

AGENDA

**Port Freeport
Port Commission
Regular Meeting
Thursday, June 10, 2021, 2:00 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, June 10, 2021 at 2:00 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

Join Zoom Meeting

<https://us02web.zoom.us/j/86328441307?pwd=UWEybDZzTzk3eUhkTkYxWS8yek1PZz09>

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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 must be completed virtually via the toll free number)
6. Approval of minutes from the Regular Meeting held May 27, 2021.
7. 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.
8. Approval of Oath of Office and Surety Bonds for Newly Re-Elected Commissioner Rudy Santos and Newly Elected Commissioner Rob Giesecke.
9. Review of Policy 2.1 - Commission Officers and Organization.

10. Elections of Officers for the Port Commission for the period of June, 2021 - May, 2023.
11. Approval of liability insurances through broker Arthur J. Gallagher & Co.
12. Adoption of a Resolution approving amendments to the Port Freeport Investment Policy.
13. Approval of a Professional Services Agreement with Paul Bridges & Associates for container crane repair services.
14. Approval of an Electrical Easement to CenterPoint Energy for relocaton of an existing electrical power line.
15. Approval of Professional Services Agreement with Legend Labs.
16. Adoption of a Resolution of the Port Commission of Port Freeport approving a plan of finance; authorizing the financial advisor and bond counsel to proceed with the necessary arrangements to facilitate the plan of finance, including providing TEFRA notice and conducting TEFRA hearing and approving other matters related thereto.
17. Discuss and consider purchase of Port vehicle and associated equipment.
18. Discussion regarding re-opening of Port Commisison meetings for public attendance.
19. 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 12, 13 and 14.
 - 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.
20. RECONVENE OPEN SESSION:
21. 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
May 27, 2021
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, May 27, 2021, 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.

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Join Zoom Meeting

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- +1 301 715 8592 US (Washington DC)

Meeting ID: 838 3577 9939

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

Commissioner's present:

- Mr. Shane Pirtle, Chairman
- Mr. Paul Kresta, Vice Chairman
- Mr. Rudy Santos, Secretary
- Mr. John Hoss, Asst. Secretary
- Mr. Ravi Singhania, Commissioner
- Mr. Dan Croft, Commissioner

Staff Members Present:

- Mr. Jason Cordoba, Legal Counsel
- Ms. Phyllis Saathoff, Executive Director/CEO
- Mr. Rob Lowe, Director of Administration/CFO
- Mr. Al Durel, Director of Operations
- Mr. Jason Hull, Director of Engineering
- Mr. 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. Jessica Follett, Public Affairs Manager

Also, present via teleconference:

Mr. Bobby Fuller, Texas Port Ministry
Mr. Rob Giesecke
Mr. Robert Hawn, WGMA
Mr. Ben Buben, Amports
Mr. Jim Webb
Ms. Stephanie Thomas
Mr. Ryan Wilhelm
Mr. Patrick Tamasitas, Amports
Mr. Wesley Moncrief
Adeel Malik

Commissioner Pirtle stated the following information...

Today is April 22, 2021, 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. 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 & Texas Flag

4. Roll Call – Commissioner Pirtle stated that all Commissioners were present in the board room as well as Phyllis Saathoff – CEO and Jason Cordoba – Legal Counsel. Ms. Saathoff noted additional staff in the room.
5. Public Comment –There were no public comments.
6. Approval of minutes from meetings held May 11, 2021, and May 13, 2021.

Commissioner Hoss requested that his comments made at the May 11 meeting regarding the audio/visual equipment be expanded in the minutes to reflect that while he felt major improvements had been made in the audio area, improvements are still needed in the video area so the audience can have a better experience while participating in the meeting.

A motion was made by Commissioner Santos to approve the minutes with the addition to the May 11 minutes. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

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 reported that the state legislative session is coming to a close, noting the last day of session is May 31. Ms. Saathoff stated there will be a special session to address redistricting. Senator Creighton should accept the amendments to the omnibus bill for Texas Ports Association very soon. From the federal level, Austin Smithson in Senator Cruz's office is relocating back to Texas in a different role under the Senator. Staff continues to monitor the scheduling of hearings for the nomination for Asst. Secretary of the Army. Staff also continues virtual advocacy work in DC with meetings to be scheduled with Stacey Brown at Headquarters and Senate Appropriations Committee. Great Lakes Dredge and Dock continues work in Reach 3 of the channel project with approximately 50% complete. Reach 2 plans and specs were delivered to the Corps earlier than anticipated. The quarterly executive governance meeting with Col. Vail took place earlier in the week with staff receiving an update that advertisement for Reach 2 will begin in June with contract award expected in August. Ms. Saathoff also noted that HDR continues to progress on schedule with the engineering design for the remaining reaches of the project.

B. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for the month of April.

C. Director of Engineering

In addition to his written report, Mr. Hull shared a photo of the operations building new exterior wall paneling replacement. Mr. Hull noted that about a month ago one of the container cranes was hit by some equipment from one the port's contractor and it was anticipated the contractor would make repairs to our satisfaction. The contractor's insurance now wants the port to make repairs. The engineering firm on the cranes, Paul Bridges and Associates, has sent over a professional services agreement which will be on the agenda for approval at the next board meeting for staff to move forward with repairs

on the container crane. Commissioner Hoss inquired whether or not OSS Advisory Committee needs to monitor this accident. Staff noted that it will be added to an OSS agenda for briefing.

D. Director of Operations

Mr. Durel added on to Mr. Hull's comments regarding the repairs to the crane stating that staff felt it was important to bring Paul Bridges in to discuss repairs to the crane because of their familiarity and knowledge of the cranes, and requests permission to continue to move forward with repairs to the crane. Mr. Durel shared pictures of the system staff created to operate restroom facilities in the event of a storm. Mr. Durel also shared pictures of the six generators from Dole that can be used in different locations throughout the Port.

E. Director of Business & Economic Development

Mr. Miura shared a video recently created to highlight the Port's channel project and strategic objectives.

8. Receive report from Commissioners on matters related to:

A. May 13 and May 27 Finance Advisory Committee – Commissioner Singhania reported the committee met May 13 to review the Dow Chemical tax abatement application. Earlier today, the committee reviewed the Port's investment policy and liability insurance which will be on the June 10th agenda for approval.

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

Commissioner Singhania reported attending various meetings.

Commissioner Santos reported attending the Angleton Chamber of Commerce Membership Luncheon.

Commissioner Hoss also reported attending the Angleton Chamber of Commerce Membership Luncheon.

Commissioner Croft reported attending the Lake Jackson Businessmen's Association Meeting.

Commissioner Pirtle reported attending the Brazoria County Cities Association, Angleton Chamber Luncheon, Take-A-Child Fishing Tournament, Angleton Exchange Fundraiser, Joe Guisti – Galveston County Commissioner Fundraiser, Alliance Budget Meeting and United Way Board Meeting.

9. Presentation to Commissioner Kresta for his years of service on Port Freeport Port Commission.

Commissioner Pirtle shared some highlights of the Port's accomplishments during Commissioner Kresta's tenure at the Port which included the following....

- *Securing Congressional authorization and federal funding and commencing construction on the Freeport Harbor Channel Improvement Project, which will make Port Freeport the deepest port in the Gulf of Mexico;*

- *Advocating for the successful passage of the 2018 bond referendum to ensure local share financing of the channel project;*
- *Progressing the Velasco Container Terminal Expansion Project with Phase I put into service in 2014 and Phase II set to be completed next year;*
- *Securing two 100-foot gauge Post Panamax container cranes for the Velasco Container Terminal;*
- *Entering into new partnerships to grow Port Freeport's economic impact, including with Tenaris, Hoegh Autoliners, Horizon Terminal Services/Amports, CMA CGM Group, Glovis, and others;*
- *Securing lease agreements with Freeport LNG for liquefaction;*
- *Voting to reduce the tax rate by 25% since 2011;*
- *Twice increasing the homestead exemption for those over 65 and disabled;*
- *Completing Phase 1 of the Parcel 14 Rail Development;*
- *Securing \$6.3 million in grant funding from the U.S. Dept. of Transportation to assist with funding Phase 2 of the Parcel 14 Rail Development;*
- *Entering into a new agreement with Vulcan Materials Company for rail shipments of aggregate to the multi-modal site for storage and distribution;*
- *Partnering with the Velasco Drainage District on storm protection levee improvements;*
- *Participating in the working group to prepare the Port Freeport Pilot and Pilotage Rules and Procedures improving relations between the Pilot Commission, maritime community, and the Brazos Pilots and ensuring the safe navigation of our channel;*
- *Ushering in a new era for the Brazos Pilots with a new pilot dispatch service and a new pilot boat staffed with deck hands;*
- *Celebrating new U.S. Customs and Border Protection offices at Port Freeport;*
- *Establishing a heavy lift corridor to allow local industries to move cargo under a permit system, reducing the number of trucks on the roadways, cutting down on emissions, and improving roadway safety for citizens;*
- *Increasing the Port's annual statewide economic impact from \$17 billion in 2012 to \$99 billion in 2019 and increasing the impacted jobs from 67,000 to 150,000;*
- *Supporting increased annual ship arrivals from 754 in 2015 to 1136 in 2020; and*
- *Progressing Port Freeport's national ranking to 15th for total foreign waterborne tonnage.*

