

Minutes of Port Commission Regular Meeting
September 8, 2022
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held September 8, 2022, beginning at 1:06 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:

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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 Singhania, 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
Mr. Jesse Hibbetts, Operations Manager
Ms. Christine Lewis, Safety Coordinator

Also, present:

Mr. Chris Moore, Texas Port Ministry
Ms. Megan Mikutis, Randle Law Office
Mr. Drew Masterson, Masterson Advisors
Mr. Thomas Stroschein
Ms. Barabara Fratila
Mr. Sammy Chambless
Mr. James Nash, WGMA

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation –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 regarding weather preparations for extreme conditions.
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 from Commissioners.

7. Public Comment – There were no public comments.
8. Public Testimony – There was no public testimony.
9. Approval of minutes from the Special Meeting held August 24, 2022, and the Regular Meetings held August 25, 2022.

Commissioner Singhania requested the August 25 minutes be tabled for further modifications to be made under Commissioner committee reports. He also asked that an additional clarification be made to the August 24 minutes under item 6 regarding the Age 65 and Older and Disabled exemption, stating that because three commissioners qualify for the exemption, it automatically becomes open to a vote.

A motion was made by Commissioner Singhania to approve the August 24 minutes with the additional clarification added. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

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.

Ms. Saathoff reported that staff has received a signed engagement letter from Randle Law Office noting the new general counsel will be present at the next board meeting. She thanked Mr. Nemeth for serving as general counsel in the interim. The Port Freeport golf tournament preparations are in full swing with all teams filled and community support very strong. The tournament will be held October 17. The Community Advisory Panel (CAP) will meet September 13. Ms. Saathoff will be in Corpus Christi the morning of September 13 attending the Port Authority Advisory Committee (PAAC) and Texas Ports Association (TPA) where she will also relinquish her leadership roles for both. The House Transportation Committee is being held today to hear testimony from TPA Executive Director, Eddie Campirano from Brownsville and Walker Smith from Harlingen. An additional hearing will be held at a later date. With regard to federal matters, Congress will be back in session for eleven days this month. The Senate will not be passing any appropriations bills, so Congress will be working on a continuing resolution which will most likely carry through early December. She also reported that she and Mr. Miura made customer visits last week in the New York/New Jersey area noting they went very well.

11. Conduct workshop regarding Fiscal Year 2022/2023 Budget for Port Freeport.

Mr. Lowe reminded the commission that the first budget workshop was previously held August 24 and what is being presented today has been updated to consider the tax rate proposal that was made at the same meeting. He noted no other financial changes were made to the presentation other than administrative changes related to terminology and/or additional data added to slides. Mr. Lowe stated the overall budget summary stating a \$41.6 million in operating revenues and \$25.6 million in operating expenses which nets to an operating profit of \$16 million with an operating margin of 38%. A decrease in net assets of \$22.4 million is based on contributions to the USACOE for the Freeport Harbor Channel Improvement Project of \$60.9 million. Planned capital expenditures amount to \$72 million plus contributed to others of \$60.9 (FHCIP) million for a total of \$132.9 million which will be funded through cash flows, debt and grants. Debt service interest expense on existing debt amounts to \$9 million. Staff anticipates a \$55.8 million issuance of General Obligation debt for the Freeport Harbor Channel Improvement Project. Commissioner Giesecke inquired if the anticipated 3% interest rate was still current expectation on the new GO issuance. Mr. Lowe expects it to be a bit higher but asked Drew Masterson with Masterson Advisors, to comment on the rate. Mr. Masterson stated that the rate would be in the 4% range, which is 2% higher than last year. 26% of revenues will come through operating revenue, 21% from reserves, 34% from debt financing with uses at 81% capital investment and 9% of operating expenses. Total operating revenues is \$41.6 million an increase of the 2022 forecast of \$2 million. Mr. Lowe noted staff shows it to remain level with the business interruption insurance claim that is still outstanding. Tonnage is 14.7 million, ship calls is 483 which is up from 453. Volumes are up 15% over 2022 forecast due to the resumption of Freeport LNG business operations. Lease revenues are at \$12.6 million, an increase of \$223 thousand. The Ad Valorem taxes would be forecast at \$6.782 million, which is at the 3.5 cent tax rate proposed August 24. Mr. Lowe shared the updated tax levy projection slide with the reduction to 3.5 cent line for the 2023 fiscal year. He noted that for modeling purposes moving forward, the rate was kept flat as a visual to see how it would be broken down between the M&O and I&S rates. Ms. Campus noted that the operating expenses are as discussed at the August 24 workshop stating that depreciation is \$11.1 million adding that if you take the total of \$25.6 million in expenses, less the depreciation, you have \$14.5 million

