

AGENDA

**Port Freeport
Port Commission
Regular Meeting
Thursday, August 12, 2021, 1:00 pm - 5:00 pm
In Person & Video/Teleconference - Administration Building - 1100 Cherry Street - Freeport**

This meeting may be attended virtually or in person. The purpose of permitting the public to attend the meeting both virtually and in person is to provide the greatest amount of access to the public during the COVID-19 pandemic.

Accordingly, 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, August 12, 2021 at 1:00 p.m. in person and also by video/teleconference initiated from the Administration Building, 1100 Cherry Street, Freeport, Texas. In addition to public attendance and in order to meet CDC guidelines for social distancing and slow the spread of the Coronavirus (COVID-19), the public may join the video/teleconference meeting by following the instructions below.

The meeting will be open for the public to physically attend the meeting, and the Port welcomes the public to also attend virtually. Public comment will be available at the beginning of the meeting on the agenda item indicated below. Public comment may be communicated virtually and in person. 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

Join Zoom Meeting

<https://us02web.zoom.us/j/88624502660?pwd=OU9qT080QmYxTENwbzR1K2hCMzAzJT09>

Meeting ID: 886 2450 2660

Passcode: 610609

Dial by your location

1 346 248 7799 US (Houston)

1 253 215 8782 US (Tacoma)

1 669 900 9128 US (San Jose)

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1 646 558 8656 US (New York)

1 301 715 8592 US (Washington DC)

Meeting ID: 886 2450 2660

Find your local number: <https://us02web.zoom.us/j/88624502660>

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation.
3. Pledge of Allegiance: U.S. Flag & Texas Flag
4. Roll Call.
5. Public Comment. (Public comment will be limited to 5 minutes per participant and can be completed in person or virtually via the toll free number)
6. Approval of minutes from the Regular Meeting held July 22, 2021.
7. Receive update from federal consultants Van Scoyoc Associates.

8. Receive report from Executive Director/CEO and/or Port 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.
9. Discussion regarding the 2021 Tax Rate Calculation Worksheet, the 2021 No New Revenue Tax Rate and the tax rate setting process and upcoming budget workshop.
10. Approval of a Crane Repair Agreement with ZPMC USA for repairs to Container Crane No. 1, for an amount not to exceed \$150,800.00.
11. Adoption of Resolutions authorizing the submission of RIDER 37 grant applications.
12. Approval of Commissioners' travel for the months of September and December 2021.
13. 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.
 2. 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 Parcels 14, 27, 34 and 86E
 - 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.
14. RECONVENE OPEN SESSION to review and consider the following:
15. Approval of adjustment to Capital Budget for Port Wireless Infrastructure Upgrades, for an increase of \$52,300.
16. Approval of Port Wireless Infrastructure Upgrades.
17. 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

Minutes of Port Commission Regular Meeting July 22, 2021

A Regular Meeting of the Port Commission of Port Freeport was held July 22, 2021, beginning at 1:12 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

The Port Commission meeting will be in person and available for public attendance.

The Port Commission meeting will also be available for observation to the public via Zoom at the link below. The public will not be permitted to participate in the public comment via Zoom. Any public comment must be done in person at the Port Freeport Administration Building.

Join Zoom Meeting

<https://us02web.zoom.us/j/83485284655?pwd=ThvK1QxWjlmeFJjYTM0L0JnZmoyQT09>

Meeting ID: 834 8528 4655

Passcode: 109373

Dial by your location

1 346 248 7799 US (Houston)

1 669 900 9128 US (San Jose)

1 253 215 8782 US (Tacoma)

1 646 558 8656 US (New York)

1 301 715 8592 US (Washington DC)

1 312 626 6799 US (Chicago)

Meeting ID: 834 8528 4655

Find your local number: <https://us02web.zoom.us/u/kzBDzZSUF>

Commissioner's present:

Mr. John Hoss, Chairman

Mr. Rudy Santos, Vice Chairman

Mr. Dan Croft, Secretary

Mr. Rob Giesecke, Asst. Secretary

Mr. Ravi Singhanian, 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. Mike Wilson, Director of Economic Development & Freight Mobility

Mr. Chris Hogan, Director of Protective Services

Mr. Jason Miura, Director of Business & Economic Development

Mr. Brandon Robertson, Network Systems Manager

Ms. Missy Bevers, Executive Assistant

Ms. Mary Campus, Controller

Ms. Tricia Vela, Public Affairs Assistant

Ms. Alejandra Martinez, Receptionist

Absent:

Mr. Shane Pirtle, Commissioner

Also, present:

Mr. Jason Foltyn, HDR

Mr. Jason Mills, Terracon

Mr. Mike Hayes, Texas Port Ministry

Ms. Melanie Oldham

Commissioner Hoss stated the following information...

