

AGENDA

Port Freeport
Finance Committee
Special Meeting
Wednesday, January 17, 2024, 3:30 pm - 4:30 pm
In Person & Videoconference - Administration Building - 1100 Cherry Street - Freeport

This meeting agenda with the agenda packet is posted online at www.portfreeport.com

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Finance Committee, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference. The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/89498795328?pwd=K0xGeTZyK3FleTNIYUI3ZVB6UHZZZ09>

Meeting ID: 894 9879 5328

Passcode: 901340

Dial by your location

• 1 346 248 7799 US (Houston)

Meeting ID: 894 9879 5328

Find your local number: <https://us02web.zoom.us/u/kesmlhKo6z>

1. Committee Members: Giesecke (Chairman), Croft, Kincannon
2. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
3. Roll Call.
4. Public Comment. (Public comment on any matter not on this Agenda will be limited to 5 minutes per participant and can be completed in person or by videoconference)
5. Public Testimony. (Public testimony on any item on this Agenda will be limited to 5 minutes per agenda item to be addressed per participant and can be completed in person or by videoconference. The participant shall identify in advance the specific agenda item or items to be addressed.
6. Discussion regarding Dow Tax Abatement extension request.
7. Review of quarterly investment reports, portfolio allocation and investment strategies.
8. Receive update regarding audit.
9. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:
 - A Under authority of Section 551.072 (Deliberation of Real Property Matters) for discussion regarding:
 1. The potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the area known as the Expansion Area 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, 7 and 8.
10. RECONVENE OPEN SESSION:
11. Adjourn.

The Committee 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 Committee 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

Participation is welcomed without regard to race, color, religion, sex, age, national origin, disability or family status. In accordance with Title II of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act, persons with disabilities needing reasonable accommodations to participate in this proceeding, or those requiring language assistance (free of charge) should contact the Executive Assistant no later than forty-eight (48) hours prior to the meeting, at (979) 233-2667, ext. 4326, email: bevers@portfreeport.com.

La participación es bienvenida sin distinción de raza, color, religión, sexo, edad, origen nacional, discapacidad o situación familiar. De acuerdo con el Título II de la Ley de Estadounidenses con Discapacidades y la Sección 504 de la Ley de Rehabilitación, las personas con discapacidades que necesiten adaptaciones razonables para participar en este procedimiento, o aquellas que requieran asistencia lingüística (sin cargo), deben comunicarse con el Asistente Ejecutivo a más tardar cuarenta -ocho (48) horas antes de la reunión, al (979) 233-2667, ext. 4326, correo electrónico: bevers@portfreeport.com.



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WWW.PORTFREEPORT.COM

MEMORANDUM

TO: Port Commissioners
Chief Executive Officer

FROM: Rob Lowe

DATE: January 11, 2024

SUBJECT: Dow Tax Abatement

Members of the Dow Chemical company and their consultant reached out to port staff regarding an abatement request that originated in 2018. The project is a \$715M Polyethylene Manufacturing plant. Below is a timeline of activities related to the abatement for further discussion.

- August 23, 2018 Tax Abatement presented to Port Commission with an effective date of 1/1/2021. Per the minutes, the abatement was approved. There are no executed copies on file with the port nor Dow.
- Brazoria County approved a modification request in December 2020 to make the effective date 1/1/2024.
- A request for modification was not made to Port Freeport.
- Dow informed Brazoria County that construction began on the project in September of 2022 thus making the effective date with the county 1/1/2023.