in actual expenses. Salaries, wages and benefits increased from the 2022 forecasted 27% with a total budget \$6.2 million. FY2023 includes a 6.6% increase in CPI/merit raises, filling six vacant positions, a request for one new position and changing a part-time position to a full-time position. Also included is \$40,000 available in market adjustments. There is a 10% increase forecasted in group health insurance and 5% increase in dental premiums with a renewal date of January 1. The percent of group health to total wages and benefits is 16.5% and assumes full participation in the retirement plan and the percent benefits to salaries and wages at 39%. Commissioner Singhania clarified that although a 6.6% increase in CPI/merit raise is budgeted, it does not mean that everyone will get a 6.6% increase as each individual has to be approved by their supervisor, director or CEO. The same goes for a commissioner increase. Professional Services is budgeted at \$2.9 million which is an increase over the 2022 forecast of \$513 thousand or 21%. Professional services include security service fees, K9 detection services, surveying, environmental consulting, federal and state level government liaisons, port planning services, granted related assistance, election service fees and compensation consulting. Training, Travel, and Promotional budgeted \$879,900 which is an increase from 2022 forecasted \$364 thousand for 70%. Staff assumed a resumption to normal levels from COVID but will continue to monitor. This category includes commercial events participation, the website redevelopment, which was carried over from fiscal year 2022, advertising and targeting publication, sales travel, government relations and travel, state and federal interaction, community events that include four CAP meeting, training and education which is focuses on professional development, training and certifications. Utilities increased \$113 thousand or 15% to \$854,900. This is based on a calculation using an average of the previous year and includes an increase in the City of Freeport water and sewer rates of 9%. Business insurance increased \$141 thousand or 9% over 2022 forecasted to \$1,672,300. This reflects the property insurance increase of 6.68% that renewed March 1, 2021, as well as the liability package renewal package July 1, 2021, of 11.53% increase. Staff has programmed in a 15% increase in premiums for 2023 based on additional assets and market pressures. Other services and charges decreased \$144 thousand or 22% to \$503,600. This area includes dues, services and memberships but IT contracted services, port-a-cans and hand wash stations as well. Maintenance and repair decrease \$462 thousand or 27% to \$1.2 million. Special projects include a carryover of the Administration building repairs and maintenance. Crane trolley repairs have also been added however it could be capitalized depending on final scope. The truck scale line replacement, fire diesel pump repairs are also included. Other significant items include maintaining equipment such as the ZPMC cranes, security equipment, cleaning and maintenance of office buildings, dust control product, road repairs and mowing. Depreciation expenses of \$11.1 million is an increase of \$3.2 million due to the addition of the levee stabilization project, berth 8 and ro-ro ramp. Commissioner Singhania inquired when Berth 8 will be in operation if the full depreciation would be taken or if it would be prorated. Mr. Lowe stated the berth and ro-ro ramp will be operational in May and it will be prorated. Regarding the debt interest and fees slide, Mr. Lowe noted this slide was altered based on August 24 conversations and now includes call dates. In addition, a conversation also took place regarding premiums and Mr. Masterson was invited to join the meeting to answer any specific questions the commission may have. Mr. Masterson did confirm that premiums should be a net neutral view to the port as an entity and premiums are paid up front. Under the call date category, Commissioner Giesecke asked about the "current" notation inquiring how long the window is open. Mr. Masterson clarified that it is open through maturity. This applies to all the other bonds as well. A look at the Port's Capital Expansion Plan by way of the strategic initiatives show \$60.9 million for the Freeport Harbor Channel project, \$55.3 million for the buildout of the Port's Container Handling

