

Minutes of Port Commission Regular Meeting  
April 25, 2024  
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held April 25, 2024, 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](http://www.portfreeport.com)**

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

Join Zoom Meeting

<https://us02web.zoom.us/j/86729702791?pwd=TnArMmpFOWx2TStqUWtkQmxSdEVJQT09>

Meeting ID: 867 2970 2791

Passcode: 520133

Dial by your location

• +1 346 248 7799 US (Houston)

Meeting ID: 867 2970 2791

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

Commissioners present in person:

Mr. Ravi Singhania, Chairman  
Mr. Rob Giesecke, Vice Chairman  
Ms. Barbara Fratila, Secretary  
Mr. Kim Kincannon, Asst. Secretary  
Mr. Rudy Santos, Commissioner  
Mr. Dan Croft, Commissioner

Staff Members Present:

Mr. Grady Randle, Legal Counsel  
Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Rob Lowe, Director of Administration/CFO  
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  
Mr. Jesse Hibbetts, Director of Operations  
Ms. Missy Bevers, Executive Assistant  
Ms. Mary Campus, Controller  
Ms. Christine Lewis, Safety Coordinator  
Mr. Cecil Booth, Project Engineer  
Mr. Chas Gryseels, Engineering Specialist  
Ms. Bailee Anderson, Accounting Analyst  
Mr. Jason Caywood, System Administrator

Also, present:

Mr. Chris Moore, Texas Port Ministry  
Mr. Chris Motley, Freeport Fire Chief  
Mr. Jason Foltyn, HDR  
Ms. Heather Cook, Randle Law Office  
Ms. Melanie Oldham  
Mr. Alexander Higuera

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 Singhanian noted that Commissioner Santos was running late while all other Commissioners were present in the Board Room.
5. Safety Briefing – Ms. Christine Lewis provided tips to avoid distracted driving.
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 was no public comment.
8. Public Testimony – There was no public testimony.
9. Approval of minutes from the Special Meeting held March 7, 2024 and the Regular Meeting held March 28, 2024.

A motion was made by Commissioner Kincannon to approve the minutes. The motion was seconded by Commissioner Giesecke with all Commissioners voting in favor of the motion.

10. Continuation of the April 11, 2024 Workshop, including but not limited to the following:
  - A. Operations Update
  - B. Capital Projects Update

**Operations Update**

Mr. Hibbetts began his presentation by discussing Volkswagen vessel operations stating they brought in 3 vessels for the month of March with a total of 7,966 autos discharged. April's forecast shows 8 vessels for a discharge of 16,428 autos. Mr. Hibbetts also noted that almost 75% of the vessels are LNG fueled. He also shared photos of a near full Volkswagen facility from April 4. He also talked about the companies working alongside Volkswagen including APS Stevedoring, Wallenius Wilhelmsen Services (WWS) and Rail Link Operations (RL). APS handles the vessel operations hiring an average of 140-160 ILA workers per vessel

noting they are doing an excellent job with safety for the operation. WWS handles the auto processing for Volkswagen, Porsche, Audi, Bentley and Lamborghini which includes upgrades, manuals before the vehicles are shipped out by truck or rail. In addition, they handle the loading and unloading of the auto racks. Rail Link is the rail switcher for the operation and working very well with UP, WWS, VW and the Port. They are handling bi-level auto racks (two-tier auto racks) and switching the cars in the facility for Volkswagen. Staff anticipates 2 switches per day once everything is up and running and all logistics have been worked out. He explained that a switch is when UP brings the cars into the facility (dropping them on the Port's tracks), Rail Link will then switch the cars to the Volkswagen tracks. Mr. Hibbetts noted that Rail Link has approximately 3-4 people on site daily handling the switching, while WWS has about 90 people working for the processing. This plus the labor working the vessel operations gives a total of 250 people working at various times. Ms. Saathoff added the Port is expecting VW to be railing about 200 vehicles units outbound going to 6 different states in the U.S. outside the Texas market (Utah, California, Colorado, Illinois, Minnesota, Oregon). Mr. Hibbetts then shifted the discussion to Del Monte whose first vessel (M/V Rose) is expected to arrive June 23 with an LOA (length overall) of 629', holding 638 containers and has 634 electrical plugs. Del Monte expects 800-900 moves per week. These numbers are in line with what staff was expecting. Mr. Hibbetts shared pictures of the Del Monte Terminal showing the area behind Berth 7 under construction with the installation of reefer racks which will handle 688 plugs. He noted that Gulf Stevedores will be the stevedore for Del Monte and is setting up their temporary cross-dock which will be located behind Berth 8. He also shared photos of the construction site for the new Freeport Warehouse cross-dock facility and a map/drawing of the traffic flow to the new cross-dock facility. Mr. Hibbetts then gave an update on TxDOT projects and Gate 12 Construction stating that his team meets with TxDOT and their contractors weekly to discuss the FM 1495 Project. He noted that contractors finished the pouring at 4<sup>th</sup> Street and the tie-in, and have moved down to Highway 36, southbound side of the tie-in. The team is also working to ensure safety is maintained by coordinating with stevedores, flaggers, security and safety. Gate 12 is under construction and estimated to be completed January 2025. The Ops team is working with engineering on the Expansion Area repaving projects due to traffic flows to the warehouse facility and Gate 12. The areas tagged for repaving include 8<sup>th</sup> Street, Poplar Street, Terminal Street and 5<sup>th</sup> Street. Mr. Hibbetts also shared a picture of the dirt work at the Gate 12 construction site. Lastly, Mr. Hibbetts shared updated photos of the Del Monte warehouse construction site, Dockzilla (temporary cross-dock) and a full Volkswagen site.

