

AGENDA

**Port Freeport
Port Commission
Regular Meeting**

Thursday, December 10, 2020, 1:00 pm - 5:00 pm

Via Video/Teleconference - Administration Building - 1100 Cherry Street - Freeport



Notice is hereby given that in accordance with the order the Office of the Governor issued March 16, 2020, and due to imminent threat to public health and safety and urgent public necessity, the Port Freeport Port Commission will conduct a Regular Meeting on Thursday, December 10, 2020 at 1:00 p.m. by video/teleconference initiated from the Administration Building, 1100 Cherry Street, Freeport, Texas. In order to meet CDC guidelines for social distancing and slow the spread of the Coronavirus (COVID-19), the public can join the video/teleconference meeting by following the instructions below. When the spread of COVID-19 is no longer an imminent threat to our community, in-person meetings will resume.

The meeting will not be open for the public to physically attend the meeting, but the Port welcomes the public to attend virtually. Public comment will be available at the beginning of the meeting on the agenda item indicated below. Following public comment, the public will not be permitted to communicate with the Port Commission.

This meeting agenda and agenda packet is posted online at www.portfreeport.com

Please join the meeting from a computer, tablet or smartphone.

<https://global.gotomeeting.com/join/922892805>

You can also dial in using your phone.

United States (Toll Free): [1 866 899 4679](tel:18668994679)

Access Code: 922-892-805

All participants will be muted until the meeting begins.

New to GoToMeeting? Get the app now and be ready when your first meeting starts:

<https://global.gotomeeting.com/install/922892805>

A link for GoToMeeting Instructions is available at <http://www.portfreeport.com/meeting-agenda>

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation.
3. Roll Call.
4. Public Comment. (Public comment will be limited to 5 minutes per participant and must be completed virtually via the toll free number)
5. Approval of minutes from the Regular Meeting held November 12, 2020.
6. Receive reports from Executive Staff on activities and matters related to COVID-19 health safety matters, administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security matters, Port tenant updates, USCOE, and other related port affairs.
 - A. Executive Director/CEO
 - B. Chief Financial Officer
 - C. Director of Engineering
 - D. Director of Operations

E. Director of Business & Economic Development

7. Receive report from Commissioners on matters related to:
 - A. December 1 OSS Advisory Committee
 - B. December 10 Finance Advisory Committee
 - C. December 10 Personnel Advisory Committee
 - D. Meetings and conferences attended, Port presentations and other related Port Commission matters.
8. Approval of financial reports presented for the period ending September 30, 2020.
9. Approval of an Update to the Modification of the Tax Abatement between Port Freeport and Chevron Phillips Chemical Company LP for property located in Chevron Phillips Chemical Company LP Reinvestment Zone No. 2, previously approved by the Port Commission November 12, 2020.
10. Approval of cancellation to Freeport LNG Tax Abatement Agreement for property located in Freeport LNG Reinvestment Zone Nos. 2A and 3.
11. Approval of Stevedore License renewals submitted by the following:

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
12. Adoption of a Resolution authorizing the utilization of capital reserves for capital improvements.
13. Adoption of a Resolution Authorizing the Issuance of Port Freeport Port Improvement Bonds, Series 2021 (Non-AMT); Levying a Tax and Providing for the Security and Payment Thereof; Providing for the Award of the Sale Thereof in Accordance with Specified Parameters; and Enacting Other Provisions Relating Thereof.
14. Adoption of a Resolution authorizing a contribution to the Port Freeport Retirement Plan.
15. 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.
16. Approval of Government Liaison Services Agreement with Carriage House Partners, LLC for legislative consulting services.
17. Discuss and consider setting the 2021 Port Commission meeting dates.
18. 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):
 1. Consultation with attorney to discuss potential litigation.
 - B. Under authority of Section 551.072 (Deliberation of 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 or adjacent to the following streets: FM 1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
 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. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcel 14 and Surfside Lots.
 - C. 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.
19. RECONVENE OPEN SESSION to review and consider the following:

20. Approval of sale of Port Freeport Gottwald Mobile Harbor Crane, accessories and inventory.
21. Approval of First Amendment to the Second Lease Agreement between Port Freeport and Vulcan Construction Materials, LLC.
22. Adjourn.

The Port Commission does not anticipate going into a closed session under Chapter 551 of the Texas Government Code at this meeting for any other items on the agenda, however, if necessary, the Port Commission may go into a closed session as permitted by law regarding any item on the agenda.

With this posted notice, Port Commissioners have been provided certain background information on the above listed agenda items. Copies of this information can be obtained by the public at the Port Administrative offices at 1100 Cherry Street, Freeport, TX.



Phyllis Saathoff, Executive Director/CEO
PORT FREEPORT

In compliance with the Americans with Disabilities Act, the District will provide for reasonable accommodations for persons attending its functions. Requests should be received at least 24 hours in advance.

Minutes of Port Commission Regular Meeting
November 12, 2020
Via Video/Teleconference

Notice is hereby given that in accordance with the order the Office of the Governor issued March 16, 2020, and due to imminent threat to public health and safety and urgent public necessity, the Port Freeport Port Commission will conduct a Regular Meeting on Thursday, November 12, 2020 at 1:00 p.m. by video/teleconference initiated from the Administration Building, 1100 Cherry Street, Freeport, Texas. In order to meet CDC guidelines for social distancing and slow the spread of the Coronavirus (COVID-19), the public can join the video/teleconference meeting by following the instructions below. When the spread of COVID-19 is no longer an imminent threat to our community, in-person meetings will resume.

The meeting will not be open for the public to physically attend the meeting, but the Port welcomes the public to attend virtually. Public comment will be available at the beginning of the meeting on the agenda item indicated below. Following public comment, the public will not be permitted to communicate with the Port Commission.

This meeting agenda and agenda packet is posted online at www.portfreeport.com

Please join the meeting from a computer, tablet or smartphone.

<https://global.gotomeeting.com/join/229588165>

You can also dial in using your phone.

United States (Toll Free): [1 877 568 4106](tel:18775684106)

Access Code: 299-588-165

New to GoToMeeting? Get the app now and be ready when your first meeting starts:

<https://global.gotomeeting.com/install/299588165>

All participants will be muted until the meeting begins.