Facilities, \$11.1 million for the development of warehousing and OEM distribution facilities and \$5.6 million for port infrastructure support. Finally, the Port's capital funding by source shows 46% through general obligation debt, 30% by grant programs, 7% through cash flow reserve and 17% through revenue debt.

12. Adoption of the FY2022/2023 Budget for Port Freeport.

Commissioner Giesecke commented stating that there is a lot to like in this budget and as expressed previously, he doesn't see any real relief for the taxpayers adding that since 2019, the EBIDA (earnings before investment income, depreciation and amortization) is up from \$17,160,000 to \$27,077,000, an almost \$10 million increase with no real tax relief anticipated in this budget and will have to vote no for the budget.

Commissioner Santos thanked staff for their efforts in building this year's budget.

A motion was made by Commissioner Santos to approve the FY 2023 budget of Port Freeport as presented by staff. The motion was seconded by Commissioner Croft with five Commissioners voting in favor of the motion and Commissioner Giesecke voting no. The motion passed.

13. Adoption of a Resolution setting the 2022 Tax Rate for Port Freeport.

A motion was made by Commissioner Santos to approve the 2022 tax rate of 3.5 cent/100 valuation. The motion was seconded by Commissioner Pirtle.

Commissioner Giesecke asked Mr. Nemeth if a motion to amend would be in order at this moment. Mr. Nemeth stated that once a motion is made, it can be amended if the person making the motion agrees to amend the motion, but you can ask to have it amended. Commissioner Giesecke argued that once the Chair opens for debate, that's the appropriate time to make a motion to amend adding that although Mr. Nemeth stated a motion was already being considered, a motion to amend takes priority as a subsidiary motion vs. the main motion. He also stated that legal got him last time in between after the motion had been made before the chair restated the question and opened it up for debate so when its open for debate, that's when the motion to amend is in order. Mr. Nemeth clarified that under general rules for meetings, the person who made the motion, once its seconded, has the ability to request that motion be voted on or he can in turn accept an amendment and amend it. If the motion does not pass, you are able to make another motion. Commissioner Santos clarified/repeated the procedure laid out by legal counsel and then stated he does not want to amend his motion. Commissioner Giesecke argued that is not correct, stating a motion to amend is in order once the debate is open, after the chairman restates the motion, then its open to the floor and open to the amendment. Commissioner Croft asked if there was a second to his motion. There was no motion or second on the table. Commissioner Giesecke asked if the Commission was in the deliberation phase. Counsel confirmed they are in the deliberation phase. Commission Giesecke commented that after what happened last time, he went and got a book.

Commissioner Giesecke made a motion to amend the main motion to provide a maintenance and operation tax rate of zero, an interest and sinking fund rate of \$0.16856 cents/\$100 for a

total tax rate of \$0.16856 cents/\$100. The motion was seconded by Commissioner Singhania.

Commissioner Hoss noted that while Commissioner Giesecke references *Robert's Rules of Order*, he reminded the Commission that it has not been fully adopted and the Commission generally uses an amended version. To be consistent with what has been done in the past, the Chairman has asked the person making a motion if he's willing to amend and the person who seconded the motion if he's willing to continue the second on the amendment and not address it as a subsidiary motion. Commissioner Giesecke stated the main motion was to adopt a rate of .035 rate, the subsidiary motion takes precedence over the main motion until the subsidiary motion is disposed of. Commissioner Singhania asked Mr. Nemeth to weigh in on the discussion. Mr. Nemeth stated that under the strict following of *Robert's Rules of Order*, Commissioner Giesecke is correct. He further explained that at this point, there would be a vote on whether to amend the motion. This would require a majority vote to amend the motion and then the motion can be considered as amended. He clarified that it is a motion to amend the motion, it's not a motion to approve the tax rate. Commissioner Hoss followed up by stating it is not the content of what's being presented, it's the action of whether or not you're going to amend something, basically overriding the person that made the original motion. Mr. Nemeth further clarified where the commission stands at this moment stating that Commissioner Giesecke asked that the original motion be amended to provide a zero-tax rate for M&O and maintain the I&S rate. If there is to be a vote on that, it would be a vote to amend the original motion, not a vote on the original motion. If the vote on the amendment passes, then you would in turn vote on the tax rate Commissioner Giesecke is proposing. If the vote on the amendment does not pass, then you vote on the original motion as made.

