

Minutes of Port Commission Meeting
June 26, 2025
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held June 26, 2025, beginning at 2:03 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioners present in person:

Mr. Rob Giesecke, Chairman
Mr. Rudy Santos, Vice Chairman
Mr. Kim Kincannon, Secretary
Mr. Dan Croft, Asst. Secretary
Ms. Barbara Fratila, Commissioner
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. Chas Gryseels, Project Engineer
Mr. Clinton Woodson, Sales Manager
Ms. Emily Henderson, Sales and Marketing Specialist
Ms. Tricia Vela, Public Affairs Assistant (virtual)
Ms. Danielle Simonds, Accounting Specialist (virtual)
Ms. Ruby Dunn, Receptionist (virtual)

Also, present:

Ms. Dara Grogue, Texas Port Ministry
Mr. Stephen Whalley, Arthur J. Gallagher
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 – Ms. Dara Grogue, Texas Port Ministry
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Giesecke noted that all Commissioners were present in the Board Room.

5. Safety Briefing – Ms. Christine Lewis provided safety tips for hot weather.
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 Port Commission regarding Freeport LNG and City of Freeport.
8. Public Testimony – There was no public testimony.
9. Approval of Minutes from the Regular Meeting held May 29, 2025.

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

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

A. Executive Director/CEO

Ms. Saathoff reported that May was another really good month with June expected to finish strong as well noting that steel is slightly down in tonnage but nothing significant. Staff has started the budgeting process and will be providing tentative dates for committee meetings to address the budget. Ms. Saathoff attended the Port Authority Advisory Committee meeting where the main item of discussion was the \$40 million allocation approved by state legislature for Seaport Connectivity projects. The Maritime Infrastructure Program was not funded during this session. Ms. Saathoff further explained the project the Port submitted for seaport connectivity was the public parking expansion area which is intended primarily for the POV's by the ILA workers going inside the port. The allocation received for the project totaled \$1,125,000, of which the Port will receive funding through the Seaport Connectivity Program of \$1,094,957. The Port share will be \$405,043.00. The new Area Port Director for Customs and Border Protection, Thomas Mann, will be visiting the Port June 27 for a briefing and tour. Ms. Saathoff also clarified that the Volkswagen tax abatement item on the agenda at the Brazoria County Commissioners Court was just the assignment to the new entity holding the lease, adding the lease assignment was previously approved by the Port Commission in December. The newspaper reflected it was a new agreement, but it was just an assignment of the tax abatement to reflect the current parties that are involved with that process. Lastly, Ms. Saathoff noted that with the approval and execution of the easements to the City of Freeport for the water, sewer lines and sewer lift station, the contractor can proceed with the work in Parcel 1. Once that project is done and FM1495 is completed, the Port will be ready to install the buffer zone agreed to in the settlement agreement. Additionally, a commemorative plaque will be installed in the buffer zone for public access. Ms. Saathoff has received recommendations for members to be on the committee to help design the plaque. Recommendations for consideration included a Marshall family member, Pamela Dean Washington, Norma Garcia, Linda Allen, Ron Damian and Wade Dillon. Staff will soon begin

engaging with the committee noting there is still a lot of construction that needs to be completed before the buffer zone and commemorative plaque can be installed.

B. Director of Engineering

In addition to his written report, Mr. Hull shared current progress photos inside the Port including the Transit Shed 1A roof which has been completed as well as the completed partial reroof of Warehouse 51.

C. Director of Operations

Mr. Hibbetts reported on statistics stating there were 53 vessels for the month adding that steel is slightly down in the number of vessels, however barge operations has doubled. He stated that tonnage is up across all other sectors for the fiscal year with rail cars up tremendously noting the Port has unloaded over 17,000 cars by rail while out gating close to 25,000 cars by rail. A recap of the month shows the Port handled 19 LNG vessels, 1 bulk rice vessel, 17 RoRo and 2 steel. Year-to-date activity shows LNG is up to 151 vessels, steel with 14 vessels, 129 barges, 245 railcars as well as 122 RoRo, 10 lay berths and 101 container vessels. Mr. Hibbetts also highlighted recent meetings staff participated in, including a CBP meeting to discuss the second RPM at Gate 12. Mr. Hogan attended the TDEM Conference while Mr. Seth attended the Gulf Ports Association Conference. Staff continues to plan for the new arrivals of the cranes, which is showing end of August/early September timeframe.

D. Director of Business & Economic Development

Mr. Miura reported that staff continues to advance the redevelopment of Port Freeport website. He also mentioned two upcoming dates, August 23 Greater Houston Port Bureau Annual Maritime Dinner and Breakbulk Americas to be held September 30 - October 2 at the George R. Brown Convention Center with the Port holding its event October 1.

