

## Minutes of Meeting May 24, 2018

A Regular Meeting of the Port Commission of Port Freeport was held May 24, 2018 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. 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. 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. Cecil Booth, Project Engineer  
Mr. Scott Tafuri, Safety Coordinator  
Ms. Callie Cole, Accounting Clerk  
Mr. Nick Malambri, Engineering Specialist  
Ms. Lauren McCormick, Public Affairs Manager  
Mr. Brian Knapp, Operations  
Mr. Austin Seth, Operations Specialist

Also, present:

Ms. Ann Poninski, Phillips 66  
Mr. Bobby Fuller, Texas Port Ministry  
Mr. Bob Arroyave, Brown & Gay Engineers  
Mr. Jason Foltyn, HDR  
Ms. Tonya Hester, Gulf Coast Employee Benefit Services, LLC  
Mr. James Nash, Horizon Terminal Services  
Mr. Jeff Taylor, Freese & Nichols  
Mr. Murray Starkel, Ecological Service Partners  
Ms. Raquel Moyeda  
Ms. Patricia Olvera

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:

2. Invocation – Commissioner Shane Pirtle
3. Pledge of Allegiance – U.S. Flag & Texas Flag
4. Roll Call – All Commissioners were present.
5. Safety Briefing – Mr. Chris Hogan, Director of Protective Services
6. Approval of minutes from the Regular Meeting held May 14, 2018.

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. 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 reported on activities taking place in Washington, DC which include the Senate's Environment and Public Works Committee holding their full committee mark-up May 22 on America's Water Infrastructure Act or the 2018 WRDDA bill. This was approved by voice vote and there were no amendments to the current draft. Anticipate Senate discussing and acting in June. Notable projects include the Sabine to Galveston project, which is in the bill to receive authorization. The bill also includes a section that discusses Coastal Texas Study, encouraging it to be expedited, as well as a section regarding beach nourishment and shoreline protection projects, stating if the benefits are equal or greater than the cost to dispose of material, it should be considered. House version was discussed as well and moved out of committee. The House Appropriations Committee also met to discuss their appropriations bill. \$4.7 million was included in the draft for maintenance dredging for the port. The Port will have to work with the Corps to obtain additional funds. The Corps made an announcement they are seeking proposals for new project studies and will receive proposals until August 20. The Galveston District of the Corps announced additional work will be accomplished under the Bipartisan Budget Act 2018 that went into law in February. Four regional projects listed to receive funding including the Freeport Hurricane Protection Levee that is maintained by the Velasco Drainage District (VDD). This funding will allow VDD to repair the damaged pump and levee damage along the eastern bank of the Brazos River. The Coastal Texas Protection Act was introduced this week and is designed to advance the construction of the Ike Dike or coastal spine. Areas identified in the act cover from Matagorda North along the Upper Texas Coast to include Brazoria County, both sets of locks (Brazos and Colorado River) and on up to Jefferson County. A separate study authorized in the WRDDA bill covers the Jefferson and Brazoria County flood protection system. Staff is investigating further to understand all the act is meant to accomplish. The Port is reporting to the community additional RO/RO services to begin out of Port Freeport. Horizon Terminal Services and Höegh have announced the commencement of service from Freeport to Auckland, Brisbane, Port Kembla, Melbourne and Fremantle. The first sailing was this week and the planned service will be two sailings per month. Ms. Saathoff attended the Community Hurricane Coordination session hosted by Dow Chemical May 5 and was a speaker at the Strong Ports Workshop hosted by MARAD. She represented Port Freeport on the Port Authority Advisory Committee at the workshop reporting on the port mission plan, which will be submitted in the upcoming legislative session and highlights what ports are planning or needing from an

infrastructure standpoint inside the gate, channels, waterways, authorized projects and connectivity infrastructure.

- 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 gave a brief presentation on financial results as of April 30, 2018.

- C. Receive report from Director of Engineering on activities and matters related to Freeport Harbor Federal Channel, capital projects, Hydrographic Report and other related facility engineering matters.

Mr. Hull shared photos on the progress of projects at Placement Area 1 and Area 5 at Velasco Terminal. Commissioner Singhania inquired about the 408 and 404 permits for Berths 8, 9 and 10. Mr. Hull stated the 408 modifications application has been at the Corps since August 2016, however the Corps will not issue the 404 dredging permit until the 408 has been reviewed and approved. Ms. Saathoff also announced the Port received the approval for the GRR Project.

- 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 introduced two new operations employees, Electronic Technician Brian Knapp and Operations Specialist Austin Seth. He reported Höegh will have two vessels in dock this weekend, the Höegh Trove and Höegh New York at Berths 2 and 7. Höegh will also bring in two more vessels later in the week on Wednesday and Friday. Additionally, Tenaris will bring 30,000 tons of bars on their vessel May 30.

- 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.

In addition to his written report, Mr. Hogan updated the Board on the safety boat, stating the County Sheriff's Department accepted the Port's offer of \$95,000. Striping is being removed and paperwork for the title transfer is being prepared. The boat is slated to be recommissioned the first of June. He also reported on safety incidents for the month of April. The Knox Box installation began today. Anticipated completion with keys, plans and drawings inside the box is slated for the end of the month.

- F. Receive report from Director of Business & Economic Development on activities and matters related to industry meetings, sales reports, advertising, web activity, Foreign-Trade Zone and other ocean transportation related matters.

Mr. Miura reported that June 1 will see the arrival of the Glovis Courage, which will be the first ship to West Africa with used cars. They will ship approximately 8,400 units a year.

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

- A. May 14 Finance Advisory Committee – Commissioner Hoss reported the committee conducted a quarterly review of investment reports, portfolio allocations and investment strategies. The committee also discussed proposals from Hilltop Securities and Masterson Advisors for financial advisor services. The committee will make recommendation to move services to Masterson Advisors at the board meeting in June.

- B. May 14 and May 24 Personnel Advisory Committee – Commissioner Hoss reported the committee met May 14 to discuss an RFP for employee health benefits brokerage services and proposals from two respondents. The committee will make recommendation to engage and approve contract with Gulf Coast Employment Benefit Services later on this agenda. The committee also met May 24 to discuss a potential teaching opportunity for the Chief Financial Officer at Brazosport College. The committee supports this endeavor.
- C. May 24 Strategic Planning Advisory Committee - Commissioner Terry reported the committee discussed the simulator engineering services, which is on the agenda for approval later today.
- D. Meetings and conferences attended, Port presentations and other related Port Commission matters.

Commissioner Pirtle reported attending BCCA and the May 18 Rail District meeting. The Rail District currently has an RFQ out seeking an engineering firm to perform the feasibility study.

- 9. Public Comment – Patricia Olvera addressed the Board on behalf of her mother, Raquel Moyeda regarding possible SWAP property located at 1411 Avenue M. Ms. Moyeda is requesting the standard clause in the contract be removed that states homeowner cannot sell SWAP home for the first five years of ownership. She also requested changes to certain installed features of the home.
- 10. Approval of financial reports presented for the period ending April 30, 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 Professional Services Agreement with Locus LLC for an amount not to exceed \$49,500.00 for Ship Simulator Engineering Services.

Mr. Hull stated this agreement was previously discuss in the Strategic Planning Advisory Committee and it is the recommendation of the committee to approve the professional services agreement with Locus LLC in the amount of \$49,500 for ship similar engineering services.

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

- 12. Discuss and consider approval of Contract for Broker Services with Gulf Coast Employee Benefit Services, LLC.

Mr. Mannion stated the broker services agreement with TDECU expires June 1. Request for proposals were previously reviewed and assessed in the Personnel Advisory Committee and it is the recommendation of the committee to award contract to Gulf Coast Employee Benefit Services for a term of 5 years effective June 1, 2018.

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

13. Receive update from staff regarding the Brazoria-Fort Bend Rail District, and the Brazoria-Fort Bend Nexus Project Group.

Mr. Miura stated the Rail District is currently seeking professional services to conduct TXDOT sponsored/planning feasibility study. Ms. Saathoff stated the Rail District's communications team announced the website will soon be live and will provide information the public is seeking regarding the rail. The website will also provide an avenue for the public to submit comments or concerns directly to the Rail District. Mr. Miura also reported the intermodal study performed by TEMS is complete and staff has requested a copy.

Commissioner Pirtle noted that Mr. Miura has done a great job of representing the Port on the Rail District Board, and suggested the Commission should consider a replacement for him since he has been serving on the Board since its inception.

The Nexus Group did not meet in May.

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. 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. 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.
3. 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.
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. Deliberation regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee: Executive Director/CEO and Chief Financial Officer.

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

16. 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:

215 E. 2<sup>nd</sup> Street, Freeport, TX (East End Property) and 1617 N. Avenue T, Freeport, TX (Avenue T Property)

330 E. Broad Street, Freeport, TX (East End Property) and 710 N. Avenue G, Freeport, TX (Avenue G Property)

A motion was made by Commissioner Terry to approve CEO authority to execute necessary documents. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

17. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:40 PM.