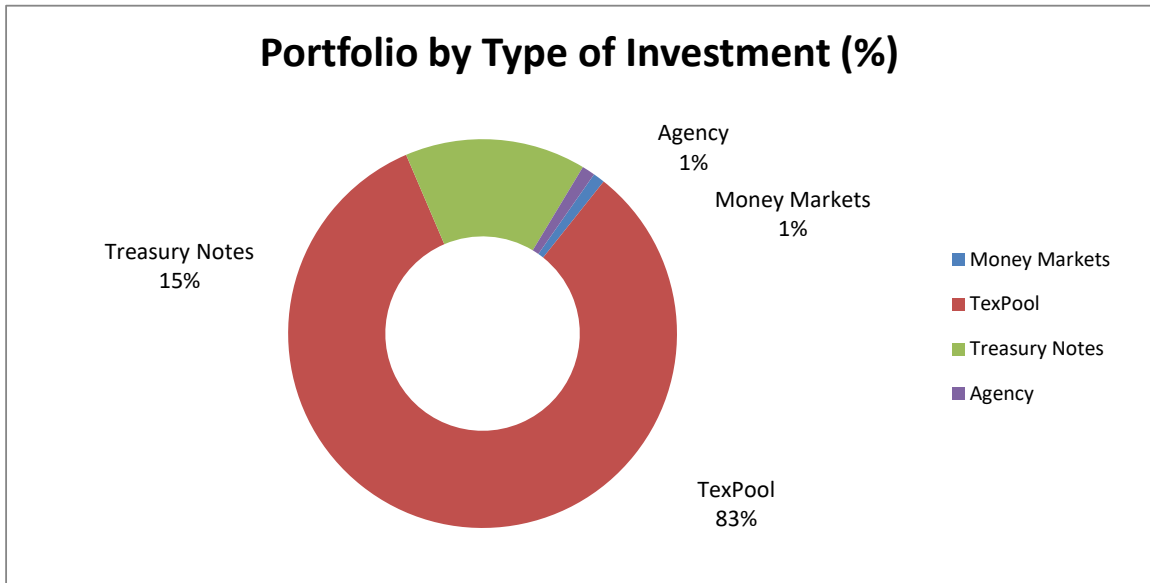
PORT COMMISSION

RAVI K. SINGHANIA, CHAIRMAN; ROB GIESECKE, VICE CHAIRMAN; BARBARA FRATILA, SECRETARY; KIM KINCANNON, ASST. SECRETARY;
DAN CROFT, COMMISSIONER; RUDY SANTOS, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

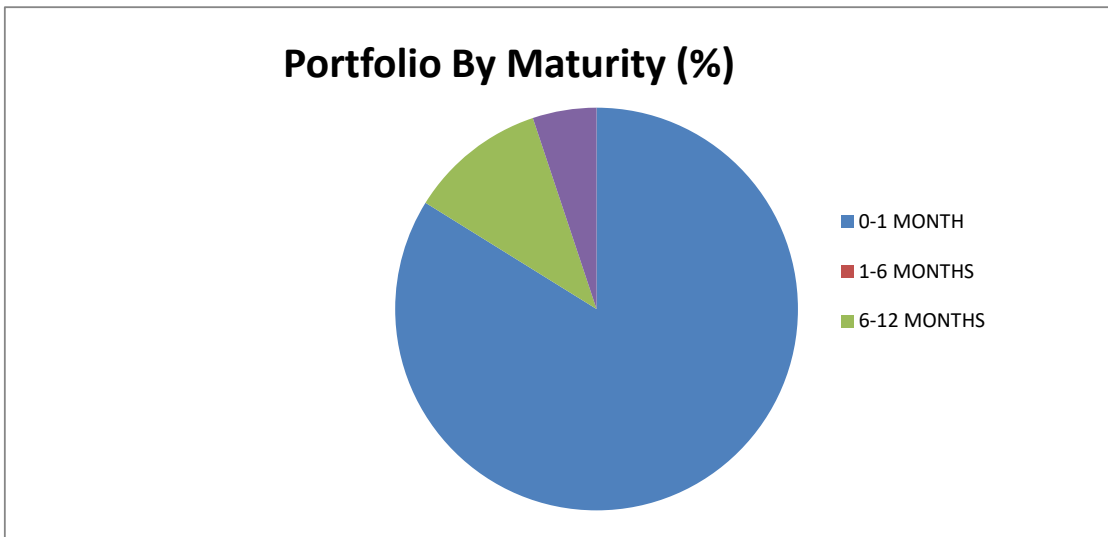
Port Freeport
Finance Committee Investment Review

