

AGENDA

**Port Freeport
Port Commission
Regular Meeting
Thursday, August 26, 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 26, 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/84897573996?pwd=Mmw0M2lyY1dHU2lkSkpCYVBNTG9KZz09>

Meeting ID: 848 9757 3996

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Meeting ID: 848 9757 3996

Find your local number: <https://us02web.zoom.us/j/84897573996>

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 August 12, 2021.
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
 - B. Chief Financial Officer
 - C. Director of Engineering
 - D. Director of Operations
 - E. Director of Business & Economic Development
8. Receive report from Commissioners on matters related to:
 - A. August 4 Personnel Advisory Committee
 - B. August 20 Finance Advisory Committee
 - C. August 20 OSS Advisory Committee
 - D. Meetings and conferences attended, Port presentations and other related Port Commission matters.
9. Approval of financial reports presented for the period ending July 31, 2021.
10. Resolution of support of extending the suspensions of the Open Meetings Act due to imminent threat to public health and safety and urgent public necessity, from the increase in COVID cases in Brazoria County and State of Texas.
11. Conduct workshop regarding Fiscal Year 2021/2022 Budget for Port Freeport.
12. Discuss and consider adoption of a Resolution to propose the 2021 tax rate, to be adopted at a future meeting.

(The 2020 tax rate is \$0.040100; the 2021 No New Revenue Rate is \$0.040080)
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 regarding Chapter 551 of the Texas Government Code.
 2. Consultation with attorney to discuss potential litigation.
 3. Consultation with attorney to discuss pending litigation.
 4. 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, for the preservation and conservation of inland and coastal waters for navigation and for control and distribution of storm and flood water of rivers and streams in aid of navigation.
 - 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.
14. RECONVENE OPEN SESSION:
15. 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

August 12, 2021

Via Video/Teleconference

A Regular Meeting of the Port Commission of Port Freeport was held August 12, 2021, beginning at 1:07 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

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.

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Join Zoom Meeting

<https://us02web.zoom.us/j/88624502660?pwd=OU9qT080QmYxTENwbzR1K2hCMzAzUT09>

Meeting ID: 886 2450 2660

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Meeting ID: 886 2450 2660

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

Commissioners present:

Mr. John Hoss, Chairman

Mr. Rudy Santos, Vice Chairman

Mr. Dan Croft, Secretary

Mr. Rob Giesecke, Asst. Secretary

Mr. Ravi Singhanian, Commissioner

Mr. Shane Pirtle, 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. 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
Mr. Jason Caywood, Security Technician
Ms. Tricia Vela, Public Affairs Assistant
Ms. Amaya Ramirez, Intern
Mr. Nick Malambri, Engineering Specialist

Also, present:

Mr. Bobby Fuller, Texas Port Ministry
Mr. Geoff Bowman, Van Scoyoc Associates
Ms. Jessie Parker
Ms. Melanie Oldham
Ms. Barbara Fratila
Mr. Bob Koole
Mr. David McGinty
Mr. Carl Cline

Commissioner Hoss stated the following information...

Today is August 12, 2021, and the time is 1:00 p.m. This is the regular meeting of the Port Commission. I am John Hoss, Chairman. We are conducting this meeting in person and 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 which may be found on the Port's website www.portfreeport.com. Additionally, 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 or in person. Following public comment, the public will not be permitted to communicate with the Port Commission.

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. 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. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Hoss stated that all Commissioners were present in the board room along with Ms. Saathoff and legal counsel Jason Cordoba.

5. Public Comment – Commissioner Singhania reported on a Personnel Advisory Committee Meeting previously held and stated he will be sending forms to the Commissioners for CEO performance review and asked that they return them to him. Ms. Jessie Parker addressed the Port Commission regarding her appeal on the supplement for relocation from her property.
6. Approval of minutes from a Regular Meeting held July 22, 2021.

Commissioner Singhania requested that a note be added to the July 22 minutes indicating that he abstained from approving the June 24 minutes because he was absent from the meeting. A motion was made by Commissioner Santos to approve the minutes with correction. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion and Commissioner Pirtle abstaining due to his absence from the July 22 meeting.

7. Receive update from federal consultants Van Scoyoc Associates.

Mr. Geoff Bowman with Van Scoyoc Associates discussed the most recent updates from Washington DC regarding the House and Senate including infrastructure packages, Corps funding and the appropriations bill. He also gave an update on Washington DC with regard to COVID stating the capitol complex is still largely shutdown to the public with federal agencies not taking face to face meetings, adding that until the situation improves, virtual meetings will stay in place.

