

Minutes of Meeting November 9, 2017

A Regular Meeting of the Port Commission of Port Freeport was held November 9, 2017 beginning at 3:00 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioners present:

Mr. Paul Kresta, Chairman
Mr. John Hoss, Vice Chairman
Mr. Bill Terry, Asst. Secretary
Mr. Shane Pirtle, Secretary
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. Mary Campus, Controller
Mr. John Mannion, CFO
Ms. Missy Bevers, Executive Assistant
Mr. Brandon Robertson, Network Systems Manager
Mr. Cecil Booth, Project Engineer
Ms. Lauren McCormick, Marketing Specialist
Mr. Nick Malambri, Engineering Specialist

Absent:

Mr. Rudy Santos, Commissioner

Also present:

Ms. Ann Poninski, P66
Ms. Brandei Goolsby, TDECU
Mr. Bob Arroyave, Brown & Gay Engineer
Mr. Bobby Fuller, Texas Port Ministry
Mr. Jason Foltyn, HDR
Mr. Gary Basinger, The Alliance
Mr. Gavin Massingill, Carriage House Partners
Mr. James Clark, Carriage House Partners
Mr. Michael Grant, MSC
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 – Mr. Bobby Fuller, Texas Port Ministry
3. Pledge of Allegiance: U.S. Flag & Texas Flag
4. Roll Call. – Commissioner Kresta noted that Commissioner Santos was absent. All other Commissioners were present.
5. Safety Briefing – Chris Hogan.
6. Approval of minutes from the Regular Meeting held October 26, 2017.

Commissioner Pirtle noted that he still has reservations regarding the changes to bid proposal guidelines to Policy 9.9 and would like to revisit at a future date.

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

7. Receive report from Executive Director/CEO and/or Port staff 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.

The Port Freeport Golf Tournament had a great turnout for the day. Final numbers are still out but it looks to be a record year for the tournament. Ms. Saathoff congratulated staff on a job well done. Ms. Saathoff reported on the quarterly meeting with Colonel Zetterstrom to review the status of the FHCIP, GRR and other 408 applications the Port has pending. Main items of discussion were the scheduling of the 408 permit application for the stability feature around the Dow property and the change in the process for GRR approval and making the completion of the 408 application a contingency for signing the GRR. The Port delivered a very compressed schedule for completing the 408 application which will be submitted in March of 2018. Commissioners Hoss and Pirtle traveled to DC with staff earlier in the week. Primary objectives for the trip were to meet with USCOE Headquarters to make sure we have smooth transition with Tab Brown's departure as well as address the issue with GRR and 408 approvals. Staff also met with TXDOT to brief them on the Port's future expansion plans, economic impacts and filing of INFRA Grant application. Additionally, staff met with local and other key members of congress to raise awareness of the Port's future expansion plans, progress update on the channel project, and the need for appropriations to construct the project. The Texas Ports Association has been invited to testify before the Texas Senate Committee on Transportation November 15 in Austin. They currently have an interim charge to study the impact of Hurricane Harvey on the state's transportation infrastructure and make recommendation on how to rebuild assets efficiently and effectively. The TPA also submitted a letter to the Corps requesting a waiver of tipping fee for dredge material disposal. Major General Jackson, who serves as Deputy Commanding General for civil and emergency operations for the Corps is coming to Texas at the end of November to discuss the Corps' policy change on utility relocation with Texas ports and hear ports' concerns.

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

Commissioner Pirtle reported attending the Washington, DC meetings and Rail District meeting October 27. He also reported he has been asked to chair 36A Coalition and attended One Nation Under God.

Commissioner Hoss also reported attending the meetings in Washington, DC.

Commissioner Singhania reported attending the Rail District meeting and attended the Dow Reception for the new Vice President, Rich Wells.

9. Public Comment.

There were no comments from the public.

