

Minutes of Port Commission Regular Meeting
May 26, 2022
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held May 26, 2022, beginning at 1:00 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.

The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/88490012605?pwd=d0lMNWtlejZ0Y3NORVYyOWhsMW4rdz09>

Meeting ID: 884 9001 2605

Passcode: 061727

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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:

Mr. Peter Nemeth, Interim Legal Counsel
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
Mr. Al Durel, Director of Operations
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, Network Systems Manager
Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Ms. Tricia Vela, Public Affairs Assistant

Also, present:

Mr. Chris Moore, Texas Port Ministry

Mr. Charles Montgomery, ILA Local 30
Mr. Jason Mills, Terracon
Mr. James Nash, WGMA
Mr. Rick Stephanow, Gulf LNG Services
Ms. Megan Mikutis, Gilman & Allison
Ms. Barbara Fratila

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.
5. 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 from Commissioners.

6. Public Comment – There were no public comments.
7. Public Testimony – There was no public testimony.
8. Approval of minutes from the Regular Meeting held April 28.

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

9. Receive update regarding the status of ILA Local 30.

Mr. Charles Montgomery with ILA Local 30 gave an update on the ILA which supplies a large part of the labor to the loading and unloading processes that take place inside Port Freeport. For the last 13 months, Mr. Montgomery has been assigned to the Local 30 to investigate the growth issues experienced by ILA in Port Freeport. He noted that over 2021 vs. 2020, revenues saw an 18% growth in payroll. In 2020, Local 30 experienced \$6.2 million in payroll, \$8 million in 2021 and this year is on track to close out the contract year (September 30) at approximately \$8.2 million. ILA has hired an additional 100+ people to help supply the needs of the Port. Mr. Montgomery has worked closely with Port staff to put together safety programs which has changed the safety culture within the Port and reduced incidents. ILA continues to work to enhance the attractiveness of the Port by increasing the skill set of labor to include heavy equipment operators, increased the amount of truck drivers from 22 to over 100 and tripled experienced forklift operators. Mr. Montgomery will be rotating out of the area in June but will be hands on watching and coordinating the future of Local 30.

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

Mr. Hogan provided a safety moment to the group regarding hurricane season. Ms. Saathoff reported on a successful Take-a-Child Fishing Tournament and thanked staff and volunteers for their efforts. The Corps released the 2022 Work Plan with Port Freeport receiving an additional allocation of \$73,156,000 for the Freeport Harbor Channel project construction. Ms. Saathoff reminded the Commission the City of Freeport will hold a meeting this evening regarding a tax abatement. Port Freeport hosted a Roundtable group for a tour of the Port earlier in the day. Ms. Saathoff received notification from Representative Code Vasut's office regarding an application to provide water utility service in Brazoria County. Mr. Hull provided an update regarding this application stating a developer wants to develop outside the city limits of Angleton. Because its outside the city limits, the city is not required to provide water and therefore the developer has to build his own water system. This has nothing to do with Port Freeport.

B. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for the month of April. He also introduced Angela Lewis who joined the Port as the new receptionist.

C. Director of Engineering

Mr. Hull shared a recent photo of the progress at Berth 8. He also reported that Corey LaChance and Roy Yates were recently sworn in as new board supervisors at Velasco Drainage District.

D. Director of Operations

Mr. Durel introduced Christine Lewis who joined the Port as a full-time safety coordinator and noted that Rick Benavidez was hired as a part-time safety coordinator. Mr. Durel thanked Charles Montgomery for his efforts over the last 13 months working with the Port to improve overall safety with ILA. Staff has completed review of the hurricane procedures in preparation for the upcoming hurricane season. Additionally, the PCT (Port Coordination Team) was activated and had their first call to test the system and discuss hurricane season. Mr. Durel noted the average vessel activity in 2021 was 44 vessels per month and this month the Port handled 39 vessels.

E. Director of Business & Economic Development

In addition to his written report, Mr. Miura noted that staff continues to see incremental business with the Port even with the supply chain disruption and current market. Staff continues to advance discussions with potential new business.

11. Receive report from Commissioners on matters related to:

A. May 26 OSS Advisory Committee – Commissioner Pirtle reported the committee discussed security information related to grants and received a safety update.

B. May 26 Finance Advisory Committee - Commissioner Croft reported the committee reviewed the contract with KM&L as well as the Port's investment policy, both of which are on the agenda for approval.

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

Commissioner Pirtle reported attending the Take-a-Child Fishing Tournament, the Alliance Quarterly meeting with KC Conway and the BCCA meeting.

Commissioner Croft reported attending the Take-a-Child Fishing Tournament and the Alliance Quarterly meeting.

Commissioner Santos reported attending the Alliance Quarterly meeting.

Commissioner Singhanian reported attending the Alliance Quarterly meeting noting feedback he received from some audience members was the presentation was not well received and the perception was that the Port was trying to revive a project that has been put to rest which is not the case. He is working with the Indo/America Chamber for a visit later in the year. He also noted the Brazoria County TARC will hold a meeting June 6 regarding tax abatement and will be on Commissioners' Court agenda June 14. Additionally, he noted that once this is approved, staff will look at policy development related to media inquiries during contract negotiations.

Commissioner Giesecke reported attending the Alliance Quarterly meeting, Take-a-Child Fishing Tournament and BCCA meeting. He also gave an update to the Angleton Republican Women.

Commissioner Hoss reported on the tour of the Port by the Roundtable group earlier in the day and thanked staff who assisted the tour. He also reported attending the Alliance Quarterly meeting.

12. Approval of financial reports presented for the period ending April 30, 2022.

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

13. Approval of a contract with KM&L, LLC for the Annual Independent Financial and Compliance audit for a term of 3 years, with the Port's option to renew for two additional one-year periods.

Mr. Lowe stated that staff met with the Finance Advisory Committee to discuss the contract for annual independent financial and compliance audit which ended September 30, 2021. The Port received three proposals, one of which was rejected as it arrived after the deadline. Staff recommends awarding a three-year contract to KM&L for fiscal year 2022 in the amount of \$31,650 with an option to the Port to extend services for two additional one-year periods. Staff noted the competing offer was nearly four times the rate and man hours of KM&L.

A motion was made by Commissioner Croft to approve the contract as recommended by staff. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

14. Adoption of a Resolution approving amendments to the Port Freeport Investment Policy.

Ms. Campus stated that staff met with the Finance Advisory Committee to discuss Port's Investment Policy. The policy sets the standard for the Port's investment brokers, training and review of staff training. Because the Texas Legislature was not in session this year, no changes are recommended other than dates, however the Port Commission must reauthorize the policy for the year and adopt the resolution that states the Port is in compliance.

A motion was made by Commissioner Croft to adopt the resolution approving amendments to the Port Freeport Investment Policy. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

15. Discuss plans for review and update of Port Policies.

Ms. Saathoff stated that staff will soon begin the process of reviewing and updating the Port's set of policies. Most policies will fall to the Personnel Advisory Committee for review however if a policy is finance related or operations, safety, security related, the policies will fall to those respective committees. The process will take more than a year to review all policies so as not to overwhelm the Commission with the process. Staff will layout a schedule and relay soon.

16. Receive update regarding General Counsel Request for Proposals.

Commissioner Hoss noted that not all scoring sheets have been returned. More information will be provided as soon as its available.

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 or a settlement offer).
 - 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 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 and 7.
 - 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.

C. Under authority of Section 551.076 (Deliberation of Security Matters) for discussion regarding:

1. Issues related to the deployment or specific occasions for implementation of security personnel or devices or security audit services.

18. RECONVENE OPEN SESSION:

19. Adjourn.

With no further business before the Commission, the meeting adjourned at 6:01 PM

John Hoss, Chairman

Rudy Santos, Vice Chairman

Dan Croft, Secretary

Rob Giesecke, Asst. Secretary

Ravi K. Singhania, Commissioner

Shane Pirtle, Commissioner