I will now open the meeting. Pursuant to the posted agenda this meeting is open to public attendance and will be attended by commissioners in person as well. For purposes of transparency and in the event a member of the public is unable to attend the meeting, the meeting is also being made available via Zoom as indicated on the agenda.

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Mike Hayes, Texas Port Ministry
3. Pledge of Allegiance: U.S. Flag & Texas Flag
4. Roll Call – Commissioner Hoss noted that all Commissioners were present with the exception of Commissioner Pirtle, who was absent.
5. Public Comment – There were no public comments.

At this time, Mr. Cordoba explained why Commissioner Pirtle was not allowed to participate virtually in the meeting stating that in June, the board elected to conduct in person meetings. This was interpreted by legal counsel that it would be in person for the public and the Port Commission therefore, agendas were prepared based on that understanding. Moving forward, agendas will be prepared allowing flexibility to include virtual or in person attendance by both the Port Commission and the public.

6. Approval of minutes from the Regular meeting held June 24, 2021.

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

7. 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 introduced Alejandra Martinez who joined Port Freeport as the new receptionist. She also noted that Public Affairs Manager Jessica Follett is transitioning to her maternity leave. The channel project continues to advance with a couple more weeks

left on Reach 3 dredging as well as the dredging beside the berth. The Reach 2 bids, which came in higher than expected, are still being evaluated by the Corps. The solar lights included in the stabilization project have been installed around the Dow Thumb and the Pilots have acknowledge the effectiveness of the lights during nighttime transit. Col. Vail joined the Port and Brazoria County for a meeting to discuss the Brazos River flood gates project which is in engineering and design phase and will take approximately two years to complete. Other discussion included managing the dredging of the San Bernard River and working out an Interlocal Agreement. Ms. Saathoff reported on the latest TPA meeting noting the association agreed to move forward with a new dues structure and the hiring of an executive director. Staff is continuing work with Freeport LNG regarding the installation of additional meters at the Jetties and on Surfside bridge with documents forthcoming which will include a letter agreement that formalizes Freeport LNG's intent to pay for installation of the meters as well as an agreement from NOAA and an revised agreement from Conrad Blucher Institute with Texas A&M Transportation Institute to handle maintenance once installed. Ms. Saathoff is now a member of the Brazoria County Petrochemical Council and attended the first meeting held earlier in the day. Commissioner Singhania confirmed the next CAP Meeting is August 17 and inquired if the Port will participate in the August 7 City of Freeport Kid Fest. He also inquired about the expansion of Hwy 36 to four lanes. Mr. Hull confirmed that TXDOT has received their permit from the Corps and will request bids next month.

B. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for the month of June, and also briefed the Commission on the upcoming 2021 tax rate process. The annual rate setting process includes debt service and maintenance and operations in the total tax rate. The 2021 I&S rate will include 2019 GO Bond issuance payments as well as 2021 GO Bond issuance payments. The tax rate is applicable to the industrial and residential tax bases within the district and updated every year. He also refreshed the Port Commission on the Texas Property Tax Reform and Transparency Act of 2019 (SB2). The first rate is the *No New Revenue Tax Rate* (previously Effective) which is the total tax rate that would provide the same amount of revenue in the year before on properties taxed in both years and is generally equal to last year's taxes divided by the current taxable value of properties that were also on the tax roll last year. The second rate is the *Voter Approval Tax Rate* (previously Rollback) and is the required I&S Tax Rate plus either a 3.5% or an 8% (Special Taxing Unit) increase in the No New Revenue M&O Tax Rate. Special taxing units are taxing units with a proposed No New Revenue M&O Rate of less than 2.5 cents, Junior College Districts and Hospital Districts. The Port is not a special taxing unit at this time. Port Freeport's current M&O rate is .026657. Mr. Lowe noted the Board will always set the rate however, the methodology is dictated by the legislature. Mr. Lowe then shared the following **proposed** tax rate and budget schedule...

