

AGENDA

**Port Freeport
Port Commission
Regular Meeting
Thursday, June 8, 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

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/81388029848?pwd=SFV4SHFnRDQvRkNsdzEwSnVFMEE0dz09>

Meeting ID: 813 8802 9848

Passcode: 426106

Dial by your location

1 346 248 7799 US (Houston)

Meeting ID: 813 8802 9848

Find your local number: <https://us02web.zoom.us/u/kc2kDc3z0Y>

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. Approval of minutes from the Regular Meeting held May 30, 2023.
10. Receive report 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.
11. Approval of Oath of Office and Surety Bonds for Newly Elected Commissioner Barbara Fratila and Newly Elected Commissioner Kim Kincannon.
12. Elections of Officers for the Port Commission for the period of June, 2023 - May, 2025.
13. Approval of a Construction Contract with McCarthy Building Companies, Inc. for the Port Wide Pavement Repairs 2023 project.
14. Approval of liability insurances through broker Arthur J. Gallagher & Co.

15. Adoption of a Resolution approving amendments to the Port Freeport Investment Policy.
16. Discuss and consider the elimination of eligibility of commissioners for employee medical, dental and vision benefits.
17. Discuss and consider directing staff to develop two plans as follows with regard to the 2023 Tax Rate:
 - 1) Total Tax Rate of \$0.00.
 - 2) Maintenance and Operations Tax Rate of \$0.00 and a Total Tax Rate that is 50% less than the No New Revenue Tax Rate.
18. Discuss and consider establishing a policy to address when newly elected commissioners take office after election results are canvassed.
19. Discuss and consider appointing a liaison to the City Council of Freeport.
20. Discuss and consider establishing a standard procedure that meeting agendas will be posted and board packets, including staff reports, will be distributed to commissioners by the end of business on Friday before each Thursday meeting.
21. 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.
22. RECONVENE OPEN SESSION:
23. 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 Port Commission Regular Meeting
May 30, 2023
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held May 30, 2023, beginning at 1:02 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

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 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.

Join Zoom Meeting

<https://us02web.zoom.us/j/85118727487?pwd=V1RPMERWafExS3R6dXZHN2Q5dVVQQT09>

Meeting ID: 851 1872 7487

Passcode: 642703

Dial by your location

+1 346 248 7799 US (Houston)

Meeting ID: 851 1872 7487

Find your local number: <https://us02web.zoom.us/u/kdTPB4HQP>

Commissioners present in person:

Mr. John Hoss, Chairman
Mr. Rudy Santos, Vice Chairman
Mr. Dan Croft, Secretary
Mr. Rob Giesecke, Asst. Secretary
Mr. Ravi Singhanian, Commissioner
Mr. Shane Pirtle, Commissioner

Staff Members Present:

Ms. Grady Randle, Legal Counsel
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
Mr. Mike Wilson, Director of Economic Development & Freight Mobility
Mr. Jason Hull, Director of Engineering
Mr. Chris Hogan, Director of Protective Services
Mr. Jason Miura, Director of Business & Economic Development
Mr. Brandon Robertson, Director of Information Technology
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Ms. Tricia Vela, Public Affairs Assistant
Mr. Jesse Hibbetts, Operations Manager
Mr. Nick Malambri, Engineering Specialist
Mr. Cecil Booth, Project Engineer
Ms. Christine Lewis, Safety Coordinator
Ms. Emily Henderson, Sales & Marketing Specialist
Ms. Grace Spinks, Operations Intern

Also, present:

Mr. Chris Moore, Texas Port Ministry
Mr. Peter Nemeth, Crain, Caton & James
Ms. Megan Mikutis, RLO
Ms. Barbara Fratila
Mr. Kim Kincannon
Mr. James Nash, WGMA
Mr. Robert Hawn, WGMA
Mr. Santos Aluiso, ILA

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 Hoss noted that all Commissioners were present in the Board Room.
5. Safety Briefing – Ms. Christine Lewis provided a safety moment with regard to new areas, surroundings and change.
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 by Commissioners.

7. Public Comment – There were no public comments.
8. Public Testimony – There was no public testimony.
9. Approval of minutes from the Regular Meeting held May 16, 2023, and the Special Meeting May 19, 2023.

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

10. 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

Ms. Saathoff reported the regular session of the state legislature ended May 30 and a special session has begun with a focus on property taxes and border security. Carriage House Partners will provide a recap of the full session. The Port's HB5336 has been transmitted to the Governor for signature. The Governor has until June 18 to veto any bills, but the Port bill is

expected to be signed. Ms. Saathoff noted that one of the TPA bills has already been signed by the Governor and the others have been sent to the Governor for signature. Ms. Saathoff also noted the session ended with the House impeaching the Attorney General on a number of counts. The west coast labor situation is still not resolved. Agreement has been made in some areas, however more national, local and state trade associations are getting involved in an effort to reach a solution. The Interlocal Agreement with the City of Freeport was fully executed and transmitted to TxDOT to finalize the funding agreement to secure the grant funds through the RIDER program and proceed with the improvements to the roadways in the expansion area and creation of the new gate. Commissioner Giesecke inquired about the GCPD (Gulf Coast Protection District). Ms. Saathoff stated that \$550 million was allocated to the GCPD. Should Brazoria County and Velasco Drainage District elect to join the GCPD, \$50 million will be directed to Velasco Drainage District this biennium. She has not confirmed if any funds have been allocated to the newly created (Gulf Coast Protection) Trust Fund at this time.

B. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for the month of April.

C. Director of Engineering

Mr. Hull stated that Berth 8 is complete and closing out. The rail project is expected to be complete this week, ahead of schedule. Pending inspection by Union Pacific Railroad, it should be ready for service mid-June. The Port-Wide Pavement Repair project is currently out for bid. Staff is awaiting notification that the notice of award for the FHCIP has been released; it is expected after 4:00 today.

D. Director of Operations

Mr. Durel shared photos of the first two vessels docked at Berth 8. He stated that cargo, number of vessels and tonnage for April is back on track and in line with previous year. May is projected to be even better. Christine Lewis recently held the Tenant Safety Quarterly Meeting while Chris Hogan has been working on updates for the Port's Hurricane Plan. Mr. Durel introduced operations' summer intern, Grace Spinks, who has a degree in Maritime Business Administration from Texas A&M and will begin working towards her Masters in September.