After additional discussion and clarification, Commissioner Hoss asked for a vote on the motion made by Commissioner Giesecke to amend the original motion made by Commissioner Santos. The motion was seconded by Commissioner Singhania with Commissioners Giesecke and Singhania voting yes and Commissioners, Hoss, Santos, Croft and Pirtle voting no. The motion did not pass.

Mr. Nemeth stated that since the motion to amend did not carry, the commission is back to the original motion as made.

At this time, Commissioner Pirtle commented that if you look back the tax rates, the commission has reduced the tax rates since 2011 continuously and the latest tax approval was by the voters. It's not fair or true to say the Port is not reducing rates as we are down significantly, about 30%, from where we were in 2011. Commissioner Giesecke replied that the legislature defines the no new revenue rate, which is the rate multiplied by the valuation, as the valuations go up, taxes go up if the rate stays constant. They define this term as the no new revenue rate, with the predecessor being the effective rate. In 2018, the rate adopted was 3.67% above the effective rate; in 2019, the rate adopted was 1.68% above the effective rate; in 2020, the terminology was changed, and the adopted rate was 7.78% above the no new revenue rate; last year was a 0.2% reduction from the no new revenue rate and now we are proposing a 3.5 cent which is 2.5% reduction. If you look at it since 2018, we've had a net tax increase if you consider the rates multiplied by the valuation. Commissioner Hoss argued that the rates have gone down. Commissioner Giesecke stated that if you hold the rates the same and valuations go up, it's a tax increase. If the tax base increases and more things are added to the base. The no new revenue rate only considers the properties that were

on the tax roll the previous year so the new valuation for new properties/construction is not included in the calculation of the no new revenue rate, and neither are tax abatements. Mr. Lowe clarified that is true for the first year of the tax abatements but cumulatively, if something would have come on in 2018, it would have been there 2020 vs. 2021 but the year it rolls off it would not be counted but subsequently it would be compared year over year. Commissioner Giesecke also noted that if the Commission had adopted a rate higher than the no new revenue rate, the Port would have been required by law to publish a notice that said notice of hearing on tax increase.

At this time, Commissioner Hoss called for the vote on the original motion made by Commissioner Santos to approve the 2022 tax rate of 3.5 cent/100 valuation. All Commissioners voted yes.

Ms. Saathoff added for the record that this is a 22.4% reduction in the M&O rate, with the rate just adopted.

14. Discuss and consider the adoption, amendment, repeal or reauthorization of the Port Freeport Tax Abatement Guidelines and Criteria, to be effective September 8, 2022 – September 7, 2024.

Mr. Lowe stated that staff has previously met with the Finance Advisory Committee and once with the Commission with the guidelines being tabled based on language recommendations staff received. Staff reviewed the language recommendations with the Finance Committee and now proposes the following language modifications to Section 2 (h)(6) that was discussed with the committee. *“When seeking employees for direct employment by the owner of the planned improvement at the abated facility site, it is required that applicant seek qualified workers who are United States citizens or legal residents (and give preference to veterans of the U.S. armed forces) prior to seeking non-resident workers from other countries. For all employees of applicant who will work at properties for which an abatement is granted, applicant must use E-Verify or other appropriate methods to confirm the identity and employment eligibility of those employees to work in the United States.”*

Mr. Lowe then presented the amended language Commissioner Giesecke submitted to staff earlier in the day. Commissioner Giesecke stated that his issue with the revised language is that it basically eviscerates it. He agrees with everything but the last part where it says, *“use E-Verify or other appropriate methods”*. He stated that every employer is required to use some method to verify the person’s right to work in the United States. His issue is that some of the methods used to confirm identity consist of documents with no photo that can easily be forged (i.e., voter registration card and social security card), and this is considered enough. Commissioner Giesecke stated that he looked at the Texas Transportation Code and found the following. He also noted that under the Texas Transportation Code, TxDOT is required for their contractors (and sub-contractors) to participate in E-Verify. The highlighted areas indicate the operative parts of the code....

Texas Transportation Code

Sec. 223.051. VERIFICATION BY CONTRACTORS. (a) In this section, "E-verify program" has the meaning assigned by Section 673.001, Government Code.

(b) The department may not award a contract for the construction, maintenance, or improvement of a highway in this state to a contractor unless the contractor and any subcontractor register with and participate in the E-verify program to verify employee information. The contractor and any subcontractor must continue to participate in the program during the term of the contract.

Texas Government Code

Sec. 673.001. DEFINITIONS. In this chapter:

(1) "E-verify program" means the electronic verification of employment authorization program of the federal Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (Pub. L. No. 104-208, reprinted in note, 8 U.S.C. Section 1324a), operated by the United States Department of Homeland Security, or a successor employment authorization program designated by the United States Department of Homeland Security or other federal agency authorized to verify the employment authorization status of newly hired employees under the federal Immigration Reform and Control Act of 1986 (8 U.S.C. Section 1101 et seq.).

Based on this language from the Transportation Code, Commissioner Giesecke is proposing the following definition for E-Verify be added to the guidelines which will cover the current E-Verify program or other programs the federal government may offer. He noted that this is exactly what the State of Texas has and has been in place since approximately 2017 in the Transportation Code and is in practice now for TxDOT contracts.

1. In Section 1 (Definitions) on Page 2, insert a new Subsection (g) as follows and redesignate all succeeding subsections:

(g) "E-Verify Program" means the electronic verification of employment authorization program of the federal Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (Pub. L. No. 104-208, reprinted in note, 8 U.S.C. Section 1324a), operated by the United States Department of Homeland Security, or a successor employment authorization program designated by the United States Department of Homeland Security or other federal agency authorized to verify the employment authorization status of newly hired employees under the federal Immigration Reform and Control Act of 1986 (8 U.S.C. Section 1101 et seq.).

Note: This definition is sourced directly from the Texas Government Code, Subsection 673.001(1)

Commissioner Giesecke proposes the modified language below for Section 2 (h)(6)....

2. On Page 8, modify the amended Subsection 2(h)(6) as follows:

(6) Must file a plan statement with application demonstrating willingness and planned efforts to use qualified Port Freeport vendors and service providers where applicable in the construction and operations of the facility. Port Freeport vendors and service providers must be competitive with non-county vendors and service providers regarding price, quality, safety, availability and ability to perform. When seeking employees for direct employment by the owner of the planned improvement at the abated facility site, it is required that applicant seek qualified workers who are United States citizens or legal residents (and give preference

to veterans of the U.S. armed forces) prior to seeking non-resident workers from other countries. For all employees of applicant who will work at properties for which an abatement is granted, applicant must ~~use E-Verify or other appropriate methods to confirm the identity and employment eligibility of those employees to work in the United States~~ register with and participate in the E-Verify Program to verify employee information. The applicant must continue to participate in the program during the Abatement Period.

