

Minutes of Port Commission Regular Meeting
January 14, 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, January 14, 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.

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

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Commissioners present:

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

Staff Members Present:

Mr. Jason Cordoba, Legal Counsel
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
Mr. Al Durel, Director of Operations
Mr. Jason 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
Mr. Cecil Booth, Project Engineer

Also, present via teleconference:

Mr. Bobby Fuller, Texas Port Ministry
Mr. Gary Basinger, The Alliance
Mr. Quentin Stubbs
Mr. Louis Klusmeyer

Commissioner Pirtle stated the following information...

Today is January 14, 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. It will be announced prior to this body going into Executive Session. During Executive Session the public will not be permitted to hear the meeting, as is the case under the Texas Open Meetings Act.

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Bobby Fuller, Texas Port Ministry.

At this time, staff also recited the Pledge of Allegiance for the U.S. Flag and Texas Flag.

3. Roll Call – Commissioner Pirtle stated that Commissioner Singhanian and Commissioner Croft were present online. Those present in the board room (at a safe distance) included himself, Commissioners Kresta, Commissioner Santos, Phyllis Saathoff – CEO and Jason Cordoba – Legal Counsel. Commissioner Hoss had not yet joined the meeting. Ms. Saathoff noted additional staff in the room and online.
4. Public Comment – There were no public comments.
5. Approval of minutes from a Regular Meeting held December 10, 2020.

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

6. 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.

At this time, Ms. Saathoff noted Commissioner Hoss had joined the meeting.

Ms. Saathoff shared a presentation that included updates on the 2020 vessel arrivals, federal policies, Water Resources Development Act, USACE Budget and 2021 Work Plan. Mr. Lowe briefly went over the schedule for the GO Bonds, Series 2021 issuance. Ms. Saathoff also discussed the FHCIP activity which included the dredging and construction schedule in 2021. Ms. Follett gave an update on the Take-A-Child Fishing Tournament which is slated for May 8. The logo drawing contest is currently underway with a deadline of February 19. Staff is planning an in-person tournament however, plans can be shifted to a virtual tournament, if need be.

7. Approval of financial reports presented for the period ending November 30, 2020.

Mr. Lowe gave a presentation regarding the YTD financial results through November.

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

8. Presentation of the Government Finance Officers Association Award of Financial Reporting Achievement for the FY 2019 Comprehensive Annual Financial Report.

Commissioner Pirtle stated that Port Freeport has received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its 2019 Comprehensive Annual Financial Report (CAFR) for the 31st consecutive year. He noted that the Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting and applauded the accounting and finance department's dedication and commitment to

keeping the financial reporting system at the highest national standard possible. Commissioner Pirtle recognized the following employees for this achievement:

Rob Lowe, CFO and Director of Administration
Mary Campus, Controller
Vicki Smith, Accounting Manager
Araceli Milan, Accounting Specialist
Luz Martinez, Accounts Receivable Clerk

9. Approval of a Construction Contract with Bartlette Cocke Industrial for the Operations Shop Building Improvements project, for an amount not to exceed \$133,466.48.

Mr. Hull stated this project consists of replacing metal wall panels on the mechanic shop and operations building. Bids were opened December 15 with four bids received. Staff recommends awarding the contract to low bidder Bartlette Cocke, in the amount of \$133,466.48.

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

10. Approval of a Construction Contract with Noble Building and Development for the Dole Building Repair project, for an amount not to exceed \$86,400.00.

Mr. Hull stated this project includes replacing approximately 500 square feet of exterior metal wall panel, repainting of panels, and replacement of windowsills. This project will be cost-shared 50/50 with Dole, per their lease agreement. Staff recommends awarding the contract to Noble Building and Development in the amount of \$86,400.00.

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

11. Approval of a Professional Services Agreement with Moffatt & Nichol for the Underwater Inspection of Docks 1, 2, 3 and 5, for an amount not to exceed \$59,800.00.

Mr. Hull stated that every two years the underwater bulkhead and structure of Docks 1, 2, 3 and 5 are inspected for any damage. Staff has reviewed the scope of work and recommends approval of the PSA to Moffatt & Nichol in the amount of \$59,800.00.

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

12. Approval to make payment to CenterPoint Energy for rerouting of powerlines in Bend Easing area of FHCIP, for an amount not to exceed \$273,340.00.

Mr. Hull stated that an existing overhead electrical distribution powerline in the Reach 2 area of the Freeport Harbor Channel. This area will be dredged away in an upcoming project; therefore, the powerline needs to be rerouted. This item is included in the budget and staff recommends payment to CenterPoint to proceed with the project in the amount of \$273,340.00. Mr. Hull noted there will be an upcoming easement for this new location. As part of this payment, surveyors will draw out the new easement to be granted and release the old easement that will be dredged away.

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

13. Approval of a Professional Services Agreement with Spirit Environmental for the Stormwater Quality Testing and TCEQ Permit Compliance, for an amount not to exceed \$17,990.00.

Mr. Hull stated this PSA is for the annual stormwater compliance testing which includes routine facility inspections and SPCC (Spill Prevention & Counter Measured Control) inspection of how the Port stores diesel, gasoline and containment. The permit also requires staff training and an annual comprehensive site compliance evaluation. Staff recommends approval of this agreement with Spirit Environmental in the amount of \$17,990.00.

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

14. Resolution Expressing Intent to Reimburse Expenditures Related to design, construction, improvement, development and equipment for Berth 8.

Mr. Lowe stated that in March of 2019 Port Commission passed the same resolution for an amount up to \$74,000,000. Bond counsel recommends increasing this amount with a new resolution that would total the amount budgeted for Berth 8 which is \$116,000,000, and would supersede the previous resolution.

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

15. Approval of audio/visual upgrades to Board Room.

Mr. Brandon Robertson presented staff's recommendation for enhancements to the board room audio/visual system. The enhancements would include switching to a Zoom platform, installation of two PTZ cameras in ceiling to capture the dais and podium, replace audio unit with one capable of connecting to a PC, the addition of a 10" touchscreen for administrator to control audio volume and video inputs, replace broken projector as well as clean-up/relocate cables and equipment under dais. Staff received two quotes with FordAV coming in lower at \$40,355.00. An option was included to prewire and integrate 2 tv's behind the dais for an additional \$4,719.00. The purchase of the tv's and installation would be handled in house.

A motion was made by Commissioner Hoss to award this project to FordAV for the audio/visual board room upgrades and include the optional prewire and integration for 2 tv's. The motion was seconded by Commissioner Kresta with all Commissioners present voting in favor of the motion.

16. 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 and discussion regarding legal matters arising out of Texas Transportation Code, Title 4 Navigation, Subtitle A Waterways and Ports, Chapter 52 Texas Deepwater Port Procedures Act.

B. Under authority of Section 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:

1. Discussion regarding the potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the are known as the East End of Freeport and bordered by or adjacent to the following streets: FM1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
2. The potential purchase, exchange, lease or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5 and 7.
3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcel 14 and Surfside Lots.

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

18. Approval to ratify Letter Agreement between Port Freeport and Trammel Crow.

Mr. Miura stated that staff recommends approval to ratify the letter agreement between Port Freeport and Trammel Crow which include waiving the reservation fee for January 2021 and February 2021, and thus beginning March 2021.

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

19. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:32 PM.