It is clear that Mr. Kresta has put in many hours to ensure the advancement of Port Freeport's strategic initiatives for the betterment of our community, our region, our state, and our nation. Our economic impact has grown tremendously during his tenure on the Port Commission, as have the job opportunities for those working in and around the Freeport Harbor Channel

community. We are looking forward to much growth to come and know it is through his leadership and partnership that we are continuing on a path of success.

Commissioner Pirtle presented a framed print of Port Freeport to Commissioner Kresta as an expression of appreciation and thank you for his 12 years of service.

10. Approval of financial reports presented for the period ending April 30, 2021.

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

11. 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.

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.

12. RECONVENE OPEN SESSION:

13. Approval of an agreement with The Goodman Corporation for grant writing services.

Mr. Miura stated that staff met with the Finance Advisory Committee to discuss entering into an agreement with the Goodman Corporation to prepare the Port's 2021 PIDP (Port Infrastructure Development Program) Grant where \$230 million has been appropriated for port specific projects. Staff recommends entering into an agreement with the

Goodman Corporation to prepare the grant in the amount of \$54,500 and will use the application prepared in this process for the 2021 Infra Grant.

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

14. Approval of Change Order No. 3 to the Construction Contract with McCarthy Building Companies for adding a RO/RO ramp for the Velasco Terminal Berth 8 project.

Mr. Hull stated the change order to McCarthy is in the amount of \$24,874,688, will add an additional 216 calendar days to the contract and is the larger 84-foot-wide platform. The change order is based on the current contracted rates. If the platform were bid separately at a later date, the cost would be significantly more due to equipment availability and inflation. Staff recommends approval. Commissioner Hoss inquired about the financing of the ramp. Mr. Lowe stated the Port can finance the addition and staff will have options for a plan of finance at the June 10th meeting. The path forward will be determined by debt ratings and timing - whether it will be handled all at once or over two additional issuances.

After further discussion regarding financing, a motion was made by Commissioner Santos to approve staff's recommendation to Change Order No. 3 for an additional RO/RO ramp for a total not to exceed \$24,874,688 and extend the contract an additional 216 calendar days. The motion was seconded by Commissioner Singhania with Commissioners Hoss, Kresta and Croft voting no. Commissioner Pirtle did not vote.

At this time, the meeting was recessed at 5:23 p.m.

The meeting reconvened in open session at 7:00 p.m.

Commissioner Pirtle reopened discussion regarding agenda item number 14.

Mr. Hull again stated it is his recommendation to purchase the larger RO/RO ramp at today's rates and avoiding future inflation. Mr. Hull also confirmed this RO/RO dock will be incorporated into the future Berth 9 when it is built. Mr. Lowe discussed the financing options available which included two primary options. Option 1 would be to finance \$30 million as planned to complete Berth 8. Since the change order adds 216 days to the end of the current build out, this gives staff time to come back a year later with another revenue bond issuance for \$25 million. Mr. Lowe noted that with the additional issuance, the rating agency will again review the Port's financial position and may not maintain the Port's A+ rating. Option two is to refinance the Port's 2013 Bond that is currently due to be paid off in 2028, also take current cash to pay off four remaining crane payments and issue a \$75 million bond now with the first \$20 million used to pay off the balance on the 2013 Bond and the remaining \$55 million would be for the \$30 million required to complete Berth 8 and \$25 million to complete the change order RO/RO ramp. Further discussion was held regarding the options and scenarios for financing.