8. Receive reports 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.

Mr. Cordoba began by giving an update on virtual meetings reporting that effective September 1, 2021, the Open Meetings Act (OMA) will be in full force with all previous suspensions of the OMA no longer in place. Meetings will be conducted in person only with no virtual participation by Commissioners or the public. Mr. Cordoba also stated that he wants to hold an executive session discussion at a future meeting to discuss the OMA and answer questions from the Commission under the attorney-client privilege. Commissioner Pirtle commented that in light of what Mr. Bowman reported with Washington DC still working virtual, he suggested staff contact elected officials, the Governor or attorney general's office by way of a resolution to let them know we are very much in support of continuing virtual meetings. Ms. Saathoff stated that a resolution can be prepared for the next meeting. Mr. Robertson gave an update on continued efforts to improve the visual aspect of conducting meetings virtually (if the law permits in the future). He also shared screenshots of what the visual will look like in Zoom. Ms. Saathoff reported participating in the virtual USACE Stakeholder Forum where topics discussed included coastal resiliency, federal funding, Ike Dike, Sabine to Galveston, participation of the GLO and the state's effort to have a coastal resiliency plan. The Port's annual golf tournament that benefits Texas Port Ministry is scheduled for October 18, 2021. Staff is moving forward with plans and securing sponsorships from the community and industry partners. The Houston Port Bureau Dinner in August will be rescheduled due to the uptick in COVID cases. Ms. Saathoff will be speaking at the BayTran luncheon August 18, giving a port update. Maria Aponte, TXDOT-Brazoria Area Engineer, will be speaking at the Port August 18 on number of projects TXDOT will be letting in the coming months that will impact traffic through Freeport as well as Port traffic.

Staff has invited those who will be impacted by the projects including City of Freeport and County officials, school district, port tenants, private terminals, the Brazos Pilots and others. Mr. Durel recognized summer intern Amaya Ramirez who has done a great job for the Port and will be leaving tomorrow. Ms. Ramirez thanked the Port for the opportunity.

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.

Mr. Lowe walked through the tax rate process which includes debt service (I&S) and maintenance and operations (M&O). The 2021 I&S rate will include the 2019 and 2021 GO Bond issuance payments. The residential and non-residential tax base in Port Freeport is updated every year and provided by Brazoria County Tax Office. Exemptions include the homestead exemption and the exemption for those 65 or older or disabled. Based on the 2019 tax roll, 12,881 accounts qualify for the 65 or older or disabled exemption. Last year the Port Commission adopted a resolution increasing the 65 or older or disabled exemption from \$150,000 to \$175,000, and it is estimated that approximately 10,704 accounts paid no tax to Port Freeport. Combined with the homestead exemption, a resident with a home value of \$218,750 who qualifies and has filed for the age 65 or older or disabled exemption would pay no taxes to Port Freeport. The debt service (I&S) portion of the tax rate covers debt service payments for bonds issued for the Freeport Harbor Channel Improvement Project authorized by the voters of the District May 5, 2018. There are two issuances (2019 and 2021) that total just under \$75 million. Mr. Lowe noted that since 2011, the Port has reduced the tax rate 25% with it being held at 0.0401 the last few years. He also reminded the Commission that the non-residential/residential mix tax base has been 70% non-residential and 30% residential adding the 2021 numbers have not been received yet from the County. The process to fund the Freeport Harbor Channel project started with 1 cent to debt service and 3 cents applied to M&O. Staff still anticipates the inverse to take place with approximately 1 cent toward M&O and 3 cents toward debt service as the bonds are issued. Mr. Lowe then shared the following proposed tax rate and budget schedule and noted the tax rate must be adopted by September 20th...

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

August 26 – Conduct Budget Workshop

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

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 if proposed rate is at or below NNRTTR**
- *Notice of hearing on tax increase if proposed rate is above NNRTTR**

September 2 – Conduct 2nd Budget Workshop if needed

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

September 9 – Adopt 2021 tax rate

September 9 – Conduct Budget Workshop and Adopt Budget

**Requires seven-day public posting in local newspaper*

Mr. Lowe reminded the Commission that under SB2 of 2019, the Effective rate is now the *No New Revenue Tax Rate*, and the Rollback rate is now known as the *Voter Approval Rate*.

Mr. Lowe then shared the 2021 tax rate calculation worksheet as provided by the County Tax Assessor-Collector. The new tax base for 2021 is \$16.195 billion. With the new additions deducted, that leaves an adjusted tax base of \$15.399 billion. Compared with last year's taxes, the No New Revenue Tax Rate (NNRTR) is 0.040080. Using the same calculation based on the debt service rate of \$2,689,527, adding a multiplier of 3.5%, the Voter Approval Rate is 0.044545. Staff recommends proposing a rate not to exceed the NNRTR of \$0.040080. Proposing a rate at or below the NNRTR would require a notice of voting to be published at least seven days prior to the vote. Mr. Lowe shared a breakdown of the 2021 tax proposal and noted an additional \$597,368 would go toward the debt service. Tax Revenue Components for 2021 vs 2020 budgeted tax revenue shows last year's total levy was \$6.2 million which was based on \$15.5 billion appraisal roll. This year's appraisal is \$16.1 billion with the total levy at \$6.4 million. If the Commission adopts the rate at the NNRTR of \$0.040080, there will be a decrease in the M&O of 346,759 and an increase in debt service of \$597,368. Mr. Lowe reminded the Commission that staff's recommendation is to propose a rate not to exceed the NNRTR. Additionally, staff will need a proposed rate from the Commission at the next meeting to present to the County for public notice.

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.

Commissioner Santos noted for the record that McCarthy Building Company has accepted responsibility for the damages to the crane and will reimburse the Port for all costs, plus 20% per the Tariff. Staff recommends approval.

