

## AGENDA

**Port Freeport  
Port Commission  
Special Meeting  
Thursday, August 10, 2023, 1:00 pm - 5:00 pm  
In Person & Videoconference - Administration Building - 1100 Cherry Street - Freeport**

**This meeting agenda with the agenda packet is posted online at [www.portfreeport.com](http://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 Port Commission, 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/88228553107?pwd=RjdBYzhUNnFoTkRmdW5lUWJxZaG8wQT09>

Meeting ID: 882 2855 3107

Passcode: 640330

Dial by your location

• 1 346 248 7799 US (Houston)

Meeting ID: 882 2855 3107

Find your local number: <https://us02web.zoom.us/u/k4yK0R9si>

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. Safety Briefing.
6. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.
7. 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)
8. 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.
9. Receive report from Executive Director/CEO and/or Port 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.
10. Receive report and/or any business announcement from Commissioners.
11. Receive update regarding procurement of Gantry Cranes.
12. Approval of a Professional Services Agreement with Terracon Consultants for the Port Wide Pavement Repairs 2023 project, for an amount not to exceed \$26,832.00.
13. Discussion regarding Tax Rate, Tax Rate Setting Process & Cash Flow Projection.
14. Discuss and consider encumbering funds for the purpose of reducing the portion of the 2023 property tax rate used to pay debt service for General Obligation Bonds (i.e. the I&S rate).

15. Receive comments from Grady Randle, General Counsel on non-committee members attendance/participation in committee meetings.
16. Discussion regarding delaying start time to 2:00 p.m. for the August 24, 2023 meeting.
17. 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 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 551.072 (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, 7 and 8.
    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.
18. RECONVENE OPEN SESSION:
19. Adjourn.

***The Port Commission does not anticipate going into a closed session under Chapter 551 of the Texas Government Code at this meeting for any other items on the agenda, however, if necessary, the Port Commission may go into a closed session as permitted by law regarding any item on the agenda.***

With this posted notice, Port Commissioners have been provided certain background information on the above listed agenda items. Copies of this information can be obtained by the public at the Port Administrative offices at 1100 Cherry Street, Freeport, TX.



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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.*



1100 CHERRY ST. • FREEPORT, TX 77541  
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WWW.PORTFREEPORT.COM

## MEMORANDUM

**TO:** Commissioners  
Directors  
Legal Counsel

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

**DATE:** July 19, 2023

**SUBJECT:** **Professional Services Agreement for Materials Testing for Port Wide Paving Repairs Project**

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Terracon Consultants, Inc (Terracon) was selected based on demonstrated qualifications to submit a fee proposal to test materials for the Port Wide Pavement Repairs project. I have reviewed their fee and scope of work, and find it acceptable.

I recommend approval of a contract to Terracon for an amount of **not to exceed \$26,823.00**.

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

			ESTIMATED I&S and No New Revenue Tax Rates per Fiscal Year						
			2024	2025	2026	2027	2028	2029	2030
		GO Debt Payment	\$ 4,654,200	\$ 5,612,950	\$ 6,205,750	\$ 7,249,525	\$ 7,246,675	\$ 7,247,725	\$ 7,242,225
		Collected @ \$0.02048	\$ 4,654,200	\$ 4,654,200	\$ 4,654,200	\$ 4,654,200	\$ 4,654,200	\$ 4,654,200	\$ 4,654,200
		Amount to be encumbered		\$ 958,750	\$ 1,551,550	\$ 2,595,325	\$ 2,592,475	\$ 2,593,525	\$ 2,588,025
Taxable Roll Value 2023	\$ 22,723,640,482	I&S Rate	\$ 0.02048						
		No New Revenue Rate	\$ 0.03043						
Taxable Roll Value 2024	\$ 24,570,851,292	I&S Rate		\$ 0.02284					
	\$ 23,178,113,292	No New Revenue Rate		\$ 0.02008					
Taxable Roll Value 2025	\$ 28,625,533,557	I&S Rate			\$ 0.02168				
	\$ 25,034,413,557	No New Revenue Rate			\$ 0.01859				
Taxable Roll Value 2026	\$ 32,028,229,469	I&S Rate				\$ 0.02263			
	\$ 29,098,367,069	No New Revenue Rate				\$ 0.01599			
Taxable Roll Value 2027	\$ 32,835,249,298	I&S Rate					\$ 0.02207		
	\$ 32,510,519,650	No New Revenue Rate					\$ 0.01432		
Taxable Roll Value 2028	\$ 34,896,409,524	I&S Rate						\$ 0.02077	
	\$ 33,327,185,283	No New Revenue Rate						\$ 0.01397	
Taxable Roll Value 2029	\$ 36,337,532,954	I&S Rate							\$ 0.01993
	\$ 35,398,184,229	No New Revenue Rate							\$ 0.01315

This example assumes an M&O rate of \$0.0 and a 2024 total tax rate equal to the 2024 I&S rate of \$0.02048.

