

Minutes of Meeting

April 11, 2019

A Regular Meeting of the Port Commission of Port Freeport was held April 11, 2019 beginning at 1:05 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioners present:

Mr. Paul Kresta, 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. Rob Lowe, Director of Administration/CFO
Mr. Al Durel, Director of Operations
Mr. Chris Hogan, Director of Protective Services
Mr. Jason Miura, Director of Business & Economic Development
Mr. Mike Wilson, Director of Economic Development
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Mr. Brandon Robertson, Network Systems Manager
Mr. Mike Quilty, Safety Coordinator
Ms. Lauren McCormick, Public Affairs Manager
Ms. Shantelle Miller, Accounts Payable Specialist

Absent:

Mr. John Hoss, Vice Chairman

Also, present:

Mr. Bobby Wingate, Phillips 66
Ms. Brienne Glover, Texas A&M Transportation Institute
Mr. Brett Huntsman, Texas A&M Transportation Institute
Mr. Max Steadman, Texas A&M Transportation Institute
Mr. Bob Arroyave, Brown & Gay Engineers
Mr. Chad Janosky, Bay-Houston Towing
Mr. Dan Croft, 1st State Bank
Ms. Dianna Kile, Consultant
Mr. Rick Stephanow, Gulf LNG Services
Mr. Jason Foltyn, HDR Engineering

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 – Commissioner Kresta noted that Commissioner Hoss was absent. All other Commissioners were present.
5. Safety Briefing – Mr. Mike Quilty, Safety Coordinator
6. Approval of minutes from the Regular Meeting held March 28, 2019.

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 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 introduced the new Chief Financial Officer, Rob Lowe, who joined the Port April 8. Ms. Campus also introduced Shantelle Miller who joins the Port as the new Accounts Payable Specialist. Staff attended a meeting with TxDOT April 1 where discussion was had regarding the 0.9-mile section of 1495 between Pine Street Bridge and FM 523 which is not currently included any TxDOT project. Since that meeting, TxDOT has received development authority to initiate the environmental work for this segment. The Port is positioning this project to be eligible for RIDER funding if legislature approves another \$20 million for RIDER program. The Brazos Pilots hired three dispatchers for dispatch services. A 24-hour service is anticipated within the next couple of weeks. The Nexus Group met April 3 and received a project update regarding activities for the Rail District. The group is scheduled to meet again May 6. Ms. Saathoff noted the Rail District is scheduled to complete the feasibility study soon and move forward with a designated preferred route. Senate Bill 2 and House Bill 2 are garnering a lot of attention with the Governor, Lt. Governor and Speaker of the House making a joint announcement April 10 proposing a sales tax rate increase which is intended to subsequently reduce property taxes. This item would be included on the November ballot. Ms. Saathoff and Ms. McCormick attended the Village of Surfside ribbon cutting for the nature trail March 30. Ms. McCormick gave an update on the Take-A-Child Fishing Tournament stating sponsorships have exceeded the \$32,000 goal with \$33,900 secured in sponsorships. The first video contest award will be presented April 12 to Paige Eudy who attends Stephen F. Austin Elementary.

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

Commissioner Singhania reported attending the Sweeny Chamber of Commerce Gala April 4 along with Ms. Saathoff. Commissioner Singhania thanked staff who assisted with the Scouts Breakfast held April where he was honored. He also noted the next Rail District meeting will be held tomorrow morning (April 12) in Richmond.

Commissioner Pirtle reported attending Gulf Coast Rescue event April 4 and the Scout Breakfast.

Commissioner Kresta congratulated Commissioners Santos' daughter on receiving the Cattlemen's Association scholarship award.

9. Public Comment – There were no public comments.
10. Presentation of draft Economic Impact Study by Texas A&M Transportation Institute.

Mr. Wilson introduced Brianne Glover and Brett Huntsman with TTI who presented the executive summary of the draft Economic Impact Study. Ms. Glover stated the team was asked to ascertain the total annual economic impact of Port Freeport on local, statewide and national economies through the operation of and

investment of leased and privately-owned terminals. TTI used a model called IMPLAN (Impact Analysis for Planning), which is a widely used input/output model that produces direct, indirect and induced economic impacts based on a set of user inputs from TTI. Direct impacts are the primary operations at Port Freeport while the indirect and induced impacts are the secondary or dependent impacts that are dependent on the direct impacts themselves. TTI estimated the following economic impacts at the local and state level. For jobs, TTI found activity on the Freeport Harbor Channel supports approximately 15,800 direct or primary jobs and an estimated 46,000 jobs in Brazoria County. Just over 151,000 total jobs were supported statewide. For output/production, nearly \$50 billion in direct output which is included in the \$62 billion total output for Brazoria County. This produced \$98.8 billion in total economic output statewide. Finally, the study found tax impacts of \$2.5 billion for local and state entities. Additionally, TTI estimated the aggregate national impact of the port operations with the national model showing the Port supported nearly 280,000 jobs nationwide, contributed \$149 billion to the national economic output and produced \$5.4 billion in federal tax revenue. Ms. Glover stated that TTI feels with these results along with the future planned investments, the area is likely to see continued economic growth. Ms. Saathoff stated the full report will be presented at the April 25 meeting for consideration and acceptance.

11. Approval of an extension to the Professional Services Agreement with Dianna Kile for consulting services.

Ms. Saathoff stated Ms. Kile has been providing assistance with land acquisitions and her contract is nearing the end of its current term. Staff requests extending the term for an additional year up to \$50,000.

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

12. Approval of Port Policy 8.2 – Sexual and Other Prohibited Harassment

Ms. Saathoff stated after discussing in executive session, the language regarding false allegations that was originally struck from the policy, will be added back into the policy. The paragraph will be the same as before except for the removal of the word “sexual” so the language will read “any false accusations of harassment”.

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

13. Approval of correction to legal description for purchase of property approved at the March 12, 2019 meeting to the intended and correct legal description of: Lot 7, Block 1.

A motion was made by Commissioner Pirtle to approve the correction. 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 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 551.072 (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 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
4. The potential exchange, lease, or value or real property located at Port Freeport, including but not limited to Parcel 14.
5. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 4, 5, 6, 9, 19, 27, 31, 34, 35 and 38.

C. 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.

15. RECONVENE OPEN SESSION:

16. Adjourn.

With no further business before the Commission, the meeting adjourned at 3:59 PM.