

AGENDA

**Port Freeport
Port Commission
Regular Meeting**

Thursday, January 28, 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 28, 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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1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation.
3. Pledge of Allegiance: U.S. Flag & Texas Flag
4. Roll Call.
5. Public Comment. (Public comment will be limited to 5 minutes per participant and must be completed virtually via the toll free number)
6. Approval of minutes from the Special Meeting held January 8, 2021 and the Regular Meeting held January 14, 2021.
7. Receive update from Carriage House Partners, LLC regarding legislative affairs.
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. January 28, 2021 Strategic Planning Advisory Committee
 - B. Meetings and conferences attended, Port presentations and other related Port Commission matters.
10. Approval of financial reports presented for the period ending December 31, 2020.
11. Approval of a modification to the Professional Services Agreement with Moffatt & Nichol for construction oversight for the Velasco Terminal Berth 8 & 9 project extending the services another 22 months, for an amount not to exceed \$466,100.00.
12. 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.
13. RECONVENE OPEN SESSION:
14. 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 Meeting
January 8, 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 Special Meeting on Friday, January 8, 2021 at 1:30 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. Rudy Santos, 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
Ms. Missy Bevers, Executive Assistant
Mr. Brandon Robertson, Network Systems Manager

Commissioner Kresta stated the following information...

Today is January 8, 2021, and the time is 1:30 p.m. This is a special meeting of the Port Commission. I am Paul Kresta, Vice 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.

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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. Roll Call – Commissioner Kresta stated that Commissioner Singhania, Commissioner Santos, Commissioner Croft, Commissioner Pirtle and Commissioner Hoss were all present online. Those present in the board room (at a safe distance) included Commissioner Kresta, Phyllis Saathoff – CEO, Rob Lowe - CFO, Al Durel – Director of Operations, Jason Cordoba - Legal Counsel, Brandon Robertson – Network Systems Manager and Missy Bevers - Executive Assistant.
3. Public Comment –There were no public comments.
4. 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 551.07 (Consultation with Attorney):
 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 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.

5. RECONVENE OPEN SESSION:

6. Adjourn.

With no further business before the Commission, the meeting adjourned at 3:15 PM.

Shane Pirtle, Chairman

Paul Kresta, Vice Chairman

Rudy Santos, Secretary

John Hoss, Asst. Secretary

Ravi K. Singhania, Commissioner

Dan Croft, Commissioner

Minutes of Port Commission Regular Meeting
January 14, 2021
Via Video/Teleconference

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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.

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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.

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: January 21, 2021
SUBJECT: Public Affairs – January 2021

PUBLIC AFFAIRS

Communications and Media

Staff continues to post on social media port facts, press releases, 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. The Atlantic hurricane season begins June 1 and ends November 30.

Freeport Harbor Channel Marine Traffic – The website will be maintained as a resource to the Freeport Harbor Channel community for information on marine traffic related to upcoming maintenance and FHCIP dredging.

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 were distributed or will be distributed in January:

Port Freeport Receives 31st Consecutive Certificate of Achievement in Financial Reporting was released on January 15, 2021. This release will run in *The Facts*' upcoming Business Journal insert.

Port Freeport Receives Second Round of Federal Funding for the Freeport Harbor Channel Improvement Project was released on January 21, 2021.

Port Freeport "A+" Rating Affirmed by S&P, "Aa2" Rating Affirmed by Moody's will be released on January 25, 2021 ahead of two General Obligation Bonds, Series 2021 ads scheduled to be published in *The Bulletin* on January 26, 2021 and *The Facts* on January 27, 2021.

Community Events and Meetings

Port Events

Port Freeport Take-A-Child Fishing Tournament – May 8, 2021 – The Public Affairs Department has begun preparation and planning for the TACFT which will take place on May 8, 2021. Alternate preparations will be made should an in-person event not be possible during the current environment. Outreach to local school districts for participation in the logo drawing contest has been made and flyers were distributed to all school districts in the navigation district. The logo contest will run from January 19 through February 19. A Facebook event page is live.

Port Freeport Annual Golf Tournament – The final check presentation to Texas Port Ministry (TPM) was made on November 12, 2020 at the Port Freeport Commission meeting in the amount of **\$67,600** and a press release was submitted to media and community outlets. 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) – Dates for the 2021 C.A.P. meetings are being evaluated. In-person events may be postponed until late spring due to the current environment and the need to ensure the health and safety of all community members and Port participants.