*Commissioner Santos arrived at the meeting during the Operations Update at 1:13 p.m.*

### **Capital Plan Update**

Mr. Hull began his update by sharing the following milestones for FY2024 as related to the Port's Strategic Initiatives...

**PORT FREEPORT  
PORT CAPITAL EXPANSION PLAN  
Fiscal Year 2024**

<b><i>Strategic Initiatives</i></b>	<b><i>Milestones</i></b>
➤ Freeport Harbor Channel	\$ 950,000
➤ Buildout of the Port’s Container Handling Facilities	37,124,000
➤ Development of warehousing and OEM distribution	1,440,000
➤ Port Infrastructure Support:	13,096,110
<b>Total</b>	<b>\$ 52,610,110</b>

He then shared the current state of the Freeport Harbor Channel Improvement Project noting that all sections are complete except for Reach 1 which is scheduled to be completed at the end of 2025. He noted another hopper dredge (Dodge Island) is expected to be on site within the week for maintenance work. Ms. Saathoff added there is a lot of coordination between the pilots, the dredgers and vessels arriving/departing the Port to minimize disruptions. Mr. Hull then discussed the TxDOT funding for new infrastructure projects in 2024/2025. During his discussion of the projects, he referenced a map showing where each project was located. Starting with Rider 37 Velasco Terminal Access which bids on April 16 and includes constructing a truck queuing area, widening and repaving of roads in the expansion area, jug handle street access and new gate access. Total project is \$6.2 million cost shared with TxDOT. The Seaport Connectivity Program is to rebuild E. 5<sup>th</sup> Street in the amount of \$3.8 million, cost shared with TxDOT. Another piece of the Seaport Connectivity Program is the Gate 4 Access Road Widening project which will widen the entrance (2-lane to 4-lane) from FM1495 to the guard house. Project is \$1 million, cost shared with TxDOT. Ms. Saathoff noted that with regard to the jug handle street, the Port included this with the grant request with the State in order to improve the area and give back access to E. 2<sup>nd</sup> Street to the Freeport community. The Maritime Infrastructure Program includes cost share of \$11.6 million for Velasco Terminal Area 5 which will concrete pave 15 acres on the terminal. Ms. Saathoff noted that staff will be applying for future funding through the state for Areas 4 and 6. Staff is also working with TxDOT for improvement of the non-TWIC staging yard. The area will include truck parking, booth for check-in, restroom facilities, vegetation, charging stations for trucks and POVs. This is an \$8.8 million project. TxDOT is pursuing a rural designation grant which would be a 20% non-federal and local sponsor match. TxDOT will look for the Port to fund 50% of the match, estimated at \$878,000. Staff confirmed these funds would be in the 2026-2027 biennium; therefore, construction would begin in 2026. Discussions will be a part of the capital planning process for the upcoming budget cycle.

