

Minutes of Port Commission Meeting
July 24, 2025
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held July 24, 2025, beginning at 1:08 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioners present in person:

Mr. Rob Giesecke, Chairman
Mr. Kim Kincannon, Secretary
Mr. Dan Croft, Asst. Secretary
Ms. Barbara Fratila, Commissioner

Commissioners present by videoconference:

Mr. Ravi Singhania, Commissioner

Staff Members Present:

Mr. Grady Randle, Randle Law Firm
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
Mr. Jason Hull, Director of Engineering
Mr. Jason Miura, Director of Business & Economic Development
Mr. Brandon Robertson, Director of Information Technology
Mr. Jesse Hibbetts, Director of Operations
Ms. Missy Bevers, Executive Assistant
Ms. Amy O'Brien, Controller
Ms. Amanda Veliz, Public Affairs Manager
Ms. Christine Lewis, Safety Coordinator
Mr. Clinton Woodson, Sales Manager
Ms. Vicki Smith, Accounting Manager
Ms. Emily Henderson, Sales and Marketing Specialist
Ms. Tricia Vela – Public Affairs Assistant (virtual)
Ms. Danielle Simonds, Accounting Specialist (virtual)
Mr. Chas Gryseels, Engineering Specialist (virtual)
Ms. Ruby Dunn, Receptionist (virtual)

Absent:

Mr. Rudy Santos, Vice Chairman

Also, present:

Ms. Jessica Scanlon, Hot Dog Marketing (virtual)
Mr. Chris Moore, Texas Port Ministry
Ms. Cyndi Valdes, Honest Business Consulting
Mr. Will Bohlen, GHD
Ms. Elena Matthews, The Facts
Mr. Jason Foltyn, GFT, Inc
Ms. Mari Salcido – Resort
Mr. Julian Flores – Enstructure

Ms. James Nash, WGMA
Mr. Manning Rollerson
Ms. Melanie Oldham

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Chris Moore – Texas Port Ministry
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Giesecke noted that Commissioner Singhanian was participating by videoconference and Commissioner Santos was absent. All other Commissioners were present in the Board Room.
5. Safety Briefing – Ms. Christine Lewis provided safety tips for heat.
6. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.

There were no conflicts noted.

7. Public Comment – Ms. Melanie Oldham addressed the Commission to say thank you for the positive efforts being made at the Port.
8. Public Testimony – There was no public testimony.
9. Presentation of Port Freeport website.

Ms. Jessica Scanlon with Hot Dog Marketing presented the new revamped Port Freeport website that will have a soft launch in the coming weekend.

10. Receive reports from Executive Staff on activities and matters related to administrative affairs, financial results, facility engineering matters, operations and vessel activity, safety matters, security matters, Port tenant updates, USCOE, and other related port affairs.

A. Executive Director/CEO

Ms. Saathoff noted that with regard to the new website, staff will be updating and replacing videos on the site throughout the year, especially with significant events such as the arrival of the cranes and celebrating the Port's centennial. Staff will continue to build the variety to showcase all of the port customers. She thanked the entire port staff for their contributions and cooperation to get the website finished. Ms. Saathoff reported the new cranes are still expected to arrive in early September and thanked the operations team for continuing to coordinate with Customs and Border Protection, Coast Guard, the port tenants and channel users to ensure a smooth arrival and quick discharge. Staff continues to monitor the tariffs and is well prepared should a customs bonded warehouse be necessary. Staff is also waiting to hear if the U.S. trade representative will take any actions on proposals with regard to cranes or vessel fees. Additionally, there are 90 day pauses set

to expire on tariffs that staff is monitoring as well. Ms. Saathoff noted the port has been doing very well throughout this period of uncertainty, adding that June was another good month with regard to vessels at the public docks and in tonnage noting the port should have a strong finish to the September 30 fiscal year end.

B. Director of Engineering

In addition to his written report, Mr. Hull shared a photo of the container yard (Area 5) when it was about 90% paved out adding that it's expected to be completed on time. Ms. Saathoff noted this project was funded by the TxDOT Maritime Infrastructure Program and will want to have the Chambers and state delegation come out for a ribbon cutting and photo opportunity to send to the legislature to show them what they supported. Commissioner Giesecke inquired about the fender replacement for the inner harbor. Mr. Hull stated the fender project is ready to bid noting it is not in the current budget but is planned for the FY26 budget. Mr. Hull also reported on the status of FM 1495 Project stating that ICON construction company has been selected adding that it is being resurveyed but does not have a start date. With regard to the dredges, Mr. Hull stated the Ellis Island (Douglas B. Mackie) will be here August 5-10. The Amelia Island, which is the new dredge being built, will be here August 13-18.