Portfolio position as of 12/31/2023

| | | | |
|----------------|-----------|-------------------|-------|
| Money Markets | \$ | 955,671 | 0.9% |
| TexPool | | 80,616,385 | 82.9% |
| Treasury Notes | | 14,655,000 | 15.1% |
| Agency | | 1,060,000 | 1.1% |
| TOTAL | \$ | 97,287,057 | |



1/1/24-3/31/24 MATURITIES \$ -



Port Freeport
Finance Committee Investment Review

| | <u>Unrestricted:</u> | <u>Restricted:</u> |
|---|-----------------------------|-------------------------------|
| Current Cash & Money Market: | | |
| Cash & MM accounts | \$ 2,731,393 | 955,671 |
| Texpool | 17,566,999 | 63,049,386 |
| Maturing in next 90 days: | | |
| Jan-24 | - | - |
| Feb-24 | - | - |
| Mar-24 | - | - |
| Estimated 2024 Revenue Bond Proceeds | | 25,000,000 |
| Total Funds Available | <u><u>\$ 20,298,392</u></u> | <u><u>\$ 89,005,057</u></u> |
| Estimated Cash Flow For Next Quarter | | |
| Estimated Revenues | \$ 14,119,101 | \$ - |
| Estimated expenses | (4,208,321) | |
| Debt Service | | (2,264,600) |
| Port Improvement Projects, estimated | (2,700,000) | (8,792,350) Cranes |
| Total Cash Flow | <u><u>\$ 7,210,780</u></u> | <u><u>\$ (11,056,950)</u></u> |
| Excess (Shortfall) Cash Available for Investment | \$ 27,509,172 | \$ 77,948,107 |

Recommendation for excess cash- subject to market conditions:

| | | |
|---|-----------------------------|--|
| Investments: | | |
| Cash & MM accounts | 12,642,173 | 955,671 |
| Texpool | 14,866,999 | 76,992,436 |
| 3 month investment | - | - |
| 6-12 month investment | - | - Agencies,Treasuries, Municipal or CD's ☒ |
| 12-18 month investment | - | - Agencies,Treasuries, Municipal or CD's ☒ |
| 18 month investment | - | - Agencies,Treasuries, Municipal or CD's ☒ |
| 24 month investment | - | - Agencies,Treasuries, Municipal or CD's ☒ |
| 36 month investment | - | - Agencies,Treasuries, Municipal or CD's ☒ |
| 60 month investment | - | - Agencies,Treasuries, Municipal or CD's ☒ |
| Total investment recommendations | <u><u>\$ 27,509,172</u></u> | <u><u>\$ 77,948,107</u></u> |

☒ Subject to Market Conditions/Interest Rate Conditions and Evaluated Daily.

** Port Freeport Channel Improvement Project - subject to USACE request for funding

Port Freeport
 Finance Committee Investment Review
 rates as of: 1/10/2024

| | Texpool | MM-Hilltop | CD's | Tbill/Note | Callable Agency | Bullet Agency |
|----------|---------|------------|-------|------------|-----------------|---------------|
| MM | 5.34% | 1.76% | | | | |
| 3 month | | | 1.75% | 5.35% | | |
| 6 month | | | 2.25% | 5.20% | | |
| 12 month | | | 3.00% | 4.80% | | |
| 18 month | | | 3.50% | 4.45% | | |
| 24 month | | | 3.60% | 4.30% | 5.00% | 4.35% |
| 36 month | | | 2.35% | 4.05% | 5.40% | 4.100% |

Agencies Available:

- Federal Home Loan Bank -FHLB
- Fannie Mae-FNMA
- Freddie Mac - FHLMC
- Federal Farm Credit Bank - FFCB