A link for GoToMeeting Instructions is available at <http://www.portfreeport.com/meeting-agenda>

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 Miura, Director of Business & Economic Development
Mr. Mike Wilson, Director of Economic Development & Freight Mobility
Mr. Brandon Robertson, Network Systems Manager
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Ms. Jessica Follett, Public Affairs Manager
Mr. Cecil Booth, Project Engineer

Ms. Tricia Vela, Receptionist
Ms. Darlene Winkler, Communications Specialist
Ms. Marilyn Miller, Public Affairs Assistant

Also, present via teleconference:

Mr. James Nash, Horizon Auto Logistics
Mr. Bobby Fuller, Texas Port Ministry
Mr. Clay Nichol, Moffatt & Nichol
Mr. William Wachel, WSP
Mr. Chaney Moore, CP Chem
Mr. Robert Balli, P66
Ms. Brandei Goolsby, Gulf Coast Employee Benefit Services
Mr. David Kaufman, Haskell
Mr. Drew Masterson, Masterson Advisors
Mr. Bob Arroyave, BGE Inc.

Commissioner Pirtle stated the following information...

Today is November 12, 2020, and the time is 1:00 p.m. This is the regular meeting of the Port Commission. I am Shane Pirtle, Chairman. We are conducting this meeting by video/telephone conference pursuant to Governor Abbott's order suspending certain provisions of the Texas Open Meetings Act in order to minimize the impact of the coronavirus outbreak. This meeting is being recorded as required by the Texas Open Meetings Act.

With the posting of today's meeting a toll-free call in number was indicated on the agenda, along with the agenda packet. Both may be found on the Port's website www.portfreeport.com. Additionally, the public may join the meeting from a computer, tablet or smartphone or by phone using the toll-free call in number.

This meeting will not be open for the public to physically attend the meeting, but the Port welcomes the public to attend virtually. Public comment will be available at the beginning of the meeting as indicated on the agenda. Following public comment, the public will not be permitted to communicate with the Port Commission.

In the event any member of the public is having any technical difficulty during the meeting, please call (979) 233-2667, and someone will assist you.

Being considerate of all participants on this call today, we respectfully request everyone "mute" their phones unless you are speaking.

An Executive Session was noticed on the published agenda and will occur unless otherwise indicated during the meeting. It will be announced prior to this body going into Executive Session. During Executive Session the public will not be permitted to hear the meeting, as is the case under the Texas Open Meetings Act.

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. Roll Call – Commissioner Pirtle stated that Commissioner Santos, Commissioner Singhanian and Commissioner Hoss were present online. Those present in the board room (at a safe

distance) included himself, Commissioners Kresta, Commissioner Croft, Phyllis Saathoff – CEO and Jason Cordoba – Legal Counsel. Ms. Saathoff noted additional staff in the room.

4. Recognition of Veterans – At this time, in honor of Veterans Day on Wednesday, November 11, Commissioner Pirtle recognized veterans employed at Port Freeport.

Port Freeport recognized the following employees for their service:

Cecil Booth, Port Freeport Engineering Manager – U.S. Army

Veterans employed under Sunstates Security (Port's Protective Services vendor):

Stephan Chapa – U.S. Air Force

Steven O'Briant – U.S. Navy

Enrico Arbolante – U.S. Navy

Yeilee Navarrete – U.S. Marines

Joshua Thomas – U.S. Marines

An American Flag lapel pin was presented to our veterans as a humble gift of gratitude.

5. Presentation of check to Texas Port Ministry from proceeds of Port Freeport Golf Tournament.

Commissioner Pirtle stated that on October 19 Port Freeport hosted its annual golf tournament benefiting Texas Port Ministry at The Wilderness in Lake Jackson. Due to the current environment, a new format was implemented with scheduled tee-times at 10 to 14-minute increments. With a total of 41 teams and over 80 sponsors the net total for the 2020 Port Freeport Golf Tournament was \$67,600, which was just under last year's total. Commissioner Pirtle thanked the Public Affairs Team, Texas Port Ministry staff and volunteers for their hard work coordinating the tournament and help in making it a success. A check was presented to Mr. Bobby Fuller with Texas Port Ministry. Mr. Fuller addressed members of the Board, Port employees and sponsors to thank them for their efforts and success of this tournament.

6. Public Comment – There were no public comments.
7. Approval of minutes from a Regular Meeting held October 22, 2020.

A motion was made by Commissioner Santos to approve the minutes as presented. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

8. Receive reports from Executive Staff on activities and matters related to COVID-19 health safety matters, administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security matters, Port tenant updates, USCOE, and other related port affairs.

A. Executive Director/CEO

Ms. Saathoff reported that the new speaker of the House is Rep. Dade Phelan representing Jefferson County which includes Ports Beaumont, Orange, Port Arthur and the Sabine-Neches Waterway. This will be good to again have someone who understands the importance of Ports and what they bring to the economic output in Texas. Staff has engaged with federal consultants to discuss the lame duck session noting that it's

expected that congress will still try to pass certain bills with the Port most interested in the FY 2021 appropriations bill. Staff will continue to monitor and still plans to reach out to the administration, ASA's office and the USACOE. BG Christopher Beck is scheduled to visit the Port December 3 on his tour of the Texas coastline. TPA recently met and discussed legislative agenda for next state session. Bills have been drafted and are under review. Ms. Saathoff also noted her participation in NWC held virtually earlier in the week. A 2021 proposed meeting calendar has been circulated for review. It will be included on the December agenda for approval. At this time, Commissioner Hoss asked for an update on the project to improve video conferencing. Brandon Robertson gave an update on the project giving a brief description of what the project would entail adding that one complete bid has been submitted, and other interested vendors want to come in from Houston to view the room before submitting a bid package.

B. Chief Financial Officer

Mr. Lowe stated that financials are still being finalized and staff will have them available for the December meeting. He presented a timeline for the general obligation bonds and tentative issuance in February. He also discussed a competitive bid sale vs. a negotiated bid sale with regard to the issuance and the difference between each offering. Mr. Drew Masterson with Masterson Advisors was available online to answer questions.

C. Director of Engineering

Mr. Hull reported that the operations and shop building improvement project was discussed in the Strategic Planning Advisory Committee. He also received word that the Corps has pushed their maintenance dredging to begin in January. Additionally, he shared pictures of the Berth 8 project and the petit lift boat doing the soil sampling in the channel for Reach 1 and 4.

D. Director of Operations

Mr. Durel reported on statistics for the month of October stating the Port handled 15 LNG vessels, 14 Ro/Ro vessels and 14 containers vessels. For the month of October, the Port anticipates 15 Ro/Ro, 17 LNG and 13 container vessels. Railcar activity totals include 285 Vulcan and 27 Cemex. The average vessel activity for last year (2020) was 34 vessels per month, the month of October was 45 vessels. November looks to be a carbon copy of October's activity.