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

11. Adoption of Resolutions authorizing the submission of RIDER 37 grant applications.

Mr. Miura stated that staff recommends adoption of resolutions presented for the submission of RIDER 37 grant applications for the Velasco Terminal Access Project as well as a safety study related to the intersection of SH 36 and Velasco Blvd. Mr. Miura stated the total cost for the improvements for the Velasco Terminal project is \$9,028,938 of which Port Freeport will seek RIDER 37 grant funding for 75% of the estimated cost for a total of \$6,771,704. Port Freeport's match will be \$2,257,233. A 25% match is required for the program. For the SH 36 and Velasco Blvd. safety study, the total cost is \$100,000 of which the Port will seek RIDER funding of 75% for \$75,000 with the Port's match of \$25,000. The grand total of the estimated project cost is \$9,128,938 and if awarded, the Port's share will be \$2,282,235. Mr. Miura then shared the following project components to the Velasco Terminal Access Project...

- 1) *Aggregate paved Truck Queuing Area along 5th Street between Sycamore St. and Spruce St.*
- 2) *Widening to 4 lanes and concrete paving of 8th Street from FM1495 to Terminal St.*
- 3) *Widening to 4 lanes and concrete paving of Terminal St. from 8th Street to Broad St.*
- 4) *Construction of 4 lane access road to Port Freeport Gate 12 from Broad Street to Gate 12 Entrance*
- 5) *Construction of 2 lane road from FM1495 to 2nd St.*
- 6) *Directional signage at FM1495 and 5th St. ("Port Freeport Gate 12")*
- 7) *Directional signage at SH36 and FM1495 for Port Freeport Gates 4, 8 and 12*
- 8) *High mast lighting along 8th St. from FM1495 to Terminal St.*

- 9) *High mast lighting along Terminal St. from 8th to Broad St.*
- 10) *High mast lighting along 5th St. from FM1495 to Terminal St.*
- 11) *Lighting along new 2-lane road from FM1495 to 2nd St.*
- 12) *Security equipment for Truck Queuing Area and Gate 12 Access Road.*

Mr. Miura also shared a graphic depicting the areas where the proposed projects are located. Staff recommends approval of the resolutions allowing staff to file the applications for RIDER 37 grant funding on behalf of Port Freeport. Mr. Miura also clarified there is one grant with two projects. Project 1 is Velasco Terminal Access Project. Project 2 is the safety study at the intersection of SH 36 and Velasco Blvd., in consideration of the Port's future growth and expansion of the state highway.

A motion was made by Commissioner Croft to adopt the resolutions authorizing the submission of RIDER 37 grant applications. The motion was seconded by Commissioner Singhanian with all Commissioners present voting in favor of the motion.

12. Approval of Commissioners' travel for the months of September and December 2021.

The proposed travel includes attending the AAPA Annual Convention in Austin, National Waterways Conference in Baltimore and the AAPA Commissioners Seminar in San Diego. Commissioner Singhanian noted that Commissioners pay for any fees and associated costs for spouses/guests. Commissioners Pirtle, Giesecke and Hoss indicated they also want to attend the AAPA Annual Convention. Ms. Saathoff also shared a schedule of events and potential travel through the end of the year.

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

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) 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, 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.

After discussing the options in executive session, Mr. Lowe stated that staff requests an increase of \$30,000 to the capital budget.

A motion was made by Commissioner Pirtle to approve an adjustment to the capital budget for the Port Wireless Infrastructure upgrades for an increase of \$30,000. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

16. Approval of Port Wireless Infrastructure Upgrades.

Mr. Robertson stated that staff requests approval of the Port Wireless Infrastructure Upgrade to be awarded to JTS in the amount of \$34,139.79.

A motion was made by Commissioner Pirtle to approve the upgrades with a comment that staff will look at possible other camera locations for monitoring the waterway near the tide gate. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

17. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:44 PM.

John Hoss, Chairman

Rudy Santos, Vice Chairman

Dan Croft, Secretary

Rob Giesecke, Asst. Secretary

Ravi K. Singhanian, Commissioner

Shane Pirtle, Commissioner



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MEMORANDUM

TO: Phyllis Saathoff, Executive Director/CEO
FROM: Darlene Winkler, Communications Specialist
DATE: August 23, 2021
SUBJECT: Public Affairs – August 2021

PUBLIC AFFAIRS

Communications and Media

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

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.

Freeport Harbor Channel Marine Traffic – The website is being maintained as a resource to the Freeport Harbor Channel community for information on marine traffic related to FHCIP dredging that began in April 2021.

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.

Consultants – Staff has engaged with McGuireWoods Consulting, LLC to provide strategic communications, awareness, and social messaging. Staff has engaged with Legend Labs to commence brand repositioning and communications strategy. These efforts are ongoing.

Press Releases and News Postings – No press releases or news postings were distributed in August.

Community Events and Meetings

Port Events

Port Freeport Annual Golf Tournament – Planning is underway for the 10th Annual Port Freeport Golf Tournament to be held on Monday, October 18, 2021, at The Wilderness Golf Course in Lake Jackson, Texas for a two-flight shotgun start tournament. Sponsorship and additional tournament information will be posted online at www.portfreeport.com/freeport-community/golf-tournament in August and will be marketed to over 800 Port Freeport contacts. An online registration web page link is available on the golf tournament page. There are \$18,000 in sponsorship commitments and 11 teams.

Community Advisory Panel (C.A.P.) – August 17, 2021 – Port Freeport will hold the next C.A.P. meeting in November. The August C.A.P. meeting was held on Tuesday, August 17, 2021, at ABC Texas Gulf Coast in Freeport. The event featured guest speaker Mark Mallett of Freeport LNG. Chairman John Hoss welcomed the C.A.P. members and guest, introduced Port Commissioners and Staff that were present. Chris Hogan stated the safety moment, and Port Freeport's updates were provided by Phyllis Saathoff and Rob Lowe. The November C.A.P. meeting date and location will be announced.