Port Presentations, Tours, and Meetings

January 8, 2021 – As Chairwoman of the Texas Transportation Commission's Port Authority Advisory Committee (PAAC), Phyllis Saathoff, Executive Director/CEO, was interviewed along with Geir-Eilif Kalhagen, TxDOT Maritime Division Director, by Altitude Media for TxDOT's Transportation Forum promotional video. Mr. Kalhagen was provided with a tour of Port Freeport following the interview.

January 14, 2021 – Phyllis Saathoff, Executive Director/CEO, provided a virtual presentation on Port Freeport to the Round Table. Members of the Public Affairs Department were in attendance.

January 22, 2021 – Jessica Follett, Public Affairs Manager, will participate in a Texas Ports Association (TPA) meeting with member ports across Texas to discuss the 87th Texas Legislative Session.

Community Events and Meetings

January 14, 2021 – Jessica Follett, Public Affairs Manager, participated virtually in the quarterly Brazoria County Shoreline Restoration Task Force meeting to receive updates from the GLO and Brazoria County on ongoing RESTORE Act and other restoration projects.

January 16, 2021 – A team of Port Freeport employees and their family and friends volunteered at the annual Brazoria County Dunes Day event on Surfside Beach and Follett Island to help restore and strengthen the dune line with old Christmas trees.

Upcoming Community Events and Meetings

Weekly – Business Roundtable Virtual Meetings (speakers vary)

January 28, 2021 – The Alliance Virtual Quarterly Membership Meeting ft. Patrick Jankowski of the Greater Houston Partnership

January 29, 2021 – Pregnancy Help Center Banquet (limited in-person, virtual option)