E. Chief Financial Officer

Mr. Lowe presented financials for the month of May. He also presented cash flow projection for FY 25-26 he prepared to show where the Port is as staff moves into the budgeting process. He also noted that staff will be sending out a proposed schedule of committee meetings that will kick off in July.

11. Approval of financial reports presented for the period ending May 31, 2025.

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

At this time, Commissioner Giesecke noted the preliminary discussion regarding a consent agenda at the last meeting and the follow-up discussion item (#23) on today's agenda. He asked the Commission that as they move through today's agenda to note possible items that could be a consent item so they can discuss later.

12. Receive report from Commissioners on matters related to:

- A. June 18 OSS Committee Meeting - Commissioner Santos reported the committee received updates regarding the Port Security Grant which will be presented later in the meeting.

The committee also discussed crane substation switchgear parts and the second RPM at Gate 12. Additional items will be discussed in executive session.

B. Port Commission related meetings or conferences, Port presentations and other Port related matters.

Commissioner Croft reported attending various Alliance meetings, CAP meeting and the Legislative Wrap-Up Luncheon.

Commissioner Fratila reported attending the Friends of the River Breakfast as well as meetings previously mentioned.

Commissioner Santos reported attending Flag Day in Angleton. He also shared that his daughter Reanna was recently crowned Miss Rodeo Texas.

Commissioner Kincannon reported attending West Columbia Rotary, Highway 36A Coalition meeting, OSS Committee meeting and BCCA meeting.

Commissioner Singhanian reported that he completed his six month term on grand jury. He also noted that Ms. Saathoff will be recognized as a laureate at the Junior Achievement Business Hall of Fame Banquet September 18.

Commissioner Giesecke reported attending the CAP meeting, BCCA meeting, Freeport City Council meeting and gave a presentation to the Angleton Republican Women Group.

13. Approval of liability insurance through broker Arthur J. Gallagher & Co.

Mr. Lowe noted the property renewal is effective March 1 while the liability insurance renewal is July 1. The liability renewal has a proposed cost-effective change that staff believes will be long term and also allow both insurance renewals to get on the same schedule which would be the March 1 timeframe. He noted that Stephen Whalley with Arthur J. Gallagher is in the audience to answer any questions. Mr. Lowe stated the current marine general liability has a \$1 million policy with two excess layers, a \$9 million excess layer and another \$15 million excess layer on top of that for a \$25 million total. Staff is proposing to convert this policy to Lloyds of London, who underwrites the property insurance, and would allow the Port to do a single point of renewal with Lloyds. He explained that Lloyds would have a \$5 million liability with a \$20 million excess for the same \$25 million marine general liability allowing a significant cost savings. He noted the policy also covers hull and machinery, directors and officers as well as excess policies for directors and officers, vessel pollution, maritime employers' liability and auto. The total line-item cost is currently \$234,000 and moving to Lloyds of London for the general marine coverage gives a significant savings decreasing it down to \$217,000 for the new year. Mr. Lowe stated that staff recommends this change adding the Port would pay this policy as is, in the amount of \$216,857.67, which would then be prorated and worked out in February for the March renewal with the other policy.

A motion was made by Commissioner Santos to approve the liability insurance as recommended by staff. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

14. Approval of an extension to the following Grazing Leases at Port Freeport:

W.F. Gonzales

John V. Nesmith

James Price Phillips III

Mr. Lowe stated the Port currently has three grazing leases related to Parcels 5, 6, 7 and 38 that are set to expire June 30. All lessees have indicated they want to renew. Staff met with the Finance Committee to review and recommends extending the leases for an additional three years with a general CPI rate increase, which will take the leases to June 30, 2028.

A motion was made by Commissioner Kincannon to approve the extension to the grazing leases at Port Freeport. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

15. Approval to purchase Main Hoist Cables for Cranes 1 and 2, for an amount not to exceed \$49,470.00.

Mr. Hibbetts stated that staff recently changed out the hoist cables on Crane #2 as general maintenance due to the amount of hours the cranes had on the cables. This purchase will replace the cables pulled from inventory. Staff collected two bids with the low bid coming in at \$49,470 from SLS Rigging. He noted the replacement frequency of the cables is based on the hours used on the cranes as well as the environment. Additionally, the cranes are inspected periodically with the most recent inspection passing with no anomalies. The bid includes the cables, lube and delivery with staff performing the installation when the time comes to change them out. Mr. Hibbetts also stated the company will pick up the spools to take off the old cable and dispose of it, string them with the new cables, pressurize grease and bring them back. Staff recommends purchasing the cables from SLS Rigging in the amount of \$49,470, which is a budgeted item.