E. Director of Business & Economic Development

In addition to his written report, Mr. Miura noted that Vulcan is arriving with another unit train today. He also noted that for the end of October, the Freeport Harbor Channel had 942 deep water vessel arrivals, which is a 13.1% increase over 2019 YTD numbers.

9. Receive report from Commissioners on matters related to:

- A. November 10 OSS Advisory Committee – Commissioner Hoss reported the committee received an update on recent safety issues and accidents. Other items were discussed under security item in executive session. Commissioner Pirtle inquired about the number of incidents involving truck drivers and how the Port is handling safety with them. Commissioner Hoss noted the committee did discuss this and staff continues to address the issues will all drivers. Commissioner Pirtle noted that while he understands staff's efforts to address the problem, he would like to see something proactive take place to show contact has been made to everyone regarding safety.

- B. November 12 Strategic Planning Advisory Committee – Commissioner Santos reported the committee reviewed the operations and shop building improvement project. Other items discussed in executive session included Vulcan and Trammel Crow.
- C. Meetings and conferences attended, Port presentations and other related Port Commission matters.

Commissioner Singhania reported participating in the OSS committee meeting as well as the Finance committee held October 28.

Commissioner Croft reported attending Exchange Club meeting November 4 which was hosted by First State Bank.

10. Approval to pay legal bills for the months of September and October.

A motion was made by Commissioner Singhania to approve payment of legal bills. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

11. Approval of a Modification to the Tax Abatement between Port Freeport Chevron Phillips Chemical Company LP for property located in Chevron Phillips Chemical Company LP Reinvestment Zone No. 2.

Mr. Lowe stated this modification will delay the effective date to January 1, 2023 and make 2023 the first year of the seven-year abatement period. Construction has not started on this project. Mr. Chaney Moore with Chevron Phillips was available online to answer any questions. Mr. Lowe noted this item was previously reviewed with Finance Committee and staff recommends approval.

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

12. Approval of support for Phillips 66 Foreign-Trade Zone 149C Boundary Modification.

At this time, Commissioner Kresta recused himself from the meeting and discussion regarding the next two items on the agenda related to Phillips 66.

Commissioner Pirtle suggested taking the next two items related to Phillips 66 Foreign-Trade Zone 149C boundary modification.

Ms. Campus stated that Phillips 66 is requesting a modification to their foreign-trade zone boundary for their Sweeny plant. The modification is to expand the existing footprint to include the addition of two new fractionators. The Foreign-Trade Zone Board requests a letter of concurrence or non-objection from taxing entities to be included with the application for modification. Staff recommends approval of the letter of support as well as the resolution authorizing filing of the Phillips 66 application to the Foreign-Trade Zone. Staff recommends approval.

A motion was made by Commissioner Santos to approve support letter for the boundary modification as presented. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion, and Commissioner Kresta abstaining.

13. Approval of a Resolution authorizing filing of Phillips 66 Foreign-Trade Zone 149C Boundary Modification.

A motion was made by Commissioner Santos to approve the resolution authorizing the filing of Phillips 66 Foreign-Trade Zone 149C boundary modification as presented. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion, and Commissioner Kresta abstaining.

At this time, Commissioner Kresta rejoined the meeting.

14. Approval of contract for Port Freeport Health, Dental and Vision Insurance.

Ms. Campus presented the renewal for the Port's health, dental and vision insurance for 2021 stating that Blue Cross Blue Shield (BCBS) has offered a renewal plan with slight modifications to co-pays with an increase of 2.1% in premium. Staff did review other options since there were modifications to this plan however it was a consensus to remain with BCBS and accept their bid. Ms. Campus noted that contract negotiations are currently still ongoing between Brazosport St. Luke's hospital and BCBS and discussed different options the Port has should those negotiations fail. Staff recommends renewing with Blue Cross Blue Shield plan as presented and maintain co-pays. Principal, the Port's existing carrier for dental and vision, proposed no rate change over the previous year. Staff recommends renewing with Principal and maintain same co-pays.

A motion was made by Commissioner Kresta to approve the contract with BCBS as presented by staff. The motion was seconded by Commissioners Croft with all Commissioners present voting in favor of the motion.

15. Approval of a renewal with Texas Association of Counties for Port Freeport Workers Compensation Policy.

Ms. Campus stated the Port's workers compensation policy is based on an estimated proposal for the calendar year. The Port's proposal for 2021 is \$34,798. The final premium is calculated at the end of the year and trued up based on actual payroll. Staff recommends approval.

A motion was made by Commissioner Kresta to approve the renewal in the amount of \$34,798 as presented by staff. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

16. Adoption of a Resolution authorizing a contribution to fund Port reserves for capital improvements.

Mr. Lowe presented a resolution to contribute to the port reserve for capital improvement an amount equal to the M&O portion of the total tax levy. This year's recommendation for the reserve is \$3,981,963.00.

A motion was made by Commissioner Hoss to authorize the contribution to the Port reserves for capital improvements as presented. The motion was seconded by Commissioner Singhanian with all Commissioners present voting in favor of the motion.

17. 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 Santos to approve the resolution. The motion was seconded by Commissioner Kresta with all Commissioners present voting in favor of the motion.

18. 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.

- B. 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 are known as the East End of Freeport and bordered by or adjacent to the following streets: FM1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
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. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcel 14 and Surfside Lots.

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

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

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

20. Approval of sale of Port Freeport Gottwald Mobile Harbor Crane, accessories and inventory.

Mr. Lowe stated that the Port solicited bids for the sale of the Gottwald crane and received one bid from Gulf Stevedoring Services in the amount of \$575,000. The bid included escalation language which was not requested in the bid advertisement. Consultation with counsel lead staff to believe the escalation language should not be considered for this bid. Counsel is comfortable accepting the bid of \$575,000 because there was only one bid. Another option would be to reject this bid and re-advertise with clarifying language with regard to escalations and/or any minimums desired.

A motion was made by Commissioner Hoss to reject the bid received, re-advertise sale to prohibit escalation clauses and seek a minimum bid of \$575,000. The motion was seconded by Commissioner Kresta with all Commissioners present voting in favor of the motion, and Commissioners Croft and Pirtle voting no.

