

Minutes of Meeting  
April 27, 2017

A Regular Meeting of the Port Commission of Port Freeport was held April 27, 2017 beginning at 3:15 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. 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/Government Affairs  
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. Jason Hull, Director of Engineering

Also present:

Mr. Neil McLellan, HDR  
Mr. James Nash, HTS  
Mr. Bob Arroyave, Brown & Gay Engineer  
Mr. Reuben Reimer, Freeport Terminals  
Mr. Cesar Escamilla, Freeport Terminals  
Mr. Larry Stanley  
Mr. Jon Thomas, LAN  
Mr. Will Wachel, WSP/PB  
Mr. Adam Brooks, Ceres  
Mr. Santos Aluiso, ILA  
Mr. Jim Bielstein, LJA Engineering

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.  
All members of the Board were present.
5. Safety Briefing – Mr. Chris Hogan.
6. Approval of minutes from the Special Meeting held March 23, 2017 and the Regular Meeting held April 13, 2017.

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

7. Reports from Executive Staff:

- A. 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 updated the Board on legislative matters including SB2265 – Expand Authority of the Gulf Coast Waste Disposal Authority, SB1921/HB 4156 – Corridor Bills, HB 2557 - Rail District Bill, and SB 28 – Ship Channel Improvement Revolving Fund. The Rail District met April 21 in Richmond and the Alliance Quarterly Membership Luncheon was April 19. Ms. Saathoff attended the BCPC Responsible Care Luncheon earlier today and will be attending the 36A Coalition Infrastructure Conference May 11 where she will be speaking. Commissioner Pirtle is also scheduled to attend. The Port has been nominated for the Distinguished Leadership Award by the Angleton Chamber of Commerce Leadership Group. The luncheon for this award is also scheduled for May 11. The Port's annual Take-A-Child Fishing Tournament is scheduled for May 13 at Freeport Municipal Park.

- B. Receive report from Controller on monthly activity and matters related to financial results, investments, insurance, leases, real property matters and other related administrative affairs.

Ms. Campus updated the Board on quarterly investment reports followed by a financial presentation and update for the first six months of the year to the Board.

- C. Receive report Director of External/Governmental Affairs on activities and matters related to federal, state and local governmental affairs, upcoming Port and civic events and other related governmental affairs.

Ms. Kile congratulated Jason Cordoba on the birth of his son. Port Freeport is hosting a group of Boy Scouts May 1 for an update and tour of the Port. Ms. Kile also reported that the last person of the first phase of the East End project has moved into her new house.

- D. 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.

Mr. Hull submitted a written report in his absence. Ms. Saathoff mentioned highlights from Mr. Hull's report including additional lighting in the channel, the FHCIP GRR public comment period, the new housing project 2017, Building 51 Pavement project and Cathodic Protection Repairs.

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

Mr. Durel reported on March stats stating it was a good month for the Port with a total of 23 vessels. April is also looking to be a good month with project cargo strong and Riviana with two vessels. He also shared pictures from the bagged rice vessel and the cable reel motor from Crane #2.

- F. 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 reported attending the Change of Command Ceremony for Captain Kevin Oditt who is the new Captain of the Port for the Sector. He also attended the retirement ceremony for Captain Peter Martin. Additionally, Mr. Hogan reported on an accident involving a Port employee.

- G. 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.

Mr. Miura announced that Marketing Specialist Abbey Whitney's last day will be April 28. He also reported on project cargo activity and the upcoming OTC Conference in Houston next week beginning May 1. Commissioner Singhania inquired about Hoegh's performance for future. Mr. Miura will follow-up with an answer at later date.

8. Receive report from Commissioners on matters related to:
- A. April 13 Finance Advisory Committee – Commissioner Terry reported the committee discussed a proposed contract with Dynamics Software in the amount of \$360,210 for financial software. They also discussed the authorization of expenditures for Breakbulk 2017. Both items were recommended for approval to the Board later that day.
- B. Meetings and conferences attended, Port presentations and other related Port Commission matters. Commissioner Pirtle reported attending the Southern Brazoria County Traffic Safety Meeting and the West Columbia Rotary Shrimp Boil.

Commissioner Kresta also reported attending the West Columbia Rotary Shrimp Boil.

Commissioner Singhania reported traveling to Austin to attend the hearing regarding the Rail District bill and testifying on behalf of Port Freeport. He also reported attending the Alliance Quarterly Membership Meeting and the BCPC Luncheon today with Ms. Saathoff. Commissioner Singhania also

reminded the Board of the workshop set for May 25 to be begin at 8:30-9:00 a.m. He asked the Board to please submit any items to be discussed to Ms. Saathoff so they may be included on the agenda.

9. Public Comment

There were no public comments.

At this time, Commissioner Singhanian acknowledged Ms. Saathoff for her one year anniversary at Port Freeport as CEO.

10. Approval of financial reports presented for the period ending March 31, 2017.

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

11. Receive update from Freeport Terminals regarding their safety program.

Mr. Reuben Reimer with Freeport Terminals along with Cesar Escamilla gave a brief presentation to the Board regarding their updated safety program including what they have done to improve safety, practices implemented into their program and education for their employees.

12. Approval of a contract with McDonald Municipal and Industrial for the Cathodic Protection Repairs for an amount not to exceed \$1,378,469.00.

Commissioner Pirtle stated that Strategic Planning Advisory Committee met to discuss this contract which will protect Berths 1,2, 3 and 5. Ms. Saathoff added that the timing of the project will span a total of two fiscal year budgets, FY 2017 and FY 2018.

A motion was made by Commissioner Pirtle to approve the contract for an amount not to exceed \$1,378,469.00. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

13. 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.

Ms. Saathoff read the account numbers included in the resolution exhibit adding that it is staff's recommendation to approve these offers.

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

14. Receive update from staff regarding the Brazoria-Fort Bend Rail District and the Brazoria-Fort Bend Nexus Group.

The last Rail District meeting was held April 21 in Richmond. Mr. Miura stated there is a link to view testimony given at the hearing in Austin April 20<sup>th</sup> which he will distribute to the Board. In addition, Mr. Alan Clark gave a presentation and overview of the HGAC and TPC at the last Rail District meeting.

Freese and Nichols will be giving a presentation to the Port at the first meeting in May. Mr. Miura also reported on the status of HB 2557.

15. 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 \$85,000.00 for property located at North Avenue G and North Avenue T.
  - 2. Consultation with attorney regarding the terms and conditions of a Lease Agreement between Port Freeport and Brazos River Fleeting.
  - 3. Consultation with attorney regarding legal matters associated with Open Records Request.
- 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. 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.
  - 3. 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.
  - 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.
- C. Under authority of Section 551.074 (deliberation of personnel matters) for discussion regarding:
  - 1. Discussion regarding the goals and performance of the Executive Director/CEO.

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

17. Approval of a Purchase Contract in the amount of \$85,000.00 for property located at North Avenue G and North Avenue T.

Ms. Saathoff stated this contract is for the purchase of seventeen lots that will be used to build future swap houses for residents willing to enter an agreement. It is staff's recommendation to approve the contract in the amount of \$85,000.00.

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

*At this time, Commissioner Singhania announced that the next Board meeting will be held Wednesday, May 10<sup>th</sup> at 3:00 p.m.*

18. 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 per year with two 5-year options to renew.

Commissioner Singhania noted that Commissioners Kresta and Terry will be abstaining from discussion and voting on this item.

Ms. Saathoff stated that bids were requested for the 1.2 acre tract with one bid received from Brazos River Fleeting for a term of 10 years and a rate of \$20,000/yr. Also included is an option for two 5 year options to renew. Beginning in year nine, the Board has the option to terminate lease with one year advanced notice. Current provisions allow Brazos River Fleeting to take down an old structure and received credit against lease payments up to an amount equal to \$20,000.00. Staff recommends this provision be removed from the lease, and a new provision added stating the Port will remove the structure and add reservation to the agreement to access the structure and execute the removal. It staff's recommendation the Board approve this lease agreement subject to legal counsel making the two modifications to the agreement.

A motion was made by Commissioner Pirtle to approve the lease agreement as recommended by staff. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion, and Commissioners Kresta and Terry abstaining.

19. Adjourn.

With no further business before the Commission, the meeting adjourned at 7:15 p.m.