11. Receive reports from Executive Staff on activities and matters related 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 that May 7 the Port will host a Human Trafficking Awareness Workshop and the next traffic coordination and project meeting with TxDOT will be held May 14 noting TxDOT will continue with the original 3-phase approach to completing the FM 1495 reconstruction project, having two-way traffic at all times. April 27-29 is Emergency Supplies Tax Holiday Weekend. Staff will be meeting to review the Port’s

Hurricane Plan. The Panama Canal Authority is optimistic about increasing the number of daily transits through the canal from 27 to 32 and by mid-summer, increasing the draft for the vessels transiting the canal. The Expansion Area demolition project is completed. Staff will proceed with a contract with the Goodman Corporation to apply for the Clean Air Planning under the EPA Grant project. There is also opportunity to work with tenant to procure zero emissions equipment. Staff is moving forward to gather information on equipment needed, dollar amounts and who will be the owner of the equipment. Finally, the Senate Finance Committee staff will visit Port Freeport May 21.

B. Director of Engineering

In addition to mentions to the completion of the expansion area demolition, the Admin Building waterproofing is complete. Mr. Hull also shared photos of the electrical building for Del Monte as well as one of four transformers on site that Del Monte purchased to reduce voltage from 12470 to 480.

C. Director of Operations

Mr. Hibbetts shared statistics for the month of March noting the Port handled 33 vessels (10-LNG; 23-Inner Harbor) with Enterprise/Seaway receiving 6 vessels and port wide total vessels handles was 81. Riviana saw 1 vessel and 14 barges while 11 RoRo vessels were handled which equals just over 12,000 vehicles. Year to date, the Port has handled 53,525 vehicles. Tenaris moved over 86,000 tons handling 3 vessels, 12 barges and 33 railcars. Dole and Chiquita each handled 3 vessels while CEMEX handles 33 railcars and Volkswagen handled 166 railcars. Looking at April, LNG, Riviana, Vulcan and Tenaris all expect to see activity. Staff has been working diligently with new customers to ensure smooth operations. Mr. Hogan gave a briefing about the DPS Tactical Marine Unit which is coming to the area. The unit will bring 2-3 boats along with 8 operators and one team leader (swat team in a boat). The mission statement is security, intelligence and rescue working with local and federal agencies offering a huge asset to the area.

D. Director of Business & Economic Development

Mr. Miura stated that staff will be attending the upcoming Finished Vehicles Logistics conference in May and reported attending the recent JOC Breakbulk & Project Cargo conference in New Orleans noting it has grown substantially over the past few years and recommends continued participation.

E. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for the month of March. He also gave an update on the disposal of the residential lots noting that staff was asked to expand efforts to be more inclusive of a market effort which will take more time. Staff is moving forward but has nothing new to report.

12. Approval of financial reports presented for the period ending March 31, 2024.

A motion was made by Commissioner Giesecke to approve the financial report. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

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

April 4 OSS Committee Meeting – Commissioner Santos reported the committee reviewed the following policies, 7.1 - Security & Safety Regulations (no changes recommended), 7.2 - Smoke-Free Work Environment (on the agenda for approval) and 7.3 - Hurricane Preparedness (no changes recommended). Other items discussed include agreement with the City for Cooperative Radio Frequency Use, 2023 Hazard Mitigation Plan and TWIC readers, all of which are on the agenda for approval. The committee also received an update the port-wide networking upgrade.

April 23 Finance Committee Meeting – Commissioner Giesecke reported that staff presented the quarterly investment report to the committee. The committee also discussed the tax collection services agreement with Brazoria County which is on the agenda for approval. Discussion also took place in executive session regarding possible leasing opportunities.

Commissioner Santos reported attending the BCCA Meeting in Iowa Colony and the Angleton Chamber Luncheon.

Commissioner Fratila reported attending the Velasco Drainage District Meeting, Brazoria Chamber Mix & Mingle as well as the Alliance Luncheon.

Commissioner Giesecke reported attending the Freeport City Council meetings, BCCA Meeting, Alliance Luncheon, Angleton Republican Women’s Candidate Forum where he was asked to give a Port update.

Commissioner Kincannon reported attending the Board Workshop held April 11, Walkabout Safety Training, BCCA Meeting, Alliance Luncheon and the Finance Committee Meeting.

Commissioner Croft reported attending the Alliance Executive Committee Meeting, Board Workshop, Brazoria Chamber Breakfast and the Alliance Luncheon.

