

Minutes of Meeting August 24, 2017

A Regular Meeting of the Port Commission of Port Freeport was held August 24, 2017 beginning at 2:00 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioners present:

Mr. Paul Kresta, Chairman
Mr. John Hoss, Vice Chairman
Mr. Shane Pirtle, Secretary
Mr. Bill Terry, Asst. Secretary
Mr. Rudy Santos, Commissioner
Mr. Ravi Singhania, 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. 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. Cecil Booth, Project Engineer
Mr. Nick Malambri, Engineering Specialist

Also present:

Ms. Ann Marie Poninski, P66
Mr. Neil McLellan, HDR
Mr. Jason Foltyn, HDR
Mr. James Dye, Sorrell Construction
Mr. Jeff Strader
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 John Hoss
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 Regular Meeting held August 10, 2017.

This item was tabled.

7. Reports from Executive Staff:

Reports from the Executive Staff were tabled for this meeting.

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

8. Receive report from Commissioners on matters related to:

- A. August 8 Operations, Safety & Security Advisory Committee
- B. August 10 Finance Advisory Committee
- C. August 10 Strategic Advisory Committee
- D. Meetings and conferences attended, Port presentations and other related Port Commission matters.

Reports from Commissioners were tabled for this meeting. Commissioner Hoss and Commissioner Pirtle noted the committee meetings scheduled for later in the afternoon will also be cancelled.

9. Public Comment

Mr. James Dye, Manager with Sorrell Construction addressed the Board regarding the dirt that was hauled out of the Port by mistake. Mr. Dye apologized for any misunderstanding caused, assured the Port the mistake will not happen again and accepted full responsibility for the action that took place.

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

Ms. Campus gave a brief financial presentation and update to the Commission.

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

11. Approval of a Form of Credentials appointing Phyllis Saathoff as delegate to the Annual Convention and Annual Meeting of the American Association of Port Authorities.

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

12. Approval of a contribution of \$60,577.00 to reimburse the Corps of Engineers for permit review of the Berths 8 and 9 drawings.

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

13. Discuss and consider the issuance of a Purchase Order to Jeff Strader in the amount not to exceed \$15,000 for extending a Professional Services Agreement for consulting services.

Ms. Saathoff stated the contract will be extended for an additional 60 days in the event additional financial consulting services are needed until the CFO position is filled.

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

14. Approval of Amendment No. 2 to the Reimbursement Agreement between Brazoria County, Ft. Bend County, Port Freeport and Brazoria-Ft. Bend Rail District.

Mr. Miura stated the amendment is to contribute an additional \$50,000 for the Brazoria-Ft. Bend Rail District bringing the Port's total contribution over the last three years to \$150,000.00. The Agreement further states that once a private entity partners with the Rail District, all funds advanced by the sponsoring agencies will be reimbursed by the Rail District. Commissioner Hoss noted that both Brazoria and Fort Bend Counties have indicated that they will contribute additional funds this round but future funds may come to an end.

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

15. Discuss and consider appointment of representatives to the Board of Directors for the Brazoria-Fort Bend Rail District.

Mr. Miura stated his term as Director for the Rail District is coming to an end and needs to be extended if the Commission so chooses. Dan Croft will also need to be reappointed by the Commission. Ms. Saathoff stated it is her recommendation to reappoint Mr. Miura and Mr. Croft to serve as Director for the Rail District. Commissioners Singhania and Pirtle both commended Mr. Miura and Mr. Croft on their efforts and contributions to the Rail District.

A motion was made by Commissioner Singhania to approve the appointment of to the BFBRD Board of Directors. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

16. Conduct workshop regarding Fiscal Year 2017/2018 Budget for Port Freeport.

This item was tabled.

At this time, Mr. Durel gave an update on the storm in the Gulf which is projected to make landfall around Corpus Christi late Friday night or early Saturday morning and is expected to be a Category 3 storm. Staff is getting the Port ready for the storm and the ship channel is currently closed. The section of the floodwall has been reinstalled, shore cranes are secured and the gantry cranes are being tied down. Mr. Hogan has been in contact with DHS, Coast Guard and the County. He stated everyone has really been pushing how much water to prepare for. As of the 12:00 p.m. phone call, twenty inches of rain is predicted from the storm with the surge and rivers backing up on top of that. Models show the Brazos and San Bernard Rivers reaching levels never seen before. The next phone call/update will be at 5:00 p.m. Mr. Miura added that a red box has been added to the Port Freeport website home page for updates regarding the channel, gates, etc. A link has also been included to the National Weather Service. Mr. Hogan added that should a mandatory evacuation be issued for the area, Port Commission badges should allow access back in however, access forms are available if needed or wanted.

17. 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. Discussion regarding the terms and conditions of a Lease Agreement between Port Freeport and Gulf Stream Marine.
 - 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 2nd Street; Terminal Street and East 8th 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.
- B. 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.

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

19. Approval of a Lease Agreement between Port Freeport and Gulf Stream Marine.

Mr. Miura stated Gulf Stream Marine wants to lease the 7.14 acres within the ARI rail loop on Velasco Terminal. They will pay a monthly lease rate and offer a minimum annual guarantee of cargo throughput. It is staff's recommendation to approve a lease agreement with Gulf Stream Marine.

A motion was made by Commissioner Singhania to approve the lease agreement as recommended by staff. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

20. Adjourn.

With no further business before the Commission, the meeting adjourned at 3:24 p.m.