10. Receive update from Carriage House Partners, LLC regarding legislative affairs.

Mr. Gavin Massingill and Mr. James Clark of CHP gave an update to the Board on recent legislative affairs and events taking place over the interim, including Hurricane Harvey which has triggered a lot of activity to transpire in Austin. Issues CHP has been working on include Texas Department of Transportation Grant for the Rail District, monitoring the joint interim committee to study the coastal barrier, and the Freeport Harbor Channel Deepening project. Mr. Massingill also briefly went over interim charges within the House and Senate. Mr. Massingill suggested moving forward in the next quarter, Port Freeport meet with the delegation and legislative staff to give them an update on various projects to help them understand the different projects and what still needs to be done

11. Approval of a Professional Services Agreement with WSP USA for the Port Freeport Landside Access Plan for an amount not to exceed \$116,500.

This project will study and recommend a future gate location at Velasco Terminal along with roadway connections to State Highway 36 and Pine Street. This PSA was discussed with the Strategic Planning Advisory Committee previously and it is staff's recommendation the Board approve the Agreement.

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

12. Approval of a payment of \$142,300 to the USACE for a 408 Permit Review for the Levee Stabilization and Wave Barrier Relocation.

Mr. Hull stated this payment request is for the Port's 408 Section 214 account so the Corps can review and approve the upcoming levee stabilization project for an estimated amount of \$142,300. It is staff's recommendation the Board approve the payment.

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

13. Approval of an extension to the Memorandum of Understanding between Port Freeport and Panama Canal Authority.

Port Freeport has had an agreement in place with the Panama Canal Authority to promote business between the two ports. The agreement expired in October but the Panama Canal Authority and Port desire to extend for an additional five years. Ms. Saathoff recommends approval of the extension.

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

14. Approval of a Second Amendment to the Professional Services Agreement with Dianna Kile for consulting services.

Ms. Saathoff stated that Ms. Kile has been assisting with the east end acquisition project and staff would like to keep her under contract for additional time. The amendment presented is for a 6-month extension but Ms. Saathoff would ask the Board to consider extending the agreement for a year and authorize issuance of a purchase order not to exceed \$50,000.

A motion was made by Commissioner Terry to approve an extension to the agreement for one year with an option to extend for an additional year and authorize purchase order in the amount of \$50,000. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

15. Approval of Executive Director/CEO & Commissioners travel for November 2017.

Ms. Saathoff is requesting the Board ratify the recent trip to Washington, DC which was scheduled right after the last Board meeting. Additionally, Mrs. Saathoff anticipates returning to Washington November 28-29 to address the Ports Caucus. Staff has also been discussing a possible trip at the end of November to Geneva for a potential meeting with MSC. Commissioner Hoss also mentioned another potential trip to DC to attend a meeting with Congressman Randy Weber and James Dalton with the Corps.

A motion was made by Commissioner Hoss to approve the travel arrangements as presented with the addition of the meeting discussed to assist Congressman Weber with meeting with Mr. Dalton. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

16. Approval of a renewal for Port Freeport health, dental and vision insurance.

Mr. Mannion stated that staff received bids for insurance from three different carriers, Humana, BlueCross BlueShield (BCBS) and United Healthcare. None of the carriers offered the same plan that is expiring however affordable solutions were submitted and discussed with the Employee

Insurance Task Force as well as the Personnel Advisory Committee. Commissioner Hoss stated the Committee agrees with staff's recommendation to change the dental and vision policy to new carrier as proposed and renew medical plan with BCBS. The Committee also reviewed the current split of Port coverage and employee coverage amounts and recommends it stay the same.

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

17. Adoption of a resolution authorizing a contribution to the Port Freeport Retirement Plan.

Mr. Mannion stated the resolution before the Board is to approve the annual contribution to the Port Freeport Retirement Plan. The amount was budgeted this year for 6% plan eligible wages for the plan year ending December 31, 2017 with the contribution to be made in January 2018. This plan is for the 401-A plan. Commissioner Hoss stated he would have preferred some discussion in committee to review the percentage recommended. He supports what is presented today but requests staff bring to committee for discussion.

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

18. 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 legal matters related to Holman Shipping, Inc. invoice.

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.

C. Under authority of Section 551.074 (deliberation of personnel matters) for discussion regarding:

1. Deliberation regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee: Executive Director/CEO.

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

20. Adjourn.

With no further business before the Commission, the meeting adjourned at 7:30 p.m.