E. Director of Business & Economic Development

In addition to his written report, Mr. Miura stated that staff recently held a mandatory pre-bid and port tour meeting with potential proposers for Port Freeport's RFP seeking a qualified rail operator to perform switching services to Port Freeport's rail shippers on Parcel 14. June 12 is the deadline for final questions to be submitted with proposals due June 26.

11. Receive report from Commissioners on matters related to Port Commission related to meetings or conferences, Port presentations and other Port related matters.

Commissioner Pirtle reported on a meeting held with Commissioner New at TxDOT to discuss 36A. He also attended chamber meetings.

Commissioner Croft reported attending Brazoria County Economic Alliance meeting, Sweeny Chamber Banquet and the CCA Texas Board of Directors Meeting.

Commissioner Singhanian reported attending the Sweeny and Brazosport Chamber events, the Tenaris Reception and learning about green hydrogen and green ammonia with Jason Miura.

Commissioner Giesecke reported attending the Brazosport Chamber event and the BCCA Dinner.

12. Approval of financial reports presented for the period ending April 30, 2023.

A motion was made by Commissioner Singhanian to approve the reports as presented. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

13. Approval of a Blanket Electrical Easement to CenterPoint Energy Houston, Electric for VW Development.

Mr. Hull stated that this is an electrical easement for the VW and Porsche buildings which will give CenterPoint the ability to go onto their leased area where it is necessary to install the infrastructure for electrical services to the buildings. Once all work has been completed and surveyed, a new easement will be recorded and brought back to the Commission for approval which will replace this blanket easement. Staff recommends approval.

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

14. Approval of a new Stevedore License submitted by Riviana Foods, Inc.

Ms. Holly Soria stated that Riviana wants to be able to unload their own barges. The current stevedore only provides a 12-hour service and Riviana wants to go to 24-hour service to keep up with the plants. Riviana has submitted all necessary paperwork and there are no concerns from staff regarding the application. Commissioner Hoss inquired if this license would be limited to Riviana's dock or if they could also operate as any other stevedore would. Mr. Durel stated that right now their focus is ship to barges and they have not mentioned working other docks.

A motion was made by Commissioner Singhanian to approve the new license submitted by Riviana Foods. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

15. Receive update regarding legislation under consideration in the Texas 88th Legislature.

Ms. Saathoff covered this update under her report (#10A) and had nothing further to add.

16. Presentation to Commissioner Hoss and Commissioner Pirtle for their years of service on Port Freeport Port Commission.

Ms. Saathoff shared some highlights of the Port's accomplishments during Commissioner Hoss and Commissioner Pirtle tenure at the Port which included the following....

- *Securing Congressional authorization, new start designation, and federal funding for the Freeport Harbor Channel Improvement Project;*
 - *In February 2020, PF was one of two seaports nationwide to secure a “new start” designation for commencement of construction along with securing \$19 million in initial federal funding;*
 - *Effective June 25, 2020, signing a Project Partnership Agreement (PPA) with USACE for the Project;*
 - *Securing additional federal funding for the Project with the most recent being the \$90.16 million included in the 2022 Omnibus Bill at the request of Congressman Weber to fund the project to completion bringing the total federal funding to \$204 million;*
 - *On April 8, 2021, breaking ground on the Project, a historic milestone that will make Port Freeport the deepest port in the Gulf of Mexico; and completing 3 contracts for the project which provided immediate benefits by making transits safer and lifting daylight restricts to certain size vessels calling Velasco Container Terminal and berths in the inner harbor. The award of a 4th and expected final contract will occur in the coming days and should be completed in 2025 the 100th anniversary of the Brazoria County voters approving the creation of Port Freeport and authorizing the bond issuance to divert the Brazos River.*
 - *Partnering with the Velasco Drainage District on storm protection levee improvements;*
- *Advocating for the successful passage of the 2018 bond referendum to ensure local share financing of the channel project;*
- *Maintaining pledge to the taxpayers to hold the tax rate as indicated during the 2018 bond referendum election;*
- *Voting to reduce the tax rate by 35% since 2011;*
- *Three times increasing the homestead exemption for those over 65 and disabled;*
- *Regarding expanding the Port’s infrastructure and facilities to attract new business,*
 - *Progressing the Velasco Container Terminal Expansion Project with Phase I put into service in 2014 and Phase II which we commemorated with a Ribbon-cutting earlier today giving Velasco Container Terminal a total of 1725 linear feet of berth and a new roll-on roll-off platform;*
 - *Securing two 100-foot gauge Post Panamax container cranes for the Velasco Container Terminal and supporting plans to purchase*
- *Entering into new partnerships to grow Port Freeport’s economic impact including:*
 - *Securing lease agreements with Freeport LNG for the investment of \$15 billion in liquefaction capability supporting 5 percent of LNG to the world;*
 - *Securing a lease agreement with Tenaris for the importation of steel bars for their seamless steel pipe fabrication facility in Bay City;*
 - *Establishing the Port Freeport as a significant hub for roll-on roll-off with the signing of a lease with Hoegh Autoliners in 2014 and later transferred to Ampports supporting many different carriers that handle automobiles and high and heavy equipment;*
 - *Further growing the automotive business with the recent agreement with Volkswagen Group of Americas Horizon Terminal to establish their Gulf Coast Hub in Freeport;*
 - *Growing the containerized cargo business at Velasco Container Terminal with a contract extension signed with Dole Fresh Fruit, Chiquita Brands International*

- continuing their operations, and CMA CGM Group and Oceanus establishing operations in the port; and*
 - *Welcoming the M/V DOLE AZTEC on its maiden voyage to the United States for its new weekly service to Port Freeport, and celebrating 40 years of partnership between the Port and Dole Fresh Fruit;*
- *And growing other business at the port by*
 - *Completing Phase 1 & 2 of the Parcel 14 Rail Development giving the Port capability to receive unit trains;*
 - *Securing \$6.3 million in grant funding from the U.S. Dept. of Transportation to assist with funding Phase 2 of the Parcel 14 Rail Development;*
 - *Approving a 2nd Lease Agreement with Vulcan Construction Materials to expand the company's footprint at the Port and construct an aggregate distribution facility on Parcel 14;*
 - *Entering into a new partnership with CEMEX Servicios Logisticos and Union Pacific Railroad to transport liquid carbon dioxide from Port Freeport to Mexico.*
 - *Celebrating new U.S. Customs and Border Protection offices at Port Freeport in the Expansion Area;*
 - *Completing acquisition of the Expansion Area and reaching settlement with the City of Freeport; and*
 - *Obtaining a \$6 million Rider Grant through TxDOT improving roadways in the Expansion Area and a new gate entrance to Velasco Container Terminal in place of Gate 14.*
- *Establishing a heavy lift corridor to allow local industries to move cargo under a permit system, reducing the number of trucks on the roadways, cutting down on emissions, and improving roadway safety for citizens;*
- *Increasing the Port's annual statewide economic impact from \$17 billion in 2012 to \$84 billion in 2022 and increasing the impacted jobs from 67,000 to 109,800;*
- *Supporting increased annual ship arrivals from 754 in 2015 to 1184 in 2022;*
- *Progressing Port Freeport's national ranking to 11th for total foreign waterborne tonnage in 2021.*
- *Ensuring no disruption of port operations or services during the COVID-19 pandemic.*

