

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.

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](http://www.portfreeport.com)

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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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Meeting ID: 886 2450 2660

Find your local number: <https://us02web.zoom.us/u/kgn0ZWUM1>

Commissioners present:

Mr. John Hoss, Chairman  
Mr. Rudy Santos, Vice Chairman  
Mr. Dan Croft, Secretary  
Mr. Rob Giesecke, Asst. Secretary  
Mr. Ravi Singhania, 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](http://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 NNRTR\**
- *Notice of hearing on tax increase if proposed rate is above NNRTR\**

*September 2 – Conduct 2<sup>nd</sup> 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 Singhania 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 Singhania 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 2<sup>nd</sup> Street; Terminal Street and East 8<sup>th</sup> 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.