21. Approval of a contract to Covenant K9 Detection Services for security K9 contract services.

Mr. Hogan stated that a scope of work for services was distributed to seven providers in the area. Four quotes were received with the lowest bid submitted by Covenant K9 for \$46,800. Staff recommends awarding contract to Covenant K9 Detection Services to provide K9 detection services through September 30, 2021 totaling \$46,800.

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

At this time, Commissioner Pirtle noted that items 22 and 23 will be taken together, item 24 will be taken independently and items 25 and 26 will be taken together.

22. Approval of Fourth Amendment to First Lease Agreement between Port Freeport and Horizon Terminal Services.

Mr. Miura stated that staff recommends approval for execution a fourth amendment to the first lease agreement between Port Freeport and Horizon Terminal Services which will remove 25,000 square feet in Transit Shed 1 from the lease premises. Additionally, staff recommends approval for execution the first amendment to the second lease agreement between Port Freeport and Horizon Terminal Services which updates the exhibit for the lease premises on Parcel 14.

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

23. Approval of First Amendment to Second Lease Agreement between Port Freeport and Horizon Terminal Services.

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

24. Approval of a Consent Agreement between Port Freeport, Horizon Terminal Services and APS East Coast.

Mr. Miura stated that staff recommends the approval for execution a consent agreement between Port Freeport, Horizon Terminal Services and APS East Coast wherein Port Freeport consents to the transaction previously discussed.

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

25. Approval of an Unlimited Continuing Guaranty between Port Freeport and Portus Infrastructure Partners LLC.

Mr. Miura stated that staff recommends the approval for execution an unlimited continuing guaranty between Port Freeport and Portus Infrastructure Partners. The guaranty will cover the commitments under Lease 1 and Lease 2 for Horizon Terminal Services. Additionally, staff also recommends the approval for execution the termination of guaranty between Port Freeport and Hoegh Autoliners which releases Hoegh from the guaranties for commitments under Lease 1 and Lease 2 for Horizon Terminal Services.

A motion was made by Commissioner Singhania to approve the guaranty between Port Freeport and Portus. The motion was seconded by Commissioner Kresta with all Commissioners present voting in favor of the motion.

26. Approval of a Termination of Guaranty between Port Freeport and Hoegh Autoliners Management A/S.

A motion was made by Commissioner Singhania to approve the termination once the guaranty with Portus has been approved and received. The motion was seconded by Commissioner Kresta with all Commissioners present voting in favor of the motion.

27. Adjourn.

With no further business before the Commission, the meeting adjourned at 6:31 PM.

Shane Pirtle, Chairman

Paul Kresta, Vice Chairman

Rudy Santos, Secretary

John Hoss, Asst. Secretary

Ravi K. Singhania, Commissioner

Dan Croft, Commissioner



1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 233-5625
WWW.PORTFREEPORT.COM

MEMORANDUM

TO: Phyllis Saathoff, Executive Director/CEO
FROM: Jessica Follett, Public Affairs Manager
DATE: December 3, 2020
SUBJECT: Public Affairs – December 2020

PUBLIC AFFAIRS

Communications and Media

Staff continues to post on social media port facts, safety awareness, hurricane preparedness, and other information pertinent to our community.

COVID-19 – The website and various social media channels are being maintained as a resource to the public for information on COVID-19 as it relates to Port Freeport and the community.

Hurricane Season – The website and social media are being maintained as a resource to the public for information on tropical weather events and effects on Port operations. The Atlantic hurricane season begins June 1 and ends November 30.

Freeport Harbor Channel Marine Traffic – The website will be maintained as a resource to the Freeport Harbor Channel community for information on marine traffic related to upcoming maintenance dredging.

Freeport Harbor Channel Improvement Project – Staff continues to respond to inquiries from the public regarding Port Freeport and the Freeport Harbor Channel Improvement Project, as well as maintain updated information on both www.portfreeport.com and www.portfreeportbondelection.com.

Print and Social Media Monitoring – Staff continues to monitor publications, newspapers and social media for matters pertaining to Port Freeport.

Port Freeport's recent press release featuring the final check presentation to Texas Port Ministry for the 9th Annual Port Freeport Golf Tournament was featured in *The Facts*' Sports section on November 26, 2020.

Press Releases and News Postings – Pending press releases include:

Saathoff Named President of the Texas Ports Association (TPA)

Saathoff Named Chairwoman of the Port Authority Advisory Committee (PAAC) for a Second Term

Community Events and Meetings

Port Events

Port Freeport Take A Child Fishing Tournament – May 8, 2021 – The Public Affairs Department has begun preparation and planning for the TACFT which will take place on May 8, 2021. Outreach to local school districts for participation in the logo drawing contest is underway.

Port Freeport Annual Golf Tournament – The final check presentation to Texas Port Ministry (TPM) was made on November 12, 2020 at the Port Freeport Commission meeting in the amount of **\$67,600** and a press release was submitted to media and community outlets. Partners and friends of Port Freeport have assisted in raising **\$373,120** over the past nine years benefiting TPM. Thank you to all our generous sponsors, donors, and players for your continued support!

Community Advisory Panel (CAP) – C.A.P. meetings for 2020 have concluded. The next C.A.P. meeting will take place in the first quarter of 2021.

Port Presentations, Tours, and Meetings

November 19, 2020 – Port Commissioner Dan Croft provided a Port Freeport overview and update to the Sweeny Rotary Club. Jessica Follett, Public Affairs Manager, attended the event and provided support.

December 8, 2020 – Rob Lowe, Director of Administration and CFO, and Mary Campus, Controller, will participate in a virtual roundtable with the Brazoria County Hispanic Chamber of Commerce to provide a general overview of Port Freeport's procurement process and guidelines.

Community Events and Meetings

November 2020 – The Public Affairs Department conducted a raffle to encourage staff participation in Port Freeport's Annual United Way Campaign to raise funds for local non-profit partners and encourage community involvement. Tickets were drawn on November 30, 2020. Rodney Blackstock, Operations Mechanic, won a 70-qt rolling cooler. Port Freeport staff are happy to support United Way and its community partners year-after-year.

November 19, 2020 – Mike Wilson, Director of Economic Development and Mobility, and Jessica Follett, Public Affairs Manager, participated in The Economic Development Alliance of Brazoria County's Government Relations Committee meeting to discuss legislative and policy issues for the upcoming 87th Texas Legislative Session.

December 2, 2020 – Mike Wilson, Director of Economic Development and Mobility, and Jessica Follett, Public Affairs Manager, participated in The Economic Development Alliance of Brazoria County's Government Relations Committee meeting to discuss legislative and policy issues for the upcoming 87th Texas Legislative Session.