Ms. Saathoff and Commissioner Santos then presented framed prints of Port Freeport to Commissioners Hoss and Pirtle as an expression of appreciation and thank you for their 12 years of service.

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) 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 551.087 (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.

2. To deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).
- C. 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, 7 and 8.
 3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 12, 13, 14, 19, 27, 34 and property on Quintana Island.

18. RECONVENE OPEN SESSION:

19. Adjourn.

With no further business before the Commission, the meeting adjourned at 3:26 PM

John Hoss, Chairman

Rudy Santos, Vice Chairman

Dan Croft, Secretary

Rob Giesecke, Asst. Secretary

Ravi K. Singhania, Commissioner

Shane Pirtle, Commissioner

In the name and by the authority of

The State of Texas

OATH OF OFFICE

I, BARBARA FRATILA, do solemnly swear (or affirm), that I will faithfully execute the duties of the office Port Commissioner of Port Freeport, Texas, and Port Freeport Pilot Commission, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

Barbara Fratila
Affiant

SWORN TO and subscribed before me by affiant on this 1st day of June, 2023.

Justin R. Gilbert
Signature of Person Administering Oath

Printed Name

417TH DISTRICT JUDGE
Title

Texas



Western Surety Company

OFFICIAL BOND AND OATH

THE STATE OF TEXAS }
County of Brazoria } ss

KNOW ALL PERSONS BY THESE PRESENTS:

BOND No. 66629499

That we, Barbara Fratila, as Principal, and
WESTERN SURETY COMPANY, a corporation duly licensed to do business in the State of Texas, as Surety, are held
and bound unto Port Freeport, his successors in office,
in the sum of Ten Thousand and 00/100 DOLLARS (\$10,000.00),
for the payment of which we hereby bind ourselves and our heirs, executors and administrators, jointly and severally, by
these presents.

Dated this 24th day of April, 2023.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, That whereas, the above bounden Principal was on
the 24th day of April, 2023, duly Elected
(Elected—Appointed)
to the office of Commissioner in and for Brazoria County, State of Texas, for
a term of 6 year s commencing on the 6th day of May, 2023.

NOW THEREFORE, if the said Principal shall well and faithfully perform and discharge all the duties required of
him by law as the aforesaid officer, and shall ⁴

faithfully perform the duties of office

then this obligation to be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that regardless of the number of years this bond may remain in force and the number of
claims which may be made against this bond, the liability of the Surety shall not be cumulative and the aggregate
liability of the Surety for any and all claims, suits, or actions under this bond shall not exceed the amount stated above.
Any revision of the bond amount shall not be cumulative.

PROVIDED, FURTHER, that this bond may be cancelled by the Surety by sending written notice to the party to
whom this bond is payable stating that, not less than thirty (30) days thereafter, the Surety's liability hereunder shall
terminate as to subsequent acts of the Principal.

Barbara Fratila Principal
WESTERN SURETY COMPANY
By Paul T. Brufat
Paul T. Brufat, Vice President

ACKNOWLEDGMENT OF PRINCIPAL

THE STATE OF TEXAS

County of _____

} ss

Before me, _____ on this day, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office at _____, Texas, this _____ day of _____.

SEAL

_____ County, Texas

OATH OF OFFICE
(COUNTY COMMISSIONERS and COUNTY JUDGE)

I, _____, do solemnly swear (or affirm) that I will faithfully execute the duties of the office of _____, of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State; and I furthermore solemnly swear (or affirm) that I have not directly nor indirectly paid, offered, or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promised any public office or employment, as a reward for the giving or withholding a vote at the election at which I was elected; and I furthermore solemnly swear (or affirm) that I will not be, directly or indirectly, interested in any contract with or claim against the County, except such contracts or claims as are expressly authorized by law and except such warrants as may issue to me as fees of office. So help me God.

Signed _____

Sworn to and subscribed before me at _____, Texas, this _____ day of _____.

SEAL

_____ County, Texas

OATH OF OFFICE
(General)

I, _____, do solemnly swear (or affirm) that I will faithfully execute the duties of the office of _____, of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State; and I furthermore solemnly swear (or affirm) that I have not directly nor indirectly paid, offered, or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promised any public office or employment, as a reward for the giving or withholding a vote at the election at which I was elected. So help me God.

Signed _____

Sworn to and subscribed before me at _____, Texas, this _____ day of _____.

SEAL

_____ County, Texas

THE STATE OF TEXAS }
County of _____ } ss

The foregoing bond of _____ as
_____ in and for _____ County and State of Texas, this day
approved in open Commissioner's Court.

ATTEST:

Date _____, _____

Clerk

County Judge,

County Court _____ County

County, Texas

THE STATE OF TEXAS }
County of _____ } ss

I, _____, County Clerk, in and for said County, do hereby certify
that the foregoing Bond dated the _____ day of _____, _____, with its certificates of
authentication, was filed for record in my office the _____ day of _____, _____, at
_____ o'clock ____ M., and duly recorded the _____ day of _____, _____, at
_____ o'clock ____ M., in the Records of Official Bonds of said County in Volume _____, on page
_____.

WITNESS my hand and the seal of the County Court of said County, at office in _____,
Texas, the day and year last above written.

Clerk

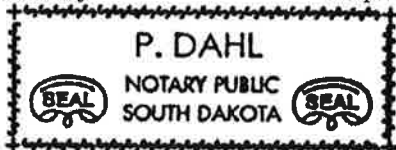
By _____ Deputy

County Court _____ County

ACKNOWLEDGMENT OF SURETY
(Corporate Officer)

STATE OF SOUTH DAKOTA }
County of Minnehaha } ss

Before me, a Notary Public, in and for said County and State on this 24th day of April,
2023, personally appeared Paul T. Bruflat to me known to be the identical
person who subscribed the name of WESTERN SURETY COMPANY, Surety, to the foregoing instrument as the
aforesaid officer and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the
free and voluntary act and deed of such corporation for the uses and purposes therein set forth.



P. Dahl
Notary Public

My Commission Expires June 18, 2025

Western Surety Company

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That WESTERN SURETY COMPANY, a corporation organized and existing under the laws of the State of South Dakota, and authorized and licensed to do business in the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the United States of America, does hereby make, constitute and appoint

Paul T. Bruflat of Sioux Falls,
State of South Dakota, its regularly elected Vice President,
as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, the following bond:

One Commissioner Port Freeport

bond with bond number 66629499

for Barbara Fratila

as Principal in the penalty amount not to exceed: \$ 10,000.00.

Western Surety Company further certifies that the following is a true and exact copy of Section 7 of the by-laws of Western Surety Company duly adopted and now in force, to-wit:

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

In Witness Whereof, the said WESTERN SURETY COMPANY has caused these presents to be executed by its
Vice President with the corporate seal affixed this 24th day of April,
2023.

ATTEST

L. Bauder

L. Bauder, Assistant Secretary

WESTERN SURETY COMPANY

By

Paul T. Bruflat

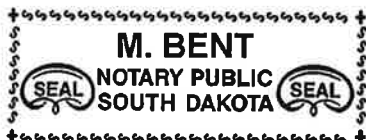
Paul T. Bruflat, Vice President

STATE OF SOUTH DAKOTA }
COUNTY OF MINNEHAHA } ss



On this 24th day of April, 2023, before me, a Notary Public, personally appeared
Paul T. Bruflat and L. Bauder

who, being by me duly sworn, acknowledged that they signed the above Power of Attorney as Vice President
and Assistant Secretary, respectively, of the said WESTERN SURETY COMPANY, and acknowledged said instrument to be the
voluntary act and deed of said Corporation.



My Commission Expires March 2, 2026

M. Bent

Notary Public

To validate bond authenticity, go to www.cnasurety.com > Owner/Obligee Services > Validate Bond Coverage.



In the name and by the authority of

The State of Texas

OATH OF OFFICE

I, **KIM KINCANNON**, do solemnly swear (or affirm), that I will faithfully execute the duties of the office Port Commissioner of Port Freeport, Texas, and Port Freeport Pilot Commission, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

Kim J. Kincannon
Affiant

SWORN TO and subscribed before me by affiant on this 1st day of June, 2023.

Justin R. Gilbre
Signature of Person Administering Oath

JUSTIN R. GILBRE
Printed Name

412TH DISTRICT CLERK
Title

Texas



Western Surety Company

OFFICIAL BOND AND OATH

THE STATE OF TEXAS }
County of Brazoria } ss

KNOW ALL PERSONS BY THESE PRESENTS:

BOND No. 66653294

That we, Kim Kincannon, as Principal, and
WESTERN SURETY COMPANY, a corporation duly licensed to do business in the State of Texas, as Surety, are held
and bound unto Port Freeport, his successors in office,
in the sum of Ten Thousand and 00/100 DOLLARS (\$10,000.00),
for the payment of which we hereby bind ourselves and our heirs, executors and administrators, jointly and severally, by
these presents.

Dated this 11th day of May, 2023.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, That whereas, the above bounden Principal was on
the 6th day of May, 2023, duly Elected
(Elected—Appointed)
to the office of Port Commissioner in and for Brazoria County, State of Texas, for
a term of 6 year s commencing on the 1st day of June, 2023.

NOW THEREFORE, if the said Principal shall well and faithfully perform and discharge all the duties required of
him by law as the aforesaid officer, and shall,⁴
faithfully perform the duties of office

then this obligation to be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that regardless of the number of years this bond may remain in force and the number of
claims which may be made against this bond, the liability of the Surety shall not be cumulative and the aggregate
liability of the Surety for any and all claims, suits, or actions under this bond shall not exceed the amount stated above.
Any revision of the bond amount shall not be cumulative.

PROVIDED, FURTHER, that this bond may be cancelled by the Surety by sending written notice to the party to
whom this bond is payable stating that, not less than thirty (30) days thereafter, the Surety's liability hereunder shall
terminate as to subsequent acts of the Principal.

Kim J. Kincannon
Principal
WESTERN SURETY COMPANY
By Paul T. Bruffat
Paul T. Bruffat, Vice President

ACKNOWLEDGMENT OF PRINCIPAL

THE STATE OF TEXAS

County of _____

} ss

Before me, _____ on this day, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office at _____, Texas, this _____ day of _____,

SEAL

_____, County, Texas

OATH OF OFFICE
(COUNTY COMMISSIONERS and COUNTY JUDGE)

I, _____, do solemnly swear (or affirm) that I will faithfully execute the duties of the office of _____, of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State; and I furthermore solemnly swear (or affirm) that I have not directly nor indirectly paid, offered, or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promised any public office or employment, as a reward for the giving or withholding a vote at the election at which I was elected; and I furthermore solemnly swear (or affirm) that I will not be, directly or indirectly, interested in any contract with or claim against the County, except such contracts or claims as are expressly authorized by law and except such warrants as may issue to me as fees of office. So help me God.

Signed _____

Sworn to and subscribed before me at _____, Texas, this _____ day of _____,

SEAL

_____, County, Texas

OATH OF OFFICE
(General)

I, _____, do solemnly swear (or affirm) that I will faithfully execute the duties of the office of _____, of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State; and I furthermore solemnly swear (or affirm) that I have not directly nor indirectly paid, offered, or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promised any public office or employment, as a reward for the giving or withholding a vote at the election at which I was elected. So help me God.

Signed _____

Sworn to and subscribed before me at _____, Texas, this _____ day of _____,

SEAL

_____, County, Texas

THE STATE OF TEXAS }
County of _____ } ss

The foregoing bond of _____ as
_____ in and for _____ County and State of Texas, this day
approved in open Commissioner's Court.