Port Presentations, Tours, and Meetings

August 5, 2021 – Port Freeport hosted a delegation from Altamira, Tamaulipas, Mexico, and the City of Freeport. Port Freeport worked with the Brazoria County Hispanic Chamber of Commerce to provide a briefing and tour of the port and discuss our commonalities with Altamira, a commercial port city, as well as trade with our partners in Mexico.

August 18, 2021 – Port Freeport hosted a meeting with TxDOT regarding projects being let in the Freeport and Jones Creek area.

Community Events and Meetings

August 7, 2021 – City of Freeport Kid Fest

August 10, 2021 – Hwy 36A Coalition Breakfast Meeting

August 12, 2021 – Brazosport Chamber Banquet and Auction

Upcoming Community Events and Meetings

Weekly – Business Roundtable Virtual Meetings (speakers vary)

September 7, 2021 – Brazosport Rotary Club (Miura speaking)

September 13, 2021 – Angleton Chamber of Commerce Annual Fall Golf Tournament

September 15, 2021 - Brazoria County Transportation & Infrastructure Summit (Saathoff speaking)

September 16, 2021 - Brazoria Chamber of Commerce Annual Banquet

September 20, 2021 - ABC Gulf Coast Golf Classic

September 23, 2021 - 100 Club of Brazoria County - Law Enforcement Appreciation Banquet

October 7, 2021 – Junior Achievement Hall of Fame

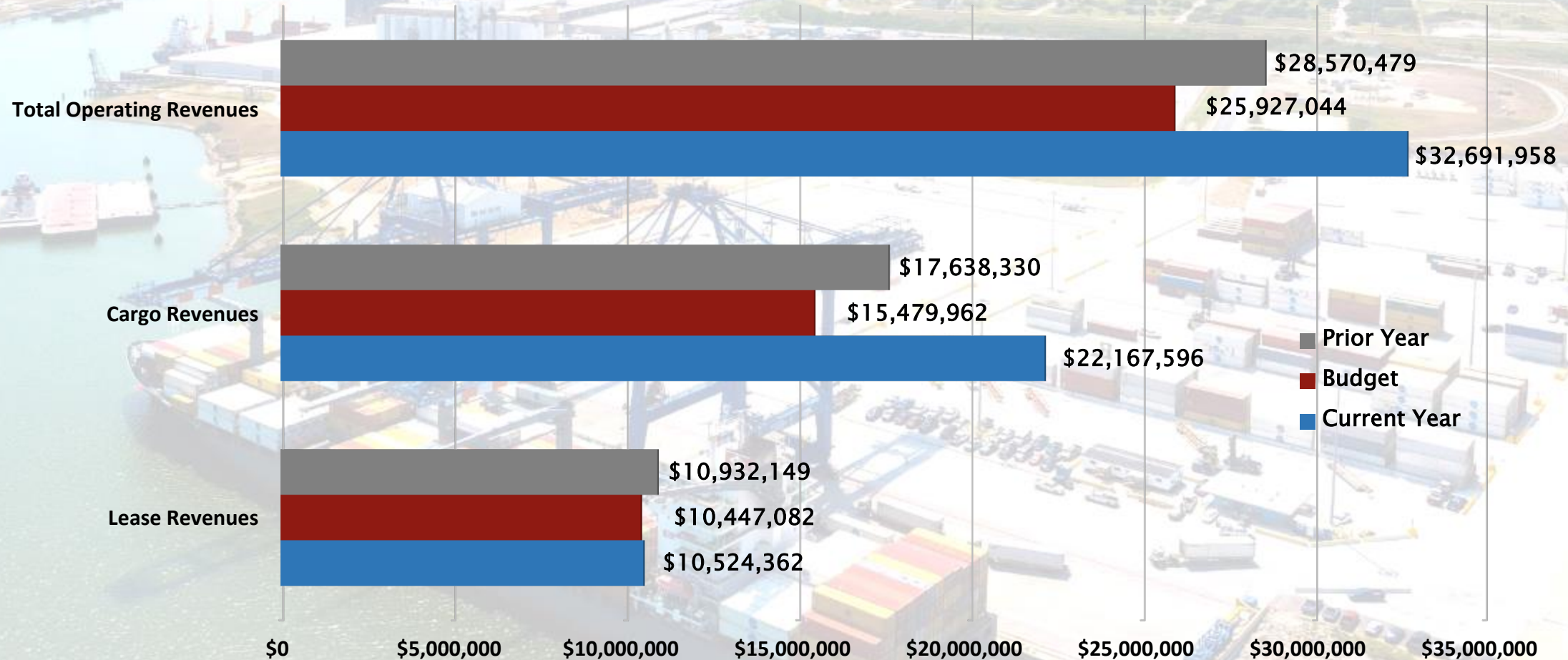


Financial Report for July 2021

August 26, 2021

Rob Lowe | Chief Financial Officer

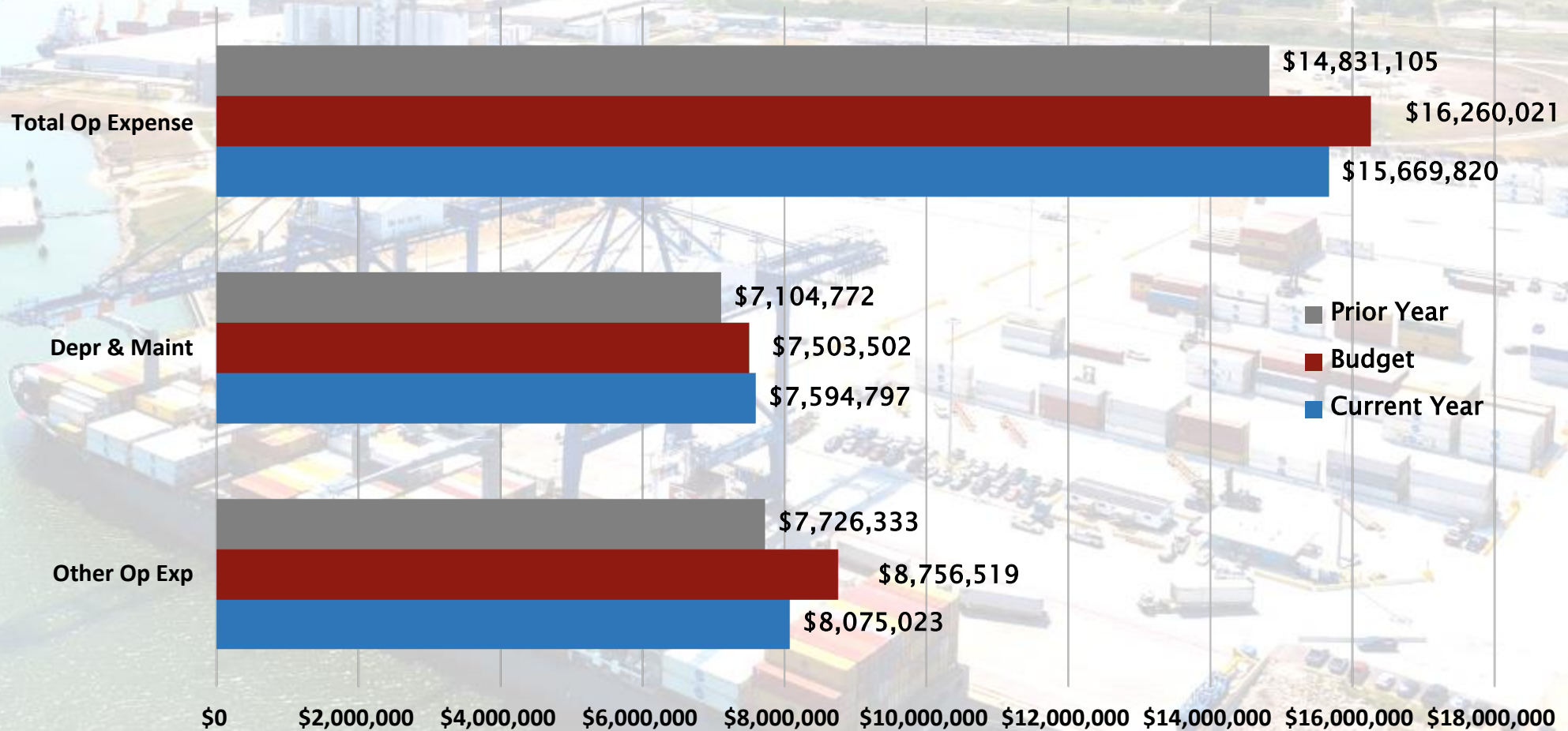
FY 2021 YTD OPERATING REVENUES



COMPARISON:

- Operating revenues are up over PY 14% and over budget by 26%
- Cargo revenues above PY by 26%; budget by 43%
- As compared to budget, cargo volumes are up except for agriculture products, bulk aggregate and containerized cargo
- Lease revenues are below PY 4% and slightly above budget

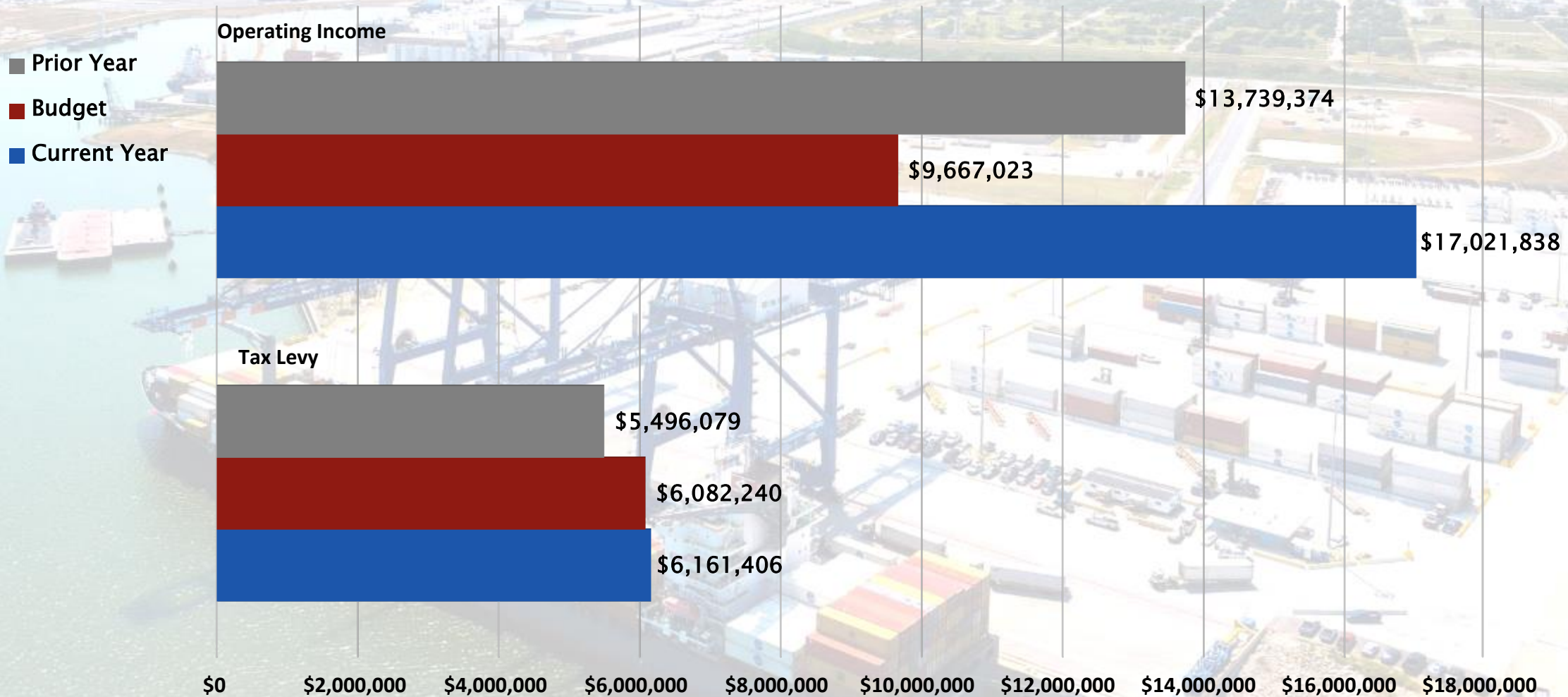
FY 2021 YTD OPERATING EXPENSE



COMPARISON:

- Total operating expenses are above prior year by 6%, below budget 4%
- Depr & maint are up over the PY by 7%, above budget 1%
- Other expenses are 5% above PY and below budget by 8%

FY 2021 YTD OPERATING INCOME



COMPARISON:

- Operating income is 24% above PY and above budget by 76%

FY 2021 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 2021 Budget
Operating Income	\$ 17,021,838	\$ 9,667,023	\$ 11,338,000
Non-Operating Revenue (Expenses)	\$ (228,000)	\$ (1,036,464)	\$ (2,702,200)
Capital Contributed (To) From Others			
Freeport Harbor Channel Improvement Project	\$ (14,435,939)	\$ (3,800,000)	\$ (35,800,000)
Berth 2 Floodwall Modifications	\$ -	\$ (2,000,000)	\$ (2,000,000)
Brazoria-Ft. Bend County Rail District	\$ 1,051		
Levee Stabilization - Reach 2	\$ (23,790,541)	\$ (28,587,000)	\$ (28,587,000)
Contributed to Port	\$ 43,200	\$ 37,500	\$ 37,500
Dredge Material Placement Fees	\$ 246,000	\$ -	\$ -
Grants	\$ -	\$ 245,300	\$ 245,300
Change In Net Position	\$ (21,142,391)	\$ (25,473,641)	\$ (57,468,400)

FY 2021 YTD CASH FLOWS

<i>Cash Flow Measure</i>	<i>Current Year</i>	<i>Prior Year</i>
<i>Cash Provided by Operations</i>	\$ 23,286,451	\$ 14,286,269
<i>Cash Provided by Non-Cap Financing</i>	6,180,515	5,591,265
<i>Cash Used by Cap Financing</i>	(51,726,441)	45,169,429
<i>Cash Provided by Investing Activities</i>	266,789	1,950,900
<i>Net Increase (Decrease) in Cash</i>	\$ (21,992,686)	\$ 66,997,863

COMPARISON:

- Operating cash flow is positive due to increase in operating revenues
- Cash provided from non cap financing are tax levy collections
- Capital Financing funds used for capital improvements. Cash flow includes the issuance of 2021 General Obligation Bonds

FY 2021 STATISTICS

<i>Measure</i>	<i>Current Year</i>	<i>Prior Year</i>	<i>Budget</i>
<i>Operating Margin</i>	<i>52%</i>	<i>48%</i>	<i>37%</i>
<i>Current Ratio (unrestricted)</i>	<i>3.4 to 1</i>	<i>12.1 to 1</i>	<i>n/a</i>
<i>Debt to Net Assets Ratio</i>	<i>1.121 to 1</i>	<i>0.86 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>July 31, 2021 FY 2021</i>	94% \$4,326,913	5% \$216,303	0% \$3,083	1% \$23,650
<i>July 31, 2020 FY 2020</i>	81% \$1,822,562	14% \$315,977	4% \$79,896	1% \$21,903
<i>July 31, 2019 FY 2019</i>	93% \$1,509,041	2% \$36,087	0% \$4,372	5% \$79,898

MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: August 17, 2021

SUBJECT: Departmental Report

PROJECTS

- 1. Velasco Terminal, Berth 8** – This project entails construction of Berth 8, which will extend the wharf another 928 feet north of Berth 7. Installation of piling continues, and all of the container wharf pile have been delivered. The channel dredging will be a separate construction project that began on April 8, 2021. Dredging for the berth and the channel is ongoing simultaneously and this allows McCarthy's schedule to not slip due to the channel project delays. Work on the concrete wharf pile caps has begun and will follow behind pile driving moving south to north. Pile driving will likewise follow dredging working from south to north. Now that Change Order No. 3 was approved, piling for the RoRo dock can now be procured.