Commissioner Hoss noted point of order regarding reopening discussion and vote on the agenda item.

A motion was made by Commissioner Croft to re-open the vote and discussion. The motion was seconded by Commissioner Hoss with all Commissioners present voting in favor of the motion.

A motion was made by Commissioner Croft to approve Change Order No. 3 to McCarthy in the amount of \$24,874,688, adding 216 calendar days to the contract. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

15. Adjourn.

With no further business before the Commission, the meeting adjourned at 7:24 PM.

Shane Pirtle, Chairman

Paul Kresta, Vice Chairman

Rudy Santos, Secretary

John Hoss, Asst. Secretary

Ravi K. Singhania, Commissioner

Dan Croft, Commissioner

In the name and by the authority of

The State of Texas

OATH OF OFFICE

I, **RUDY SANTOS**, do solemnly swear (or affirm), that I will faithfully execute the duties of the office **Port Commissioner of Port Freeport, Texas, and Port Freeport Pilot Board**, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.



Affiant

SWORN TO and subscribed before me by affiant on this 2 day of June, 2021.



Signature of Person Administering Oath

Courtney Gilbert

Printed Name

CCL#1 - Judge

Title

In the name and by the authority of

The State of Texas

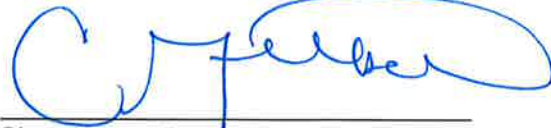
OATH OF OFFICE

I, **ROB GIESECKE**, do solemnly swear (or affirm), that I will faithfully execute the duties of the office **Port Commissioner of Port Freeport, Texas, and Port Freeport Pilot Board**, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.



Affiant

SWORN TO and subscribed before me by affiant on this 2 day of June, 2021.



Signature of Person Administering Oath

Courtney Gilbert
Printed Name

CCJ #1 - Judge
Title

PORT FREEPORT POLICY MANUAL

PORT COMMISSION OF PORT FREEPORT COMMISSION OFFICERS AND ORGANIZATION

SECTION 2.1

ORGANIZATION

The officers of the Port Commission shall consist of a Chairman, Vice Chairman, Secretary, and Assistant Secretary to be elected by the Commissioners from and among their number.

The Chairman will preside over all regular and special meetings of the Port Commission and may vote on all matters brought before the Commission.

In the absence of the Chairman, the Vice Chairman shall preside as Chairman unless the duly-elected Chairman designates a duly-elected Commission member to preside in his stead.

The Secretary shall keep the permanent records of all proceedings and transactions of the Commission and shall see that notices are duly given in accordance to the law.

In the absence of the Secretary, the Assistant Secretary shall perform the duties of the secretary.

Individual Commissioners should not attempt to direct or control management or management's recommendations, request special activities or otherwise create demands on management or Port contractors except through the direction and/or approval of the full Commission.

TERMS OF OFFICES

The offices of Chairman, Vice Chairman, Secretary, and Assistant Secretary shall be for a term of two years, said officers to be elected by a simple majority of the quorum of the Port Commission.

No officer may succeed himself in the next succeeding officer election, but may be again elected to the same office after retiring for one, two-year term.

If for any reason the office of any officer is vacated during the term for which such officer is elected, the remaining members of the Port Commission shall, at the next scheduled regular meeting, elect a new officer to fulfill the unexpired term, which unexpired term will not be considered as a full term and such Commissioner shall be eligible for re-election to serve a full two-year term to such office.

ELECTION OF OFFICERS

The election of officers will be held by the Port Commission at the first regular meeting on the first month following the regular election of Commissioners.

Robert's Rules of Order will be followed for all Port Commission officer elections.

Each newly-elected officer shall assume the duties of his office immediately upon election by the Port Commission.