A motion was made by Commissioner Santos to accept staff recommendations to SLS Rigging, LLC for two main hoist cables for crane one and two for an amount not to exceed \$49,470. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

16. Approval Easement Agreements to be granted to the City of Freeport for Water and Sewer Lines and Sanitary Sewer Lift Station (per Mediated Settlement Agreement dates April 25, 2023).

Mr. Hull stated this is an easement to the City of Freeport has requested which allows them to install water and sewer line as well as a lift station on Port property. This was prepared by the Port's legal counsel and approved by Freeport City Council in February. Staff recommends approval.

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

17. Approval of a Resolution adopting the 2024 National Electrical Code.

Mr. Hull stated this resolution was prepared by Randal Law Office and adopts the 2023 National Electrical Code. Because the Port is its own inspection entity, the Port Commission

decides what codes to use based on staff's recommendation. He noted this code is the most current and recommends approval.

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

18. Approval of budget for the JOC TPM 2026 Conference.

Mr. Miura stated the Port participated in the JOC TPM 2025 Conference earlier in the year with the next conference to be held March 1-4, 2026 in Long Beach, CA. Staff agrees the Port should continue participating in this event at the bronze sponsorship level. Because the event takes place in the next fiscal year budget, staff is requesting approval to confirm attendance and begin making arrangements for an estimated budget amount of \$48,784. This includes the sponsorship and conference attendees which does not include travel and accommodation expenses.

A motion was made by Commissioner Singhanian to approve the budget request as presented. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

19. Approval of budget for the RILA LINK 2026 Conference.

Mr. Miura stated the Port attended this conference earlier this year, sponsoring and exhibiting. He added the conference is very retail focused bringing together retailers, steamship lines and freight forwarders; however, staff feels there would be better value to not exhibit and just attend the hosted meetings. He explained that you can request to meet with various retailers (up to 20) and have a space reserved for a meeting with the opportunity to obtain a better connection rather than sitting in a booth waiting or networking to try and find the retailers as they can be a bit elusive. Staff recommends participating in this event for an estimate of \$24,000 which includes \$15,000 for 20 hosted meetings, \$5,000 for two conference passes and \$4,000 for flights, hotel rooms, meals and taxis. Mr. Miura noted that if you do not get 20 meetings, you receive \$750 credit per meeting. Staff request approval to proceed with this event and include \$24,000 in the fiscal year 2026 budget. I

A motion was made by Commissioner Santos to approve the budget request as presented. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

20. 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 Fratila with all Commissioners voting in favor of the motion.

21. Approval of update to Port Policy 8.7 – Cell Phone Use.

Mr. Lowe stated that staff met with the OSS Committee on May 22 to review policy 8.7 as well as 9.6, 9.7, 9.8 and 9.9. 8.7 is the only policy that staff is recommending changes to

which are administrative in nature which includes language consistency and removing a reference to a procedure that's no longer applicable. Staff recommends approving the changes.

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

22. Appointment of Committee Assignments for 2025-2027.

Commissioner Giesecke presented the committee assignments for 2025-2027 noting that one of the goals he had was to take Commissioners with the shortest tenure and give them exposure to different committee assignments. He asked if anyone has any objection to the assignments to this please let me know. He also noted the assignments for Port liaisons will be forthcoming.

23. Discussion regarding Consent Agenda.

Commissioner Croft noted the items he felt could be included on a consent agenda, including agenda items 14, 15, 16, 17 and 20. Commissioner Giesecke's list varied somewhat noting that minutes and the approval of the financial report could be added but is hesitant to include approval of leases. He suggested rolling five or six agenda items into a consent agenda for approval, adding that if an item needs further discussion, it can be pulled and considered individually. Commissioner Croft agreed suggesting staff test the waters with a consent agenda. Commissioner Fratila noted that the nature of a lease and careful consideration should be given before including them on a consent agenda, not just have a blanket category of leases. Commissioner Croft noted he included this particular lease on his list because the cumulative value was maybe \$12,000. Commissioner Singhanian suggested that the Port Commission revisit the consent agenda in six months. Commissioner Giesecke noted the general consensus is to move forward with the consent agenda for the next meeting.