Commissioner Singhania also reported attending the Alliance Luncheon.

#### 14. Approval of an Interlocal Agreement for Cooperative Radio Frequency Use between Port Freeport and the City of Freeport.

Mr. Hogan stated the interlocal agreement under consideration is a cooperation agreement between Port Freeport and the City of Freeport to ensure reliable radio communication during emergency situations. Key points to the agreement include the following...

- authorizes joint radio frequency use that allows the Port and the City to program radios to each other’s frequencies;
- authorizes City to install equipment at the EOC for the VHF radio systems for the fire department; and
- provides UFH channels on the Port’s UFH radio system for Freeport Fire and Police to allow backup channels for use.

Staff recommends approval of this agreement between the City and the Port to enhance its operability. The agreement has been reviewed by the OSS Committee. The agreement includes a 30-day written notice for termination and for extension of the agreement. The agreement also includes 90 days for removal of the equipment.

A motion was made by Commissioner Santos to approve the interlocal agreement. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

15. Approval of a Resolution Adopting the Brazoria County Hazard Mitigation Plan 2023.

Mr. Hogan explained that every five years, the Port must update its Hazard Mitigation Plan. The Port and 25 other partners in the County met with the County last year to form the plan. Staff then requested permission from the Commission to proceed with the plan which was submitted to FEMA in June 2023. FEMA has now approved the plan and requested all 25 partners adopt the plan by way of resolution. Once all partners have adopted the plan, the County Commissioners will then officially adopt the plan. Mr. Hogan noted the plan includes certain projects that if there is any type of disaster declaration, the Port can request funds. The project list does not guarantee the Port purchasing certain items, nor does it make a commitment to purchasing, rather, if the Port is approved and there is a project the Port wants to seek, staff would utilize the Port's purchasing policy and request approval from the Commission. Staff requests approval from the Commission to adopt the Hazard Mitigation Plan.

A motion was made by Commissioner Santos approve the Resolution adopting the 2023 Hazard Mitigation Plan. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

16. Approval of the purchase of four (4) handheld TWIC readers from MozaicID.

Mr. Hogan stated the Port received a grant in 2023 in the amount of \$72,000 to purchase additional handheld readers. During the budget cycle, staff decided to spread the purchases out over a couple of years instead of buying all at once. MozaicID is the company who makes the handheld readers that are used by the Coast Guard. The readers include many features that other companies cannot provide, so staff has included a sole source letter in BoardPaq. Mr. Hogan noted one of the big features is that the readers can operate offline, meaning if there is a hurricane and power is lost, as long as staff can get to internet or a hot spot somewhere, the list can be updated. Mr. Hogan also noted that since this item was reviewed with the OSS Committee, staff found out the Port qualifies for additional discounts, therefore the amount is \$3,000-\$4,000 less. Staff requests approval to purchase four handheld TWIC Readers in the amount of \$31,883.69 with the understanding that FEMA will reimburse the Port \$23,912.77 via the Port grant. The handheld readers are required to validate the TWIC. The handheld readers update every night against a cancelled card list which DHS publishes daily. The readers will tell staff if a TWIC is good but also if one has been cancelled for expiration or if an action has occurred that dictates a TWIC removal.

A motion was made by Commissioner Santos to approve the purchase of four (4) handheld TWIC readers from MozaicID in the amount of \$31,883.69. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

17. Approval of a Construction Contract with Noble Building & Development, LLC for the EOC HVAC Replacement Project, for an amount not to exceed \$514,725.00.

Mr. Hull stated that bids were opened April 9 with two contractors submitting proposals for the HVAC replacement in the EOC (Emergency Operations Center). Noble Building & Development submitted the lowest bid in the amount of \$514,725,00. The bid was 2.9% over staff's estimate from July 2023. Commissioner Kincannon stated the committee felt the bid was close enough to the estimate and wanted a system that could be repaired by most of the air conditioning contractors in the area rather than a sole source. Staff recommends approval.

A motion was made by Commissioner Kincannon to approve the contract with Noble Building & Development in the amount of \$514,725.00. The motion was seconded by Commissioner Giesecke with all Commissioners voting in favor of the motion.

18. Approval of an Easement to CenterPoint Energy Houston Electric, LLC for the extension of an existing power line on Velasco Terminal.

Mr. Hull stated this easement to CenterPoint Energy is necessary to allow them to extend electrical service to the Del Monte electrical building development. Mr. Hull shared a photo depicting where the building is located and the extension of the easement. Expenses of the easement extension have been passed on to Del Monte which have already been paid. Staff recommends approval.

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

19. Discuss and consider the First Amended Agreement for Automated Permitting System between Port Freeport and ProMiles Software Development Corporation.

Mr. Miura explained the agreement is for an automated permitting system between Port Freeport and ProMiles adding that Port Freeport entered into an Interlocal Agreement with the Texas Department of Transportation in August 2023. The agreement enabled Port Freeport to issue Oversize Overweight permits for use of the OSOW corridor (Heavy Lift Corridor). The agreement stipulates "the Local Government (Port Freeport) shall utilize an automated permitting system that meets TxDOT's permitting requirements for the issuance of oversize or overweight permits." The automated permitting system is provided by ProMiles. This amended agreement sets forth the terms and conditions of ProMiles' service which was updated based on new terms and conditions of the interlocal agreement with TxDOT and fulfills the requirement set forth by TxDOT. The agreement was prepared by legal counsel and staff has reviewed it with the OSS Committee. Mr. Miura explained the process is automated, stating the truck goes over a certified scale, scale ticket is issue, scale ticket data is entered in the permitting system and a permit is generated. Ms. Campus explained the invoicing process stating that ProMiles collects three pieces of the fee the trucking company will pay. One piece goes to TxDOT for the permit, one piece to Port Freeport and the last piece to ProMiles. The Port does not have to pay ProMiles directly as they divide the fees into each category and once a week, ProMiles wires the funds to the Port.

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



20. Discuss and consider adoption of a Resolution Committing Matching Funds to Support a Grant Awarded through the Texas Department of Transportation Seaport Connectivity Program (SCP88) for the “East 5<sup>th</sup> Street Reconstruction Project.”

Mr. Miura stated the two resolutions for agenda items 20 and 21 are related to the funding the Port will receive from the Texas Department of Transportation Seaport Connectivity Program for two projects, the East 5<sup>th</sup> Street and the Gate 4 Access Road Widening. Approval of the resolutions are required to allow the Port to enter into agreements with TxDOT. Once the resolutions are adopted, they are put into the respective Advance Funding Agreements as exhibits and through the resolution, Ms. Saathoff is authorized to execute all agreements. Mr. Miura noted the contracts have been review by legal counsel and are ready to be executed.

A motion was made by Commissioner Croft to adopt the Resolution Committing Matching Funds to Support a Grant Awarded through the Texas Department of Transportation Seaport Connectivity Program (SCP88) for the “East 5<sup>th</sup> Street Reconstruction Project.” The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

21. Discuss and consider adoption of a Resolution Committing Matching Funds to Support a Grant Awarded through the Texas Department of Transportation Seaport Connectivity Program (SCP88) for the “Gate 4 Access Road Widening Project.”

Mr. Miura stated the process is the same as previously stated under item 20 noting this resolution is in support of the Gate 4 Access Road Widening. The adopted resolutions are put into an Advance Funding Agreements as exhibits and through the resolution, Ms. Saathoff is authorized to execute all agreements. Mr. Miura noted the contracts have been review by legal counsel and are ready to be executed.

A motion was made by Commissioner Croft adopt the Resolution Committing Matching Funds to Support a Grant Awarded through the Texas Department of Transportation Seaport Connectivity Program (SCP88) for the “Gate 4 Access Road Widening Project.” The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

22. Approval of a Resolution Affirming Port Freeport’s Payment for Outstanding City of Freeport Laborers Lien on 503 E. 6<sup>th</sup> Street, Block 6, Lot 1, Freeport Townsite.

