

AGENDA

**Port Freeport
Port Commission
Regular Meeting
Thursday, January 14, 2021, 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, 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

Please join the meeting from a computer, tablet or smartphone.

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Access Code: 210-106-181

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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. Public Comment. (Public comment will be limited to 5 minutes per participant and must be completed virtually via the toll free number)
5. Approval of minutes from the Regular Meeting held December 10, 2020.
6. 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.
7. Approval of financial reports presented for the period ending November 30, 2020.
8. Presentation of the Government Finance Officers Association Award of Financial Reporting Achievement for the FY 2019 Comprehensive Annual Financial Report.
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.

10. Approval of a Construction Contract with Noble Bulding and Development for the Dole Bulding Repair project, for an amount not to exceed \$86,400.00.
11. Approval of a Professional Services Agreement with Moffatt & Nichol for the Underwater Inspection of Docks 1, 2, 3 and 5, for a amoutn not to exceed \$59,800.00.
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.
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.
14. Resolution Expressing Intent to Reimburse Expenditures Related to design, construction, improvement, development and equipment of Berth 8.
15. Approval of audio/visual upgrades to Board Room.
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):
 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 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 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.
19. 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
December 10, 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, December 10, 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. John Hoss, Asst. Secretary
Mr. Ravi Singhanian, 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. Chris Hogan, Director of Protective Services
Mr. Brandon Robertson, Network Systems Manager
Ms. Missy Bevers, Executive Assistant

Ms. Mary Campus, Controller
Ms. Jessica Follett, Public Affairs Manager
Mr. Mike Quilty, Safety Coordinator
Ms. Meri Joy Brightwell, Operations Coordinator

Absent:

Mr. Rudy Santos, Secretary

Also, present via teleconference:

Mr. Drew Masterson, Masterson Advisors
Mr. Jonathan Frels, Bracewell LLP
Mr. Bob Arroyave, BGE Inc.
Mr. James Clark, Carriage House Partners
Ms. Elise Richardson, Carriage House Partners
Mr. Gavin Massingill, Carriage House Partners
Mr. Gary Basinger, The Alliance

Commissioner Pirtle stated the following information...

Today is December 10, 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 – Commissioner Pirtle

3. Roll Call – Commissioner Pirtle stated that Commissioner Singhanian 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. Commissioner Santos was absent from the meeting. 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 November 12, 2020.

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

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 on BG Christopher Beck's visit December 3 to receive briefing on the FHCIP and observe the Port firsthand from the gantry crane. Additionally, Ms. Saathoff had a video conference with Al Lee at Headquarters to give update on the FHCIP and made it clear the Port is ready to advance next segment of the project if funding is available. Congress is expected to pass a stop gap continuing resolution in order to get the government functioning through December 18. A full appropriations bill is expected to pass in the next week which means Work Plan efforts will commence. The Water Resources Development Act is also expected to pass. Ms. Saathoff also noted that several dredging and construction projects within the Freeport Harbor Channel will begin in January noting the first increment of the FHCIP will also begin. The Amports purchase of Horizon Terminal Services is complete. Representatives from Amports were in town to ensure a smooth transition with staff and operations. The 2021 outlook for port tenants and customers is good with activity from FLNG expected to remain consistent through the first quarter. Additionally, Tenaris is expecting two vessels this month and anticipates being back to normal tonnage pace in first quarter of 2021. Ro/Ro business is steady and expected to remain same. Commissioner Hoss noted that the Rail District had their final meeting and retained an accounting firm to review their financial records and requested a copy of that final report. Ms. Saathoff indicated that she has already made the request and will forward as soon as the report is received.

B. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for September. He noted that while October results are still being finalized by staff, he did get a peek and noted that October looks to be very strong.

C. Director of Engineering

In addition to his written report Mr. Hull commented on the Sabine to Galveston project stating the Corps has realized and appreciates there are concepts that are non-starters and are open to alternatives. Mr. Hull received word that dredge pipe for Reach 3 will arrive

today and the hopper dredge will arrive in January. Levee stabilization will also begin in January.