24. Receive update regarding Port Security Grants.

Mr. Hogan stated that he wanted to give an update on the Environmental Historical Preservation (EHP) analysis that is done on a few of the grants noting there has been delays in the process through FEMA as well as the change in administration. Mr. Hogan began with the camera project which includes 3 different components (camera replacement, video analytics and body cameras) totaling \$330,000 with a grant match of 25% making the Port's portion about \$83,000. The RFP for the camera replacement is in development and expected to be published in July while the RFP for the advanced analytics package is developed with the metrics being discussed later on the agenda. Mr. Hogan then moved on to the drone program which includes two different aspects, the drone detection system and the drone itself. He stated that staff looked at three different companies for drone detection, AirSight, Dedrone and Aerial Armor. He noted that Aerial Armor was bought by Dedrone and thus eliminated them. Staff obtained quotes from the remaining companies noting that AirSight is used in the area and Dedrone in the Houston area. Dedrone is a very popular defense type of drone company venturing into Homeland Security and domestic protection. AirSight discounted their package to \$29,500 (normally \$45,000) and Dedrone came in at \$28,200. He stated the big difference between the two companies is that AirSight has annual hardware leasing averaging \$30,000 to \$45,000 while Dedrone sells the hardware up front for a \$7,500

licensing fee every year. This item is also on the agenda for approval with the Port's portion at \$7,000. With regard to the drone itself, Mr. Hogan stated that staff performed an analysis where they evaluated multiple drones to determine which ones fit the Port's needs looking at different features, functions and prices, choosing the top drones that were compliant with FEMA. Skydio had a score of 418 with the next closest at 269. As noted in the OSS committee, staff did not look at the final score when performing the analysis. Rather, the calculations were left blank with the numbers put in the way they were, and the calculations totaled at the end so there was zero bias in the study. Staff obtained a quote from Skydio in the amount of \$27,425 which includes the drone and all the accessories. He noted that staff preferred this drone as it has a speaker so if someone is in the channel staff can fly the drone over the area and talk to the individuals which also enhances security on the water and land. This item is on the agenda for approval and is grant funded with the Port's portion at 25% or just under \$7,000. The next project is the Port alert system (speakers) or Alertus. This project expands on a previous project that put emergency call boxes on the docks and will mesh together. Staff has met with Alertus to perform engineering calculations to determine best acoustic placement and identify locations. Exact GPS coordinates of the installations are required prior to the EHP which is in development. The total for the project is budgeted for \$185,000 which gives the Port a cost share of \$46,000. The last project is the TWIC handheld readers which was approved in April 2024. FEMA has had the funds frozen (for unknown reasons) for the last 14 months with staff working diligently with FEMA and finally being told the project was mistakenly tied to the drone project, was in the system and couldn't fix it. Staff changed their strategy to do the EHP which has been approved however the funds are still tied up. During this time, another model of the readers has been released, therefore, staff has to obtain quotes again but continues to work diligently to get the funds released.

25. 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, 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 14, 19, 27, 34 and property on Quintana Island.

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

27. Approval to purchase Drone Detection System, for an amount not to exceed \$28,200.00, to be cost-shared through the 2023 Port Security Grant.

Mr. Hogan stated that Port Freeport received a Port Security Grant to purchase a drone detection system in 2023. Staff received quotes from AirSight and Dedrone with Dedrone submitting the lowest quote and the lowest reoccurring cost going forward. For this reason, staff recommends purchasing the Dedrone Solution for an amount not to exceed \$28,200 with a Port match not to exceed \$7,050.

A motion was made by Commissioner Fratila to approve the purchase of the Dedrone detection system for an amount not to exceed \$28,200, to be cost-shared through the 2023 Port Security Grant. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

28. Approval to purchase Drone Platform, for an amount not to exceed \$27,425.00, to be cost-shared through the 2023 Port Security Grant.

Mr. Hogan stated that Port Freeport also received a Port Security Grant in 2023 to purchase a drone. Staff evaluated 5 drone platforms using a weighted evaluation method, which looked at capabilities, features and price. The Skydio X10 scored the highest with a score of 418. For this reason, staff recommends purchasing a Skydio X10 platform, which includes the drone, accessories and flight software for an amount not to exceed \$27,425 with a Port match not to exceed \$6,857.

A motion was made by Commissioner Kincannon to approve the purchase of the drone platform for an amount not to exceed \$27,425 to be cost-shared through the 2023 Port security grant. The motion was seconded by Commissioner Singhania with all Commissioners present voting in favor of the motion.

29. Approval of weighted metrics for Video Analytics Request for Proposals.

Mr. Hogan stated that in 2023, Port Freeport also received a Port Security Grant to purchase a video analytics solution which will enhance security by monitoring activities, detecting threats and identifying suspicious behavior. Staff has drafted a request for proposal with the following metrics used to evaluate the bids...

Cost effectiveness (or the price) - 40%

Technical capability - 40%

Experience and Qualifications - 10%

After Sales Support - 10%

Staff request approval to use the metrics presented as part of the video analytics request for proposal.

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

30. Adjourn.

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