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2. **FHCIP Reach 3** – 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 October 13, 2020. Dredging began April 8, 2021. GLDD anticipates finishing by the end of August, but they are contractually obligated to finish before June 10, 2021. A request for contract extension was submitted to the Corps by the dredging company. At this point the work is approximately 90% complete, with 241 hours of down time due to debris clearing.

FHCIP Reach 2 - This project consists of deepening and improving the Freeport Channel. This is a Civil Works project that was authorized in WRRDA 2014. Since the bids were higher than 25% above the independent Government estimate, the bids were thrown out and a scaled down project will be rebid. The preparation of multiple bid packages is out of HDR's scope, so a PSA modification will be coming to the Commission for approval, which will add the preparation of three more bid packages, and plan reviews. At this time I do not have these additional cost, but the work is progressing in good faith.

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 final wall pile was driven on May 28th and the project is now stabilizing the levee as intended. Work to be completed includes, installing bedding stone, scour protection system, and replacing the fencing.
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. The project was awarded to Bartlett-Cocke. Work began May 10th and continues despite delays in materials. This project is still in progress.
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.
6. **East End Properties Demolition 2022** - This project involves removing asbestos from structures in the East End and then demolition of the structures. The sampling of 13 addresses is now complete and we are waiting on the test results at this time.

**PORT FREEPORT
OPERATIONS ACTIVITY SUMMARY
JULY 2021**

A. MONTHLY ACTIVITY EXPLANATION

- * Total import/export activity for the month of July better than expected.
- * LNG experienced (19) vessels.
- * Riviana did not schedule any vessels this month.
- * Vulcan Material experienced (1) vessel this month.
- * Total (13) RoRo vessels handled.
- * Tenaris experienced (4) vessels and (2) barges this month.
- * Total of (13) Container vessel calls.
- * CEMEX transferred product from truck to (9) rail cars.
- * Vulcan Materials handled (95) rail cars this month.
- * Average vessel activity in 2020 was 34 per month. This month, we handled 55 vessels (19 LNG & 36 Inner Harbor).
- * *Enterprise/Seaway received (15) vessels.*
- * *There were (117) Total Vessel arrivals Port wide.*

B. FISCAL YEAR ACTIVITY EXPLANATION

- * Total Tons for this year are better. This is due to the addition of vessel calls by LNG, RoRo vessels.
- * LNG has handled (162) vessels for export.
- * Tenaris has handled (21) vessel and (2) barges.
- * Total (116) RoRo vessels handled.
- * YTD (116) Container vessel calls.
- * CEMEX handled (186) railcars with 14,826 Tons of Co2.
- * Vulcan handled (1,235) railcars with 141,713.9 Tons of Limestone.
- * Total vessels handled this fiscal year is 444 compared to 345 last year (162 LNG & 282 Inner Harbor).

C. INSIGHT TO ACTIVITY FOR AUGUST 2021

- * LNG has scheduled (17) vessels.
- * Riviana Foods has not scheduled a vessel.
- * Vulcan Material has scheduled (1) vessel for August.
- * Expecting to handle (12) RoRo vessels.
- * Tenaris has (2) vessels and (10) barges planned.
- * Expecting (12) Container vessels.

D. OPERATIONAL MEETINGS AND AGENDAS

- * OPTS, Safety, Security – Continued Working on 2021/2022 Budget.
- * Safety – Mike Quilty met with Contractor and recommended additional protection to “Block off” the work area.
- * Safety – Mike Quilty visited with P.A. and ILA regarding high heat temperatures and distributed Sqwincher Electrolyte Replenishment Drinks to ILA workers exposed to high heat temperatures.
- * Safety – Mike Quilty conducted monthly safety meeting for Port Ops and Maintenance Staff.
- * Safety – Mike Quilty observed multiple vessel Ops during cargo operations.

- * Security – Chris Hogan attended a zoom meeting sponsored by the “Supply Chain for Severe Weather Workshop”.
- * Security – Chris Hogan conducted a “Security Orientation” for Amaya Ramirez
- * Security – Chris Hogan completed “Security Budget” initial review
- * Security – Chris Hogan continues to monitor “Covid-19” and “Delta” updates

- * OPTS Team working with all departments to complete the ports budget.
- * OPTS Team held a “Pre-Work” with the ZPMC Crew prior to replacing the hoist cable on Crane #1.
- * AI – attended “LSHSC” Full Committee at USCG Sector, the top subject was “Cyber Security”
- * AI – Jesse – Austin continue working with Tenants, ILA, Stevedores, CBP and AG to improve cargo inspections.