Upcoming Community Events and Meetings

Weekly – Business Roundtable Virtual Meetings (speakers vary)

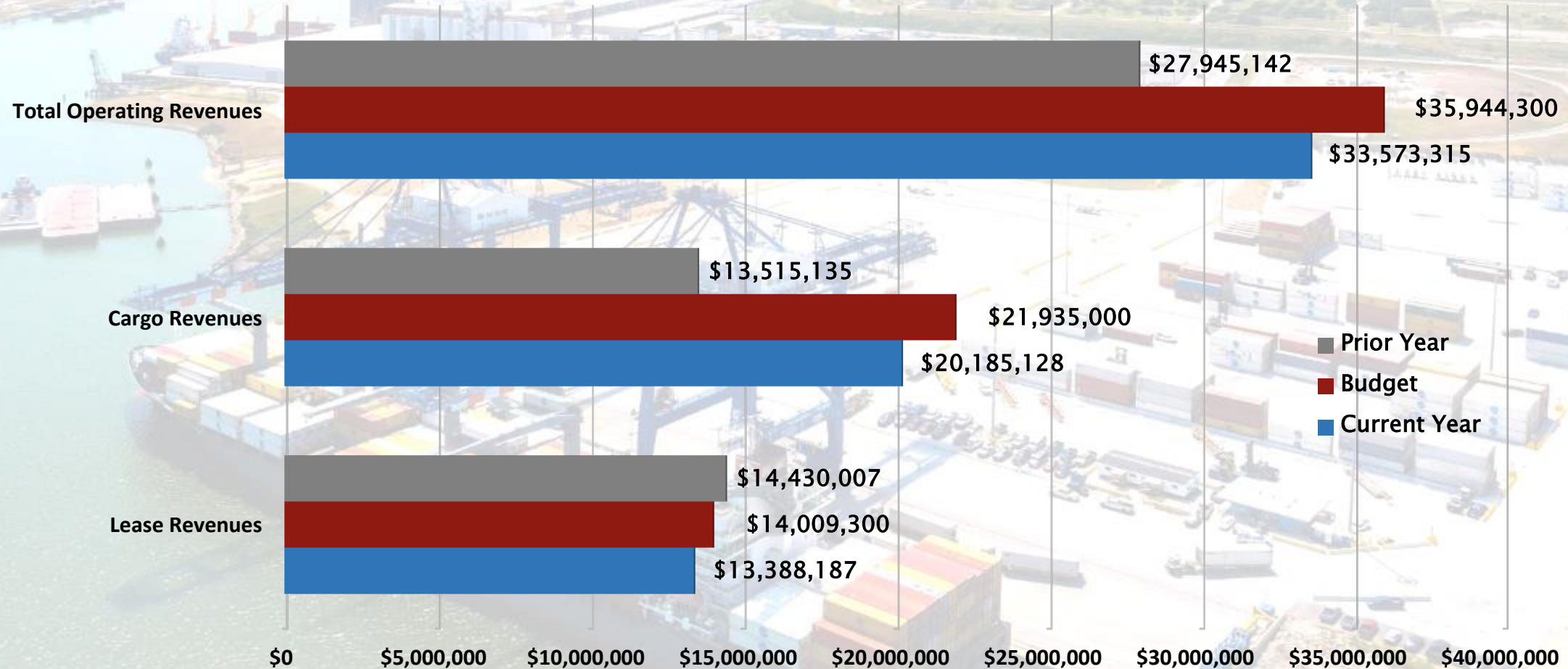


Financial Report for September 2020

December 10, 2020

Rob Lowe | Chief Financial Officer

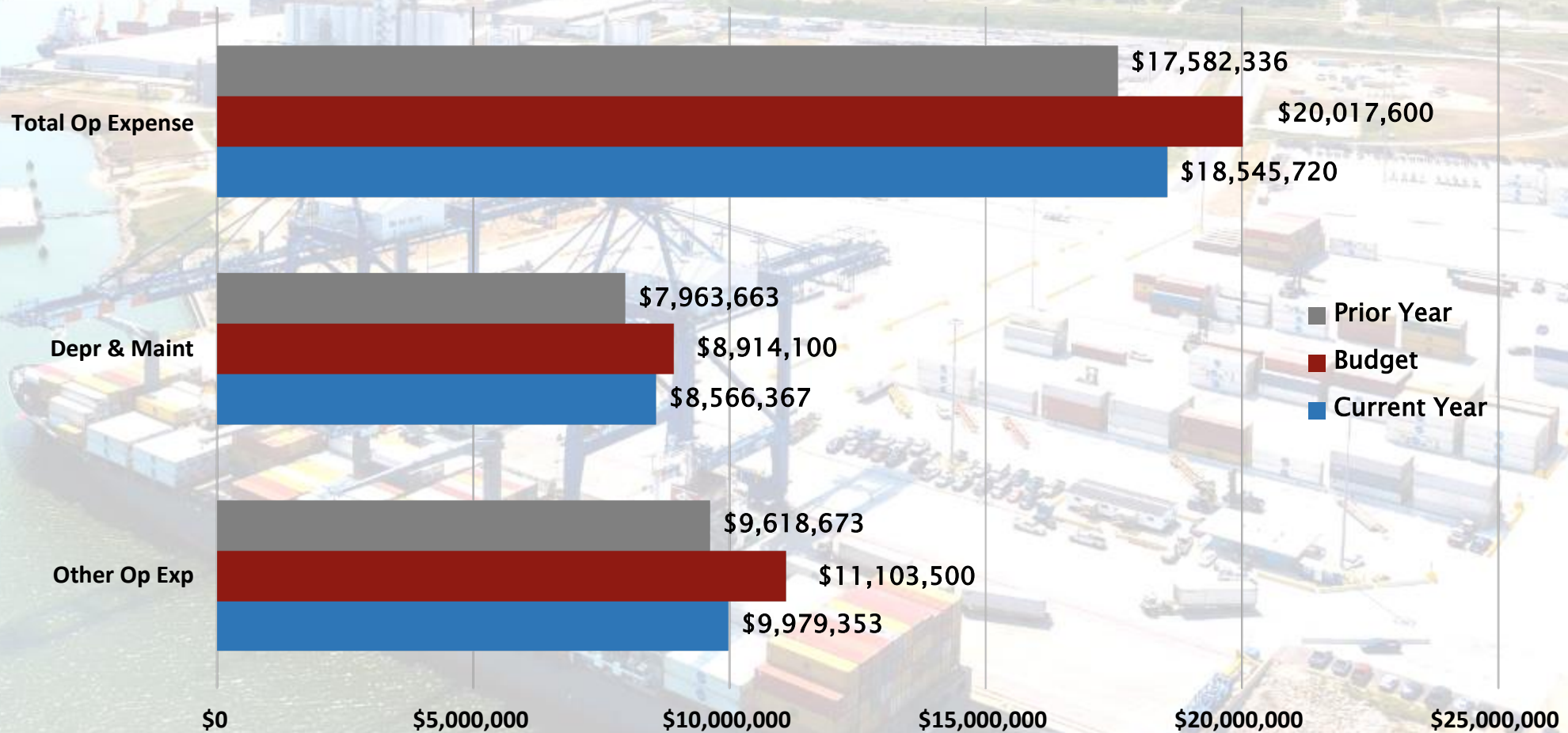
FY 2020 YTD OPERATING REVENUES



COMPARISON:

- Operating revenues are up over PY 20%, below budget by 7%
- Cargo revenues exceed PY by 49%; below budget by 8%
- As compared to budget, cargo volumes are down with the exception of ro-ro and project cargo
- Lease revenues are below PY by 7% and budget 4%

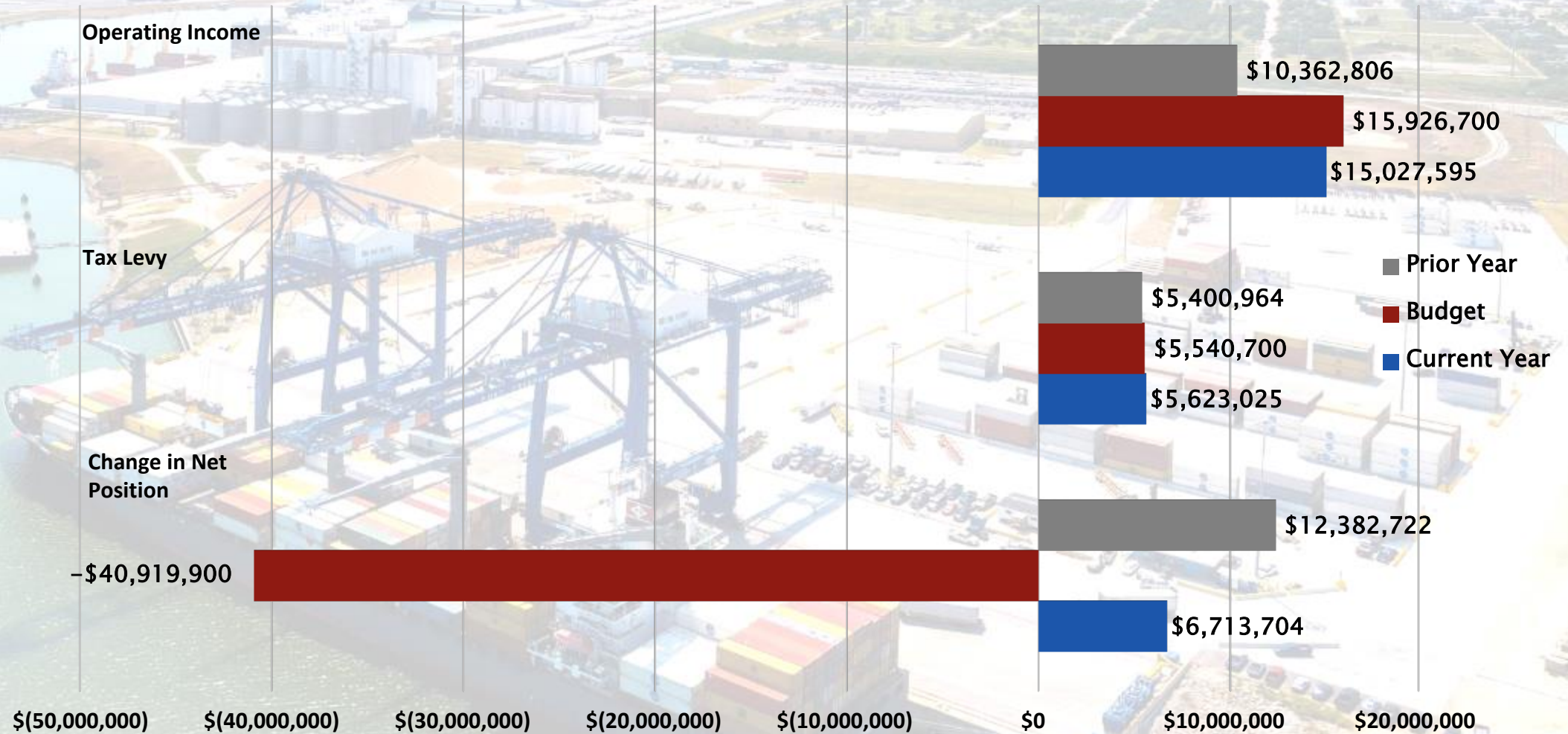
FY 2020 YTD OPERATING EXPENSE



COMPARISON:

- Total operating expenses are 5% above the PY and less than budget by 7%
- Depr & maint are up over the PY by 8%, at below budget 4%
- Other expenses are 4% above PY and below budget by 10%

FY 2020 YTD OPERATING INCOME



COMPARISON:

- Operating income is 45% above PY and below budget by 6%
- Change in Net Position-see next slide for further explanation

FY 2020 YTD CHANGE IN NET POSITION

Change in Net Position

- Non Operating Revenue (Expense) includes Ad Valorem Taxes, Investment Income, Debt Service and Gain (Loss) on Sale of Assets
- Drivers for comparison to budget are primarily timing of capital contribution projects.