		ESTIMATED I&S and No New Revenue Tax Rates w/Encumbered Funds per Fiscal Year							
		2024	2025	2026	2027	2028	2029	2030	
	GO Debt Payment	\$ 4,654,200	\$ 5,612,950	\$ 6,205,750	\$ 7,249,525	\$ 7,246,675	\$ 7,247,725	\$ 7,242,225	
	Collected @ \$0.01500	\$ 3,408,546	\$ 3,408,546	\$ 3,408,546	\$ 3,408,546	\$ 3,408,546	\$ 3,408,546	\$ 3,408,546	
	Amount to be encumbered		\$ 2,204,404	\$ 2,797,204	\$ 3,840,979	\$ 3,838,129	\$ 3,839,179	\$ 3,833,679	
Taxable Roll Value 2023	\$ 22,723,640,482	I&S Rate	\$ 0.01500						
		No New Revenue Rate	\$ 0.03043						
Taxable Roll Value 2024	\$ 24,570,851,292	I&S Rate	\$ 0.02284						
	\$ 23,178,113,292	No New Revenue Rate	\$ 0.01471						
Taxable Roll Value 2025	\$ 28,625,533,557	I&S Rate		\$ 0.02168					
	\$ 25,034,413,557	No New Revenue Rate		\$ 0.01362					
Taxable Roll Value 2026	\$ 32,028,229,469	I&S Rate			\$ 0.02263				
	\$ 29,098,367,069	No New Revenue Rate			\$ 0.01171				
Taxable Roll Value 2027	\$ 32,835,249,298	I&S Rate				\$ 0.02207			
	\$ 32,510,519,650	No New Revenue Rate				\$ 0.01048			
Taxable Roll Value 2028	\$ 34,896,409,524	I&S Rate					\$ 0.02077		
	\$ 33,327,185,283	No New Revenue Rate					\$ 0.01023		
Taxable Roll Value 2029	\$ 36,337,532,954	I&S Rate						\$ 0.01993	
	\$ 35,398,184,229	No New Revenue Rate						\$ 0.00963	

This example assumes an M&O rate of \$0.0 and a 2024 total tax rate of \$0.01500 which would include approx. \$1,250,000 of encumbered funds.

		Key Financial Projections vs General Obligation Debt Service Payment & Rate per Fiscal Year						
		2024	2025	2026	2027	2028	2029	2030
Op Revenue		\$ 45,753,484	\$ 51,632,208	\$ 53,036,667	\$ 54,511,450	\$ 56,029,344	\$ 57,591,624	\$ 59,306,973
Cash Flow		\$ 15,717,990	\$ 21,706,976	\$ 21,979,223	\$ 21,841,845	\$ 22,780,466	\$ 25,790,398	\$ 26,886,434
Capital Needs		\$ 28,000,000	\$ 35,000,000	\$ 42,000,000	\$ 16,000,000	\$ 8,000,000		
GO Debt Payment		\$ 4,654,200	\$ 5,612,950	\$ 6,205,750	\$ 7,249,525	\$ 7,246,675	\$ 7,247,725	\$ 7,242,225
Taxable Roll Value 2022	\$ 19,377,876,871							
Taxable Roll Value 2023	\$ 22,723,640,482	\$ 0.02048						
Taxable Roll Value 2024	\$ 24,570,851,292		\$ 0.02284					
Taxable Roll Value 2025	\$ 28,625,533,557			\$ 0.02168				
Taxable Roll Value 2026	\$ 32,028,229,469				\$ 0.02263			
Taxable Roll Value 2027	\$ 32,835,249,298					\$ 0.02207		
Taxable Roll Value 2028	\$ 34,896,409,524						\$ 0.02077	
Taxable Roll Value 2029	\$ 36,337,532,954							\$ 0.01993
Taxable Roll Value 2030	\$ 38,854,948,854							
Taxable Roll Value 2031	\$ 39,728,493,071							