C. Director of Operations

Mr. Hibbetts reported on statistics stating there were 55 vessels handled for the month bringing the year to date total to 462. He stated that tonnage is up highlighting the container and LNG tonnage noting that with three months left in the fiscal year, the port remains on pace to come in at budget. Railcar count totals show a very busy month and moving along very well for the year. A recap of the month shows the Port handled 20 LNG vessels, one bulk rice vessel, 17 RoRo, 1 steel and 35 barges as well as 14 containers and 2 lay berths for a total of 112 vessels port wide. He stated that the fiscal year activity brings the port to 171 LNG vessels, 15 steel and 164 barges, 139 RoRo, 6 bulk vessels, 4 project cargo and 115 container vessels. Vehicles handled year to date is nearly 140,000 while total TEUs is 144,000. Mr. Hibbetts stated that July anticipates 54 vessels with 19 LNG and 22 RoRo. He also reported that Mr. Hogan coordinated a RoRo Tour for First Responders along with some of the Commissioners. Staff has been working with CBP on the second RPM as well as coordinating the arrival of the new cranes in early September. Mr. Hibbetts also shared photos of area along the Brazos River that was recently cleaned up.

D. Director of Business & Economic Development

Mr. Miura reported that business development will have an aggressive travel schedule for the remaining year between customer visits, sales and conferences. He also noted the upcoming Breakbulk Americas Conference September 30 - October 1 with the Port's event being held October 1. He also mentioned the website launch will go live at noon this weekend and asked that any issues please be sent to staff's attention at marketing@portfreeport.com

E. Chief Financial Officer

Mr. Lowe presented financials for the month of June.

11. Receive report from Commissioners on matters related to:

- A. July 10 Business Development Committee Meeting - Commissioner Giesecke reported the committee discussed business matters in executive session.
- B. July 17 Finance Committee Meeting – Commissioner Croft reported the committee reviewed the quarterly investment report and the investment policy. Staff presented the budget and benefactor for the 2025 golf tournament and also discussed revenues for the upcoming fiscal year budget.
- C. July 21 OSS Committee Meeting – In Commissioner Santos’ absence, Commissioner Croft reported the committee discussed the video analytics which will be postponed to August. The committee also received information about RoRo fire protection, update on TWIC Readers and new alert system.
- D. July 24 ESGS Committee Meeting – Commissioner Fratila reported the committee received a presentation from the Cradle of Texas conservancy group regarding the Fort Velasco Replica project and also discussed the EPA Planning Grant.
- E. Port Commission related meetings or conferences, Port presentations and other Port related matters.

Commissioner Singhania reported attending legislative updates as well as attending events for Randy Weber, Jeff Barry and Cody Vasut. He also attended the BCCA meeting.

Commissioner Croft reported attending RoRo fire safety tour for local responders, Alliance Executive Committee meeting, Finance Committee and OSS Committee meetings.

Commissioner Kincannon reported attending the legislative update, Jeff Barry fundraiser, BACH Taste of Texas, BCCA meeting and OSS Committee meeting.

Commissioner Giesecke attended the Port visit for the new CBP Area Director and also attended the legislative update, Randy Weber event, Freeport City Council meetings, BCCA meeting .

Commissioner Fratila reported attending the Friends of the River breakfast, Business Development Committee meeting and the Finance Committee meeting.

Ms. Saathoff gave an update on the status of the dredging of the mouth of the San Bernard River stating the permit has not been issued, but it is close as is the funding from the General Land Office per Brazoria County.

12. Consent Agenda.

- A. Approval of Minutes from the June 26, 2025 Regular Meeting
- B. Approval of financial reports for the period ending June 30, 2025.
- C. Approval of Executive Director/CEO and Commissioners’ travel for the months of July-Sept 2025.

- D. Approval of final payment to KPMH for the Market Study in the amount of \$90,000.
- E. Adoption of a Resolution Recognizing Col. Rhett A. Blackmon for his years of service to the U.S. Army Corps of Engineers.
- F. 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.