	Year To Date	YTD Budget	Total 2020 Budget
Operating Income	\$ 15,027,595	\$ 15,926,700	\$ 15,926,700
Non-Operating Revenue (Expenses)	\$ (143,479)	\$ (298,900)	\$ (298,900)
Capital Contributed (To) From Others			
Freeport Harbor Channel Improvement Project	\$ (7,952,155)	\$ (18,845,800)	\$ (18,845,800)
Berth 2 Floodwall Modifications	\$ (107,686)	\$ (500,000)	\$ (500,000)
Brazoria-Fort Bend Rail District	\$ (30,000)	\$ (75,000)	\$ (75,000)
Levee Stabilization - Reach 2	\$ (220,404)	\$ (29,500,000)	\$ (29,500,000)
Berth 8 Dredging	\$ -	\$ (8,000,000)	\$ (8,000,000)
Grants	\$ 139,833	\$ 373,100	\$ 373,100
Change In Net Position	\$ 6,713,704	\$ (40,919,900)	\$ (40,919,900)

FY 2020 YTD CASH FLOWS

<i>Cash Flow Measure</i>	<i>Current Year</i>	<i>Prior Year</i>
<i>Cash Provided by Operations</i>	\$23,122,377	\$ 18,160,871
<i>Cash Provided by Non-Cap Financing</i>	5,619,004	5,407,381
<i>Cash Used by Cap Financing</i>	9,949,054	6,124,601
<i>Cash Provided by Investing Activities</i>	1,946,261	1,979,983
<i>Net Increase (Decrease) in Cash</i>	\$40,636,696	\$ 31,672,836

COMPARISON:

- Operating cash flow is positive due to increase in operating revenues
- Cash provided from non cap financing are tax levy collections
- Capital Financing is 2019 Revenue Bond proceeds less capital improvements.

FY 2020 STATISTICS

<i>Measure</i>	<i>Current Year</i>	<i>Prior Year</i>	<i>Budget</i>
<i>Operating Margin</i>	<i>45%</i>	<i>37%</i>	<i>44%</i>
<i>Current Ratio (unrestricted)</i>	<i>4.5 to 1</i>	<i>5.1 to 1</i>	<i>n/a</i>
<i>Debt to Net Assets Ratio</i>	<i>0.88 to 1</i>	<i>0.58 to 1</i>	<i>n/a</i>

ACCOUNTS RECEIVABLE AGING


<i>Year</i>	<i>0-30 days</i>	<i>31-60 days</i>	<i>61-90 days</i>	<i>Over 90 days</i>
<i>September 30, 2020 FY 2020</i>	92% \$2,880,245	2% \$74,587	4% \$129,085	2% \$71,422
<i>September 30, 2019 FY 2019</i>	95% \$2,529,130	3% \$72,672	0% \$6,594	2% \$43,207
<i>September 30, 2018 FY 2018</i>	82% \$1,778,632	13% \$272,572	5% \$110,408	0% \$0



Questions and Comments?

MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

FROM: Jason Hull, P.E. 
Director of Engineering

DATE: December 2, 2020

SUBJECT: Departmental Report

PROJECTS

- 1. Velasco Terminal, Berths 8** – This project entails construction of Berth 8, which will extend the wharf another 928 feet north of Berth 7. Installation of piling continues as more piling will be delivered in January. The channel dredging will be a separate construction project that will begin in the first quarter of 2021.

$\$37,920,431 / \$115,804,280 = 33\%$ complete



PORT COMMISSION



2. **FHCIP** – This project consists of deepening and improving the Freeport Channel. This is a Civil Works project that was authorized in WRRDA 2014. The Corps issued the notice to proceed (NTP) to Great Lakes Dredge and Dock Company on 10/13/2020. The pipeline installation will begin in the week of Dec. 7th and the dredge will begin work in February 2021.
3. **Levee Stabilization and Wave Barrier Relocation** – This project involves relocation of the north wave barrier to allow for a bend easing and stabilization of a levee on the Dow thumb that has a lower than satisfactory factor of safety for global stability. The piling will arrive in January. Work will begin in earnest at that time.
4. **Operations and Shop Building Improvements** – This project is to make repairs to exterior walls and upgrade the operational effectiveness and efficiencies outside the buildings. Final plans are completed at this time. Bids for this project will be opened on December 15, 2020 and evaluated. A recommendation for award will be on the January 7th Commission meeting agenda.

5. **Berth 2 and 3 Floodwall Modifications** –The modifications include demolition of two sections of concrete wall, approximately 100-ft long each, and replacing them with sections of a removable and deployable system. The design is moving forward using conservative wave modeling. The permit application was submitted to VDD on June 5, 2020. The VDD and the Corps are reviewing the submittal package at this time. Our engineering consultant has asked for direction on how to proceed as the Corps is telling the VDD that the wall should be a different height than what the VDD is telling us.



1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023
WWW.PORTFREEPORT.COM

TO: Port Commissioners
Executive Director/CEO

FROM: Rob Lowe

DATE: December 3, 2020

SUBJECT: Review modification request of *TAX ABATEMENT AGREEMENT with CHEVRON PHILLIPS CHEMICAL COMPANY LP* (the "Agreement")

On November 12, 2020 the Port Commission approved a request by Chevron Phillips Chemical Company LP to modify the term of the operative tax abatement agreement with the Port (i.e. *TAX ABATEMENT AGREEMENT FOR PROPERTY LOCATED IN CHEVRON PHILLIPS CHEMICAL COMPANY LP REINVESTMENT ZONE No. 2* approved by the Port Commission September 12, 2019).

Nov 12 Approval

- Modifying effective date to January 1, 2023 from January 1, 2021 and making 2023 the first year of the seven year abatement period

While the modification states the new date parameters, section 7.01 of the original abatement states that construction must begin within two years of the agreement. To ensure clarity and alignment between the original abatement and the modification, staff recommends updating the modification with additional language specific to section 7.01 indicating that construction must begin within two years of the approved modification.

PORT COMMISSION

SHANE PIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023
WWW.PORTFREEPORT.COM

TO: Port Commissioners
Executive Director/CEO

FROM: Rob Lowe

DATE: December 4, 2020

SUBJECT: Review of the request for Termination of the *SECOND MODIFIED TAX ABATEMENT AGREEMENT FREEPORT LNG DEVELOPMENT LP, ET AL No.6* (the “Agreement”)

Due to the delay in commencement of construction on Train #4, Freeport LNG Development LP, et al (“FLNG”) requests terminating the tax abatement agreement with the Port (i.e. *TAX ABATEMENT AGREEMENT FOR PROPERTY LOCATED IN FREEPORT LNG DEVELOPMENT, LP REINVESTMENT ZONE Nos 2A & 3* dated November 12, 2016 and as modified November 8, 2018 and as modified a second time December 12, 2019):

Considerations:

- Termination is permitted under section 13.01 of the Agreement.
- FLNG has complied fully with its obligations to date
- FLNG is not liable to the Port for outstanding taxes or other obligations
- Brazoria County Commissioners’ Court cancelled the abatement agreement and modifications on October 27, 2020

PORT COMMISSION

SHANE PIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

M E M O R A N D U M

TO: Port Commissioners
Chief Executive Officer

FROM: Rob Lowe

DATE: December 7, 2020

SUBJECT: Utilization of Reserve for Capital Improvements

The Port Commission passed a resolution on October 22, 2015 creating a reserve for Capital Improvements. Annual contributions from Port operating revenues have been made since bringing the current balance to \$24,004,940. The reserve can be utilized to fund Freeport harbor channel improvements, capital and maintenance dredging, dredge disposal area improvements, land purchases and any other Port capital improvement or capital maintenance items. Qualifying dredge expenses are included in the 2021 capital plan and staff recommends utilizing up to \$18,802,450 of the reserve to fund those projects.