August 10 – Publication of Tax Rates on Tax Office, Appraisal District and PF Websites
August 12 – Review 2021 Tax Rate Calculation Worksheet results

August 26 – Take a record vote to propose 2021 tax rate
August 26 – Conduct Budget Workshop

August 27 – Report proposed rate and results of vote to BC Tax Assessor-Collector
September 2 – BC Tax Assessor-Collector will publish either:

Notice of voting on tax rate
Notice of hearing on tax increase

September 9 – Hold tax rate hearing if proposed rate is above no new revenue rate
September 9 – Adopt 2020 tax rate
September 9 – Adopt Budget

After discussing the schedule, the Commission elected to reserve the afternoon of September 2 should additional time be needed to discuss and finalize the budget for adoption on the 9th.

C. Director of Engineering

In addition to his written report, Mr. Hull shared a current photo of the Carolina dredging in front of Berth 8. He echoed Ms. Saathoff's comments earlier that Great Lakes anticipates the dredging of the channel to be complete August 7 and berth dredging August 12. Commissioner Singhania inquired about the amount of asbestos in remaining East End properties. Mr. Hull stated that asbestos testing will soon begin on the next round of demolition.

D. Director of Operations

Mr. Durel reported the vessel and cargo activity for June was very substantial with the Port handling 17 LNG vessels and 9 Ro/Ro vessels along with steel by vessel and barge. He noted that July looks to be a mirror image of June. Staff has recently been working with Customs, ILA, tenants, stevedores on improving the process of agriculture and CBP inspections of containers and cargo. With the activity increasing, all parties are working together to improve the efficiencies. June saw the first vessel for Seatrade with the next vessel due July 23 and will call the Port every two weeks. Mr. Durel also reported on staffing changes which include the departure of Meri Joy Brightwell, Customer Service Coordinator. Holly Soria has filled her position. Junior Martinez retired after 26 years with the Port. In addition to hurricane season preparedness, Mr. Hogan has been participating on conference calls related to COVID.

E. Director of Business & Economic Development

In addition to his written report, Mr. Miura noted that staff will be recommending a general rate adjustment to Port Freeport Tariff No. 005. Staff met with the Finance Advisory Committee to present proposed adjustments and schedule and will next meet with Port tenants and users to present same and receive feedback. Staff will then reconvene with the Finance Advisory Committee in September and then recommend approval of the adjustments to the Port Commission. If approved, the adjustments will be effective October 1, 2021. Mr. Miura also noted that July 13, the U.S. Bureau of Labor Statistics issued a report that there is a 5.4% year over year increase in CPI for June 2021.

8. Receive report from Commissioners on matters related to:

- A. July 22 Finance Advisory Committee – Commissioner Croft reported the committee received an update on the quarterly investment report, reviewed the fiscal year budget for revenues, reviewed adjustments to the Port Freeport tariff and had a brief discussion regarding the agenda item related to grants.

- B. Meetings and conferences attended, Port presentations and other related Port Commission matters.

Commissioner Santos reported attending the BCCA Meeting.

Commissioner Singhania reported attending the Alliance Industry Update.

Commissioner Hoss also reported attending the BCCA Meeting and Industry Update.

- 9. Approval of financial reports presented for the period ending June 30, 2021.

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

- 10. 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.

- 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 Parcels 14 and 43.

- 11. RECONVENE OPEN SESSION to review and consider the following:

- 12. Adoption of a resolution authorizing the submission of a PIDP grant application.

- 1. Mr. Miura stated that the Port engaged the Goodman Corporation to prepare a PIDP grant application. The application is near completion, and the resolution will authorize staff to submit the application on behalf of Port Freeport. Mr. Miura noted that the resolution states, “the Port seeks to pass a resolution to approve and authorize the submission of Port Infrastructure Development Program (“PIDP”) grant application with a Port contribution of up to forty-one percent (41%) for the Velasco Terminal Modernization Project”. Mr. Miura added the grant request is approximately \$13.3 million in federal assistance. Staff recommends approval.

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

13. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:22 PM.

John Hoss, Chairman

Rudy Santos, Vice Chairman

Dan Croft, Secretary

Rob Giesecke, Asst. Secretary

Ravi K. Singhania, Commissioner

Absent
Shane Pirtle, Commissioner



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: August 6, 2021

SUBJECT: FY22 Tax Rate Process

Staff will review and discuss 2021 Tax Rate Calculations of No New Revenue Tax and Voter Approval Tax Rate as provided by Brazoria County Tax Assessor-Collector. Staff will also discuss timing and steps required to propose and adopt the 2021 tax rate budget workshop schedule.