Commissioner Giesecke read the items on the consent agenda and asked if any Commissioner wanted to pull any items to consider and discuss individually. Commissioner Singhania asked to pull items C and D for discussion. Commissioner Giesecke then asked for a motion to approve items A, B, E and F of the consent agenda.

A motion was made by Commissioner Fratila to approve items A, B, E and F of the consent agenda. The motion was seconded by Commissioner Kincannon with all Commissioners voting in favor of the motion.

At this time, the items C and D from the consent agenda were taken up for discussion...

- C. Approval of Executive Director/CEO and Commissioners' travel for the months of July-Sept 2025.

Commissioner Singhania stated that he wanted to compliment Ms. Saathoff as the focus on port's business growth with all the investment staff is doing and taking extra time to focus on developing this business more. Ms. Saathoff also noted that since this item was brought up, Commissioner Santos has decided that he wants to attend the National Waterways Conference Annual Meeting in Norfolk and asked that it be approved with him added to the travel.

A motion was made by Commissioner Croft to approve the travel as noted by staff. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

- D. Approval of final payment to KPMG for the Market Study in the amount of \$90,000.

Mr. Miura stated that staff engaged KPMG to perform a market study for the Port and negotiated a scope of work for the study. KPMG has fulfilled the scope of work and delivered a final report which was shared with the Port Commission. Staff recommends final payment of \$90,000 to KPMG to close out the project.

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

13. Approval of the 2025 Port Freeport Golf Tournament budget and benefactor.

Ms. Veliz stated that staff met with the Finance Committee to discuss the details of the budget, proposed benefactor and sponsorship of Port Freeport's annual golf tournament scheduled for October 27, 2025. She stated the event will follow the same single flight format as previous years and expects a full sellout of teams. The expense budget is the same as last year at \$20,000, however, staff is requesting an increase in the Port's sponsorship to \$5,000

this year. The increase will strengthen the Port's partnership with Texas Port Ministry, which provides essential assistance with port tours, key port milestone events and community. She added that Texas Port Ministry continues to be an excellent partner not just to the Port but to the seafarers, truck drivers and Port workers; therefore, staff proposes that they be the benefactor of the tournament again this year. Staff recommends approval of the increase of Port Freeport sponsorship, the expense budget staying at \$20,000 and Texas Port Ministry staying the benefactor.

A motion was made by Commissioner Fratila to approve the budget and benefactor as presented by staff. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

14. Adoption of a Resolution Approving and Authorizing the Submission of a PIDP Grant Application.

Mr. Miura stated that staff received a notice of funding opportunity for the 2025 Port Infrastructure Development Program with applications due September 10, 2025. Staff contracted the Goodman Corporation to prepare the application which is for the Velasco Terminal Area 4 Improvement Project. Mr. Miura stated the area is approximately 10 acres along the waterfront in front of Area 5 and contemplates improvements of drainage, stabilization, concrete paving, high mass lighting and other appurtenances. Additionally, there will also be radiation portal monitors included in the project which is needed for the future growth of the Port to combat illicit radiological material trying to enter the port. The total project cost for the Velasco Terminal Area 4 Improvement Project is \$26,756,500. Staff is requesting a 75% contribution from the federal government in the amount of \$20,067,375 of which the Port's 25% contribution to the project would be \$6,689,125. Staff requests the Port Commission authorize submission of the application with the breakdown and percentages presented and approve the resolution that will accompany the application.

A motion was made by Commissioner Kincannon to adopt the resolution approving and authorizing the submission of a PIDP Grant Application. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

15. Adoption of a Resolution Authorizing the Executive Director/CEO to sign the U.S. Customs and Border Protection Project Requirements Understanding/Acknowledgment for Second Remote Radiation Portal Monitor at Gate 12.

Mr. Hibbetts stated the Port is moving forward with a second RPM (Radiation Portal Monitor) at the new Gate 12 complex. The resolution authorizes Ms. Saathoff to sign the PRUA (Project Requirements Understanding Acknowledgement) letter which is a Customs letter stating that Port Freeport would financially sponsor and pay for the RPM. Mr. Hibbetts explained that in 2008, the Safe Port Act allowed the Port to receive its first RPM portal which is near Gate 8 and was funded by the government. The Port will be financially liable for the second portal. The resolution authorizes the executive director to sign the PRUA letter and begin the process. Both the letter and resolution has been reviewed by legal counsel. He further stated that the all-in cost is about \$2 million adding that it will also be a remote RPM. Ms. Saathoff also noted the new area director requested that the port make both locations be built or modified for remote operation from the main customs office for more efficiency.