Ms. Saathoff stated that in the Port’s process of checking with the City of Freeport to ensure all liens were properly cleared, it was noted an outstanding lien existed on 503 E. 6<sup>th</sup> Street, Block 6, Lot 1. Ms. Saathoff explained that this property was originally deeded by Freeport Townsite Company to a family who was starting a church, First Missionary Baptist Church in the Freeport Townsite. It was for the construction of a church as a place of worship and would have a deed to the property so as long as they conducted worship services. If worship services ceased, it would revert back. Ms. Saathoff further explained that over time, the Freeport Townsite conveyed all property that it owned to Freeport Sulphur Company who later conveyed all property to Freeport Minerals which Port Freeport then purchased from the Freeport Minerals in 1982 which included all reversionary rights. On or about 1983, the

church purchased a property located at the corner of West 4<sup>th</sup> Street and Cherry Street, where worship services are conducted today, ceasing services at the 6<sup>th</sup> Street location and at which point, the property reverted to Port Freeport. In 1985, the City proceeded with condemning and demolishing the building on the property and attaching a Laborer's Lien in the amount of \$3,256.49 which has accrued interest since that time. Port Freeport requested a lien payoff calculation from the City in February and paid the total amount of \$15,790.85 which included the accrued interest. Staff received a release of lien which has been properly recorded and is requesting affirmation of this action.

A motion was made by Commissioner Giesecke to approve the resolution affirming Port Freeport's payment of the lien. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

23. Approval of an Interlocal Agreement between Port Freeport and Brazoria County for Tax Collection Services.

Mr. Lowe stated that Brazoria County Tax Assessor Collector is working to update its interlocal agreements for the collection of taxes for all taxing entities in a consistent methodology for charging entities for their services, as allowed by state statute. The County is going to a flat rate of \$0.36 per parcel. The Port has approximately 134,000 parcels; therefore, the fee will be around \$48,000. Staff recommends approval of the agreement.

A motion was made by Commissioner Giesecke to approve the Interlocal Agreement between Port Freeport and Brazoria County for Tax Collection Services. The motion was seconded by Commissioner Croft with all present voting in favor of the motion.

24. Approval of updates to the following Port Policies....

- 2.1 – Commission Officers and Organization
- 2.4 – Executive Director/CEO
- 2.8 – Legal Defense for Commissioners
- 2.9 – Benefits for Commissioners – To Be Deleted
- 3.4 – Conflicts of Interest
- 7.2 – Smoke-Free Work Environment

Commissioner Singhania asked to take each policy one by one.

As a recap, Mr. Lowe stated there are six policies staff is recommending updates for. All policies have been reviewed with either a committee or with the full Commission at the April 11 Workshop, and many have been reviewed with legal.

2.1 – Commission Officers and Organization

Mr. Lowe stated that changes include updating the Port Commission committees to the current structure which includes combining of the Operations Committee and the Safety and Security Committee while also adding the ESGS (Environmental, Social, Governance and Sustainability) Committee. Clarifying wording was added to the Election of Officers to highlight the timing difference between the canvassing of elections and the subsequent meeting actions of electing new officers. The policy also incorporates into the policy the Port Freeport Election Policy, Rules of Order and Rules of Order Resource that were adopted in 2023. Commissioner Fratila inquired about the dates at the bottom of the policies. Mr. Lowe stated that staff waits until the policy is approved before updated the dates in the footer. He

also stated that once the policies are approved, he will send a communication to all employees notifying them of the changes have been made to certain policies.

A motion was made by Commissioner Giesecke to approve the update to Policy 2.1. The motion was seconded by Commissioner Santos with all present voting in favor of the motion.

#### 2.4 – Executive Director/CEO

Mr. Lowe stated the only addition to this policy was a statement noting that the CFO and Executive Assistant also report to the Port Commission.

A motion was made by Commissioner Kincannon to approve the update to Policy 2.4. The motion was seconded by Commissioner Giesecke with all present voting in favor of the motion.

#### 2.8 – Legal Defense for Commissioners

Mr. Lowe stated this policy was updated to reflect that both commissioners and employees are eligible for defense. The differentiation between civil and criminal cases was added as well as clarifying language on the Port Commission's approval of certain legal defense reimbursements. Commissioner Giesecke inquired about payment for legal defense with a guilty verdict, asking if payment would have been made prior to a guilty verdict. Mr. Randle confirmed the payment would be for reimbursement only after a verdict is rendered. If the verdict is guilty, there will be no reimbursement.

A motion was made by Commissioner Fratila to approve the update to Policy 2.8. The motion was seconded by Commissioner Giesecke with all present voting in favor of the motion.