[PORT COMMISSION](#)

SHANE PIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

RESOLUTION AUTHORIZING A CONTRIBUTION TO THE PORT FREEPORT RETIREMENT PLAN

At a regular meeting of the Port Commission of Port Freeport at the office of said District at 1100 Cherry Street, Freeport, Texas, on the 10th day of December 2020, among other business came on to be considered the following resolution, which, upon motion duly made and seconded, was adopted by vote of all Commissioners present:

FINDINGS

1. Due and proper notice of the date, time, place and purpose of this meeting has been duly given in accordance with the provisions of the Texas Open Meetings Act, and such meeting has been conducted in accordance with said Open Meetings Act.
2. Port Freeport ("Port" or "Employer") has heretofore adopted a "Flexible Nonstandardized Safe Harbor Profit Sharing Plan Agreement" establishing the "Port Freeport Retirement Plan" (the "Plan") effective January 1, 2000.
3. Employer has heretofore adopted a Group Annuity Contract with the MassMutual Financial Group, Contract No. GA-7649, effective January 1, 2001.
4. Per agreement with MassMutual Financial Group, Employer serves as Plan Administrator of the Plan.
5. Upon recommendation of Management, it is found to be in the best interest of the Port for Employer to make a contribution of 6.0 percent (0.060) of Plan eligible wages to the "Port Freeport Retirement Plan" for the plan year ending December 31, 2020.

Now, therefore, BE IT RESOLVED, that the Port, as Employer, hereby authorizes a contribution a contribution of 6.0 percent (0.060) of Plan eligible wages to the Port Freeport Retirement Plan for the plan year ending December 31, 2020.

RESOLUTION APPROVING SALE OF PROPERTY HELD IN TRUST

At a regular meeting of the Port Commission of Port Freeport held at the office of Port Freeport at 1100 Cherry Street, Freeport, Texas, on the 10th day of December, 2020, among other business came on to be considered the following resolution, which, upon motion duly made and seconded, was adopted by vote of all Commissioners present:

FINDINGS

1. Due and proper notice of the date, time, place and purpose of this meeting has been duly given in accordance with the provisions of the Texas Open Meetings Act, and such meeting has been conducted in accordance with said Open Meetings Act.

2. The County of Brazoria, State of Texas, has heretofore instituted tax suits and has been awarded tax judgments relative to the hereinafter described tracts and parcels of land, where, in each instance, as a result of delinquent tax sales, the high bid was less than the amount of taxes owing on each respective parcel. Each such parcel was bid off to Brazoria County for the amount of judgment against each respective parcel and each such parcel of property is held in trust due to delinquent tax foreclosure.

3. The Property Resale Committee of Brazoria County has advertised for, received, and opened sealed bids on each said parcel of property held in trust and determined that in each instance, the high bid is less than the amount of taxes owing on each respective parcel. The account number, legal description, entity holding in trust, appraised value, opening bid and amount bid for each respective parcel, are described in Exhibit "A" attached hereto.

4. The Property Resale Committee of Brazoria County has requested that Port Freeport approve the sale amount of each respective item of property as described in Exhibit "A" attached hereto, in accordance with Section 34.05 of the Property Tax Code of the State of Texas, and that Port Freeport join in the conveyances to respective high bidders to evidence Port Freeport's consent to each such sale.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that Port Freeport hereby consents to the acceptance of the high bid as to each respective parcel as described in Exhibit "A" attached hereto and the conveyance of each respective parcel to each respective high bidder; and that Port Freeport accept its pro rata share of the proceeds; and

BE IT FURTHER RESOLVED, that the Chairman of the Port Commission be, and he is hereby authorized to join in the conveyance to each respective high bidder of each respective parcel to evidence Port Freeport's consent to each respective sale for less than the amount of taxes owing.

December 10, 2020 Resolution
Exhibit A - Resale Offers

Account Number	Legal Description	In Trust To	Adjudged Value	Required Opening Bid	Amount Bid
6067-0558-000	LAS PLAYAS SEC III-IV-V-VI (A0002 T&W ALLEY) BLK 6 LOT 58 SEC 4 PT II ACRES 0.2525	SWEENY ISD	\$3,100.00	\$3,100.00	\$800.00
7399-0030-000	SAN BERNARD SYN S/D TR 2 (A0041 T B BELL) BLK 2 LOT 13A1 ACRES 0.250	BRAZORIA COUNTY	\$19,030.00	\$4,842.10	\$2,500.00
1538-0086-002	BAR X RANCH SEC 6 LT 86 BLK 2 19 AUSTIN 97 MITCHELL ACRES 0.900	ANGLETON ISD	\$7,200.00	\$4,534.18	\$2,300.00
Totals			\$29,330.00	\$12,476.28	\$5,600.00

M E M O R A N D U M

TO: Commissioners
Chief Executive Officer

FROM: Rob Lowe
Mary Campus

DATE: December 4, 2020

SUBJECT: Sale of Gottwald Mobile Harbor Crane, Accessories and Spare Parts

On October 8, 2020 the Gottwald mobile harbor crane, accessories, and spare parts were declared surplus. The Port solicited bids again via local newspaper advertisement (The Facts), Port website, *Crane Market*, a global publication, as well as communication with local stevedores and tenants and staff contacts. The Port received four inquiries.

Bids were due December 4, 2020 by 9:00 a.m. and staff opened the one bid received. The bid received was from Gulf Stevedoring Services, LLC, from Galveston, Texas for \$576,000.

It is the recommendation of the staff to award the sale of the Gottwald Mobile Harbor Crane, accessories and spare parts to Gulf Stevedoring Services, LLC for \$576,000. They have agreed to the terms of sale including full payment on or before December 17, 2020 and removal within 45 days unless we agree to extend the timeline due to logistics.

PORT COMMISSION

SHANE PIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO