

## Minutes of Meeting May 25, 2017

A Special Meeting of the Port Commission of Port Freeport was held May 25, 2017 beginning at 8:45 AM at Associated Builders and Contractors, Inc., 1002 ABC Ave., 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. Jason Hull, Director of Engineering  
Mr. Mike Wilson, Director of Economic Development  
Mr. Jason Miura, Director of Business & Economic Development  
Ms. Mary Campus, Controller  
Missy Bevers, Executive Assistant  
Mr. Brandon Robertson, Network Systems Manager

### Also present:

Brazoria County Commissioner Dude Payne  
Brazoria County Commissioner David Linder  
Mr. Chris Sallese, Dannenbaum Engineering  
Mr. Bobby Fuller, Texas Port Ministry  
Mr. Bob Arroyave, Brown & Gay Engineers  
Mr. Gary Myers, Brown & Gay Engineers  
Ms. Ann Poninski, P66  
Ms. Sarah Marsh, Dole Fresh Fruit  
Mr. Neil McLellan, HDR  
Mr. Jason Evans, James Construction  
Mr. Jason Foltyn, HDR  
Mr. Jeff Strader  
Ms. Melanie Oldham  
Mr. Jason Mills, Terracon  
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. Receive update on San Bernard River Ecosystem and RESTORE Act Funding.

Brazoria County Commissioner Dude Payne stated the County has been approved in the first round of RESTORE Act funds and introduced Chris SALLESE with Dannenbaum Engineering who gave a presentation regarding the dredging of the San Bernard River and asked the Board to consider submitting a letter to TCEQ in support of funding to reopen the mouth of the river.

3. Approval of financial reports presented for the period ending April 30, 2017.

Ms. Campus gave a brief financial presentation and update regarding the April financial results submitted to the Commission for approval.

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

4. Conduct a Planning Workshop for Port Freeport regarding the following:

- A. Six-month financial review and budget reforecast.
- B. Global marketplace update.
- C. Port Freeport Strategic Objectives.
- D. Current and projected financial position, ad valorem tax rate, financing strategies and debt capacity.

Mr. Wilson started the workshop by giving a presentation to update the Board on the global marketplace, covering items that interest our Port the most including, energy/chemicals, container market/resins, Ro/Ro/project cargo and NAFTA.

Ms. Campus then gave a presentation regarding the FY 2017 budget reforecast and financial review of the past six months.

Mr. Hull gave a presentation regarding the proposed timing of capital projects which include the following: Projects for 2018; Parcel 14 Rail Development, Parcel 14 Warehouse Development, and the DMPA (Dredge Material Placement Area) #1 Levee Raise. The projects to be constructed in 2020 include Berth 8 complete with 2 Container Cranes, Backlands Development Area 3, and if needed, Backlands Development of Area 6. These projects will be followed by construction of the initial Gate 12 in 2021. In 2025 the addition of Berths 9 and 10, development of Backlands Area 4, the addition of 3 more container cranes as well as the development of Backlands Area 5 are planned. Mr. Hull also touched on different phases/timing of the Freeport Harbor Channel Improvement Project including the dredging of the Lower Stauffer at Berth 7 and the sheet pile wall at the Dow Thumb in 2019. The GRR features (turning notch, widening and bend easing) will take place in 2020. Contracts in 2021 include dredging 1/2 outer channel, creation of placement area #8 and easement, wetlands mitigation on placement area #8. 2022 proposed projects include dredging the other 1/2 outer channel and jetty channel, Stauffer channel, upper TB and Brazosport TB. Finally, in 2023, dredging of the lower TB and Brazosport TB.

5. 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 551.072 (deliberation of real property) for discussion regarding:
1. The potential exchange, lease, or value of real property located 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 2<sup>nd</sup> Street; Terminal Street and East 8<sup>th</sup> 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.
- B. Under authority of Section 551.074 (deliberation of personnel matters) for discussion regarding:
1. Goals and performance of the Executive Director/CEO.

6. RECONVENE OPEN SESSION.

At this time, Ms. Saathoff discussed options related to issuing a bond so the Board can begin thinking about the process. If bonds were issued in 2019, the Port would need approximately \$52 million that would fund majority of the GRR features plus what could be put into a cash basis, and keep current tax rate .0401. The tax rate will begin to decline in 2020 due to added value coming on line from expired tax abatements and other new value. Further discussion was had regarding the timing and process of issuing bonds as well as what amount the bond issue should be.

7. Discuss and consider approval of a contract with James Construction for the Parcel 14 Rail Development project in the amount of not to exceed \$21,286,265.94.

Mr. Hull stated bids were opened March 2, 2017 with James Construction submitting the lowest bid. It is his recommendation to award a construction contract for the Parcel 14 Rail Development to James Construction in the amount of \$21,286,265.94.

A motion was made by Commissioner Kresta to approve the contract with James Construction in the amount of \$21,286,265.94 subject to the Board approving the Notice to Proceed at a later date. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

8. Discuss and consider approval of a Purchase Order to Vulcan Materials for the purchase of Limestone at our contracted rate, in the amount of not to exceed \$2,065,000.00 to be used on the Parcel 14 project.

This item was tabled.

9. Adjourn.