PORT COMMISSION


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



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: August 3, 2021

SUBJECT: Repairs to Crane No. 1

Container Crane No. 1 was damaged by a passing crane on barge under the control of McCarthy Building Company. McCarthy accepted responsibility of the damages and understands that they are responsible for all costs associated with the repairs, plus 20% per the Tariff. Paul Bridges and Associates has inspected, designed, and specified the needed repairs. They engaged two qualified companies to submit prices for the repairs. ZPMC USA submitted a price of \$150,800.00 for the repairs. McCarthy is in agreement to use ZPMC USA for the repairs and reimburse the Port.

Therefore, I recommend approval of a contract with ZPMC USA for repairs to Crane No. 1 in the amount of not to exceed \$150,800.00.

PORT COMMISSION

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

**RESOLUTION APPROVING AND AUTHORIZING THE SUBMISSION
OF A RIDER 37 GRANT APPLICATION**

At a regular meeting of the Port Commission of Port Freeport of Brazoria County, Texas (“Port”) held at the office of the Port at 1100 Cherry Street, Freeport, Texas, on the 12th day of August 2021, among other business, on motion duly made and seconded, the following Resolution was passed and adopted:

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 Port is currently planning capital projects and infrastructure on real property owned by Port Freeport.
3. The Port seeks to pass a resolution to approve and authorize the submission of a Rider 37 grant application with a Port contribution of up to Twenty-five percent (25%) for the Gate 12 Access Road Project.

NOW THEREFORE, BE IT RESOLVED the Port Commission of the Port, hereby approves, and authorizes the Port CEO/Executive Director to submit a Rider 37 grant application with a contribution of up to Twenty-five percent (25%) for the Gate 12 Access Road Project.

Approved this 12th day of August 2021.

Dan Croft
Port Commission Secretary

THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

This instrument was acknowledged before me on this 12th day of August 2021, by Dan Croft, Port Commission Secretary, of Port Freeport, a political subdivision of the State of Texas, on behalf of said political subdivisions.

NOTARY PUBLIC, STATE OF TEXAS

**RESOLUTION APPROVING AND AUTHORIZING THE SUBMISSION
OF A RIDER 37 GRANT APPLICATION #2**

At a regular meeting of the Port Commission of Port Freeport of Brazoria County, Texas (“Port”) held at the office of the Port at 1100 Cherry Street, Freeport, Texas, on the 12th day of August 2021, among other business, on motion duly made and seconded, the following Resolution was passed and adopted:

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 Port is currently planning capital projects, design and traffic Studies, and infrastructure on real property owned by Port Freeport.

The Port seeks to pass a resolution to approve and authorize the submission of a Rider 37 grant application with a Port contribution of up to Twenty-five percent (25%) for the Intersection Design and Traffic Study.

NOW THEREFORE, BE IT RESOLVED the Port Commission of the Port, hereby approves, and authorizes the Port CEO/Executive Director to submit a Rider 37 grant application with a contribution of up to Twenty-five percent (25%) for the Intersection Design and Traffic Study.

Approved this 12th day of August 2021.

Dan Croft
Port Commission Secretary

THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

This instrument was acknowledged before me on this 12th day of August 2021, by Dan Croft, Port Commission Secretary, of Port Freeport, a political subdivision of the State of Texas, on behalf of said political subdivisions.

NOTARY PUBLIC, STATE OF TEXAS



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**COMMISSIONERS
TRAVEL ARRANGEMENTS
September – December 2021**

AAPA Annual Convention

September 26-29, 2021

Austin, TX

Hotel: JW Marriott Downtown Austin

\$299/night

Registration Fee: \$1600 + \$350 for spouse/guest

Saathoff, Singhanian, Other Commissioners TBD

National Waterways Conference

September 22-24, 2021

Baltimore, MD

Hotel: Hilton Baltimore Inner Harbor

\$169/night

Registration Fee: \$575

Saathoff, Commissioners TBD

AAPA Commissioners Seminar

December 7-9, 2021

San Diego, CA

Hotel: Manchester Grand Hyatt

\$109/night

Registration Fee: \$925

Saathoff, Croft, Santos, Singhanian, Other Commissioners TBD