

Minutes of Meeting April 13, 2017

A Regular Meeting of the Port Commission of Port Freeport was held April 13, 2017 beginning at 3:00 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

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
Ms. Dianna Kile, Director of External/Government Affairs
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

Absent:

Mr. John Hoss, Commissioner

Also present:

Mr. John DeRose, Phillips 66
Ms. Ann Poninski, Phillips 66
Mr. Bob Arroyave, Brown & Gay Engineer
Mr. Dave Kerr, Microsoft Dynamics
Mr. Jeff Taylor, Freese & Nichols
Mr. Neil McLellan, HDR
Mr. Jason Mills, Terracon
Mr. Larry Stanley
Mr. Patrick Bonordon, FUGRO
Ms. Melanie Oldham

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

2. Invocation – Commissioner Shane Pirtle.

3. Pledge of Allegiance: U.S. Flag & Texas Flag

4. Roll Call.

Commissioner Singhania noted that Commissioner Hoss was absent and all other Commissioners were present.

5. Safety Briefing –Chris Hogan.

6. Approval of minutes from the Regular Meeting held March 23, 2017.

A motion was made by Commissioner Kresta to approve the minutes as presented. The motion was seconded by Commissioner Terry 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.

Ms. Saathoff reported on her presentation to the Women’s Transportation Seminar Group in Houston as well as the local group, Daughters of the American Republic Group. Along with Commissioner Singhania, Dianna Kile and Jason Hull, she also reported on their attendance at the AAPA Spring Conference and meetings held in Washington, DC with the USACOE Headquarters. The GRR review is now out for public comment and a concurrent agency review. The comment period will last 30 days. Additionally, Ms. Saathoff reported on attendance in Austin April 12 for the House Transportation Committee Hearing regarding the Heavy Lift Corridor bill. Also attending was Commissioner Kresta, Dianna Kile and Mike Wilson, who provided testimony. They also attended a meeting of the Texas Ports Innovation and Infrastructure to provide testimony regarding HB 4021 addressing port infrastructure funding. Testimony was provided by Mike Wilson on behalf of Port Freeport and Ms. Saathoff provided testimony on behalf of Texas Ports Association. The Senate Transportation Committee will meet April 19. Mike Wilson will testify on behalf of the Port with regard to SB1921 which is the companion Heavy Lift Corridor bill. Ms. Saathoff is also monitoring the agenda for the April 19 House Transportation Committee next week where the Rail District bill may be included. Additional upcoming meetings include April 19 Alliance Quarterly Membership with Congressman Randy Weber and the Rail District board meeting April 21 in Richmond.

Ms. Dianna Kile invited everyone to participate at the Port Freeport Take-A-Child Fishing Tournament to be held May 13 from 8:00 am – 12:00 pm at the Freeport Municipal Park, open to children ages 3-14. Entry fee is one canned food item which will benefit the Brazoria County Dream Center.

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

Commissioner Santos reported attending the Texas Port Ministry banquet. Commissioner Terry reported attending the Union Pacific dinner with Lance Fritz, Chairman, President and CEO, in Angleton along with Ms. Saathoff and Mr. Wilson.

Commissioner Kresta reported attending meetings in Austin with Ms. Saathoff and Ms. Kile.

Commissioner Pirtle reported attending the Texas Port Ministry banquet. He will also attend the upcoming 100 Club Dinner April 20 and San Jacinto Festival in West Columbia April 21-22. He also stated the Election is May 6 with early voting beginning April 24.

Commissioner Singhania reported on the AAPA Conference and meetings attended in Washington, DC. He also reported on the J.A. Celebrity Waiter event held March 25.

9. Public Comment

There were no comments from the public.

10. Discuss and consider setting dates for Board Workshop to be held in May 2017 and CAP (Community Advisory Panel) Meeting to be held in June 2017.

At this time, the Board discussed possible dates in May to hold the next board workshop. May 25 is the date everyone agreed to with a morning start time and place to be determined. The workshop will replace the meeting for this date.

Proposed dates for the next CAP meeting is June 8 or June 22. It was suggested to have the CAP meeting June 22 since the Board has scheduled the workshop in place of the May 25 meeting and the June 8 meeting could run long. Everyone agreed to June 22.

11. Approval of a contract with Sunstates Security for security services for a term of 3 years, commencing June 1, 2017, in the amount of \$1,279,279.00 per year, with the Port's option to renew for a period of 3 years.

Ten proposals were received for security services with Sunstates ranking the highest. After entering negotiations, Sunstates reduced the contract amount by \$10,000.00. It is staff's recommendation and that of the Security/Safety Advisory Committee to award security services to Sunstates Security in the amount of \$1,269,279.00 per year, beginning June 1, 2017 continuing through May 31, 2020 at which time the Board will have the option to approve a two-year extension.

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

12. Approval of a contract with Sorrell Construction Equipment & Materials, LLC for the Building 51 Paving for an amount not to exceed \$599,950.00.

Mr. Hull stated that four bids were received March 30 for this project with Sorrell Construction submitting the lowest bid of \$599,950.00.

