the Rail District to do this. Andrews Kurth was the legal counsel who provided the review and summary. In addition, they identified opportunities and recommended moving forward with legislation which they have drafted. Robert Collie with Andrews Kurth then gave a brief overview to the Board to better understand what will be presented to the Rail District next week. After the overview, this item was tabled until the January 26 meeting for consideration.

18. Adjourn.

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