Key Capital Projects

Rider 37 Access Project	\$	2,800,000						
Land Acquisitions	\$	1,800,000						
Cathodic Protection	\$	6,000,000						
P14 Pump Station	\$	1,440,000						
Portwide Pavement Upgrades	\$	3,700,000						
2 STS Gantry Cranes	\$	4,800,000	\$	4,800,000	\$	14,400,000		
EOC HVAC	\$	500,000						
Port Expansion Area Water & Sewer Upgrades	\$	500,000						
East 5th Reconstruction	\$	500,000	\$	498,000				
Gate 4 Access Road Widening	\$	120,000	\$	130,000				
VT Area 4 Improvements					\$	6,700,000		
VT Area 5 Improvements			\$	9,000,000	\$	9,100,000		
VT Pump Station Intake Channel Improvements			\$	3,000,000	\$	3,000,000	\$	5,000,000
Transit Shed Modifications			\$	6,200,000				
VT Expansion Area Gate			\$	4,600,000				
Floodwall Modifications			\$	2,000,000				
VT Area 6 Improvements						\$	10,000,000	
North Gate Design							\$	7,000,000

The information in this presentation contains "forward-looking statements". Such statements may involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Readers are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

	2023	2024	2025	2026	2027	2028	2029	2030
Cash Flow	\$ 17,589,568	\$ 17,589,568	\$ 15,717,990	\$ 21,706,976	\$ 21,979,223	\$ 21,841,845	\$ 22,780,466	\$ 25,790,398
Additional Revenue	\$ 4,000,000	\$ 5,878,724	\$ 1,404,459	\$ 1,474,783	\$ 1,517,894	\$ 1,562,280	\$ 1,715,349	\$ 1,715,349
Additional Expense @ 3.5%	\$ 507,675	\$ 525,444	\$ 543,834	\$ 562,868	\$ 582,569	\$ 602,959	\$ 624,062	\$ 624,062
Reduction in M&O	\$ 3,515,922							
Additional Debt Payments	\$ 1,847,981	\$ (635,706)	\$ 588,378	\$ 1,049,293	\$ (3,296)	\$ (2,050,610)	\$ (4,750)	\$ (4,750)
Net Cash	\$ 15,717,990	\$ 21,706,976	\$ 21,979,223	\$ 21,841,845	\$ 22,780,466	\$ 25,790,398	\$ 26,886,434	\$ 26,886,434

Total Debt Payments

2023	\$ 17,265,472	
2024	\$ 19,113,454	\$ 1,847,982
2025	\$ 18,477,748	\$ (635,706)
2026	\$ 19,066,126	\$ 588,378
2027	\$ 20,115,419	\$ 1,049,293
2028	\$ 20,112,123	\$ (3,296)
2029	\$ 18,061,513	\$ (2,050,610)
2030	\$ 18,056,763	\$ (4,750)

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## Tax Rate Proposal Timing Consideration

State Statute                    September 29<sup>th</sup>

BC Request Date                September 20<sup>th</sup>

Newspaper/Website Posting is required 7 days in advance of adoption. The

Facts requires a minimum of two day notice.

BC Tax Assessor/Collector Office needs worksheet to calculate No New Revenue and Voter Approval Tax Rates prior to the Port Commission proposal. Estimated 5 days.

Total minimum business days to provide worksheet to the tax office would be 14 days prior to adoption. This would allow the calculation of the rate, a proposal by the Port Commission, mandatory posting period and adoption.

- If no funds are encumbered for the FY24 Debt Service payments.
  - Staff completes worksheet and submits to BC Tax Assessor/Collector on August 11<sup>th</sup>.
  - BC Tax Assessor/Collector computes NNRTR, NNR M&O and VATR.
  - Port Commission proposes tax rate on August 24<sup>th</sup>.
  - Public posting made of proposed rates 7 days prior to adoption.
  - Port Commission adopts budget and rate on September 14<sup>th</sup>.
  
- If Port Commission passes resolution to encumber funds.
  - Port Commission passes resolution to encumber funds by August 10<sup>th</sup>.
  - Staff transfers funds to reserve account specific to GO Debt Accounts.
  - Staff completes worksheet and submits to BC Tax Assessor/Collector on August 11<sup>th</sup>.
  - BC Tax Assessor/Collector computes NNRTR, NNR M&O and VATR.
  - Port Commission proposes tax rate on August 24<sup>th</sup>.
  - Public postings made of proposed rates 7 days prior to adoption.
  - Port Commission adopts budget and rate on September 14<sup>th</sup>.