D. Director of Operations

Mr. Durel reported that Operations was still compiling data for their written report but did include security and safety reports in BoardPaq. He gave a few statistics for the month of November stating the Port handled 15 LNG vessels and 13 Ro/Ro vessels. For the month of December, the Port expects 15 LNG vessels and 11 Ro/Ro vessels. Tenaris has 2 vessels for December with 3 scheduled for January. Staff met with the stevedore who indicated Tenaris will increase back up to 30,000 tons/month which is pre-COVID numbers. For the first two months of the fiscal year, the Port has handled 27 Ro/Ro, 30 LNG and 24 container vessels. Railcar activity totals include 570 Vulcan and 41 Cemex. Additionally, the Port has handled 83 vessels compared to 57 vessels last year. Chris Hogan gave an update on Emergency Coordination with the Freeport Fire Department stating that training has been completed on the new skid unit. In addition, an EOC Awareness tour was given as well as tours of two Ro/Ro vessels.

E. Director of Business & Economic Development

In addition to his written report, Mr. Miura reported that year to date traffic for the end of November, the Freeport Harbor Channel had 1,037 vessel arrivals, compared to 928 vessels in 2019 which is an 11.7% increase. Mr. Miura also gave an update on current events related to vessel traffic. Additionally, he shared a map of routes trains are taking from Medina, TX to Freeport.

7. Receive report from Commissioners on matters related to:

- A. December 1 OSS Advisory Committee – Commissioner Hoss reported the committee reviewed stevedore license renewal applications noting that one applicant from previous years had withdrawn and two applications were flagged for review. One application was incomplete, and another had an insurance policy that would expire at the end of the month. He noted that both applications have resolved all issues and all applications are complete and the committee recommends approval.
- B. December 10 Finance Advisory Committee – Commissioner Singhania reported the committee reviewed the quarterly investment report, reviewed preliminary audit report received from KML, LLC and discussed the Tenaris contract.
- C. December 10 Personnel Advisory Committee – Mr. Kresta reported the committee reviewed the resolution to be presented to full board later today regarding an annual contribution the Port Freeport retirement plan.
- D. Meetings and conferences attended, Port presentations and other related Port Commission matters.

Commissioner Singhania reported participating in the Rail District meeting held December 9 as well as Highway 36A Coalition meeting held December 8.

Commissioner Hoss reported also attending the Highway 36A Coalition meeting as well as various virtual meetings throughout the County.

Commissioner Pirtle reported chairing the Highway 36A Coalition meeting and being present for BG Beck's visit. He also noted participation in meeting hosted by Commissioner Hoss with Jim May, Interim CEO for CHI/St. Luke's.

8. Approval of financial reports presented for the period ending September 30, 2020.

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

9. Approval of an Update to the Modification to the Tax Abatement between Port Freeport Chevron Phillips Chemical Company LP for property located in Chevron Phillips Chemical Company LP Reinvestment Zone No. 2, previously approved by the Port Commission November 12, 2020.

Mr. Lowe stated that on November 12, 2020 the Port Commission approved a request from CP Chem to modify the effective date of the agreement to January 1, 2023 from January 1, 2021 and make 2023 the first year of the seven-year abatement period. Subsequent to that approval, CP Chem has requested clarification. While the modification states the new date parameters, section 7.01 of the original abatement states that construction must begin within two years of the agreement. To ensure clarity and alignment between the original abatement and the modification, staff recommends updating the modification with the additional language specific to section 7.01 indicating that construction must begin within two years of the approved modification. The County has gone back and made the same adjustment to the previously approved agreement. Staff recommends approval.

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

10. Approval of cancellation of Freeport LNG Tax Abatement Agreement for property located in Freeport LNG Reinvestment Zone Nos. 2A and 3.

Mr. Lowe stated that due to the delay in construction of Train 4, Freeport LNG Development LP, et al has requested terminating the tax abatement agreement with the Port, i.e. Tax Abatement Agreement for Property Located in Freeport LNG Development, LP Reinvestment Zone Nos 2A and 3 dated November 12, 2016 and as modified November 8, 2018 and as modified a second time December 12, 2019. The request cannot be modified because the reinvestment zones have a 5-year life when they are awarded. Freeport LNG will not make the timeline with Train 4 and in working with the County, it was recommended to cancel this abatement which will allow them eligibility to request the reinvestment zones a second time with a new 5-year life. The County has cancelled this agreement. Staff recommends approval to cancel the agreement.

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

11. Approval of Stevedore License renewals submitted by the following:

Ceres Gulf, Inc.
Cooper/Ports America LLC
Gulf Stream Marine, LLC
James J. Flanagan Shipping
Mammoet USA South, Inc.
Ports America Texas, Inc.
Red Hook ConRo Terminals LLC
Richardson Stevedoring & Logistics
Suderman Contracting Stevedores

As previously mentioned, Commissioner Hoss stated that one applicant (Bryan Coastal Services) from previous years would not be renewing their license and two applications were flagged for further review by staff. He noted that both applications have since resolved all issues and all applications are now complete and have fulfilled all requirements. The committee recommends approval of the renewals and issuing new licenses to the stevedores listed above.

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

12. Adoption of a Resolution authorizing the utilization of capital reserves for capital improvements.

Ms. Lowe stated the Commission passed a resolution October 22, 2015 creating a reserve for capital improvements. Annual contributions from port operating revenues have been made bringing the balance to \$24,004,940. The reserve can be utilized to fund Freeport Harbor Channel Improvements, capital and maintenance dredging, dredge disposal area improvements, land purchases and any other Port capital improvements or capital maintenance items. Qualifying dredging expenses are included in the 2021 capital plan. Staff recommends utilizing up to \$18,802,450 of the reserve to fund those projects. Mr. Lowe also noted this is first time staff has requested to utilize funds since the reserve was created in 2015. Commissioner Singhanian asked that staff periodically give a report on how the funds are used. Mr. Lowe suggested including that process as part of the annual recommendation. Staff would bring a reconciliation of where the Port stands, what the funds have been used for as well look at the capital and future planning and allow that to determine how annual contribution would be made going forward.

A motion was made by Commissioner Hoss to approve the motion and resolution as presented by staff for the use of funds and approve the plan presented by CFO on how to document and report on use of funds which will be reported on an annual basis. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

13. Approval of a Resolution Authorizing the Issuance of Port Freeport Port Improvement Bonds, Series 2021 (Non-AMT); Levying a Tax and Providing for the Security and Payment Thereof; Providing for the Award of the Sale Thereof in Accordance with Specified Parameters; and Enacting Other Provisions Relating Thereof.

As previously discussed in committee and with the Commission, Mr. Lowe stated that it is staff's intent to move forward with the second issuance of GO Bonds for approximately \$39 million with the current plan to execute the sale in February. Through consultation with the Port's financial advisor, Masterson Advisor, LLC, staff recommends a competitive sale for the GO Bond sale versus a negotiated sale. Drew Masterson with Masterson Advisors and Jonathan Frels with Bracewell were available for questions regarding this sale.

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

14. Adoption of a Resolution authorizing a contribution to the Port Freeport Retirement Plan.

Mr. Lowe stated that staff met and discussed the contribution with the Personnel Advisory Committee prior to today's meeting and it is staff's recommendation to maintain a 6% contribution to the retirement plan.

A motion was made by Commissioner Kresta to maintain a 6% contribution to the retirement plan. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

15. 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.

16. Approval of Government Liaison Services Agreement with Carriage House Partners, LLC for legislative consulting services.

Ms. Saathoff stated that CHP has done an excellent job in representing the Port in Austin, navigating the way, being effective with legislation carried and monitoring other legislation that could have other impacts to the Port. Staff recommends continuing services for an additional two years. The contract takes effect January 1, 2021 and expires December 31, 2022. CHP has agreed to maintain their current rate with no increase which is at a rate of \$4,250 per month. Mr. James Clark and Mr. Gavin Massingill were available for comments and questions.

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

17. Discuss and consider setting the 2021 Port Commission meeting dates.

Staff presented a proposed meeting schedule for 2021. The only conflict at this time was November 18. Commissioner Singhania suggested moving the meeting to November 17. The Commission all agreed noting the dates are subject to change should conflicts arise.

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) for discussion regarding:

1. 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 Parcel 14 and Surfside Lots.

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 of employee, including but not limited to: Executive Director/CEO.

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

20. Approval of sale of Port Freeport Gottwald Mobile Harbor Crane, accessories and inventory.

The Port opened one bid December 4 for the sale of the Gottwald crane. Gulf Stevedoring Services submitted a bid in the amount of \$576,000. No other bids were received. Staff recommends awarding the sale of the Gottwald Mobile Harbor Crane, accessories and spare parts to Gulf Stevedoring Services, LLC for \$576,000.

A motion was made by Commissioner Croft to accept the bid received of \$576,000. The motion was seconded by Commissioner Kresta with all Commissioners present voting in favor of the motion.

21. Approval of First Amendment to the Second Lease Agreement between Port Freeport and Vulcan Construction Materials, LLC.

Mr. Miura stated that Vulcan Construction Materials has requested the Port's approval to adjust the boundaries of their 10-acre lease on Parcel 14. Staff recommends approval of the amendment.

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

22. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:52 PM.

Shane Pirtle, Chairman

Paul Kresta, Vice Chairman

Absent
Rudy Santos, Secretary

John Hoss, Asst. Secretary

Ravi K. Singhania, Commissioner

Dan Croft, Commissioner

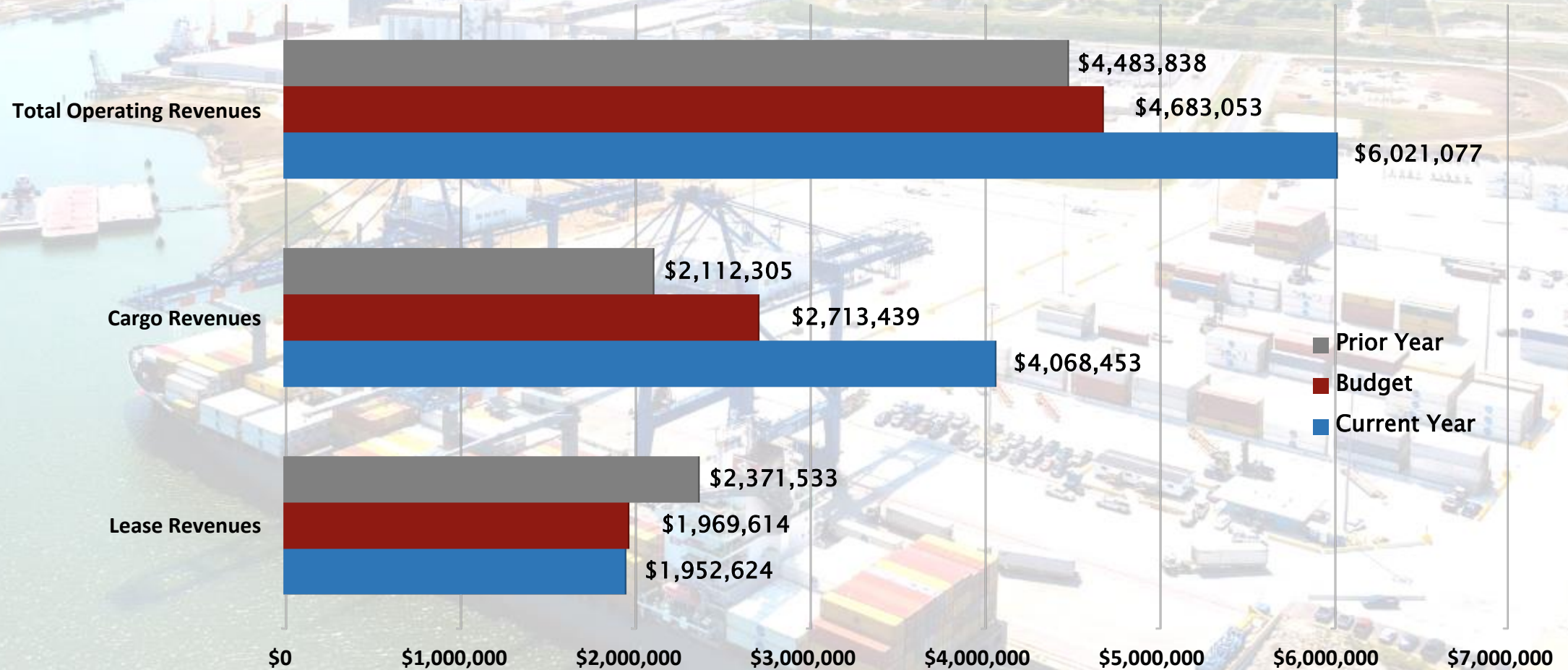


Financial Report for November 2020

January 14, 2021

Rob Lowe | Chief Financial Officer

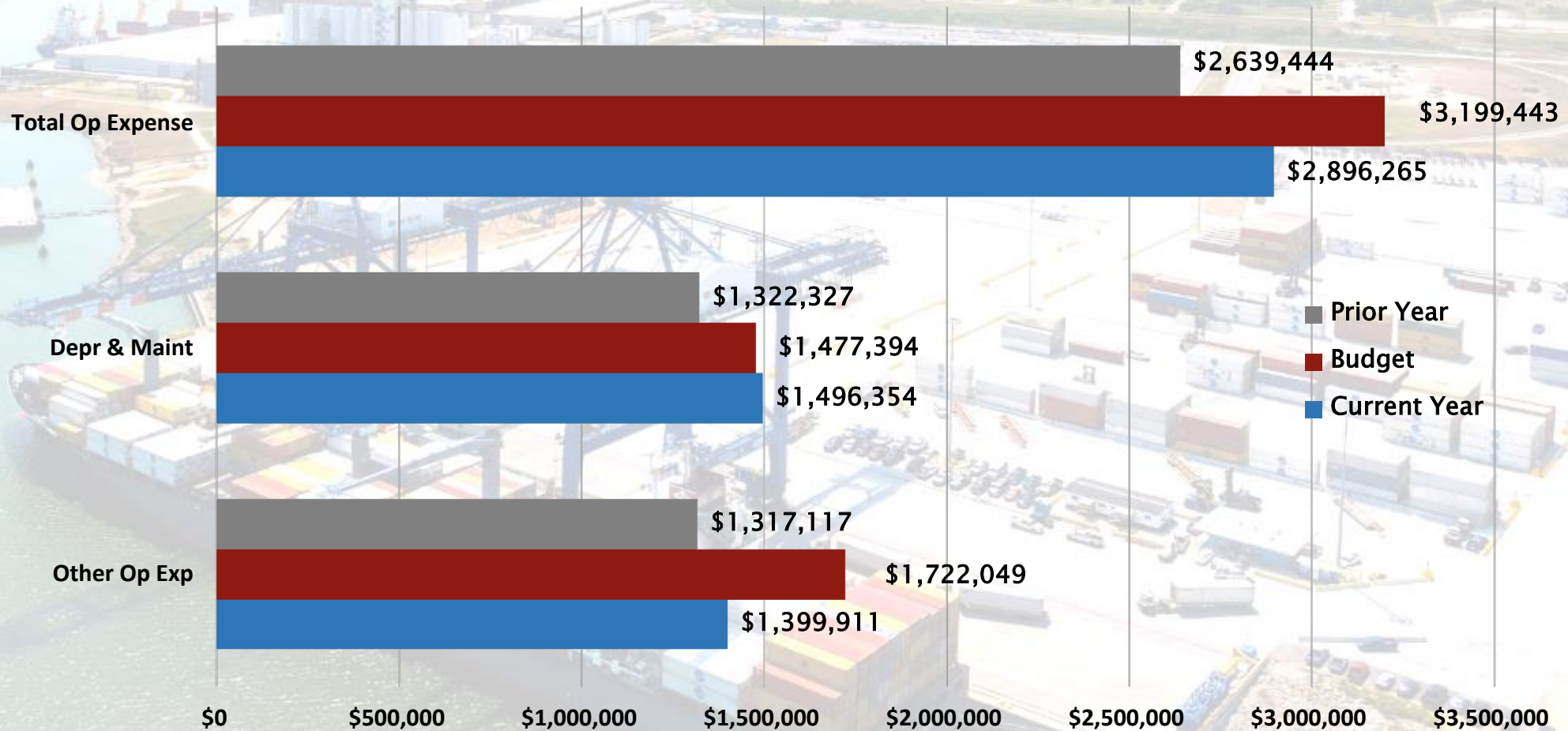
FY 2021 YTD OPERATING REVENUES



COMPARISON:

- Operating revenues are up over PY 34% and budget by 29%
- Cargo revenues exceed PY by 93%; above budget by 50%
- As compared to budget, cargo volumes are up except for agriculture products, bulk aggregate and containerized cargo
- Lease revenues are below PY by 18% and budget 1%

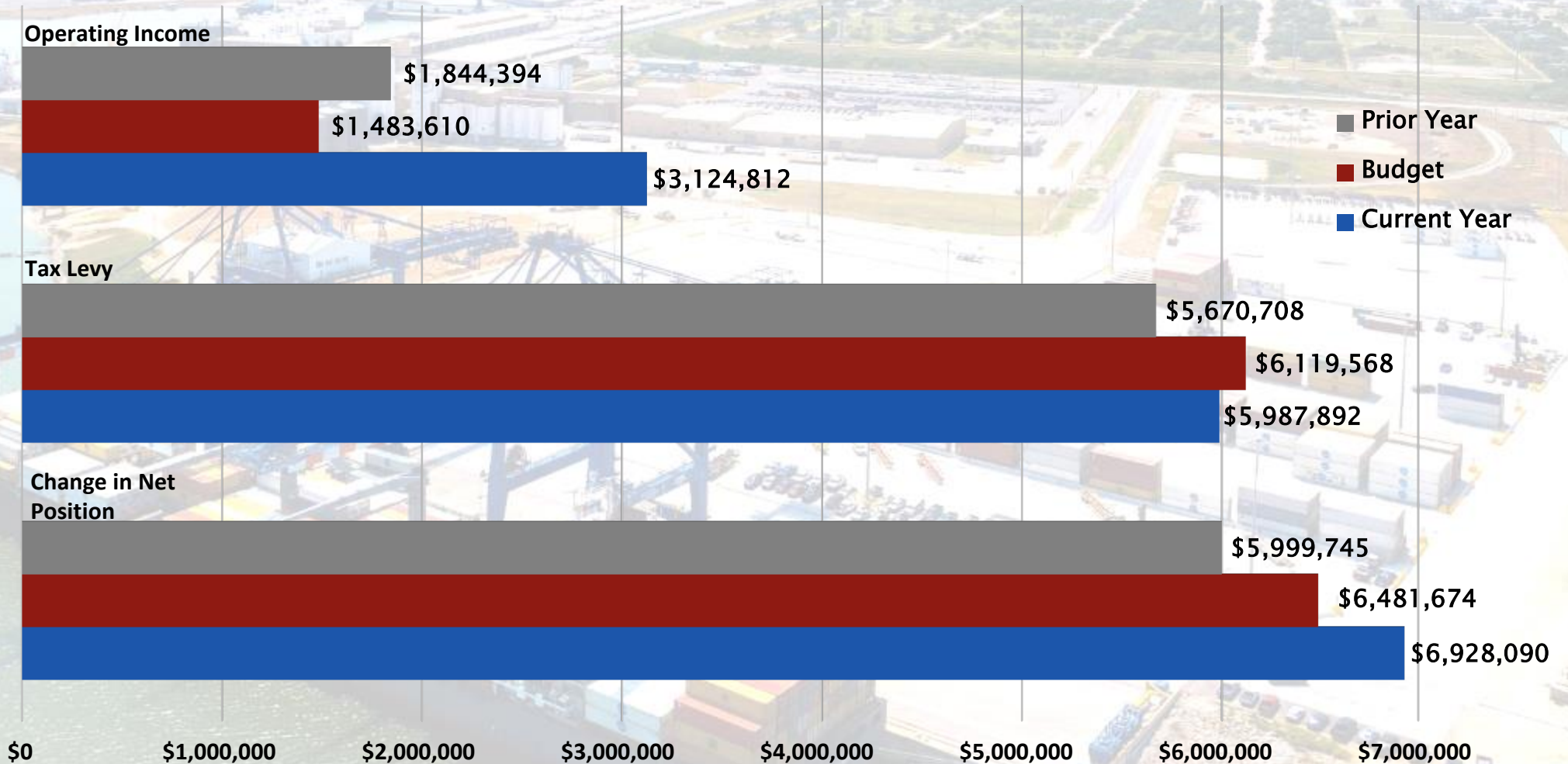
FY 2021 YTD OPERATING EXPENSE



COMPARISON:

- Total operating expenses are above prior year by 10%, below budget 9%
- Depr & maint are up over the PY by 13%, at above budget 1%
- Other expenses are 6% above PY and below budget by 19%

FY 2021 YTD OPERATING INCOME



COMPARISON:

- Operating income is 69% above PY and above budget by 111%
- Change in Net Position-see next slide for further explanation

FY 2021 YTD CHANGE IN NET POSITION

Change in Net Position

- Non Operating Revenue (Expense) includes Ad Valorum Taxes, Investment Income, Debt Service and Gain (Loss) on Sale of Assets
- Drivers for comparison to budget are primarily timing of capital contribution projects.

	Year To Date	YTD Budget	Total 2021 Budget
Operating Income	\$ 3,124,812	\$ 1,483,610	\$ 11,338,000
Non-Operating Revenue (Expenses)	\$ 4,768,838	\$ 4,998,064	\$ (2,702,200)
Capital Contributed (To) From Others			
Freeport Harbor Channel Improvement Project	\$ (586,986)	\$ -	\$ (35,800,000)
Berth 2 Floodwall Modifications	\$ -	\$ -	\$ (2,000,000)
Levee Stabilization - Reach 2	\$ (378,574)	\$ -	\$ (28,587,000)
Contributed to Port	\$ -	\$ -	\$ 37,500
Grants	\$ -	\$ -	\$ 245,300
Change In Net Position	\$ 6,928,090	\$ 6,481,674	\$ (57,468,400)

FY 2021 YTD CASH FLOWS

<i>Cash Flow Measure</i>	<i>Current Year</i>	<i>Prior Year</i>
<i>Cash Provided by Operations</i>	\$ 9,533,227	\$ 812,287
<i>Cash Provided by Non-Cap Financing</i>	724,758	800,551
<i>Cash Used by Cap Financing</i>	(13,448,978)	(4,845,365)
<i>Cash Provided by Investing Activities</i>	203,553	348,660
<i>Net Increase (Decrease) in Cash</i>	(\$ 2,987,440)	(\$ 2,883,867)

COMPARISON:

- Operating cash flow is positive due to increase in operating revenues
- Cash provided from non cap financing are tax levy collections
- Capital Financing funds used for capital improvements.

FY 2021 STATISTICS

<i>Measure</i>	<i>Current Year</i>	<i>Prior Year</i>	<i>Budget</i>
<i>Operating Margin</i>	52%	41%	32%
<i>Current Ratio (unrestricted)</i>	3.0 to 1	6.4 to 1	n/a
<i>Debt to Net Assets Ratio</i>	0.86 to 1	0.57 to 1	n/a

ACCOUNTS RECEIVABLE AGING


<i>Year</i>	<i>0-30 days</i>	<i>31-60 days</i>	<i>61-90 days</i>	<i>Over 90 days</i>
<i>November 30, 2020 FY 2021</i>	97% \$3,397,017	0% \$12,246	2% \$54,137	1% \$39,929
<i>November 30, 2019 FY 2020</i>	91% \$2,232,274	5% \$119,749	3% \$65,363	1% \$29,890
<i>November 30, 2018 FY 2019</i>	88% \$1,615,609	6% \$113,599	4% \$67,933	2% \$29,391



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: January 14, 2021

SUBJECT: **Operations and Shop Building Improvements
Project No. 20-11**

Proposals were received and opened for the Operations and Shop Building Improvements Project on December 15, 2020, at 2:00 P.M.

Four contractors submitted a proposal as shown in the attached proposal tabulation sheet. The contractor that submitted the lowest proposal in addition to meeting all requirements of the specifications is Bartlett Cocke Industrial LLC.

Bartlett Cocke Industrial LLC is a reputable contractor based in Baytown, Texas.

I recommend the Port move forward with this important project and award the contract to Bartlett Cocke Industrial LLC for an amount **not to exceed \$133,466.48**.

attachment

PORT COMMISSION


SHANE PIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; GAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023
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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: January 14, 2021

SUBJECT: Dole Building Repair Project
Project No. 20-10

Proposals were received and opened for the Dole Building Repair Project on December 17, 2020, at 2:00 P.M.

Two contractors submitted a proposal as shown in the attached proposal tabulation sheet. The contractor that submitted the lowest proposal in addition to meeting all requirements of the specifications is Noble Building and Development.

Noble is a reputable contractor based in Angleton, Texas.

I recommend the Port move forward with this important project and award the contract to Noble Building and Development for an amount **not to exceed \$86,400.00**. Cost to be split 50/50 with Dole Fresh Fruit, per their lease agreement.

attachment

PORT COMMISSION


SHANE PHYTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; BUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: December 30, 2020

SUBJECT: Underwater Inspection of Docks 1, 2, 3 and 5

It is time again for underwater inspections of Docks 1, 2, 3, and 5. I have again selected Moffatt and Nichol and the most qualified firm to perform this inspection based on their demonstrated qualifications.

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 **\$59,800**.

PORT COMMISSION

SHANE BIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: December 30, 2020

SUBJECT: **Payment to CenterPoint Energy Houston Electric, LLC reroute of powerlines in Bend Easing area of FHCIP**

Attached to the memo is a Facilities Extension Agreements (FEA) with CenterPoint Energy Houston Electric, LLC for payment of funds associated with costs to reroute an existing powerline serving Tenants along the Channel. The existing powerline is in conflict with the area where the proposed Bend Easing associated with the FHCIP is located.

I recommend the Commission approve the execution of the FEA and the payment to CenterPoint Energy Electric, LLC in the amount of \$273,340.00 so the powerline relocation can proceed without delay to the project.

PORT COMMISSION


SHANE PIRTLE, CHAIRMAN; PAUL KRESTA, VICE CHAIRMAN; RUDY SANTOS, SECRETARY; JOHN HOSS, ASST. SECRETARY;
HAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: January 14, 2021

SUBJECT: 2021 Environmental Regulatory Compliance Services

Port Staff has again selected Spirit Environmental, LLC for the 2021 storm water testing and environmental compliance services as required per the Port's TCEQ permit.

Spirit has provided these services to the Port for the past 2 years.

We recommend award of this PSA to for an amount **not to exceed \$17,990.00.**

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 EXPRESSING INTENT TO
REIMBURSE CERTAIN EXPENDITURES

WHEREAS, the Port Freeport (the “Port”) is a political subdivision of the State of Texas authorized to finance its activities by issuing obligations; and

WHEREAS, the Port will make, or has made not more than 60 days prior to the date hereof, payments with respect to the projects listed on Exhibit A attached hereto (collectively, the “Financed Projects”); and

WHEREAS, in certain circumstances, federal and/or state law requires that the Port express its official intent to issue obligations to reimburse itself for expenditures paid prior to the issuance of such obligations in order for such expenditures to be eligible for reimbursement from proceeds of such obligations; and

WHEREAS, Section 1.150-2(d)(2) of the Treasury Regulations sets forth limitations regarding the timing of reimbursements made from the proceeds of certain tax-exempt obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PORT FREEPORT THAT:

Section 1. The Port reasonably expects to reimburse itself for costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof and that are to be paid in connection with the Financed Projects from the proceeds of the obligations to be issued subsequent to the date hereof.

Section 2. The Port reasonably expects that the maximum principal amount of obligations issued to reimburse the Port for the costs associated with the Financed Projects will be \$116,000,000. Such obligations may be issued in one or more series.

Section 3. Unless otherwise advised by bond counsel, any reimbursement allocation will be made not later than 18 months after the later of (1) the date the original expenditure is paid or (2) the date on which the Financed Project to which the expenditure relates is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

Section 4. The terms that are defined in the recitals to this resolution are hereby adopted and incorporated in this resolution.

[Execution Page Follows]

PASSED AND APPROVED on this the 14th day of January, 2021.

PORT FREEPORT

Chairman, Port Commission

ATTEST:

Secretary, Port Commission

EXHIBIT A

DESCRIPTION OF PROJECTS

<u>Purpose/Projects</u>	<u>Amount</u>
Design, construction, improvement and equipment of Berth 8 and related dredging	\$116,000,000