

Minutes of Meeting April 26, 2018

A Regular Meeting of the Port Commission of Port Freeport was held April 26, 2018 beginning at 3:07 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. Rudy Santos, Commissioner
Mr. Ravi Singhania, Commissioner

Staff Members Present:

Mr. Jason Cordoba, Legal Counsel
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. John Mannion, Chief Financial Officer
Mr. Al Durel, Director of Operations
Mr. Jason Hull, Director of Engineering
Mr. Jason Miura, Director of Business & Economic Development
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Mr. Brandon Robertson, Network Systems Manager
Mr. Scott Tafuri, Safety Coordinator
Mr. Nick Malambri, Engineering Specialist
Ms. Lauren McCormick, Public Affairs Manager
Ms. Alex Clubb, Public Affairs Intern

Absent:

Mr. Shane Pirtle, Secretary

Also, present:

Ms. Ann Poninski, Phillips 66
Mr. Bob Arroyave, Brown & Gay Engineers
Mr. Robert Hawn, WGMA
Mr. Chad Janosky, Bay-Houston Towing
Mr. Scott Daigle, MEGlobal Americas

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. – Commissioner Kresta noted that Commissioner Pirtle was absent. All other Commissioners were present.

5. Safety Briefing – Mr. Chris Hogan, Director of Protective Services
6. Approval of minutes from the Regular Meeting held April 12, 2018.

A motion was made by Commissioner Terry to approve the minutes as presented. The motion was seconded by Commissioner Hoss 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 stated the date of the next board meeting will be rescheduled for May 14 at 3:00 p.m. This will allow the Board to canvass the results of the election. The County Elections Office has reported early voting results for the past three days with a total of 4,789 votes cast in the County, 2,271 of which were cast in the Navigation District. Election Day is May 5. The Take-a-Child Fishing Tournament Captain's Dinner for sponsors and volunteers is May 3 at RiverPlace. The legislative director with Congressman Randy Weber's office will be here May 1 for a tour of Port Freeport and roundtable with area industry representatives. Staff continues to update the frequently asked questions page on the website, www.portfreeportbondelection.com. Ms. McCormick, Public Affairs Manager, briefly outlined upcoming speaking events with various groups in the community and gave an update on the annual Take-A-Child Fishing Tournament to be held May 5. Ms. Saathoff also reported on the Brazoria County Restoration Shoreline Task Force meeting hosted by Port Freeport April 23. Additionally, U.S. Customs and Border Protection will host an Open House and Ribbon Cutting for their new facility on May 3 at the Emergency Operations Center.

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

Mr. Mannion updated the Commission on the new accounting software and gave a brief presentation on financial results as of March 31, 2018.

- 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.

Mr. Hull shared pictures of the construction progress at Port Road, Parcel 14 and Area 5.

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

Mr. Durel shared the calendar vessel schedule prepared with the new accounting software and noted on the tonnage report submitted they have separated MSC from Chiquita on the report. He also displayed pictures of the radiant panels headed to Dow Chemical from Mammoet's yard within the Port. Mr. Durel also stated the vessel Lewek Constellation (Saipem Constellation) will be showcased at Port Freeport at the end of next week as part of the OTC Conference held in Houston.

- 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.

Mr. Hogan reported on safety incidents for the month of March and staff's continued efforts to increase vehicle safety awareness throughout the Port. The Port continues to encourage truckers and tenants to obey traffic laws and operate safely within the community. She also noted staff is developing a safety card to include with handouts at the Take-A-Child Fishing Tournament.

- 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.

Mr. Miura reported attending the Automotive Leader's Summit in Detroit held April 16-18 and updated the Board on meetings held with key clients. He also reported on the most recent Rail District meeting held April 20 in Richmond where Gary Basinger, representative for Brazoria County, was sworn in and election of officers was held. The next meeting will be held May 18 at Port Freeport.

- 8. Receive report from Commissioners on matters related to:

- A. April 26 Finance Advisory Committee – Commissioner Singhania deferred his comments regarding committee discussion to item 13 which is on the agenda for approval.
- B. April 26 Strategic Planning Advisory Committee - Commissioner Terry reported the committee received an update regarding Parcel 14 development and next steps moving forward.
- C. Meetings and conferences attended, Port presentations and other related Port Commission matters.

Commissioner Singhania reported attending presentations given to various groups by Port staff. He noted the Port has done a good job passing along information to the community regarding the bond election.

Commissioner Santos reported attending the 100 Club Law Enforcement Appreciation Dinner April 19. He also commended staff on getting port information out to the community.

- 9. Public Comment – There were no public comments.

- 10. Approval of financial reports presented for the period ending March 31, 2018.

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

- 11. Discuss and consider approving an Assignment of Tax Abatement Agreement from The Dow Chemical Company to MEGlobal Americas, Inc. for property located in The Dow Chemical Company Reinvestment Zone No. 20.

Mr. Mannion stated the agreement before the Board has been reviewed by counsel and staff recommends approval of the assignment of tax abatement from Dow Chemical to MEGlobal. Mr. Scott Daigle with MEGlobal stated that Dow acted as an agent for the abatement while MEGlobal was establishing their new

facility. Now that construction is taking place, MEGlobal is asking for an assignment of tax abatement from Dow.

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

12. Receive update from the Lone Star Harbor Safety Committee.

Ms. Ann Marie Poninski, Chairman of the Freeport Sub-Committee for Lone Star Harbor Safety stated the group was created in August 2017 to maximize safety, security and efficiency of channel transits while balancing competing needs and uses of the waterways in and around Freeport. The group has been meeting quarterly with industry stakeholders, Pilots, agents and tug, vessel and terminal operators. Items discussed include improving communications between ships and barges in the channel to coordinate movements and proposed changes to the Brazos Gates and Colorado Locks. The group is also working with the USCOE, NOAA, Coast Guard and other government agencies to get a larger scale chart for Port Freeport for channel approaches and the harbor itself, as well as obtain USCG approved anchorage area for ships.

13. Discuss and consider approving a two-year contract with IHS Global, Inc for subscription of data and reports in an amount not to exceed \$21,470.00.

Every year the Port purchases data from IHS market to use for various aspects of business from auditing to targeting potential clients. The information includes imports in Texas from Central and South America; however, staff wants to expand the contract to also include information from Asia, Europe and exports for Texas. Staff recommends approval of this 2-year contract in an amount not to exceed \$21,470.00.

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

14. 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 Matters) for discussion regarding:

1. Discussion regarding a Purchase Contract in the amount of \$155,500.00 for property located at 1516 N. Avenue N.
2. Discussion regarding a Purchase Contract in the amount of \$156,000.00 for property located at 1411 Avenue M.
3. 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.
4. 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.
5. 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.

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

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

16. Approval of a Purchase Contract in the amount of \$155,500.00 for property located at 1516 N. Avenue N.

Mr. Mannion stated this is a new home in Freeport that will be purchased as a swap for an East End property owner. This home is very similar to the current homes built by Tegrity. Staff recommends approval.

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

17. Approval of a Purchase Contract in the amount of \$156,000.00 for property located at 1411 Avenue M.

As in Item 16 above, this is a new home constructed in Freeport to be purchased and used in a swap with an East End property owner. Staff recommends approval.

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

18. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:52 PM.