ATTEST:

Date _____, _____

Clerk

County Judge,

County Court _____ County

County, Texas

THE STATE OF TEXAS }
County of _____ } ss

I, _____, County Clerk, in and for said County, do hereby certify
that the foregoing Bond dated the _____ day of _____, _____, with its certificates of
authentication, was filed for record in my office the _____ day of _____, _____, at
_____ o'clock ____ M., and duly recorded the _____ day of _____, _____, at
_____ o'clock ____ M., in the Records of Official Bonds of said County in Volume _____, on page
_____.

WITNESS my hand and the seal of the County Court of said County, at office in _____,
Texas, the day and year last above written.

Clerk

By _____ Deputy

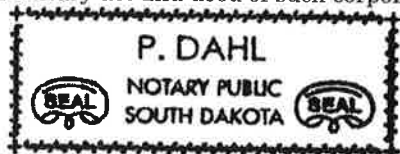
County Court _____ County

ACKNOWLEDGMENT OF SURETY

(Corporate Officer)

STATE OF SOUTH DAKOTA }
County of Minnehaha } ss

Before me, a Notary Public, in and for said County and State on this 11th day of May,
2023, personally appeared Paul T. Bruflat to me known to be the identical
person who subscribed the name of WESTERN SURETY COMPANY, Surety, to the foregoing instrument as the
aforesaid officer and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the
free and voluntary act and deed of such corporation for the uses and purposes therein set forth.



P. Dahl

Notary Public

My Commission Expires June 18, 2025

Western Surety Company

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That WESTERN SURETY COMPANY, a corporation organized and existing under the laws of the State of South Dakota, and authorized and licensed to do business in the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the United States of America, does hereby make, constitute and appoint

Paul T. Bruflat of Sioux Falls,
State of South Dakota, its regularly elected Vice President,
as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, the following bond:

One Port Commissioner Port Freeport

bond with bond number 66653294

for Kim Kincannon

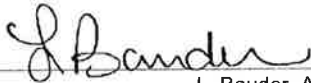
as Principal in the penalty amount not to exceed: \$ 10,000.00

Western Surety Company further certifies that the following is a true and exact copy of Section 7 of the by-laws of Western Surety Company duly adopted and now in force, to-wit:

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

In Witness Whereof, the said WESTERN SURETY COMPANY has caused these presents to be executed by its
Vice President with the corporate seal affixed this 11th day of May,
2023.

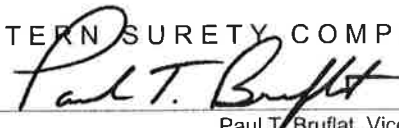
ATTEST



L. Bauder, Assistant Secretary

WESTERN SURETY COMPANY

By



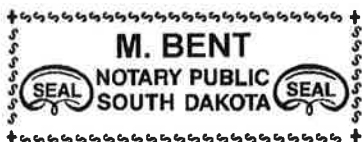
Paul T. Bruflat, Vice President

STATE OF SOUTH DAKOTA }
COUNTY OF MINNEHAHA } ss



On this 11th day of May, 2023, before me, a Notary Public, personally appeared
Paul T. Bruflat and L. Bauder

who, being by me duly sworn, acknowledged that they signed the above Power of Attorney as Vice President
and Assistant Secretary, respectively, of the said WESTERN SURETY COMPANY, and acknowledged said instrument to be the
voluntary act and deed of said Corporation.



My Commission Expires March 2, 2026



Notary Public

To validate bond authenticity, go to www.cnasurety.com > Owner/Obligee Services > Validate Bond Coverage.






1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023
WWW.PORTFREEPORT.COM

MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

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

DATE: June 8, 2023

SUBJECT: Port Wide Pavement Repairs 2023

Proposals were received and opened for the Port Wide Pavement Repairs on May 31, 2023, at 2:00 P.M.

One contractor submitted a proposal as shown in the attached proposal tabulation sheet. The contractor that submitted the lowest proposal in addition to meeting all requirements of the specifications was McCarthy Building Companies, Inc.

McCarthy Building Companies, Inc. is a reputable contractor based in Channelview, Texas.

I recommend the Port move forward with this important project and award the contract to McCarthy Building Companies, Inc. for an amount **not to exceed \$4,728,599.00.**

attachment

PORT COMMISSION

JOHN HOSS, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; DAN CROFT, SECRETARY; ROB GIESECKE, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; SHANE PIRTLE, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



BID TABULATION SHEET
PORT WIDE PAVEMENT REPAIRS 2023
PROJECT NO. 23-03
BID OPENING: MAY 31, 2023, 2:00 P.M.

| Name | Amount | Bond/CC | Qualification Statement | Insurance Certificate | Days |
|-----------------------------|----------------|---------|----------------------------|--------------------------|------|
| McCarthy Building Companies | \$4,338,500.00 | Yes | Yes | Yes | 250 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Signatures: C. J. Bo
[Signature]



Executive Summary

July 1, 2023-2024

Port Freeport

Arthur J Gallagher Risk Management Services, Inc.

David Garcia, CPA | Broker Consultant

david_garcia@ajg.com | 713.540.1960

Stephen Whalley | Area Vice President

Stephen_whalley@ajg.com | 832.419.0005

Date of Meeting: June 8, 2023



Gallagher




Insurance | Risk Management | Consulting

ajg.com

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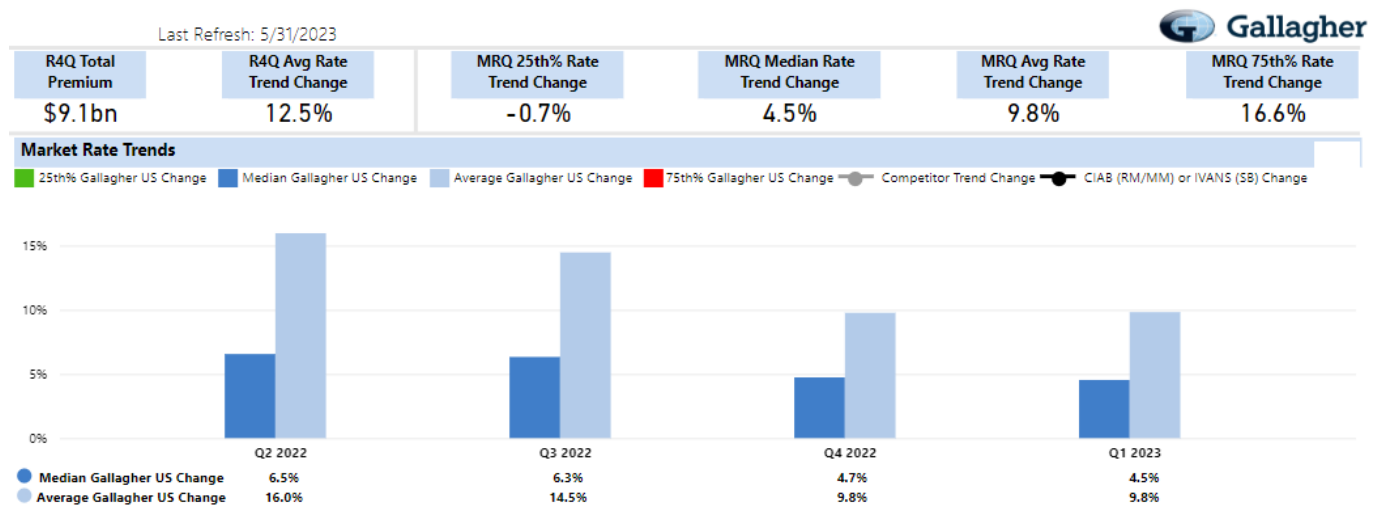
CORE360® Executive Summary Scorecard

Your **CORE360** Executive Summary Scorecard has been developed for you to get a quick snapshot of how we've impacted your total cost of risk for the policies detailed in this proposal.

| | |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Insurance Premiums</p> | <p>2023 Total Liability Premium - \$219,925</p> <ul style="list-style-type: none"> • State of the market – average rate increase of 9.8%. • Year over year increase for the entire program for Port Freeport is 10.98% or \$21,757. • The majority of the year over year increases are as follows: <ul style="list-style-type: none"> – Marine General Liability – 10% rate increase – Bumbershoot- 10.9% rate increase – Public Officials – 3.38% rate increase – Auto – 26.93% rate increase |
|  <p>Program Structure</p> | <p>Incumbent Carriers</p> <ul style="list-style-type: none"> • Commercial Auto – Nationwide - Rating A+ XV (Admitted) • Marine General Liability – C.N.A - Rating A XV (Admitted) • Hull& Machinery / P&I – Beazley Insurance - Rating A XIV (Admitted) • Vessel Pollution – Safe Harbor - Rating A IX (Admitted) • Public Officials - \$5M– AIG - Rating A XV (Admitted) • Public Officials - \$5M x \$5M– Iron shore - Rating A XV (Admitted) • Public Officials - \$5M x \$10M– One Beacon - Rating A+ XV (Admitted) • Maritime Employers Liability – Lloyd's of London - Rating A XV (Non-Admitted) • Bumbershoot - \$9M X \$1M –Sompo International (Endurance American Ins.Co.) – Rating A+ XV • Bumbershoot - \$15M X \$9M <ul style="list-style-type: none"> – Navigators - 50% Participation <ul style="list-style-type: none"> ▪ Rating A+ XI – Ascot – 50% Participation <ul style="list-style-type: none"> ▪ Rating A XIV |
|  <p>Contractual Liability</p> | <p>Continue to issue all certificates accurately and timely.</p> <ul style="list-style-type: none"> • 15 certificates in 2017. • 10 certificates in 2018. • 12 certificates in 2019. • 13 certificates in 2020. • 15 certificates in 2021. • 14 certificates in 2022. |

State of the Market – 1Q 2023

The Big Picture - Average Rate Change is 9.8%



Buyers overall faced a challenging insurance market beginning in 2018 and continuing through Q1 2023.

Over the last few years, carriers have taken significant actions to improve profitability by:

- Becoming more selective on risks they were willing to insure
- Raising rates
- Requiring higher deductibles/retentions and attachment points
- Reducing limits/capacity

Although carriers have taken significant actions to improve their performance, many will report combined ratios in excess of 100% for 2022, primarily due to CAT losses led by Hurricane Ian and Winter Storm Elliott.

WHERE WE ARE:

Although carriers have taken many measures to improve their overall portfolio's profitability, several headwinds still exist:

- **Inflation** — Inflation continues to impact the insurance marketplace elevating carriers' loss costs (mid-single digits or greater and will directly impact carriers' ability to offer property capacity).
 - ✓ On the property side, we're seeing an increase in building materials, fuel and labor costs, which in turn increases overall claim costs and adds to claim resolution time. Inflation is also impacting carriers' ability to deploy capacity and manage catastrophic risk.
 - ✓ On the casualty side, carriers face escalating challenges that drive up claim costs, including social inflation, plaintiff-friendly judgments and "nuclear" jury awards. Many of these challenges have been exacerbated by third-party litigation funding (TPLF). Litigation funded by third-party investors is most prevalent in commercial auto, general liability, Directors & Officers (D&O), and umbrella/excess insurance lines.