January 30, 2021 – Brazosport Rotary Annual Shrimp Boil & Virtual Auction



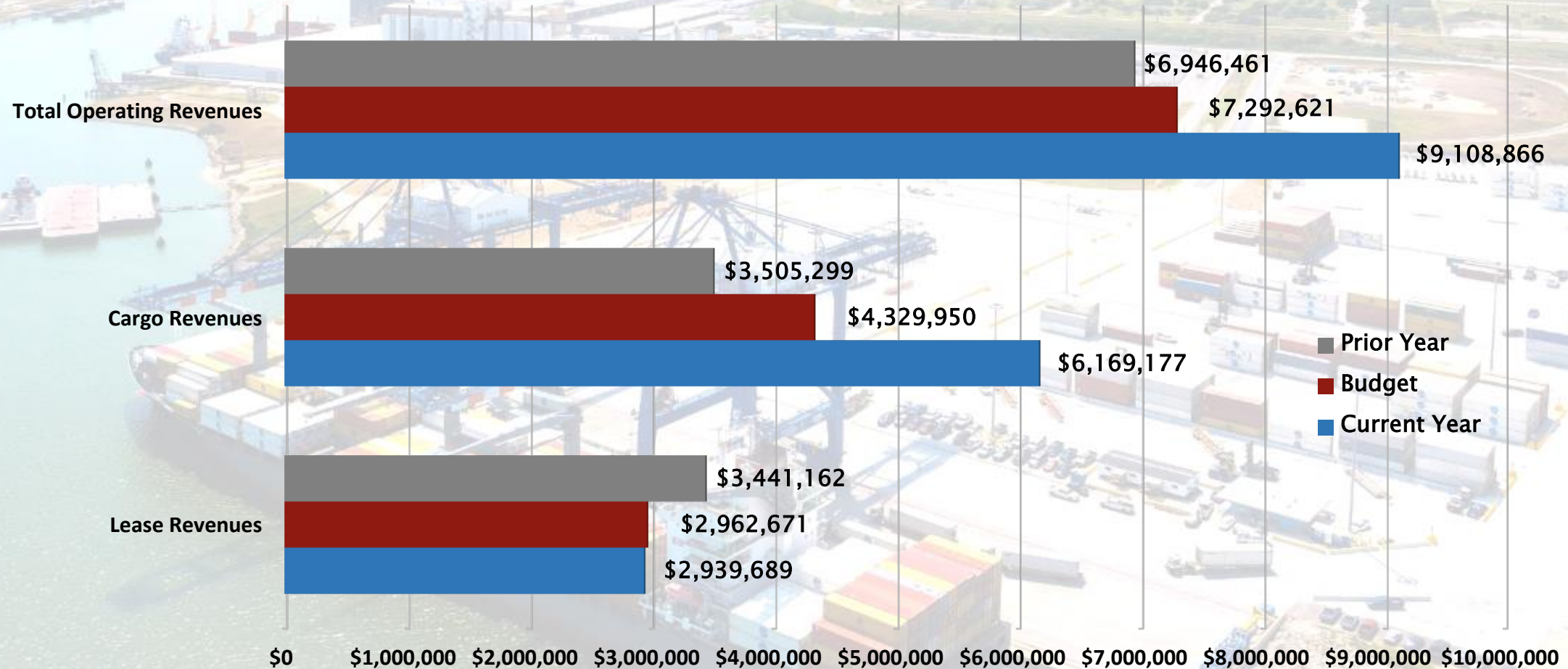
 PORT FREEPORT

Financial Report for December 2020

January 28, 2021

Rob Lowe | Chief Financial Officer

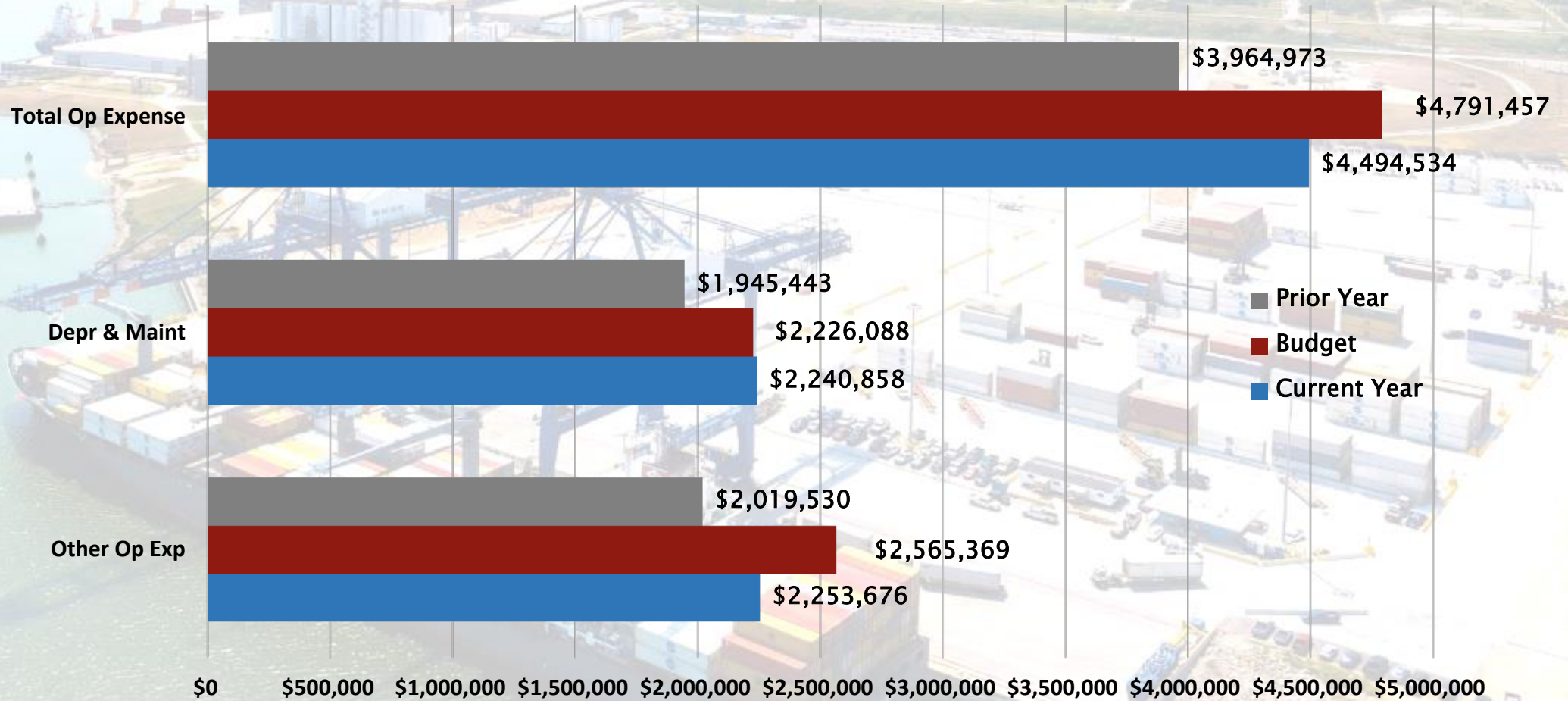
FY 2021 YTD OPERATING REVENUES



COMPARISON:

- Operating revenues are up over PY 31% and budget by 25%
- Cargo revenues exceed PY by 76%; above budget by 42%
- As compared to budget, cargo volumes are up except for agriculture products, bulk aggregate and containerized cargo
- Lease revenues are below PY by 15% and budget 1%

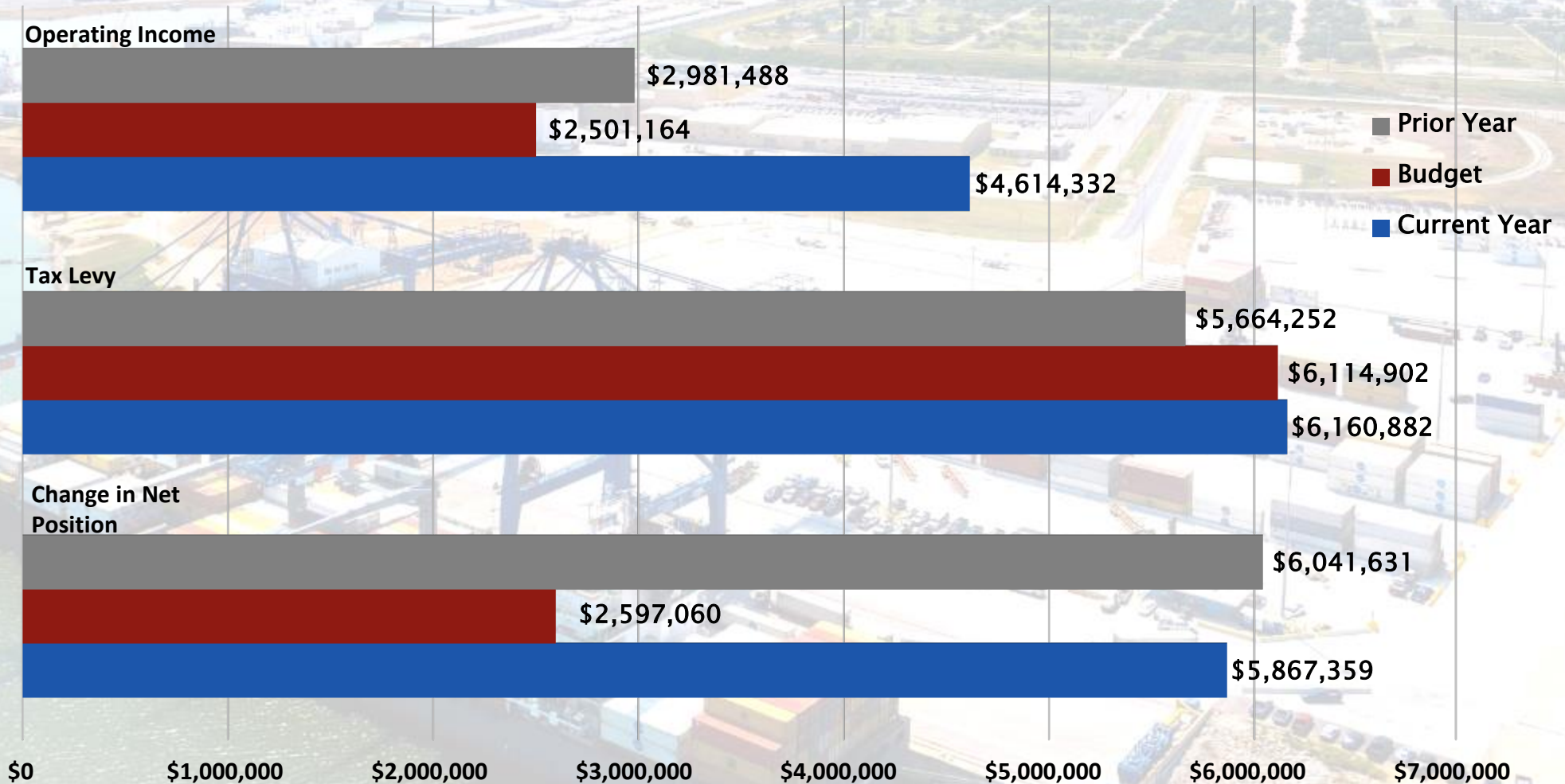
FY 2021 YTD OPERATING EXPENSE



COMPARISON:

- Total operating expenses are above prior year by 13%, below budget 6%
- Depr & maint are up over the PY by 15%, at above budget 1%
- Other expenses are 12% above PY and below budget by 12%

FY 2021 YTD OPERATING INCOME



COMPARISON:

- Operating income is 55% above PY and above budget by 84%
- 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	\$ 4,614,332	\$ 2,501,164	\$ 11,338,000
Non-Operating Revenue (Expenses)	\$ 4,741,981	\$ 4,432,646	\$ (2,702,200)
Capital Contributed (To) From Others			
Freeport Harbor Channel Improvement Project	\$ (2,582,463)	\$ (3,500,000)	\$ (35,800,000)
Berth 2 Floodwall Modifications	\$ -	\$ -	\$ (2,000,000)
Levee Stabilization - Reach 2	\$ (906,491)	\$ (836,750)	\$ (28,587,000)
Contributed to Port	\$ -	\$ -	\$ 37,500
Grants	\$ -	\$ -	\$ 245,300
Change In Net Position	\$ 5,867,359	\$ 2,597,060	\$ (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>	\$ 5,676,852	\$ 1,471,976
<i>Cash Provided by Non-Cap Financing</i>	2,237,328	2,024,446
<i>Cash Used by Cap Financing</i>	(17,095,703)	74,588,157
<i>Cash Provided by Investing Activities</i>	230,921	523,935
<i>Net Increase (Decrease) in Cash</i>	(\$ 8,950,602)	\$ 78,608,514

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>	<i>51%</i>	<i>43%</i>	<i>34%</i>
<i>Current Ratio (unrestricted)</i>	<i>4.6 to 1</i>	<i>7.8 to 1</i>	<i>n/a</i>
<i>Debt to Net Assets Ratio</i>	<i>0.86 to 1</i>	<i>0.91 to 1</i>	<i>n/a</i>

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>December 31, 2020 FY 2021</i>	93% \$3,636,087	6% \$226,532	0% \$10,000	1% \$39,930
<i>December 31, 2019 FY 2020</i>	92% \$2,398,584	6% \$147,652	1% \$23,788	1% \$33,101
<i>December 31, 2018 FY 2019</i>	87% \$1,695,903	2% \$43,043	6% \$117,080	5% \$94,143

MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: January 20, 2021

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. Installation of piling continues as more piling will be delivered in January. The channel dredging will be a separate construction project that will begin in the first quarter of 2021. 2020 ended with McCarthy celebrating over 74,000 man-hours with no lost time accidents on the Berth 8 work. The year ended 26 weather delay days. After attempts to pull the original bulkhead were exhausted, the plan is to now cut off the sheet pile wall at the mudline and adjust the first row of piling to miss the remaining sheet pile.

$\$42,425,505/\$115,804,280 = 37\%$ 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 Corps issued the notice to proceed (NTP) to Great Lakes Dredge and Dock Company on 10/13/2020. The pipeline installation has finally begun and will continue through the end of February. The dredge Carolina is in dry dock having hull repairs made. GLDD reports that if the repairs are not finished by the end of February, they will send another dredge in early March. GLDD anticipates finishing in mid-May, but they are contractually obligated to finish before June 10, 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 piling will arrive mid-February. Work will begin in earnest at that time.
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. The project was awarded to Bartlett-Cocke and contracts are being signed and bonds are being procured.
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 the VDD that the wall should be a different height than what the VDD is telling us.