PORT FREEPORT POLICY MANUAL

PORT COMMISSION OF PORT FREEPORT COMMISSION OFFICERS AND ORGANIZATION

SECTION 2.1

ADVISORY COMMITTEES

FORMATION AND FUNCTION

The Commission shall have five standing advisory committees - the Finance and Audit Advisory Committee, the Strategic Planning Advisory Committee, the Operations Advisory Committee, the Personnel Committee and the Security and Safety Advisory Committee. Each standing advisory committee shall consist of the Chairman of the Port Commission, serving as an ex officio member (but only in place of an absent committee member), a committee chairperson and at least two other members of the Port Commission. The committee chairperson and other committee members will be appointed by the Chairman of the Port Commission. The Chairman of the Port Commission additionally may appoint such ad hoc committees as deemed appropriate to facilitate the business of the Commission. Such ad hoc committees shall exist until the completion of their assigned duties or as otherwise determined by the Chairman of the Port Commission. Unless otherwise specified by the Commission, all committees shall be advisory in nature without any authority to control public business. The role of a committee shall merely be to report to the Commission findings on any given matter for consideration of the Commission along with its report or recommendation to the Commission. Management's responsibility with respect to committees is to provide Committee members with documentation, information and data for Committee agenda items, along with Management's recommendation.

FINANCE AND AUDIT ADVISORY COMMITTEE

Primary responsibilities include review of all financial documents pertaining to the operation of the Port, such as but not limited to the annual budget, the annual report and investment and other financial policies, as presented by staff and make appropriate recommendations to the full Port Commission. Further, the Committee will provide oversight of the Port Commission's business risk assessment, its grant activity, its internal control structure, and the review of the annual audit plan. Moreover, the Committee will meet with the external auditor to discuss audit plans and procedures, any significant audit problems anticipated, any changes in accounting principles, and all results of the audit. This Committee will also review financing plans for certain projects pertaining to port operations and projects for recommendation to the full Port Commission.

STRATEGIC PLANNING ADVISORY COMMITTEE (formally the Capital Committee)

Primary responsibilities include the review of all projects involving Port properties to include but not limited to leases, marine and other operating contracts, conveyance of easements and professional services agreements and budgets related to Port Improvement and M&R projects and make appropriate recommendations to the full Port Commission. The Committee will also review management's development and subsequent implementation of the Port's Business and Master Plans to include marketing, capital, operating and financial planning elements. Additionally, the Committee will review all long-term operating and lease agreements as well as proposed changes to the Port's Tariff ensuring they are consistent with the Port's Master Plan and consistent with returns levels recommended by the Finance and Audit Committee

PORT FREEPORT POLICY MANUAL

PORT COMMISSION OF PORT FREEPORT COMMISSION OFFICERS AND ORGANIZATION

SECTION 2.1

OPERATIONS ADVISORY COMMITTEE

Primary responsibilities include review of all Port equipment matters, rolling stock, and information technology or otherwise, which involve the daily operation of the Port, including the purchase, lease or sale of equipment and the declaration and disposal of surplus items and make appropriate recommendations to the full Port Commission. The Operations Committee shall also review contracts related to Port security and make recommendations to the full Port Commission. The Committee will also annually review new or renewal stevedore license applications. This Committee, through a needs assessment program, will review all proposed additions, alterations or relocations of facilities that are directly involved in operational matters.

PERSONNEL ADVISORY COMMITTEE

Primary responsibilities are to review staffing needs requested by management, review revised compensation and benefit packages for Port personnel as submitted by management and review the Executive Port Director's performance and contract and make appropriate recommendations regarding such matters to the full Port Commission. Additionally, the Committee will periodically review existing general Port Commission policies, except as otherwise assigned, and propose new policies and recommend accordingly to the full Port Commission any changes thereto. The Committee will also serve as the Commission's official forum to review and evaluate all personnel grievances that have been or can be appealed beyond the level of the Port Executive Director/CEO and report back to the full Commission its findings and recommendations.

SECURITY AND SAFETY ADVISORY COMMITTEE

Primary responsibilities shall include the review of matters relating to the programs, policy, practices and compliance as they pertain to the safety and security of the Port's cyber systems, facilities, harbor complex and navigational channel. The Committee through the Port's management will coordinate with external safety and security organizations to ensure the integrity of the established maritime security zone, its operation and related public safety. The committee will review all procurements of safety and security equipment and services. The Committee will also serve as the Commission's official forum to review and evaluate all violations of the Port's tariff safety provisions as directed and report back to the full Commission its findings and recommendations.

ADDITIONAL OR OTHER ADVISORY COMMITTEE FUNCTIONS

In addition to the duties of the committees as described above, any committee may consider any other matter which shall be referred to it by the Chairman or by the any other member of the Port Commission. Committees may fix their own rules of procedure and may meet where and as provided by such rules, or by direction of the Commission.

(Corresponding Practices & Procedures - Sections 2.1, 4.1)



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WWW.PORTFREEPORT.COM

MEMORANDUM

TO: Port Commissioners
Executive Director/CEO

FROM: Rob Lowe
Mary Campus

DATE: June 10, 2021

SUBJECT: Liability Insurance

The Port's liability insurance and excess liability policies will expire 7/1/2021. The Port's broker, Arthur J Gallagher, marketed the policies and has prepared an analysis of these proposals. The market remains challenging and resulted in a total premium increase of 12.12% or \$19,214 compared to the prior year.

Auto	\$ 30,497
Marine General Liability	\$ 26,500
Maritime Employers Liability	\$ 3,500
Bumbershoot	\$ 47,860
Public Officials Liability	\$ 65,102
Hull & Machinery	\$ 3,680
Hull & Machinery Pollution	\$ 550
Total Premium	\$ 177,689

Staff met and reviewed the proposal with the Finance Advisory Committee on May 27 and it is staff's recommendation that you authorize Arthur J Gallagher to place the policies as recommended.

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 OF COMPLIANCE WITH PUBLIC FUNDS
INVESTMENT ACT, APPROVING AMENDMENT OF
INVESTMENT POLICY AND UPDATE OF
INVESTMENT STRATEGIES**

At a regular meeting of the Port Commission of Port Freeport held in the office of said Port at 1100 Cherry Street, Freeport, Texas, at 2:00 p.m. on the 10th day of June 2021, among other business came on to be considered the following resolution, which upon motion duly made and seconded was adopted by the 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. In accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), the Commission reviews the investment policy and strategies of the Port at least annually and maintains strict compliance with the requirements of the Act.
3. The Port has heretofore adopted a standing investment policy currently complied and set forth as Section 9.1 (Investment of Surplus Funds) of *Port Freeport Policy Manual*, subject to review and amendment.
4. The Commission has this date conducted its annual review of the Port's investment policy in accordance with the Act and determines it is in the best interest of the Port to update said policy with amendment as set forth in the document attached hereto, Section 9.1 of the *Port Freeport Policy Manual*, entitled Port Property/Investment of Surplus Funds.
5. The Commission has this date conducted its annual review of the Port's authorized investment brokers in accordance with the Act and determines it is in the best interest of the Port to approve the authorized broker list as set forth in the document attached hereto, Section 9.1, exhibit 9.1-1 of the *Port Freeport Policy Manual*, entitled Port Property/Investment of Surplus Funds
6. The Commission this date has furthermore conducted its annual review of the investment strategies of the Port as presented for fiscal year 2021 and determines that it is in the best interest of the Port to approve the investment strategies as set forth in the documents attached hereto, Section 3.6 of the Port's administrative *Practices and Procedures*, entitled Investment of Funds.
7. Upon certification presented, the Commission also finds that the Port's Treasurer or designated investment officer have attended training sessions and received the requisite hours of instruction for the biennium 2021-2023, and also approves the sources of training used in compliance with said Act.


NOW, THEREFORE, BE IT RESOLVED, that the Port's investment policy set forth at Section 9.1 of the *Port Freeport Policy Manual* be and is hereby amended as presented and attached hereto, that the investment strategies of the Port for fiscal year 2021 be adopted as presented and attached hereto and made a part of Section 3.6 of the Port's *Practices and Procedures*, and that the Port's compliance with the requirements of the Public Funds Investment Act be and is in all things affirmed.



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: June 3, 2021

SUBJECT: Professional Services Agreement for Container Crane Repairs

Attached is a Professional Services Agreement (PSA) with Paul Bridges & Associates, LLC for engineering, project management, and inspection services associated with the repairs to one of the Port's container cranes which was damaged in April.

I have reviewed the scope and fee and find both to be acceptable. I therefore recommend approval of a Professional Services Agreement in the amount of not to exceed **\$26,325.00**.