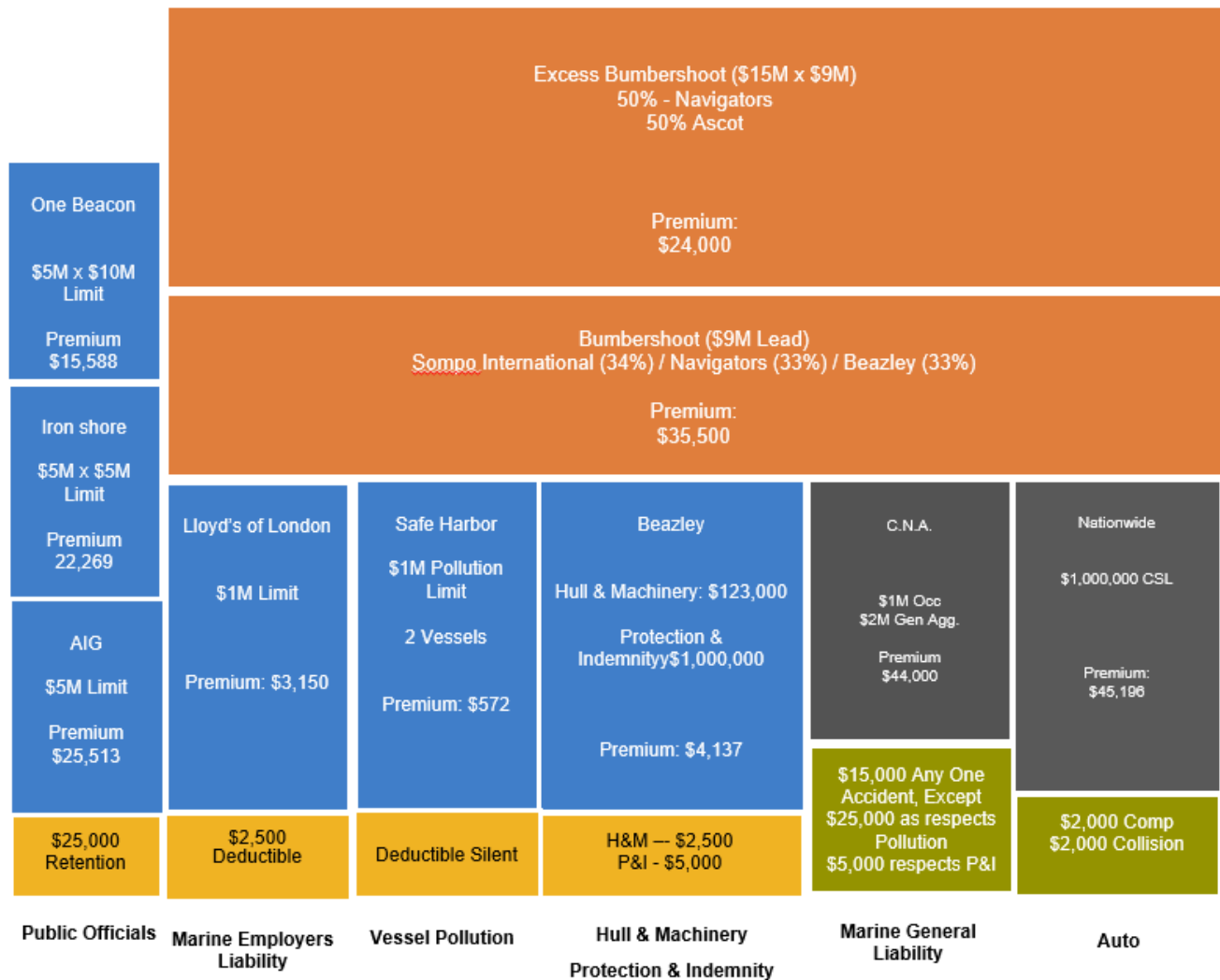
2023 Insurance Premiums

| Total Cost | 2022 | 2022 | Change |
|---------------------------------------------------------------------------|---------------------------------|---------------------------------|----------|
| Premium | \$198,168 | \$219,925 | 10.98% |
| | | Change Year over Year | \$21,757 |
| | | | |
| Marine General Liability | 2022 (C.N.A.) | 2023 (C.N.A.) | Change |
| Premium | \$40,000 | \$44,000 | 10.00% |
| Revenue | 41,790,000 | 41,790,000 | 0.00% |
| Rate | \$0.96 | \$1.05 | 10.00% |
| | | | |
| Hull & Machinery / Protection & Indemnity (Including Vessel Pollution) | 2022 (Beazley & Safe Harbor) | 2023 (Beazley & Safe Harbor) | Change |
| Hull / Protection & Indemnity Premium | \$3,914 | \$4,137 | 5.70% |
| Pollution Premium | 550 | 572 | 4.00% |
| Hull & Machinery | 123,000 | 123,000 | 0.00% |
| Protection & Indemnity - Limit | 1,000,000 | 1,000,000 | 0.00% |
| Vessel Pollution Limit | 1,000,000 | 1,000,000 | N/A |
| Rate | \$31.82 | \$33.63 | 5.70% |
| | | | |
| Commercial Auto | 2022 (Nationwide) | 2023 (Nationwide) | Change |
| Premium | \$35,606 | \$45,196 | 26.93% |
| Number of Auto | 22 | 22 | 0.00% |
| Deductible | \$2,000 | \$2,000 | 0.00% |
| Rate per Auto | \$1,618 | \$2,054 | 26.93% |
| | | | |
| Maritime Employers Liability | 2022 (Lloyds) | 2023 (Lloyds) | Change |
| Premium | \$3,150 | \$3,150 | 0.00% |
| Deductible | \$2,500 | \$2,500 | 0.00% |
| Revenue | If Any | If Any | N/A |

| Bumbershoot -\$25M | 2022 (Various Carriers) | 2023 (Various Carriers) | Change |
|------------------------------------------------------|-----------------------------|-----------------------------|--------|
| Premium | 53,650 | 59,500 | 10.90% |
| Revenue | 41,790,000 | 41,790,000 | 0.00% |
| Sompo International Limit | 9,000,000 | 9,000,000 | 0.00% |
| Navigators/Ascot Limit | 15,000,000 | 15,000,000 | 0.00% |
| Rate | \$1.28 | \$1.42 | 10.90% |
| | | | |
| Public Officials -D&O / EPL - AIG - \$5M Limit | 2022 (AIG) | 2023 (AIG) | Change |
| Premium | \$23,442 | \$25,513 | 8.83% |
| Projected Revenue | 37,900,000 | 39,200,000 | 3.43% |
| Retention | 25,000 | 25,000 | 0.00% |
| Rate | \$0.62 | \$0.65 | 5.23% |
| | | | |
| Public Officials -Excess - Ironshore - \$5M x \$5M | 2022 (Ironshore) | 2023 (Ironshore) | Change |
| Premium | \$22,268 | \$22,269 | 0.00% |
| Projected Revenue | 37,900,000 | 39,200,000 | 3.43% |
| Rate | \$0.59 | \$0.57 | -3.31% |
| | | | |
| Public Officials -Excess - One Beacon - \$5M X \$10M | 2022 (Intact/One Beacon) | 2023 (Intact/One Beacon) | Change |
| Premium | \$15,588 | \$15,588 | 0.00% |
| Projected Revenue | 37,900,000 | 39,200,000 | 3.43% |
| Rate | \$0.41 | \$0.40 | -3.32% |

| 2023 Rate Expectations with Incumbent Carriers vs Actual Results | | | |
|------------------------------------------------------------------------------|-----------------------------|--------------------------------------------|--------------------------------------|
| Line of Coverage | Incumbent Carrier | 2023 Rate Expectations As of 03.24.2023 | Actual Results - As of 06.01.2023 |
| Auto Liability | Nationwide | 25% - 30% Increase | 26.93% |
| Marine General Liability | C.N.A. | Slight Increase | 10.00% |
| Hull & Machinery / Protection & Indemnity (Including Vessel Pollution) | Beazley & Safe Harbor | 5% + Increase | 5.70% |
| Maritime Employers Liability | Lloyds | Slight Increase | 0.00% |
| Bumber shoot - \$24M | Various | 10% + Increase | 10.90% |
| Public Officials - D&O | AIG/ Ironshore / One Beacon | 10%- 15% Increase | 5.23% |