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

16. Adoption of a Resolution Approving the Port Freeport Investment Policy including any required updates.

Mr. Lowe stated that staff met with the Finance Committee to review and discuss the investment policy. He noted the second point in the resolution as a reminder as to why this policy is brought to the Commission every year. Its states, *"In accordance with the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the Commission reviews the investment policy and strategies of the Port at least annually and maintains strict compliance with the requirements of the Act."* He stated that in legislative session years, staff looks to see if anything has changed and this year there were no changes. However, there was one change to Exhibit 9.1-2 on the Acknowledgement of Investment Policy where the National Association of Security Dealers (NASD) changed to the Financial Industry Regulatory Authority (FINRA). This is the only change, and staff recommends adoption of the resolution.

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

17. Approval of Authorization for Transfer of Port Operating Funds to G.O. Bonds Debt Service Payment account.

Mr. Lowe stated that in the Port's General Obligation bond resolutions, the Port levied an unlimited ad valorem tax to secure the payment of its general obligation bonds for the life of the bonds. The levy of the debt service tax has not been modified and remains in place under the bond resolutions. The bond resolutions allow the Port to reduce its tax rate to the extent the Port has set aside other lawfully available funds for the payment of debt service prior to setting its annual tax rate. The Port remains obligated to annually assess taxes in an amount sufficient to pay debt service under the bond resolution. The FY2026 General Obligation Bond debt payments total \$6,205,750. Staff is requesting authorization to transfer \$6,205,750 of unrestricted Port Operating funds into the General Obligation Interest and Sinking account for the FY2026 General Obligation Debt Service payments. Mr. Lowe stated that staff will then communicate the General Obligation Interest and Sinking account balance to the Brazoria County Tax Assessor Collector, which will result in a FY2026 tax rate of \$0. Mr. Lowe shared two sections from the resolution within the bond documents sales that gives the Port the ability to execute the above mentioned noting the first section states the tax levy is there and is a requirement of the Commission and staff to execute annually. However, the second section states that if the Port has available funds of unencumbered otherwise, it can designate those funds to reduce the tax rate. He further stated the Port Commission has chosen to reduce the rate to \$0 which is allowed in the bond covenants that were publicly published and sold with the bond documents. Mr. Lowe stated that he would like to make this the annual process, where staff moves one twelfth of the annual payment into a designated operating account each month, while the formal movement of the operating account into the debt service account (I&S account) is what the Commission is authorizing today.

A motion was made by Commissioner Kincannon to approve the authorization for transfer of Port Operating Funds to G.O. Bonds Debt Service Payment account. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

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 under Government Code Section 551.071(1) (to seek or receive attorney's advice on pending or contemplated litigation).
2. Consultation with attorney under Government Code Section 551.071(2) (to seek or receive attorney's advice on legal matters that are not related to litigation).

B. 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.

C. Under authority of Section 551.087 (Economic Development Negotiations or Incentives):

1. To discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations.
 - i. Business and Economic Development Report including potential offers of financial or other incentives to the business prospect.
2. To deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).

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

1. 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, 3, 5, 7 and 8.
2. The potential lease or value of real property located at Port Freeport or adjacent to Port Freeport, including but not limited to Parcel 1.
3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 9, 14 and 19.

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

At this time, Commissioner Giesecke noted that Commissioner Singhania left the meeting during executive session at 5:05 p.m.

20. Discuss and consider approval of requests by Freeport Warehouse, LLC for consent to (a) sublease property to Gulf Stevedoring Services, LLC, and (b) modify the terms of a Permitted Mortgagee Consent and Recognition Agreement among Port Freeport, Freeport Warehouse, LLC and KeyBank National Association.

Mr. Lowe stated that staff recommends approval of the resolution authorizing the Executive Director to execute Consent to Sublease and First Amendment to Recognition Agreement between Port Freeport, Freeport Warehouse, LLC and KeyBank National Association.

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

21. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:08 PM.