

Minutes of Meeting April 12, 2018

A Regular Meeting of the Port Commission of Port Freeport was held April 12, 2018 beginning at 3:05 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. Jason Hull, Director of Engineering
Mr. Al Durel, Director of Operations
Mr. Mike Wilson, Director of Economic Development
Mr. Jason Miura, Director of Business & Economic Development
Mr. John Mannion, Chief Financial Officer
Ms. Missy Bevers, Executive Assistant
Mr. Jesse Hibbetts, Operations Manager
Mr. Brandon Robertson, Network Systems Manager
Mr. Scott Tafuri, Safety Coordinator
Ms. Lauren McCormick, Public Affairs Manager
Ms. Tricia Vela, Receptionist
Ms. Alex Clubb, Intern
Mr. Nick Malambri, Engineering Specialist

Absent:

Mr. Rudy Santos, Commissioner
Mr. Chris Hogan, Director of Protective Services

Also, present:

Admiral Paul Thomas, United States Coast Guard
Kelsey Freeman, United States Coast Guard
Heath Jones, United States Coast Guard
Greg Callahan, United States Coast Guard
Eric Carrero, United States Coast Guard
Katy Grace Coppola, United States Coast Guard
Mr. Bobby Fuller, Texas Port Ministry
Mr. Bob Arroyave, Brown & Gay Engineer
Mr. Robert Hawn, WGMA
Mr. Steve Huttman, G&H Towing
Mr. Chris Noble, Dole Fresh Fruit

Mr. Bill O'Connor, Bright Lights
Ms. Ann Poninski, Phillips 66
Mr. Daniel Blanton, Brazos Pilots Association
Ms. Violeta Rosales
Mr. Greg Bisso
Mr. Jason Foltyn, HDR

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 – Mr. Scott Tafuri, Safety Coordinator
6. Approval of minutes from the Regular Meeting held March 26, 2018.

A motion was made by Commissioner Pirtle 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 comments from Rear Admiral Paul Thomas, District 8 United States Coast Guard.

Admiral Thomas addressed the Board about the growth, increased capacity and overall challenges ports face with the transportation system, particularly on the Gulf Coast. He also talked of building capacity in terms of governance versus physical infrastructure adding the Coast Guard provides governance for marine transportation systems. Everyone is a part of the system of governance at Port Freeport with groups like BMAT, Lone Star Harbor Safety Committee and Ports Coordination Team that are critical to the daily operation of the port, but become even more critical in a crisis operation like Harvey or possibly a cyber incident. Admiral Thomas is working to raise awareness and get facilities to think about what could happen in the event of a cyber incident. Unlike a hurricane you can see coming, cyber-attacks can take place suddenly and from far away sources, impacting very broad areas. As ports struggle to increase capacity, they will rely more on complex cyber systems that allow them to increase productivity. Admiral Thomas thanked staff for the opportunity to visit the Port and introduced Eric Carrero, who will succeed Greg Callaghan as Captain of the Port June 8. Ms. Saathoff thanked the Admiral for visiting the Port, understanding our growth and helping us to anticipate our future needs. She also thanked him for the recognition awarded Al Durel for his efforts during Hurricane Harvey.

8. 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.

Ms. Saathoff reported the GRR package is at headquarters in Washington, DC in the final step to receive approval signature within 45 days. Staff continues to work with the Corps to expedite necessary documents in moving forward with engineering/design and accelerating funds to complete the work. Because of the partnership with Brazoria-Fort Bend Rail District and the importance to stay on the same page with progress at Port Freeport, Ms. Saathoff gave a presentation to Fort Bend County Commissioners Court March 27 to update them on activities at Port Freeport. The same presentation was made to Brazoria County Commissioners Court April 10. Staff has continued to reach out to area communities to supply accurate information regarding the bond referendum on the May 5 ballot. Ms. McCormick briefly outlined upcoming speaking events with various groups in the community and gave an update on the annual Take-A-Child Fishing Tournament, which will also be held on May 5. Ms. Saathoff noted the Brazos Pilots have also been attending speaking events, offering their unique perspective on operations in the channel and why improvements are necessary to aid in safe navigation and accommodate larger vessels in service. Staff continues to update the website, www.portfreeportbondelection.com with frequently asked questions and informative facts regarding the bond election. Early voting begins April 23 and continues through May 1. Commissioner Pirtle noted the 36A Coalition passed a resolution in support for the bond election.

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

Commissioner Singhania reported attending presentations given to various groups by Port staff and a Friends of the River meeting.

Commissioner Terry reported attending the CAP meeting held April 10.

Commissioner Pirtle reported attending the BASF/Yara Grand Opening April 11.

Commissioner Kresta also reported attending presentations given by staff to various organizations as well as the Rear Admiral Thomas luncheon held today with the Port Users.

10. Public Comment – There were no public comments.

11. Discuss and consider the approval of bid received from Bright Light Systems for the LED High Mast Lighting Replacement project for an amount not to exceed \$581,090.00, over a two-year term.

Jesse Hibbetts, Operations Manager, shared bids received for this project, which was originally budgeted over five years. However, the Operations, Safety & Security Committee recommended reducing the implementation period to two years. This project will reduce the number of fixtures, enhance safety and security and reduce energy consumption and greenhouse gas emissions. Mr. Hibbetts explained the lights will be replaced by Port Maintenance in two phases, with the first phase (Inner Harbor lights) to occur this fiscal year and the second phase (Velasco Terminal lights) in the next fiscal year. Staff and Commissioners on the Operations, Safety & Security Committee recommend moving forward with Bright Light Systems in the amount of \$581,090.00.

A motion was made by Commissioner Pirtle to accept the bid as presented by staff. The motion was seconded by Commissioner Terry with all Commissioners present voting in favor of the motion.

12. Approval of a contract with Salt Water Salvage for the Docks 1, 2 and 3 Sheet Pile Repairs Project for an amount not to exceed \$140,535.00.

Bids were opened for this project April 5 with six bids received. Salt Water Salvage submitted the lowest proposal and met all the requirements of the specifications. It is Mr. Hull's recommendation the Board approve a contract with Salt Water Salvage in an amount not to exceed \$140,535.00.

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

13. Discuss and consider the purchase of converter and inverter from ABB, Inc., sole source supplier, for the ZPMC gantry cranes.

Mr. Durel stated the purchase before the board for approval is for the port's spare parts inventory. Each crane has four converters and six inverters and currently the port does not have any spares. The life expectancy for these is 10 years. The cranes have been operating for four years. There is a lead time for these parts as they are not stocked, but manufactured when ordered. Mr. Durel recommended purchasing these two parts from ABB, Inc., as budgeted, for the total amount of \$58,000.00.

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

14. 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.

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

15. Adoption of a resolution approving amendments to the Port Investment Policy.

Mr. Mannion stated the resolution before the board is to approve amendments to the Port's Investment Policy. Minimal changes to the policy include clarification of certain investments as well as verification that the required staff training has been completed. Staff recommends approval of the resolution.

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

16. Discuss and consider resolution approving election officials for May 5 Bond Election.

In addition to calling the bond election February 15, the Board also approved a contract for Election Services with Brazoria County. Pursuant to that contract, staff is seeking approval of a resolution to confirm and approve appointment of election officials.

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

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 551.071 (Consultation with Attorney) for discussion regarding:

1. Consultation with attorney and discussion regarding the terms and condition of a Coastal Surface Lease between Port Freeport and Texas General Land Office.

B. Under authority of Section 551.072 (Deliberation Concerning Real Property Matters) 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.

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

19. Consideration of Coastal Surface Lease Agreement with the Texas General Land Office and possible adoption of Resolution approving same and authorizing execution thereof.

Mr. Hull stated the resolution before the Board authorizes the Chairman or CEO to execute a Coastal Surface Lease with the General Land Office. The lease is needed for sampling to be conducted in the channel. The lease has been reviewed by legal counsel and staff recommends approval.

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

20. Approval of a Purchase Contract in the amount of \$149,000.00 for property located at 1516 N. Avenue N.

This item was tabled.

21. Discuss and consider granting authority to Executive Director/CEO Phyllis Saathoff to execute any and all documents necessary and required by Stewart Title to close the transactions on the following properties:

518 E. Broad Street, Freeport, TX (East End Property) and 1609 N. Avenue T, Freeport, TX (Avenue T Property)

531 E. Broad Street, Freeport, TX (East End Property) and 1613 N. Avenue T, Freeport, TX (Avenue T Property)

519 E. 2nd Street, Freeport, TX (East End Property) and 1605 N. Avenue T, Freeport, TX (Avenue T Property)

407 E. 2nd Street, Freeport, TX (East End Property) and 727 W. Broad Street, Freeport, TX (Broad Street Property)

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

22. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:48 p.m.