

AGENDA

**Port Freeport
Port Commission
Regular Meeting
Thursday, November 12, 2020, 1:00 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, November 12, 2020 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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1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation.
3. Roll Call.
4. Recognition of Veterans.
5. Presentation of check to Texas Port Ministry from proceeds of Port Freeport Golf Tournament.
6. Public Comment. (Public comment will be limited to 5 minutes per participant and must be completed virtually via the toll free number)
7. Approval of minutes from the Regular Meeting held October 22, 2020.
8. 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
- 9. Receive report from Commissioners on matters related to:
 - A. November 10 OSS Advisory Committee
 - B. November 12 Strategic Planning Advisory Committee
 - C. Meetings and conferences attended, Port presentations, Rail District and other related Port Commission matters.
- 10. Approval to pay legal bills for the months of September and October.
- 11. Approval of Modification to the Tax Abatement between Port Freeport and Chevron Phillips Chemical Company LP for property located in Chevron Phillips Chemical Company LP Reinvestment Zone No. 2.
- 12. Approval of support for Phillips 66 Foreign-Trade Zone 149C Boundary Modification.
- 13. Adoption of a Resolution authorizing filing of Phillips 66 Foreign-Trade Zone 149C Boundary Modification.
- 14. Approval of a contract for Port Freeport Health, Dental and Vision Insurance.
- 15. Approval of a renewal with Texas Association of Counties for Port Freeport Workers Compensation Policy.
- 16. Adoption of a Resolution authorizing a contribution to fund Port reserves for capital improvements.
- 17. Adoption of a Resolution approving the acceptance of the Port's portion of proceeds received from high bidders on delinquent tax property held in trust by Brazoria County, Texas and authorizing the Chairman to join in conveyance to high bidders.
- 18. 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.
 - 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 and Surfside Lots.
 - 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.
- 19. RECONVENE OPEN SESSION to review and consider the following:
- 20. Approval of sale of Port Freeport Gottwald Mobile Harbor Crane, accessories and inventory.
- 21. Approval of a contract to Covenant K9 Detection Services for security K9 contract services.
- 22. Approval of Fourth Amendment to First Lease Agreement between Port Freeport and Horizon Terminal Services.
- 23. Approval of First Amendment to Second Lease Agreement between Port Freeport and Horizon Terminal Services.
- 24. Approval of a Consent Agreement between Port Freeport, Horizon Terminal Services and APS East Coast.
- 25. Approval of an Unlimited Continuing Guaranty between Port Freeport and Portus Infrastructure Partners LLC.
- 26. Approval of a Termination of Guaranty between Port Freeport and Hoegh Autoliners Management A/S.
- 27. 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
October 22, 2020
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, October 22, 2020 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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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 Miura, Director of Business & Economic Development
Mr. Mike Wilson, Director of Economic Development & Freight Mobility
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. Tomas Lis, Horizon Auto Logistics
Mr. Mike Hayes, Texas Port Ministry
Mr. Jeff Taylor, Freese & Nickols
Mr. William Wachel, WSP
Mr. Glen Crocker, RG Miller Engineers

Commissioner Pirtle stated the following information...

Today is October 22, 2020, 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. Mike Hayes, Texas Port Ministry
3. Roll Call – Commissioner Pirtle stated that Commissioner Santos, Commissioner Singhania and Commissioner Hoss were present online. Those present in the board room (at a safe distance) included himself, Commissioners Kresta, Commissioner Croft, Phyllis Saathoff – CEO and Jason Cordoba – Legal Counsel. Ms. Saathoff noted additional staff in the room.
4. Public Comment – There were no public comments.
5. Approval of minutes from a Regular Meeting held October 8, 2020.

A motion was made by Commissioner Santos to approve the minutes as presented. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion, and Commissioner Hoss voting no.

6. 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 accounting staff is in the process of closing out fiscal year 2020 adding that the Port performed very well from tonnage perspective, number of vessel calls and financially. Overall vessel traffic is up significantly with the increase in LNG tonnage and Ro/Ro business and the container business staying consistent. Fiscal year 2021 is off to a good start for the month of October with a significant number of LNG export cargos and RoRo vessel calls expected. The USACOE notified the Port that Manson Dredging will begin annual maintenance dredging of the entrance channel in December. Activity will also begin in Reach 3 in December with the installation of dredge material pipe to Placement Area 1 and dredging anticipated to begin in January. Additionally, work will begin in the same timeframe on the stabilization project for Reach 2. Staff will hold a meeting with channel partners to relay all necessary information regarding the projects and how work will be communicated/coordinated. The Port website will be updated frequently about the construction work in the channel. November 12 is the next regular board meeting scheduled which will be the only meeting that month due to the Thanksgiving holidays. At this time, Ms. Saathoff thanked the public affairs team, staff, Texas Port Ministry and all volunteers for their efforts during the golf tournament. Ms. Follett reported on the golf tournament held October 19 stating the tournament exceeded expectations this year. Staff is currently wrapping up the tournament, contacting winners to pick up awards and has posted pictures on the website from the tournament. She noted that staff received positive feedback and anticipates presenting a check to beneficiary Texas Port Ministry at the November meeting. The Port will host three CAP meetings next week with socially distanced staggered tours and briefings. All necessary precautions will be taken to ensure everyone's safety. Lastly, Ms. Saathoff reported speaking to an HR Class at Texas A&M Galveston for the Maritime Program.

B. Chief Financial Officer

Mr. Lowe reported that staff is currently pursuing a fifth member of the accounting team which for a position that was recently vacated. September financials are not yet finalized as additional processes are being taken to close out the fiscal end.

C. Director of Engineering

In Mr. Hull's absence, Cecil Booth shared pictures of the Berth 8 project including an aerial photo taken by McCarthy.

D. Director of Operations

Mr. Durel reported on statistics for the month of September stating the Port handled 10 Ro/Ro vessels, 9 LNG vessels and 13 container vessels. For the month of October, the Port anticipates 15 Ro/Ro, 17 LNG and 13 container vessels. YTD the Port has handled 412 vessels. From that, 115 were Ro/Ro, 83 LNG and 154 container vessels. In 2020 the Port has handled approximately 81,000 vehicles. Railcar activity totals include 74

Cemex and 285 Vulcan. Mr. Durel also reported the gantry crane is currently running off a portable generator. Staff is in the process of evaluating the crane to figure out the issue.

At this time, it was noted that Commissioner Santos left the meeting for a business meeting and will try to rejoin later in executive session.

E. Director of Business & Economic Development

Mr. Miura submitted a written report to the Board and had nothing further to report.

7. Receive report from Commissioners on matters related to meetings and conferences attended, Port presentations and other related Port Commission matters.

Commissioner Hoss reported attending the Brazoria County Cities Association meeting and has also participated in several other virtual meetings.

Commissioner Singhania reported participating in the Angleton Chamber virtual luncheons.

Commissioner Croft brought attention to everyone that October is National Dwarfism Awareness month.

Commissioner Pirtle reminded everyone that Congressman Randy Weber has an event this evening.

8. Adoption of a Resolution approving the acceptance of the Port's portion of proceeds received from high bidders on delinquent tax property held in trust by Brazoria County, Texas and authorizing the Chairman to join in conveyance to high bidders.

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

9. 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 551.072 (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.

B. Under authority of Section 551.074 (Deliberation of Personnel Matters) for discussion regarding:

1. Discussion regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee, including but not limited to: Executive Director/CEO.

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

Commissioner Pirtle noted all Commissioners were present with the exception of Commissioner Santos who has not been able to rejoin the meeting.

At this time, Commissioner Singhania congratulated Ms. Saathoff's team for finishing third at the golf tournament. He also noted he received positive comments on the goodie bag items for the tournament.

11. Approval of a Second Amendment to the Marine Terminal Services Agreement between Port Freeport and CMA CGM, S.A.

Mr. Miura stated that staff recommends approval of a second amendment to the marine terminal services agreement with CMA CGM. This second amendment considers certain commercial terms through September 30, 2021.

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

12. Adjourn.

With no further business before the Commission, the meeting adjourned at 3:26 PM.

Shane Pirtle, Chairman

Paul Kresta, Vice Chairman

Rudy Santos, Secretary

John Hoss, Asst. Secretary

Ravi K. Singhania, Commissioner

Dan Croft, Commissioner



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MEMORANDUM

TO: Phyllis Saathoff, Executive Director/CEO
FROM: Jessica Follett, Public Affairs Manager
DATE: November 5, 2020
SUBJECT: Public Affairs – November 2020

PUBLIC AFFAIRS

Communications and Media

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

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.

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.

Freeport Harbor Channel Marine Traffic – The website is being maintained as a resource to the Freeport Harbor Channel community for information on marine traffic due to sampling started on October 26, 2020. Sampling should last one month, pending weather conditions.

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.

Press Releases and News Postings – The following press releases will be distributed in November:

Port Freeport Annual Golf Tournament Raises Funds Benefiting Texas Port Ministry – Anticipated release on November 13, 2020 following check presentation to Texas Port Ministry at November 12, 2020 Port Freeport Commission meeting.

Pending press releases include:

Saathoff Named President of the Texas Ports Association (TPA)

Saathoff Named Chairwoman of the Port Authority Advisory Committee (PAAC) for a Second Term

Community Events and Meetings

Port Events

Port Freeport Annual Golf Tournament – Final check presentation to Texas Port Ministry (TPM) anticipated for November 12, 2020 Port Freeport Commission meeting in the amount of **\$67,600**.

Partners and friends of Port Freeport have assisted in raising **\$373,120** over the past nine years benefiting TPM. Thank you to all our generous sponsors, donors, and players for your continued support!

Community Advisory Panel (CAP) – October 26, 27, & 29, 2020 – To protect the health and well-being of our CAP members, employees, and the community, the October CAP meetings were held on three separate nights to provide for small attendance and social distancing protocols. Paired commissioners hosted staggered small group tours and a Port update was provided by Phyllis Saathoff, Executive Director/CEO. Port Directors and staff were in attendance to provide additional information and support.

Port Presentations, Tours, and Meetings

October 20, 2020 – Phyllis Saathoff, Executive Director/CEO, provided a virtual presentation on Port Freeport and human resources in the industry to the Texas A&M University – Galveston Student Association of Maritime Administrators (SAMA).

October 27, 2020 – Jessica Follett, Public Affairs Manager, participated in a Texas Ports Association (TPA) meeting with member ports across Texas to prepare for the upcoming 87th Texas Legislative Session.

November 17, 2020 – As Chairwoman of the Texas Transportation Commission’s Port Authority Advisory Committee (PAAC), Phyllis Saathoff, Executive Director/CEO, will be interviewed by Altitude Media for TxDOT’s Port Access Program promotional video.

Community Events and Meetings

October 26, 2020 – Jessica Follett, Public Affairs Manager, and Austin Seth, Operations Specialist, participated in a virtual career fair for Texas A&M University – Galveston students.

November 3, 2020 – Mike Wilson, Director of Economic Development and Mobility, and Jessica Follett, Public Affairs Manager, participated in The Economic Development Alliance of Brazoria County’s Government Relations Committee meeting to discuss legislative and policy issues for the upcoming 87th Texas Legislative Session.

Upcoming Community Events and Meetings

November – Port Freeport United Way Campaign

Weekly – Angleton Chamber of Commerce Virtual Luncheons (speakers vary)

Weekly – Business Roundtable Virtual Meetings (speakers vary)



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TO: Port Commission
Executive Director/CEO

FROM: Rob Lowe

DATE: November 5, 2020

SUBJECT: GO Bond Offering

On October 28, 2020 staff met with the Finance Advisory Committee to discuss several items including the planned 2021 GO Bond offering. The primary topic was the GO Bond sale options available to us

A Competitive Sale and a Negotiated Sale are the two types of bond sales to consider for our upcoming GO Bond issue.

In a competitive sale, the port would advertise the sale of the bonds. Interested underwriters would submit bids based on the terms and conditions established in the advertisement. The bonds are awarded to the bidder offering the lowest interest cost to the port.

In a negotiated sale, an underwriter is chosen from an approved provider or through an RFP. The chosen underwriter then negotiates the rates and terms with the port and our financial advisors.

Masterson Advisors LLC has recommended that we consider a competitive bid for our GO Bond issue currently planned for 1Q21. The recommendation is based on underwriters valuing the high quality of Port Freeport GO Bonds which could lead to a favorable rate bid. We are also planning a Revenue Bond issuance in mid-2021 and that offering would most likely result in a negotiated sale.

Retail prioritization can be requested in a competitive sale but cannot be required. However, retail participation, while given top prioritization in our two most recent negotiated offerings, has been very low. The Masterson team reached out to seven underwriters to get their input on retail participation and received consistent feedback, that in the current rate environment, there is little to no retail participation regardless of the sale method.


Based on the current lack of retail participation and the potential for a favorable rate to the port, staff is recommending pursuing a competitive sale, which will be included in the December bond resolution to be approved by the Port Commission.

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

MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: November 4, 2020

SUBJECT: Departmental Report

PROJECTS

- 1. Velasco Terminal, Berths 8** – This project entails construction of Berth 8, which will extend the wharf another 928 feet north of Berth 7. The first shipment of piling is now being installed. Excavation and demolition work of the original sheet pile bulkhead system is ongoing. The channel dredging will be a separate construction project that will begin in January 2021.
\$33,741,059/\$115,804,280 = 29% complete



PORT COMMISSION



2. **FHCIP** – This project consists of deepening and improving the Freeport Channel. This is a Civil Works project that was authorized in WRRDA 2014. The contract was signed with the contractor Great Lakes Dredge and Dock (GLDD). The Corps issued the notice to proceed (NTP) to GLDD on 10/13/2020. The pipeline installation will begin in late November 2020 and the dredge will begin in January 2021.
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 shop drawings for the piling are being reviewed at this time. After approval, the order for the piling will be placed with the supplier. Construction will begin after the 2020 Hurricane season is over on November 30, 2020.
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. Final plans are completed at this time. This project will be advertised for bidding on November 23, 2020.

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 them the wall should be a different height than what the VDD is telling them.

**PORT FREEPORT
OPERATIONS ACTIVITY RECAP
OCTOBER 2020**

A. MONTHLY ACTIVITY EXPLANATION

1. Total import/export activity for the month of October was better than expected.
 - * LNG experienced (15) vessels.
 - * Riviana did not schedule any vessels this month.
 - * Vulcan Material did not experience any vessels this month.
 - * HAL handled (14) RoRo vessels.
 - * Tenaris did not experience a vessel this month.
 - * Total of (14) Container vessel calls.
 - * CEMEX continues their operations of transferring product from Truck to Rail.
 - * **Average vessel activity in 2020 was 34 per month. This month, we handled 45 vessels (15 LNG & 30 Inner Harbor).**
 - * **There were 103 Total Vessel arrivals Port wide for October.**

B. FISCAL YEAR ACTIVITY EXPLANATION

- * N/A

C. INSIGHT TO ACTIVITY FOR NOVEMBER 2020

- * LNG has scheduled (15) Vessels.
- * Riviana Foods has not scheduled a vessel.
- * Vulcan Material has scheduled (1) vessel for November.
- * HAL is expecting to handle (14) RoRo vessels.
- * Tenaris has (0) vessels planned.
- * Expecting (12) Container vessels.

D. OPERATIONAL MEETINGS AND AGENDAS

HURRICANE SEASON IS STILL ACTIVE

- * Safety – Mike Quilty Boarded a Hoegh Vessel to observe the fire suppressive equipment.
- * Safety – Mike Quilty Met with “GENOX” to review their railcar transfer operation.
- * Safety – Mike Quilty Working with Port OPTS to develop safety barricades at Dock 5.
- * Security – Chris Hogan Attended many conference calls and meetings related to Hurricanes, Tropical storms and other adverse weather conditions that affected Port activity.
- * Security – Chris Hogan Met with CBP to review their “New Risk Based Sampling Protocol”.
- * Security – Chris Hogan Attended a virtual coronavirus symposium.
- * Mike/Austin/Jesse/Al Attended many meetings and conference calls related to COVID-19.
- * Operations/Safety Attended the local “BMAT”. This was virtual.
- * The “PCT” Port Coordination Team was activated to monitor recent Hurricanes and Tropical storms in the Gulf.
- * All personnel practicing and following COVID-19 guidelines.
- * **OPT/Safety – Reviewing traffic flow and choke points within the Port.**

MEMORANDUM

TO: Commissioners
Chief Executive Officer

FROM: Rob Lowe
Mary Campus

DATE: November 5, 2020

SUBJECT: Legal Invoices

Finance is still in the process of closing out the fiscal year and part of the closing process is to get all accounts payable posted to the year, therefore we are requesting approval to pay the invoices from Cordoba Law Firm, Crain, Caton and James; Blank Rome, and McFarland.

PORT COMMISSION



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TO: Port Commission
Executive Director/CEO

FROM: Rob Lowe

DATE: November 5, 2020

SUBJECT: Review modification request of *TAX ABATEMENT AGREEMENT with CHEVRON PHILLIPS CHEMICAL COMPANY LP* (the "Agreement")

As a result of COVID-19 and other economic conditions, Chevron Phillips Chemical Company LP requests modifying the term of the abatement under the operative tax abatement agreement with the Port (i.e. *TAX ABATEMENT AGREEMENT FOR PROPERTY LOCATED IN CHEVRON PHILLIPS CHEMICAL COMPANY LP REINVESTMENT ZONE No. 2* approved by the Port Commission September 12, 2019):

- Modifying effective date to January 1, 2023 from January 1, 2021 and making 2023 the first year of the seven year abatement period

Considerations:

- Such assignment is permitted under the Agreement and in the Port's *Guidelines and Criteria For Granting Tax Abatements*
- Chevron Phillips Chemical Company LP has complied fully with its obligations to date
- Chevron Phillips Chemical Company LP is not liable to the Port for outstanding taxes or other obligations
- Brazoria County Commissioners' Court approved on October 27, 2020

[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

Robert Balli

Foreign Trade Zone Analyst
International Trade Compliance



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O: 832-765-3999
Robert.Balli@p66.com
Phillips66.com

October 30, 2020

Port of Freeport
ATTN: Mary Campus, Controller
1100 Cherry St
Freeport, Texas 77541-5520
campus@portfreeport.com

Subject: Minor Boundary Modification for Addition of New Fractionator Units at Sweeny Refinery for Phillips 66 Company Sweeny Refinery, Foreign-Trade Subzone 149C

Dear Mrs. Campus:

Phillips 66 has constructed new fractionator units at the Sweeny Refinery to process y-grade natural gas liquids ("NGL") feedstocks into useable products for customers. Currently the new units fall outside the current Foreign Trade Zone ("FTZ") boundary. Application will be made with the FTZ Board for a minor boundary modification to include these new units. Phillips 66 will continue to operate the altered zone which will include two new NGL fractionators that will be used to separate NGL into ethane, propane, normal butane, isobutane, and natural gasoline (pentanes plus). Propane and normal butane will be pumped to Freeport where it will then be loaded onto large Liquefied Petroleum Gas ("LPG") carriers and shipped to overseas customers. Other products may be transported by pipeline or other modes of transportation to domestic or foreign markets depending on economic conditions.

The FTZ Board requests our application include letter of concurrence or non-objection from the taxing authorities affected by this request.

Phillips 66 kindly requests that the Port of Freeport support our application and provide a letter of such support for our ongoing FTZ operations at our Sweeny Refinery to be included with our application to the FTZ Board.

If you have any questions, please contact me at the above listed phone number.

Sincerely,

[Robert Balli](#)

Robert Balli

Foreign Trade Zone Analyst
Phillips 66 Company

Cc: Sarah Newby, Supervisor – Imports, FTZ & Drawback, Phillips 66 Company
Bill Carr, Customs Director, Phillips 66 Company
Chris Cisneros, Senior Advisor, Property Tax, Phillips 66 Company



PROVIDING ENERGY. IMPROVING LIVES.

RESOLUTION

WHEREAS, Port Freeport of Brazoria County, Texas, has received authority from the Legislature of the State of Texas to apply for a Grant of Permit to Establish and Operate a United States Foreign-Trade Zone at the Port of Entry at Freeport, Texas; and

WHEREAS, the intended Grantee of said Permit shall be Port Freeport of Brazoria County, Texas, a governmental agency and body politic of the State of Texas; and

WHEREAS, Port Freeport of Brazoria County, Texas has been given a grant of authority by the United States Foreign-Trade Zones Board to establish and operate Foreign-Trade Zone No. 149 at Port Freeport, Texas;

WHEREAS, Phillips 66 Company of Brazoria County, Texas has been given a grant of authority by the United States Foreign-Trade Zones Board to establish and operate Foreign-Trade Subzone No. 149C located in Brazoria County, Texas;

NOW, THEREFORE BE IT RESOLVED by the Port Commission of Port Freeport of Brazoria, County, Texas that Mary Campus, Controller, is hereby authorized on behalf of Port Freeport of Brazoria County, Texas to execute and file an application for the Expansion of Phillips 66 Company Subzone No. 149C site before the United States Foreign-Trade Zones Board in Washington, DC, in full compliance with the requirements of 15 CFR, Part 400 of the Foreign-Trade Zone Regulations under the U. S. Foreign-Trade Zone Act of 1934, as amended, and to execute and file such other documents as may be necessary or helpful to the filing and processing of said application.

I, **Rudy Santos**, Secretary of the Port Commission of Port Freeport of Brazoria County, Texas do hereby certify that the foregoing is a true and correct copy of the Resolution adopted by said Port Commission at a meeting held on November 12th, a quorum being present, and that the same has not been altered, amended or rescinded, and is in force and effect, to certify which witness my hand and the seal of said Port Commission, on this 12th day of November, 2020.

Rudy Santos, Secretary

MEMORANDUM

TO: Commissioners
Chief Executive Officer

FROM: Rob Lowe
Mary Campus

DATE: October 26, 2020

SUBJECT: Group Health and Dental/Vision Insurance

Port Freeport's current medical plan is through Blue Cross Blue Shield (BCBS) and expires December 31, 2019. BCBS has offered renewal, however they have modified the plan, with a premium increase of 2.1%. The budget was calculated using a 12% increase for nine months, so therefore the medical will be below budgeted levels for the fiscal year. Alternate plans with BCBS, United Healthcare and Humana were also considered, all having subtle differences such as co-pays, deductibles and maximum out of pocket. Management recommendation is to renew the BCBS plan as proposed while maintaining the existing cost share, as budgeted.

The current dental/vision plan is through Principal and will also expire December 31, 2019. The Principal renewal plan has proposed no rate change over the previous year. The budget was calculated using a 10% increase for nine months, so therefore the dental/vision will be below budgeted levels for the fiscal year. Alternate proposals from Humana and Metlife are at a higher premium. Management recommendation is to renew the existing dental/vision plan with Principal while maintaining the existing cost share, as budgeted.

PORT COMMISSION

MEMORANDUM

TO: Commissioners
Chief Executive Officer

FROM: Rob Lowe
Mary Campus

DATE: November 5, 2020

SUBJECT: Workers Compensation Insurance

The renewal of the Port's workers compensation policy with Texas Association of Counties is based on the fiscal year 2021 budget for salaries and wages. The estimated premium for 2021 is \$34,798. The final actual premium is calculated at the end of each calendar year and trued up based on actual payroll.

Texas Association of Counties is a pool of government entities that share in the workers compensation and has proven to provide the coverage at a discounted premium. The Port has utilized this service for over 25 years. We do have the coverage reviewed and priced by the Port's insurance broker to make sure it is still competitive and the best value.

RESOLUTION TO FUND PORT RESERVE FOR CAPITAL IMPROVEMENTS

At a regular meeting of the Port Commission of Port Freeport held in the office of said Port at 1100 Cherry Street, Freeport, Texas, on the 12th day of November 2020, 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. The Port has levied an operation and maintenance tax rate of \$0.026657 per \$100 of assessed valuation for tax year 2020, which is expected to produce maintenance and operations tax revenues of \$3,981,963 to be applied to pay maintenance and operations expenses of the Port.
3. Pursuant to the Port's Master Resolution Approving a Revenue Financing System and the supplemental resolutions adopted thereunder, the Port may utilize revenues available after paying operations and maintenance expenses, paying debt service on outstanding revenue obligations, establishing and replenishing debt service reserve funds, and paying other obligations payable from revenues of the Port for any lawful purposes of the Port.
4. The Port previously established a Port Reserve for Capital Improvements account for the purpose of funding Freeport harbor improvements, capital and maintenance dredging, dredge disposal area improvements, land purchased and any other approved Port capital improvements or capital maintenance items.
5. The Port desires to transfer \$3,981,963 from Port revenues available following the payment of the amounts described in the paragraph 3, above, into the Port Reserve for Capital Improvements.
6. Each fiscal year, the Commission shall review such Port Reserve for Capital Improvements fund balance and approve the amount of contributions to and use of funds from such account.

NOW, THEREFORE, BE IT RESOLVED, that the Port having authorized the creation of the Port Reserve for Capital Improvements effective October 22, 2015, directs that \$3,981,963 of available revenues be placed into the Port Reserve for Capital Improvements.

RESOLUTION APPROVING SALE OF PROPERTY HELD IN TRUST

At a regular meeting of the Port Commission of Port Freeport held at the office of Port Freeport at 1100 Cherry Street, Freeport, Texas, on the 12th day of November, 2020, among other business came on to be considered the following resolution, which, upon motion duly made and seconded, was adopted by 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. The County of Brazoria, State of Texas, has heretofore instituted tax suits and has been awarded tax judgments relative to the hereinafter described tracts and parcels of land, where, in each instance, as a result of delinquent tax sales, the high bid was less than the amount of taxes owing on each respective parcel. Each such parcel was bid off to Brazoria County for the amount of judgment against each respective parcel and each such parcel of property is held in trust due to delinquent tax foreclosure.

3. The Property Resale Committee of Brazoria County has advertised for, received, and opened sealed bids on each said parcel of property held in trust and determined that in each instance, the high bid is less than the amount of taxes owing on each respective parcel. The account number, legal description, entity holding in trust, appraised value, opening bid and amount bid for each respective parcel, are described in Exhibit "A" attached hereto.

4. The Property Resale Committee of Brazoria County has requested that Port Freeport approve the sale amount of each respective item of property as described in Exhibit "A" attached hereto, in accordance with Section 34.05 of the Property Tax Code of the State of Texas, and that Port Freeport join in the conveyances to respective high bidders to evidence Port Freeport's consent to each such sale.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that Port Freeport hereby consents to the acceptance of the high bid as to each respective parcel as described in Exhibit "A" attached hereto and the conveyance of each respective parcel to each respective high bidder; and that Port Freeport accept its pro rata share of the proceeds; and

BE IT FURTHER RESOLVED, that the Chairman of the Port Commission be, and he is hereby authorized to join in the conveyance to each respective high bidder of each respective parcel to evidence Port Freeport's consent to each respective sale for less than the amount of taxes owing.