#### 2.9 – Benefits for Commissioners – To Be Deleted

Mr. Lowe stated that this policy was recommended to be eliminated as the Port Commission voted on June 8, 2023 to eliminate their eligibility for benefits. Commissioner Croft inquired if there should be a statement that says the Port Commission acted to not receive this benefit. Mr. Randle stated that the removal of 2.9 effect is that it's the policy of the Port for the Commissioners not to receive benefit. There is no policy allowing Commissioners to have benefit. Commissioner Croft further commented that under the state law, Commissioners are considered employees, asking if there should be a statement in the policy that states they are to receive no benefits of this nature, instead of removing the policy. Mr. Randle replied that state law states if you are an elected official in certain areas, you may, at the discretion of the Board, get insurance/benefits. It doesn't say you are employees.

A motion was made by Commissioner Giesecke to approve to delete Policy 2.9. The motion was seconded by Commissioner Fratila with all present voting in favor of the motion.

#### 3.4 – Conflicts of Interest

Mr. Lowe states the following policy was updated to be in line with state statute updates. Section 176.003 of the Local Government Code replaced references to a "person" with "vendor" and lowered the threshold of reporting on aggregate gifts given from a vendor from \$250 to \$100 in a 12-month period. The policy was also updated to follow the language of the statute in regard to what is not required to be disclosed. An administrative step was also added for all Port Commissioners and employees to sign an acknowledgement of the conflict

of interest policy every two years in line with Port Commission elections. Finally, Exhibits C and D are also being updated to reflect the latest forms available and applicable to the legislative updates within the policy.

A motion was made by Commissioner Kincannon to approve the update to Policy 3.4. The motion was seconded by Commissioner Santos with all present voting in favor of the motion.

#### 7.2 – Smoke-Free Work Environment

As mentioned earlier, Mr. Lowe stated that policy was reviewed with the OSS (Operations, Safety and Security) Committee. The update included expanding the terminology from electronic cigarettes to electronic smoking devices to capture the expanded options of available options since the policy was last updated in 2019.

A motion was made by Commissioner Santos to approve the update to Policy 7.2. The motion was seconded by Commissioner Croft with all present voting in favor of the motion.

#### 25. Discuss and consider the authorization of credit card issuance and credit limits for Port staff.

Mr. Lowe stated that Port Policy 8.8 calls for the Port Commission to authorize the issuance and credit limits of port credit cards. Staff is seeking authorization to issue a credit card to Jesse Hibbetts, Director of Operations, with a credit limit of \$5,000 and primary use to be for Operations related travel and minor M&R purchases. Staff also recommends authorization of a credit card for Emily Henderson, Sales & Marketing Specialist, with a credit limit of \$5,000. Primary use of the card will be for Business Development sales and promotional activities and associated travel.

A motion was made by Commissioner Giesecke to approve the issuance of credit cards and limits. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

#### 26. 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.
  - i. Business and Economic Development Reports.

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. The potential lease, or value of real property located at Port Freeport, including but not limited to the Expansion Area.
  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.
- D. Under authority of Section 551.076 (Deliberation of Security Matters) for discussion regarding:
1. Discussion regarding issues related to the deployment, or specific occasions for implementation of security personnel or devices or security audit and services.
- E. Under authority of Section 551.074 (Deliberation of Personnel Matters) for discussion regarding:
1. Deliberation regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee, including but not limited to: Executive Director/CEO.

27. RECONVENE OPEN SESSION to review and consider the following:

28. Approval of a Professional Services Agreement with Al Durel for consulting services.

Ms. Saathoff stated that staff has prepared an agreement for Mr. Durel to provide professional services to consult as needed regarding any Operations issues and utilize his knowledge and expertise, especially with the continuing procurement of the ship to shore cranes. The agreement anticipates that Mr. Durel will make an additional trip to China on the Port's behalf to participate in the final sign-off of design specifications which is expected to take place in May, with production to start in June. The agreement calls for a \$125 hourly rate for general services while international travel has a flat rate per day with the anticipation of 10-hour workdays. The same framework for travel that is in the Port's policies is provided in the agreement. Mr. Durel will bill the Port on a quarterly hour basis, but the Port has requested he not engage in any services that requires less than two hours of time. This agreement is for a period of one year and can determine if it needs to be extended after one year. There is a 30-day termination provision for either party. Ms. Saathoff added that with the Port's rapid rate of growth, Mr. Durel's knowledge and experience will help a great deal, even in Business Development as his travel has been authorized for the conference in New Orleans since they are down two positions.

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

29. Adjourn.

With no further business before the Commission, the meeting adjourned at 6:05 PM.