

Minutes of Meeting August 29, 2019

A Public Hearing of the Port Commission of Port Freeport was held August 29, 2019 beginning at 8:03 AM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioners present:

Mr. Shane Pirtle, Chairman
Mr. Paul Kresta, Vice Chairman
Mr. Rudy Santos, Secretary
Mr. John Hoss, Asst. Secretary
Mr. Ravi Singhania, Commissioner
Mr. Dan Croft, 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. Jason Hull, Director of Engineering
Mr. Chris Hogan, Director of Protective Services
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Mr. Brandon Robertson, Network Systems Manager
Mr. Jesse Hibbetts, Operations Manager
Ms. Connie Wiegel, Sales & Marketing Specialist
Ms. Lauren McCormick, Public Affairs Manager

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Conduct a Public Hearing regarding a proposal to maintain the current tax rate of \$0.040100 which will increase total tax revenues from properties on the tax roll in the proceeding tax year by 1.68 percent (percentage by which proposed tax rate exceeds the effective tax rate calculated under Chapter 26, Tax Code). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all the property and the tax rate that is adopted.

(The 2018 tax rate is \$0.040100; the proposed 2019 tax rate is \$0.040100; the 2019 Effective Tax Rate is \$0.039436.)

Mr. Lowe gave a presentation explaining the tax rate setting process for the Port noting there are two rates set in conjunction with the County, the effective tax rate and the rollback rate. The effective rate takes the prior years' taxes divided by the taxable value of properties on the tax roll previous year. The rollback rate isolates the debt service portion, looking at only the maintenance and operations tax. There is a maximum of 8% increase on this tax before public vote is required. This year's effective rate base is \$14.1 billion, deducting \$454 million worth of new additions, for an adjusted tax base of \$13.693 billion. When calculated against \$5.4 million in total taxes for prior year, the effective rate is \$0.039436. The Port proposes a tax rate of \$0.0401, maintaining the rate in place since 2016. When compared to the effective

rate calculation, this gives the Port an incremental tax levy of \$93,985 or \$0.000664 per \$100 of assessed value. Mr. Lowe noted the Port's rate year over year with a \$0.0401 rate in effect, the Port goes from a \$5.5 million collection to a \$5.7 million collection. He also noted the Port's special reserve for capital improvements created by the Port Commission which is related to the M&O portion of the tax levy. The current balance is \$15,642,240. The proposal is to maintain the current tax rate in place since 2016, and is consistent with what has been shared the community.

Commissioner Pirtle noted there were no public comments regarding the tax rate.

3. Adjourn.

With no further business before the Commission, the meeting adjourned at 8:10 AM.