DRAFT

**RESOLUTION ACKNOWLEDGING GOVERNOR ABBOTT'S LEADERSHIP
DURING THE CORONAVIRUS PANDEMIC AND SUPPORTING EXTENSION OF
TEMPORARY SUSPENSIONS OF CERTAIN REQUIREMENTS OF THE OPEN
MEETINGS ACT**

At a special meeting of the Port Commission of Port Freeport ("Port") held at the office of said Port at 1100 Cherry Street, Freeport, Brazoria County, Texas, on the 26th day of August, 2021, among other business, on motion duly made and seconded, the following Resolution was passed and adopted:

WHEREAS, the Port is a navigation district and taxing jurisdiction in Brazoria County and is a leading Texas port that supports the globally connected Texas economy;

WHEREAS, as a result of COVID-19, the President has declared a national emergency and the Governor has declared a state of disaster for all counties; and

WHEREAS, the Governor has commendably issued numerous executive orders and suspensions of Texas laws in response to the COVID-19 disaster, aimed at protecting the health and safety of Texans and ensuring an effective response to this disaster;

WHEREAS, In March 2020, as Texans worked to mitigate the spread of COVID-19, Governor Abbott's office granted the attorney general's request to suspend certain open-meeting statutes due to the imminent threat to public health and safety;

WHEREAS, the temporary suspension allows, among other things, for telephonic or videoconference meetings of governmental bodies that are accessible to the public in an effort to reduce in-person meetings that assemble large groups of people;

WHEREAS, the Governor and other state leaders have worked tirelessly with hospital and medical professionals to expand hospital bed capacity, as well as meet staffing and equipment needs, ensuring Texas hospitals are able to care for those who contract COVID-19, while maintaining normal health care operations; and

WHEREAS, the Governor has conferred with numerous medical experts, including those medical experts utilized by the President, to establish the Open Texas guidelines in order to safely and strategically open the state of Texas and get Texans back to work; and

WHEREAS, on June 30, 2021, the governor's office approved a request by the attorney general to lift those suspensions;

WHEREAS, the suspensions will lift at 12:01 a.m. on September 1, 2021, and all provisions of the Open Meetings Act will be effective and all Texas governmental bodies subject to the Open Meetings Act must conduct their meetings in full compliance with the Open Meetings Act as written in state law;

WHEREAS, under Executive Order GA-38, no governmental entity can require or mandate the wearing of masks and must rely on personal responsibility of the public;

WHEREAS, over the last few weeks, there has been an alarming rise in COVID-19 threat levels in counties and cities across the state, and the data indicates that the current surge of cases across the state could surpass previous records as the Delta variant spreads across the state;

WHEREAS, there has been an alarming rise in COVID-19 related hospitalizations straining nurses, doctors and healthcare workers and ICU bed availability is limited;

WHEREAS, it has been demonstrated that the public can be afforded reasonable public access to meetings of governmental bodies by telephonic or videoconference meetings; and

WHEREAS, it has been demonstrated that governmental bodies can properly conduct public meetings by telephonic or videoconference meetings;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF PORT FREEPORT: that the Port acknowledges and recognizes the leadership the Governor has displayed in saving and protecting the lives and livelihoods of Texans during this unprecedented time; and

BE IT FURTHER RESOLVED BY THE PORT COMMISSION OF PORT FREEPORT: that the Port supports the Governor in future actions that will save and protect the lives and livelihoods of Texans, including the extension of the temporary suspensions of the open meetings act that allows, among other things, for telephonic or videoconference meetings of governmental bodies that are accessible to the public in an effort to reduce in-person meetings that assemble large groups of people and any and all emergency action the Governor may take.

PASSED AND APPROVED ON this the 26th day of August 2021.

John Hoss, Chairman

Rob Giesecke, Assistant Secretary

Rudy Santos, Vice Chairman

Ravi Singhania, Commissioner

Dan Croft, Secretary

Shane Pirtle, Commissioner



1100 CHERRY ST. • FREEPORT, TX 77541
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WWW.PORTFREEPORT.COM

TO: Port Commissioners
Executive Director/CEO

FROM: Rob Lowe

DATE: August 20, 2021

SUBJECT: FY2022 Budget Review

Staff has assembled a preliminary Fiscal Year 2022 budget that produces Operating Income of \$18,424,600. Revenues are currently projected to be up 28% vs prior year budget and up 1% vs 2021 full year forecast. Expenses are currently projected to be up 9% vs prior year budget and 9% above 2021 full year forecast. Below are key summary figures while more detailed information for each item is available and will be discussed in the Finance Advisory Committee meeting.

Operating Revenue \$ 39,850,900

Operating Expense \$ 21,426,300

Operating Income \$ 18,424,600

Capital Expenditures \$ 86,833,600

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TO: Port Commissioners
Executive Director/CEO

FROM: Rob Lowe

DATE: August 20, 2021

SUBJECT: 2021 Tax Rate Proposal

In order to adopt the 2021 tax rate, the Port Commission must first propose a rate with a record vote. If the proposed rate is above the No New Revenue Tax Rate, a public hearing must be conducted and a notice of hearing on tax increase must be published seven days prior to the hearing.

If the proposed rate is at or below the No new Revenue Tax Rate, a notice of voting on the proposed tax rate must be published seven days before the meeting to adopt the proposed rate.

The 2021 No New Revenue Tax Rate is \$.040080 and after the Port Commission has discussed and taken a record vote of a 2021 Tax Rate Proposal, staff will notify the Brazoria County Tax Assessor Collector who will publish the applicable notification.

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