6. East End Properties Demolition 2021

This project involves removing asbestos from structures in the East End and then demolition of the structures. The bidding schedule is as follows:

Bid Package Complete	Feb. 4
1 st Advertisement	Feb. 8
2 nd Advertisement	Feb. 15
Pre-Bid	Feb. 18
Bid Opening	Mar. 4
Award	Mar. 11

**PORT FREEPORT
OPERATIONS ACTIVITY RECAP
DECEMBER 2020**

A. MONTHLY ACTIVITY EXPLANATION

- * Total import/export activity for the month of December was better than expected.
- * LNG experienced (17) vessels.
- * Riviana did not schedule any vessels this month.
- * Vulcan Material experienced (1) vessel this month.
- * HAL handled (10) RoRo vessels.
- * Tenaris experienced (1) vessel this month.
- * Total of (13) Container vessel calls.
- * CEMEX transferred product from Truck to (16) Rail cars.
- * **Average vessel activity in 2020 was 34 per month. This month, we handled 43 vessels (17 LNG & 26 Inner Harbor).**
- * **There were 106 Total Vessel arrivals Port wide for December.**

B. FISCAL YEAR ACTIVITY EXPLANATION

- * Total Tons for this year are better than expected. This is due to the addition of vessel calls by LNG and RoRo vessels.
- * LNG has handled (47) vessels for export.
- * Tenaris has handled (1) vessel.
- * HAL has handled (37) RoRo vessels.
- * YTD (37) Container vessel calls.
- * CEMEX handled (57) Railcars with **4,684** Tons of Co2.
- * Vulcan handled (665) Railcars with **76,381** Tons of Limestone.
- * Total vessels handled this fiscal year is **126** compared to 94 last year (47 LNG & 79 Inner Harbor).

C. INSIGHT TO ACTIVITY FOR JANUARY 2020

- * LNG has scheduled (15) Vessels.
- * Riviana Foods has not scheduled a vessel.
- * Vulcan Material has scheduled (0) vessels for January.
- * HAL is expecting to handle (10) RoRo vessels.
- * Tenaris has (5) vessels planned.
- * Expecting (12) Container vessels.

D. OPERATIONAL MEETINGS AND AGENDAS

- * Safety – Mike Quilty Toured a Grimaldi Vessel with Freeport Fire Department to observe the fire suppressive equipment.
- * Safety – Mike Quilty Attended training course for the portable fire suppression equipment (Enforcer 30).
- * Safety – Mike Quilty Hosted a safety meeting with Port Ops/Maintenance.
- * Safety – Mike Quilty Toured a Hoegh Vessel with Freeport Fire Department.
- * Security – Chris Hogan Attended many meetings and conference calls related to COVID-19.
- * Security – Chris Hogan Attended AAPA Security Committee conference call.
- * Security – Chris Hogan hosted several training classes on the new “Enforcer 30” extinguisher.
- * Security – Chris Hogan Attended a meeting with Amports along with Port Ops to address truck traffic.
- * Mike/Austin/Jesse/Al Attended many meetings and conference calls related to COVID-19.
- * Al attended the Quarterly “Advisory Group” meeting.
- * Operations/Safety Attended training for the portable fire suppression equipment (Enforcer 30).
- * OPTS Attended meeting with Dole.
- * OPTS Attended meeting with Riviana.
- * All personnel practicing and following COVID-19 guidelines.
- * **OPT/Safety – Reviewing traffic flow and choke points within the Port.**



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: January 20, 2021

SUBJECT: Moffatt-Nichol PSA Modification to extend Construction Observation services from 12-months to 34 months

Moffatt-Nichol's PSA for Construction services was for a 12-month period when approved in January 2019. (refer to Task 6 in the attached PSA). When the bid from McCarthy was approved in December 2019, the duration was a 34-month project duration.

Construction oversight by the Engineer of Record is critical to the success of all construction projects, especially waterfront structures.

I have reviewed the approved PSA from January 2019 and recommend a scope modification extending the construction observation services by another 22 months (34-12=22), and an increased amount of \$466,100.00.

Original PSA	\$2,186,600.00
Increased Amount	<u>\$466,100.00</u>
New PSA Amount	\$2,652,700.00

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RAVI K. SINGHANIA, COMMISSIONER; DAN CROFT, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO