

Minutes of Meeting December 13, 2018

A Regular Meeting of the Port Commission of Port Freeport was held December 13, 2018 beginning at 1:03 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. Mike Wilson, Director of Economic Development
Mr. Jason Miura, Director of Business & Economic Development
Ms. Mary Campus, Controller
Mr. John Mannion, Chief Financial Officer
Ms. Missy Bevers, Executive Assistant
Mr. Brandon Robertson, Network Systems Manager
Mr. Cecil Booth, Project Engineer
Mr. Nick Malambri, Engineering Specialist
Ms. Lauren McCormick, Public Affairs Manager
Ms. Connie Wiegel, Sales & Marketing Specialist
Mr. Scott Tafuri, Safety Coordinator
Ms. Meri Joy Brightwell, Operations Coordinator
Mr. Austin Seth, Operation Specialist
Ms. Alex Clubb, Public Affairs

Absent:

Mr. Rudy Santos, Commissioner

Also, present:

Mr. Bobby Fuller, Texas Port Ministry
Mr. Rick Stephanow, Gulf LNG Services
Mr. Bob Arroyave, Brown & Gay Engineers
Mr. Peter Nemeth, Crain, Caton & James
Mr. Jason Foltyn, HDR Engineering
Mr. David Eby, Terracon
Mr. Steve Huttman, G&H Towing
Mr. Dave Hill, G&H Towing

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 November 29, 2018.

A motion was made by Commissioner Terry to approve the minutes as presented. The motion was seconded by Commissioner Pirtle 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.

Mr. Hull updated the Board on the maintenance dredging stating the project is scheduled to be completed December 22. Ms. Saathoff reported the House infrastructure package is expected at the end of May. Staff will monitor for a possible visit to Washington, DC in the Spring to educate new committees on Port Freeport's project and the need for funding the channel project. The MOU for the work-in-kind has been executed and once the levy raise on the placement area (Corp project) is complete this summer, the Port can proceed with dredging in Reach 3. Fort Bend County Judge-elect KP George visited the Port November 30 to receive briefing on Port Freeport. Ms. Saathoff gave a brief overview of how Texas ports benefit the global economy. Ms. Saathoff also announced that Alex Clubb will be graduating from college and leaving the Port. She thanked Alex for her great work and assistance during her time at the Port.

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 several events including the Boys & Girls Club Gala, 36A Coalition Quarterly Meeting, Brazoria County Airport Open House, MEGlobal Open House and the Sexual Harassment Training held December 7.

Commissioner Singhania reported attending the briefing for Fort Bend County Judge-elect KP George and the U.S.-Panama Business Council Luncheon.

9. Public Comment – There were no public comments.
10. Approval of financial reports presented for the period ending October 31, 2018.

Mr. Mannion presented the financial reports to the Board. Commissioner Hoss asked for clarification regarding numbers related to the City of Freeport within the report. Mr. Mannion explained the reporting format for non-operating revenue and expenses shows both expenses and investment income/revenues in the same column with bracketed numbers being expenses or losses. Commissioner Hoss also inquired about the purpose of the expenses.. Ms. Campus explained they are related to the ongoing study the Port cost-shares with the City of Freeport for their Master Plan.

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

11. Approval of Change Order No. 2 with Vernor Material & Equipment for the Velasco Terminal, Backland Area 5 Stabilization Project, for an amount not to exceed \$4,772.66.

Mr. Hull stated the change order before the Board is for payment to Vernor Materials in the amount of \$4,772.66 for work completed that was above and beyond the original contracted amount.

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

12. Approval of Stevedore License renewals submitted by the following:

Bryan Coastal Services, Inc.
Ceres Gulf, Inc.
Cooper/Ports America LLC
Gulf Stevedoring Services, LLC
Gulf Stream Marine, Inc.
James J. Flanagan Shipping
Mammoet USA South, Inc.
Ports America Texas, Inc.
Red Hook ConRo Terminals LLC
Richardson Stevedoring & Logistics
Suderman Contracting Stevedores

Commissioner Pirtle stated the applications were reviewed in committee and all were in order with the exception of Cooper/Ports America LLC. Mr. Durel received additional information from the President of Cooper/Ports America with regard to their safety plan and is confident the company is moving forward. Staff recommends approval of all renewals.

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

13. 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 Pirtle to approve the resolution. The motion was seconded by Commissioner Terry 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 551.071 (Consultation with Attorney) for discussion regarding:

1. Consultation with attorney to discuss potential litigation.
2. Consultation with attorney to discuss potential litigation.
3. Consultation with attorney and discussion regarding Special District Local Laws Code Title 5 Transportation, Subtitle A Navigation District and Port Authorities, Chapter 5002 Subchapter A regarding Pilot Dispatch Services.
4. Consultation with attorney and discussion regarding legal matters arising out of Texas Transportation Code, Title 4 Navigation, Subtitle A Waterways and Ports, Chapter 52 Texas Deepwater Port Procedures Act.

- B. Under authority of Section 551.071 (Consultation with Attorney) and Section 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:

1. Consultation with attorney and discussion regarding the terms and conditions of the Lease Agreement between Port Freeport and G&H Towing Company.

- C. Under authority of Section 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:

1. 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.
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. 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, 35 and 38.

- D. Under authority of Section 551.076 (Deliberation of Security Matters) for discussion regarding:

1. Discussion regarding issues related to the deployment, or specific occasions for implementation of security personnel or devices or security audit and services.

E. 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, including but not limited to: Executive Director/CEO, Chief Financial Officer, Director of Operations, Operations Manager, Director of Engineering, Director of Protective Services, Director of Economic Development and Director of Business & Economic Development.

15. RECONVENE OPEN SESSION:

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

527 E. Broad Street, Freeport, TX (East End Property) and 211 S. Avenue G, Freeport, TX (Avenue G Property)

Mr. Mannion stated this is a swap transaction for a newly built home at 211 S. Avenue G for a property at 527 E. Broad Street. This transaction is similar to other swaps approved with the Port to pay closing costs. Staff recommends approval.

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

17. Discuss and consider approving a Lease Agreement between Port Freeport and G&H Towing Company.

This item was tabled.

18. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:35 p.m.