After looking at a map to see the area where the paving will occur, a motion was made by Commissioner Pirtle to approve the contract for an amount not to exceed \$599,950.00. The motion was seconded by Commissioner Kresta with all Commissioners present voting in favor of the motion.

13. Approval of a contract with Dynamics Southwest, Inc. for the purchase of software and implementation and system services for an amount not to exceed \$360,210.00.

Ms. Campus gave a brief presentation highlighting the process the Finance department has gone through over the last couple years to determine the best software as well as highlight the proposal submitted by Dynamics Southwest. After the presentation, she stated it is staff's recommendation to purchase the software and negotiate a contract with Dynamics Southwest and authorizing the Executive Director to execute contract. Ms. Campus added that she hopes to negotiate a lower price but requests the Board approve \$360,210.00.

A motion was made by Commissioner Pirtle to approve staff's recommendation to negotiate the purchase of software and implementation and system services with Dynamics Southwest not to exceed \$360,210.00 and authorize the Executive Director to execute the contract.. The motion was seconded by Commissioner Terry with all Commissioners present voting in favor of the motion.

Commissioners Terry and Santos commended staff for their work and research in recommending the proposed software.

14. Approval of new Stevedore License Applications submitted by:
Gulf Stevedoring Services
James J. Flanagan Shipping

Mr. Durel stated the two stevedores had licenses with the Port for many years but decided not to review in December. They now have new business to bring through Port Freeport and are therefore requesting a new license. Mr. Durel shared the department's process for reviewing the applications, adding the both applicants have good safety records.

A motion was made by Commissioner Santos to approve the stevedore license applications submitted by Gulf Stevedoring Services and James J. Flanagan Shipping as presented by staff. The motion was seconded by Commissioner Terry with all Commissioners present voting in favor of the motion.

15. Discuss and consider the coastal barrier system and related State legislation and request by General Land Office for letter of support.

Ms. Saathoff stated that she received a call from George P. Bush at the General Land Office requesting the Port to sign a letter to President Trump urging him to include in the national infrastructure plan a coastal barrier system for the Houston-Galveston Bay area. Subsequently it was brought to Ms. Saathoff's attention, bills have been filed in the House and Senate (SB2265 and HB4308) designed to take the present organization, Gulf Coast Waste Disposal Authority, and expand their authority into Jefferson County and Brazoria County, giving them the same powers as navigation districts (i.e. ports) under Chapter 60 of the Water Code. Additional language was added stating the GCWDA could also supersede the actions of any navigation district. The seeking the expansion to the existing authority to have an entity that can receive federal funds and contract with the federal government to construct the coastal barrier system as well as operate and maintain the system. Ms. Saathoff explained her concern for these bills, how it could potentially affect the Port, proposed language changes and contact she has made to other ports, local entities and the GLO to relay those concerns.

After further discussion, a motion was made by Commissioner Kresta stating the Port remains neutral on a coastal barrier system however, the Port does not support the legislation (SB2265 and HB4308) as currently drafted. The motion was seconded by Commissioner Terry with all Commissioners present voting in favor of the motion.

16. Approval of Executive Director/CEO travel for May and June 2017.

Ms. Saathoff is requesting approval to travel to the West Coast in May to see a customer to discuss current contract with the Port and potential renewal. In addition, she is planning a trip in late June to visit with current ship line customers at their home office and pursue additional business while in Europe. Jason Miura will be traveling as well. This duration of the trip will be a week to 10 days. Commissioner Singhania asked the approval to include a Commissioner to travel as well, if available.

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

17. Discuss and consider authorization of expenditure funds for Breakbulk 2017 to be held October 17-19, 2017.

Mr. Miura stated that preparations have begun for Breakbulk 2017 which falls in the FY2018 budget however staff needs to make expenditures now for this conference. The prior year budget amount was \$21,700 which was not exceeded. Staff is asking approval to make expenditures for the 2017 Breakbulk Conference to be held in FY2018 in amount not to exceed \$24,000.

A motion was made by Commissioner Terry to approve expenditures for Breakbulk 2017, not to exceed \$24,000. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

18. Discussion regarding Port Freeport enabling statute, including navigation precincts and commissioner positions.

This item was tabled.

19. 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 a Purchase Contract in the amount of \$100,000.00 for property located at 326 E. Broad Street.
 - 2. Consultation with attorney regarding the terms and conditions of a Lease Agreement between Port Freeport and Brazos River Fleeting.
- 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 Parcels 7, 8, 10, 26, and 37.

2. 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 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
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. 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.

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

21. Approval of a Purchase Contract in the amount of \$100,000.00 for property located at 326 E. Broad Street.

Ms. Kile stated that it is staff's recommendation the Board approve the purchase contract in the amount of \$100,000.00 for property located at 326 E. Broad.

A motion was made by Commissioner Santos to approve the purchase contract in the amount of \$100,000.00 for property located at 326 E. Broad. The motion was seconded by Commissioner Terry with all Commissioners present voting in favor of the motion.

22. Approval of a Lease Agreement with Brazos River Fleeting for a certain 1.2 acres of land owned by Port Freeport situated in the 5.252 acre tract for a term of 10 years in the amount of \$20,000.00 per year with two 5-year options to renew.

This item was tabled.

23. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:59 p.m.