Note: The inserted phrases are taken directly from the Texas Transportation Code, Subsection 223.051 (b)

Discussion then began among the Commission regarding the proposed language noting concerns with E-Verify being the only means to verify employee information as well as how the applicants would be audited to ensure E-Verify is being used. The Commission asked legal counsel to weigh in on the topic. Mr. Nemeth noted that he does not have a problem with E-Verify as it's one way an employer can meet his obligation under federal law. His only concern with this language is it demands that they do that. While there is nothing wrong with this, does the Port want to get into the weeds of how a company does their legally required business. There are other ways to comply (i.e., I-9 form, passport, birth certificate, but by adopting this language, the Port is saying you can't use that, you have to use E-Verify.

Commissioner Pirtle said he appreciated Commissioner Giesecke's research on this. Thinks it would be beneficial to the Port and to the County to verify who is being employed but not sure specifying just E-Verify is right. He questioned who at the Port would audit compliance. Commissioner Pirtle said the County has an established group that does this and the Port tries to be consistent with the County. Commissioner Giesecke this language is just mandating the company use E-Verify. It would not be too difficult to verify.

Commissioner Hoss asked the Finance Advisory Committee what their recommendation was. The committee expressed concern about the original language, legal counsel massaged the language and came back with what staff is presenting today. The committee has not seen the language Commissioner Giesecke is proposing today. Commissioner Giesecke noted again that he is fine with everything else presented, just not the language that reads "*other appropriate methods*" feeling it is too vague a description, so he looked for something that was established, passed by the legislature and has been in practice. He pointed out this would only be for the employees of the applicant and does not extend to their contractors and subcontractors.

Commissioner Pirtle again expressed concern about verifying compliance. Commissioner Giesecke said we would not be auditing at the individual employee level. The company could be required to provide proof of registration E-Verify.

Commissioner Pirtle suggested approving the guidelines as presented in order to move forward to get guidelines in place but go back to the committee to further discuss the language regarding E-Verify and see if committee can come to a resolution, and then bring that revised language back to the Commission for approval.

After reviewing the staff recommended language again and discussing a bit further, a motion was made by Commissioner Pirtle to approve the guidelines as presented by staff with the

intention that the Finance Advisory Committee will review the E-Verify language at a future date. The motion was seconded by Commissioners Croft.

Commissioner Giesecke made a motion to amend Commissioner Pirtle's motion to include the adoption of Brazoria County's graduated scale with the adjustments that we remove the 8th year on Tiers 3 and 4 not going beyond 7 years. He further stated that this gives the Port the flexibility to adopt an abatement at 100% but manages the expectation for companies requesting an abatement. The motion was seconded by Commissioner Singhanian adding that the County has the option to give a 100%, and they did on Volkswagen. He noted that he would rather see the Port follow/keep the County's guidelines, allowing them to be the administrator, than trying to tweak them.

Commissioner Pirtle noted for clarification that staff's recommendation was to adopt the guidelines with the wording previously discussed without the graduated scale but rather, use it as a reference.

Commissioner Singhanian commented that from his perspective, it does not really matter what is adopted, the Commission as a whole decides what amount they want to give. His opinion is to move forward with the understanding that the E-Verify language will be tweaked once the committee has reviewed and made their recommendation.

Commissioner Hoss called for a vote on Commissioner Giesecke's motion to amend the original motion. Commissioners Giesecke and Singhanian voted yes, in favor of the motion to amend. Commissioners Hoss, Santos, Croft and Pirtle voted no. The motion to amend did not pass.

Commissioner Hoss then called for a vote on Commissioner Pirtle's original motion to adopt the guidelines as presented by staff without the graduated scale. All Commissioners voted yes to adopt the guidelines as presented.

15. Approval of Executive Director/CEO and Commissioners' travel for the months of September and October 2022.

Ms. Saathoff stated that she will be traveling to Corpus Christi to attend the Texas Ports Association and Port Authority Advisory meetings, then attending the Automotive Logistics Conference with Mr. Miura in Detroit and attending the AAPA Annual Convention in October with Commissioner Singhanian and possibly Commissioner Pirtle.

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

16. 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 551.087 (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.
- 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 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.

17. RECONVENE OPEN SESSION:

18. Adjourn.

With no further business before the Commission, the meeting adjourned at 3:20 PM.