PORT COMMISSION


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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: June 3, 2021

SUBJECT: Easement to CenterPoint Energy Houston Electric, LLC for relocation of powerlines in Bend Easing area of FHCIP Reach 2

Attached to the memo is an electrical easement to CenterPoint Energy Houston Electric, LLC for relocating an existing powerline serving power to tenants along the channel. The existing powerline is in conflict with the area where the proposed Bend Easing associated with the FHCIP is located. Once this easement is granted, the new powerline can be built. Once the new powerline is completed, the old electrical easement will be released by CenterPoint.

I recommend the Commission approve the easement to CenterPoint Energy Electric, LLC so the powerline relocation can proceed without delay.

PORT COMMISSION

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MEMORANDUM

TO: Port Freeport Commission

FROM: Phyllis Saathoff, Executive Director/CEO

DATE: June 7, 2021

SUBJECT: Legend Labs Strategic Brand Positioning Proposal

Port Freeport is seeking to engage with Legend Labs for Strategic Brand Positioning to refresh our brand and messaging strategy as the Port expands and grows its business. The proposal entails a three-phase approach over a duration of 8-12 weeks for a fee of \$75,000 (\$25,000 per phase) plus approved out-of-pocket expenses, e.g. travel, to be billed at cost.

- Phase One would kick off the engagement to discover how Port Freeport is currently perceived by key external stakeholders. A report of these findings will be shared with Port Freeport.
- Phase Two would entail a half-day workshop with senior leadership and the Port Commission to review the findings of Phase One and discuss initial recommendations around refreshed positioning, messaging, and the Port's core narrative.
- Phase Three would refine the elements discussed in the workshop to develop a strategy document and communications roadmap to ensure proper execution of the new brand strategy internally and externally.

In addition to these three phases, a half-day workshop will be conducted to cover communications and issues management training, message delivery, and presentation training.

PORT COMMISSION

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TO: Port Commission
Executive Director/CEO

FROM: Rob Lowe

DATE: June 10, 2021

SUBJECT: 2021 Revenue Bond Plan of Finance

In line with previously established cash flow planning and in support of the ongoing construction of Berth 8, staff is working with our financial advisors and bond counsel on the issuance of \$35M in Revenue Bonds. Through modeling exercises and consultation with Masterson Advisors LLC, we believe the best path forward is to utilize current available cash to payoff the remaining balance of our Gantry Crane lease in FY2021 thus reducing approximately \$1.6M in annual debt payments for each of the next three fiscal years. An additional Revenue Bond issuance of \$25M will be required in FY2022 or FY2023 to fund the recently awarded change order adding a RoRo ramp to Berth 8. Consideration was given to consolidating these needs into one issuance, but current planning models indicate separate issuances are our best path forward.

[PORT COMMISSION](#)

SHANE PIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
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MEMORANDUM

TO: Commissioners

FROM: Chris Hogan, Director of Protective Services

DATE: June 3, 2021

SUBJECT: New Vehicle Request

We budgeted \$45,000 for a new SUV to replace a 2005 Ford Expedition, which has approximately 110,000-miles. The budgeted amount includes an SUV outfitted with rear and center organization consoles, emergency warning/electronic equipment, and radios along with highly visible reflective graphics.

It has been difficult finding vehicles in stock. Like other industries, the automotive industry is having a challenge getting computer chips for their new vehicles. For this reason, the style of SUV we typically buy is not available until Q1 2022 and the cost would be \$35,965. Additionally, some dealerships are seeing agencies order 2 to 3 times their normal annual orders, so they are expecting that 2022 model will be sold out by the end of the year.

Caldwell Country Chevrolet is an approved dealership through the Houston-Galveston Area Council (HGAC) Cooperative Purchasing Program, which is a government procurement service that awards purchasing contracts through a public competitive procurement process compliant with state statutes. Caldwell Country currently has a few white 2021 Chevy Tahoe Special Service Vehicles (SSV) in stock for \$38,810. The SSV is designed for patrol and response activities and are less expensive because they don't have the creature comforts found in the consumer version of the Tahoe. The only difference between the SSV and what we typically buy is the SSV is equipped with 4-wheel drive.

We are seeking approval of \$45,000 to purchase a 2021 Tahoe SSV from Caldwell Country Chevrolet and have it outfitted as detailed above.

Thank you for your consideration.