Program Structure

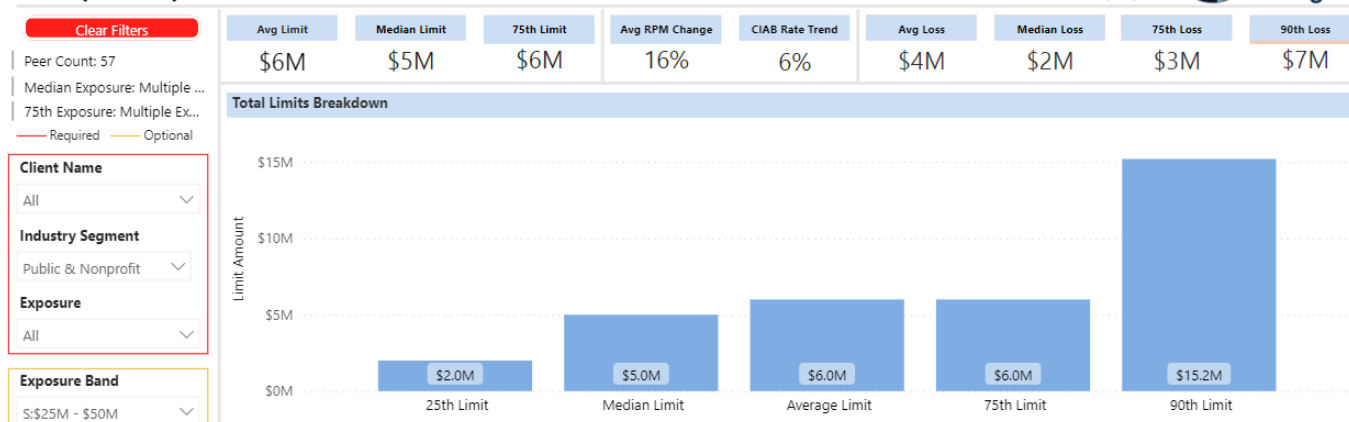


Benchmarking – Directors’ & Officers’

- Entities with revenues between \$25M and \$50M in revenues on average purchase \$5M Limits for Directors’ & Officers’
- The Port Freeport currently purchases \$15M in Directors’ & Officers’ Limits

D&O (Private) Benchmark

Last Refresh: 5/31/2023  Gallagher



Your Team

Your Gallagher team is a true partner. We have the expertise to understand your business and we’re here to service and stay alongside you, every step of the way.

| Name/Title | Phone | Email | Role |
|----------------------------------|--------------------------------------------|----------------------------------------------------------------------|--------------------------------|
| Primary Service Team | | | |
| Stephen Whalley | 713.358.5744 office 832.419.0005 mobile | stephen_whally@ajg.com | Area Senior Vice President |
| David Garcia, CPA | 713.722.1615 office 713.540.1960 mobile | david_garcia@ajg.com | Broker Consultant |
| Leannette Serna | 713.722.1651 office 931.378.2233 mobile | leannette_serna@ajg.com | Senior Client Manager |
| Claims & Loss Control | | | |
| Toby Grist | 972.663.6147 office | Toby_grist@ajg.com | Regional Claims Manager |
| Patrick Mikel | 972.663.6118 office | patrick_mikel@ajg.com | Property Claim Specialist |
| Ed Zabinski | 630.694.5486 mobile | ed_zabinski@ajg.com | Loss Control Managing Director |

**RESOLUTION OF COMPLIANCE WITH PUBLIC FUNDS
INVESTMENT ACT, APPROVING AMENDMENT OF
INVESTMENT POLICY AND UPDATE OF
INVESTMENT STRATEGIES**

At a regular meeting of the Port Commission of Port Freeport held in the office of said Port at 1100 Cherry Street, Freeport, Texas, at 1:00 p.m. on the 8th day of June 2023, among other business came on to be considered the following resolution, which upon motion duly made and seconded was adopted by the vote of all Commissioners present.

FINDINGS

1. Due and proper notice of the date, time, place and purpose of this meeting has been duly given in accordance with the provisions of the Texas Open Meetings Act, and such meeting has been conducted in accordance with said Open Meetings Act.
2. In accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), the Commission reviews the investment policy and strategies of the Port at least annually and maintains strict compliance with the requirements of the Act.
3. The Port has heretofore adopted a standing investment policy currently complied with and set forth as Section 9.1 (Investment of Surplus Funds) of *Port Freeport Policy Manual*, subject to review and amendment.
4. The Commission has this date conducted its annual review of the Port's investment policy in accordance with the Act and determines it is in the best interest of the Port to update said policy with amendment as set forth in the document attached hereto, Section 9.1 of the *Port Freeport Policy Manual*, entitled Port Property/Investment of Surplus Funds.
5. The Commission has this date conducted its annual review of the Port's authorized investment brokers in accordance with the Act and determines it is in the best interest of the Port to approve the authorized broker list as set forth in the document attached hereto, Section 9.1, exhibit 9.1-1 of the *Port Freeport Policy Manual*, entitled Port Property/Investment of Surplus Funds
6. The Commission this date has furthermore conducted its annual review of the investment strategies of the Port as presented for fiscal year 2023/2024 and determines that it is in the best interest of the Port to approve the investment strategies as set forth in the documents attached hereto, Section 3.6 of the Port's administrative *Practices and Procedures*, entitled Investment of Funds.
7. Upon certification presented, the Commission also finds that the Port's Treasurer or designated investment officer have attended training sessions and received the requisite hours of instruction for the biennium 2023-2025, and also approves the sources of training used in compliance with said Act.

NOW, THEREFORE, BE IT RESOLVED, that the Port's investment policy set forth at Section 9.1 of the *Port Freeport Policy Manual* be and is hereby amended as presented and attached hereto, that the investment strategies of the Port for fiscal year 2023/2024 be adopted as presented and attached hereto and made a part of Section 3.6 of the Port's *Practices and Procedures*, and that the Port's compliance with the requirements of the Public Funds Investment Act be and is in all things affirmed.