

Minutes of Port Commission Regular Meeting  
November 21, 2024  
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held November 21, 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.

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Commissioners present in person:

Mr. Ravi Singhanian, 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, Randle Law Firm  
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. Amy O'Brien, Controller  
Ms. Amanda Veliz, Public Affairs Manager  
Ms. Christine Lewis, Safety Coordinator  
Mr. Chas Gryseels, Project Engineer  
Ms. Holly Soria, Operations Coordinator  
Ms. Christie Garcia, Customer Service Coordinator  
Ms. Emily Henderson, Sales & Marketing Specialist  
Ms. Mary Campus, Controller (Virtual)  
Ms. Bailee Anderson, Accounting Analyst (Virtual)

Also, present:

Mr. Geoff Bowman, Van Scoyoc Associates  
Mr. Paul Spinks, Shintech  
Mr. Chris Moore, Texas Port Ministry  
Ms. Brandei Goolsby, Gulf Coast Employee Benefit Services

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  
Mr. Moore thanked the Port staff, commissioners and volunteers for a successful golf tournament recently held to benefit Texas Port Ministry.
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Singhanian noted that all Commissioners were present in the board room.
5. Safety Briefing – Ms. Christine Lewis provided tips for staying prepared for potential challenges during the holiday season.
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 October 24, 2024.

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

10. Adoption of a Resolution recognizing Shintech, Inc.

Ms. Saathoff introduced Paul Spinks, Freeport Site Manager with Shintech who shared a few things about Shintech and how important it is to the community and nation as a whole. Mr. Spinks stated that Shintech was born in Freeport, Texas in 1974 with one PVC plant adding that through the vision of the founder Dr. Kanagawa, its grown to what it is today with three PVC plants and a specialty compound facility in Freeport as well as facilities in Addis and Plaquemine, LA. Currently, Shintech is the largest PVC producer in the U.S. and largest in the world with its parent company Shin-Etsu. He noted there hasn't been much expansion in Freeport since the 90s, but Shintech does look to its community members to be good stewards of the community, noting that with expansion at Port Freeport, there's still more opportunity for collaborations. Mr. Spinks thanked the Port for the recognition. Ms. Saathoff then read the following resolution...

*At a regular meeting of the Port Commission of Port Freeport ("Port") held at the office of said District at 1100 Cherry Street, Freeport, Texas, on the 21<sup>st</sup> day of November 2024, among other business, on motion duly made and seconded, the following Resolution was passed and adopted:*

***WHEREAS***, Shintech, Inc. commenced its pioneering production of polyvinyl chloride (PVC) in Freeport, Texas, in 1974, laying the foundation for its growth into a world leader in PVC production and supply; and

***WHEREAS***, over the past 50 years, Shintech has achieved remarkable growth, becoming the largest global producer of PVC and fulfilling 35% of the United States' domestic PVC demand, thus establishing itself as a cornerstone of the U.S. chemical industry; and

***WHEREAS***, Shintech has demonstrated environmental stewardship and responsibility by incorporating advanced manufacturing and environmental controls into each greenfield expansion project, setting standards in environmental protection, sustainability, and innovation; and

***WHEREAS***, through its extensive operations across Freeport, Texas, and its world-class facilities in Addis and Plaquemine, Louisiana, Shintech has fostered strong relationships with local and state governments, earning community support through responsible land use, including maintaining green spaces, pasture lands, and natural reserves; and

***WHEREAS***, Shintech, a subsidiary of Shin-Etsu Chemical Co., Ltd., has contributed significantly to the global supply chain by offering high-quality PVC and caustic soda and maintaining rigorous oversight over its product chain of custody to ensure customer satisfaction through timely delivery and quality assurance; and

***WHEREAS***, Shintech has utilized carriers calling at Port Freeport whenever possible to access global markets, thereby supporting local jobs and benefiting from the port's close proximity; and

***WHEREAS***, Shintech's values of integrity, quality, and community partnership have positively impacted the communities in which it operates, creating jobs, supporting local economies, and enhancing the quality of life in those regions;

***NOW, THEREFORE, BE IT RESOLVED***, the Port Commission of Port Freeport, by adoption of this Resolution, is honored to recognize Shintech, Inc. for its 50 years of outstanding contributions to the chemical industry, environmental sustainability, and the communities it serves. We commend Shintech for its leadership, innovation, and dedication to excellence and extend our sincere congratulations on reaching this momentous milestone.

***BE IT FURTHER RESOLVED***, that a copy of this Resolution be presented to Shintech, Inc. as an expression of our deepest respect and appreciation for their enduring commitment to excellence and community.

A motion was made by Commissioner Croft to adopt the resolution. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

11. Receive update from Van Scoyoc Associates regarding federal matters.

Mr. Geoff Bowman with Van Scoyoc gave the Commission and update on the current challenging site conditions in Washington, DC. He stated there is very slim majorities in Congress leading to very low inventory of legislation with only 106 laws, not expected to

grow very much. He noted that infrastructure bills always finding a way to get done noting a major reauthorization of the Federal Aviation Administration programs earlier this year. Mr. Bowman stated that Congress is currently in the midst of a five week lame duck session noting several items they will need to finish up. The FY2025 appropriations bills need to be finished as the government is currently operating under a continuing resolution funding the government through December 20. The extension on the farm bill programs need to be addressed (No farms, no food) and there is also an expiring National Flood Insurance Program. Mr. Bowman expects there will be a temporary extension of the fiscal year 2025 laws into March 2025 and sees the National Defense Authorization Act (law that protects the homeland) and the Water Resources Development Act both getting enacted before the end of the calendar year. There is also a supplemental funding request from the White House to address natural disasters (less than \$100 billion) and the issues had with floods, wildfires and drought in the country this year. He stated that while the Senate did flip to Republican control, the majority will be slim. Depending on how the race shakes out in Pennsylvania, it will be 53 Republicans, 47 Democrats. In the House, it looks something closer to what we have now, which is about 220-221 Republicans to 214-215 Democrats. The next significant date to note is January 20, Inauguration Day. Mr. Bowman stated there was an extreme amount of attrition going from this Congress to the next with 90 new members of Congress. The port's delegation remained intact with both senators are coming back and Congressman Weber re-elected. He noted that because the Senate flipped, Senator Cruz is now the chairman of the Commerce Committee and will have full jurisdiction over aviation, NASA and some of the other agencies. In terms of agenda, he stated the incoming administration set 3 priorities in the first 100 days which are to reinstate the 2017 tax cuts in the tax code, enhance border security and enhance domestic energy production. Mr. Bowman expects to see an emphasis on some of the climate change programs and more of an emphasis on all the above items, noting he doesn't expect there to be a de-emphasis on renewables, but a re-emphasis on some of the fossil fuel production as well as a continued emphasis on unserved and underserved communities with both the Biden administration and the previous Trump administration emphasizing those entities. Towards the end of calendar year 2025, there will be a lot more talk about the highway bill programs that fund the roads and bridges that allow access outside of the county. There will be an emphasis on cybersecurity as there's been dozens of hearings on the hill on cybersecurity, particularly in the drinking water and clean water space over the last two years. In terms of the presidential transition, Mr. Bowman stated the president has been nominating some of the higher level cabinet positions such as the Defense Department, the EPA, the Department of Justice, Homeland Security and the Department of Transportation. Confirmation hearings will not take place until after the new Congress gets seated January 3. He noted the Assistant Secretary of the Army for Civil Works nomination will not happen until deeper into 2025. The DOGE or the Department of Government Efficiency is an advisory task force, chaired by Vivek Ramaswamy and Elon Musk, to target waste, fraud and abuse across the federal government with the idea of \$2 trillion in reductions in spending. Mr. Bowman added that it's unclear if it is \$2 trillion over 10 years, or if it's going to be annualized but they are seeking general public input, will be crowd sourced and a website to provide ideas for how to cut waste, fraud and abuse. He noted a big part of this initiative is to move to a more decentralized type of government as the incoming administration feels that the headquarters level personnel in Washington, DC is too big and want to be more localized, noting the Corps of Engineers is a good model of this now and has been done before. He expects to see the White House Office of Management Budget (starting January 21) come out with ideas on rescissions, cuts and transfers that will all be consistent with the President-Elect's policy goals. He also expects to hear a lot about the Impoundment Control Act as the President has some limited ability to hold funds that have

been provided to him from Congress. Van Scoyoc is advising clients that if they have discretionary grants that have already been applied for and received, they are urging everybody to get them under contract sooner rather than later. He noted the President has broad jurisdiction in terms of what he can do with unobligated funds but if it's under contract or you've signaled to the agency that you're working with that you are prepared to enter into a contract, it's harder for the administration to take those back. Lastly, Mr. Bowman addressed the crane tariffs noting the President has some authority to levy tariffs on his own and intends to levy tariffs across some goods, particularly those imported from China which may cause some escalation in cost. The DOGE is also looking at doing away with entire federal departments, particularly the Federal Department of Education. With regard to impacts to the Port Freeport, Mr. Bowman stated the Corps of Engineers has always had a target on their back with the previous Trump Administration proposing to move the Corps of Engineers out of the Department of the Army and into the Department of Transportation or the Department of the Interior. This would impact the port as it would be dealing with entirely new agency personnel if they were successful in moving it over. Additionally, Mr. Bowman noted the award the port was recently granted through the EPA Clean Ports Program, urging staff to get it under contract before January 20 because it's unclear what the administration will do with those funds if you aren't under contract or engaged with the EPA. Mr. Bowman also highlighted the PIDP expecting a notice of funding opportunity on the next round of PIDP grants with the deadline most likely beyond January 20; however, it's unclear that even if you submit an application, it's unclear to what extent or how quickly it will be reviewed and if chosen, how soon the funds will be awarded. With regard to the EPA award, Ms. Saathoff noted it was only recently announced, and staff hasn't received guidance on it yet but will begin preparations so it can be executed as quickly as possible. Staff has a draft contract on the PIDP grant so it will move along and get completed. Commissioner Croft inquired about the reversal of the Chevron Doctrine. Mr. Bowman stated the Chevron doctrine was a case law that had been the standard for 40 years in terms of the Supreme Court telling the lower courts to show deference to the federal agencies when interpreting otherwise ambiguous laws given to them by Congress. Last summer, the deference was removed from the lower courts. Mr. Bowman noted that Congress will need to be much more explicit in how they write laws. There was a recent District Court decision, under NEPA, that the Council of Environmental Quality (CEQ) had issued regulations to carry out the National Environmental Policy Act which were written in 1977 and were told to write the regulations by executive order. Congress never told the Council on Environmental Quality to write the regulations, so any agency that's operating or carrying out NEPA based on the CEQ regulations (because of the District Court decision) is now in jeopardy. Mr. Bowman added that he thinks this is what is giving the administration some momentum to start to pull back on some of the regulations that have been enforced for over 40 years, because Chevron Doctrine now said that you can't.

## 12. Approval of RFQ for energy broker.

Mr. Lowe stated the port has historically utilized a third party energy broker to assist with the Request For Proposal process and subsequent selection of an electricity provider. Staff recommends the port advertise for a new broker to assist in the process going forward. Mr. Lowe noted the port will make no payment to the third party broker as they will be paid through the selected electricity provider. Staff recommends the qualifications for the broker be based on the following criteria and which will give the port an experienced broker who is an expert in the field that is responsive to the port's needs....

FACTORS	POINTS
Number of years in business	35
Knowledge of energy markets	35
Client engagement and communication	30

Mr. Lowe stated that staff consulted with legal counsel on the parameters for the RFQ and seeks the Port Commission approval to moved forward with such. Staff would then come back to the Commission with a recommendation for the broker who would then assist staff with the RFP process, and ultimately bring a new electricity contract to the Commission for approval in March. Commissioner Giesecke commented that that he talked to a broker about timing of the rates, saying he was advised the rates at NRG reset every Thursday with some changing every 15 minutes as the rates are constantly changing. Mr. Lowe stated that Thursdays are key days/specific to NRG and could be different for other suppliers adding the electricity rates are a live market. Commissioner Giesecke stated the broker advised to pick the provider at the lowest cost, approve a contract up to a not to exceed, watch the rates and stay in touch with the broker to get a number at the ports target, asking if the Port could essentially do that. Mr. Lowe clarified that Commissioner Giesecke was talking about signing a new long-term contract in March 2025. Mr. Lowe added that he will be making a similar request on the next agenda item with the proposed rates for the extension. Commissioner Singhania commented that he appreciates spelling out in advance the measurement criteria as it's a good practice to have in place.

A motion was made by Commissioner Giesecke to adopt the recommendation made by staff for the RFQ. The motion was seconded by Commissioner Fratila with all Commissioners present voting in favor of the motion.

13. Approval of an extension to the Port Freeport Electricity Contract with Reliant.

Mr. Lowe stated the port's current contract with Reliant is set to expire December 31 2024. As previously stated, staff utilizes an energy broker to assist with energy contracts and is currently in the process of advertising for an energy broker for this process. To enable the timing of choosing a new broker and run the subsequent RFP, staff requests an amendment and extension to the current contract with Reliant for an additional 3 months through March 31, 2025. The current rate is \$69.21 per MWh with Reliant offering to amend the current contract for the additional three months at a rate \$56.80 per MWh; however, Mr. Lowe noted this rate was as of October 21, 2024 with most current rate received today at \$61.77 which is still 8% less than what the port is paying today. Pending board approval, Mr. Lowe will lock in the rate with Reliant but requests the board make a motion to approve a rate up to higher than the proposed rate to account for any possible changes.

A motion was made by Commissioner Croft to approve a 3 month extension contract with Reliant at current market rates, not to exceed the Port's current rate of \$69.21 per MWh. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

14. 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 stated the acting CBP Port Director has reached out for port visit to receive an update. The visit is scheduled for December 3 at 10 a.m. The proposed board meeting dates for 2025 will be sent out for review and will be on the December agenda for approval. In addition, the proposed dates for next year's CAP meetings will also be sent out. Staff has published the local notice of the Port's intent to file local bills, one for term limits and one for correction language regarding tax abatement and ability to use Brazoria County. The notice is required to be posted 30 days before the legislation can be filed. The notices have also been posted on the port's website. Ms. Saathoff noted the cranes are still on schedule with their production. Staff held a public workshop November 14 with a lot of material covered. The remaining items not covered at the workshop will be taken up December 19 beginning at 8:30 a.m., followed by the regular board meeting at 1:00 p.m. Ms. Saathoff recognized Ms. Veliz for her efforts when Reuters recently issued a miscommunication stating the port had closed temporarily due to a tropical storm, when the pilots had actually halted service due to rough seas offshore that created unsafe conditions for pilots boarding vessels which was due to an approaching front. Ms. Veliz worked diligently to address the miscommunication in getting it corrected. Ms. Veliz then gave an update on the recent golf tournament and highlighted events being considered for the 2025 Centennial. Ms. Veliz stated that if still finalizing the numbers from the golf tournament and will be ready to present a check to Texas Port Ministry at the December meeting. With regard to the Centennial, staff has the following events planned...

*Brazoria County Day/Texas Ports Day – Resolution & Recognition*

*Kick-Off Event in the Spring w/ Ceremony to include local officials and port leadership*  
*25<sup>th</sup> Annual Take-a-Child Fishing Tournament*

*Crane Arrival Watch Party*

*Channel Ribbon Cutting & Conclusion of Centennial Celebration*

Next steps included creating a budget and possible collaboration with port partners.

Commissioner Singhania inquired about the public affairs report requesting that as staff monitors social media to include good/bad items picked up from postings in next month's report. Finally, Ms. Saathoff commented about the ILA negotiations stating they reached agreement on wage increases but not on all points, pushing those negotiations out passed the election with a deadline of January. Recently, they came back to the bargaining table with ILA already stepping away from the discussions.

B. Director of Engineering

Mr. Hull shared photos of current progress of road work on Terminal Street as well as storm sewer being installed on Poplar Street. Additionally, he shared a picture of the detention pond for Cross Dock 1 as well as the following dimensions of the pond...

Top width - 66 feet

Bottom width - 16 feet

Distance from the foreground to background – 905 feet

Depth at the background – 8 feet

Depth at the foreground – 7 feet

Total volume is 5 acre feet.

Mr. Hull stated that area of the Cross Dock 1 lease area was about 10 acres.

Commissioner Giesecke commented that the proposed offsite detention for Parcel 1 is right at 100 ac-ft, which comes to about an acre-foot per acre of development noting it's about twice as much as the Cross Dock 1 provided. Mr. Hull explained that the pond is not the only storage provided at Cross Dock 1 adding there is about 10 acres of development and 10 ac-ft of storage, of which 5 acres is in the pond and 5 ac-ft is in the

parking lot. He further explained that the parking lot is intended to store up to 18-inches deep of water, and that the lot is for 18-wheeler parking, not for corvettes and smart cars.

At this time, Commissioner Croft stated that with the money invested and employment opportunities going on with the development the Port is doing at the site, he asked if any thought had been given to putting up some type of signage to reflect what's happening in the area so that anyone driving by their old home site would see what's happening in the area they once lived in. Staff will discuss and bring feedback to the Commission.

C. Director of Operations

Mr. Hibbetts reported on statistics for the month of October stating 47 vessels were handled for the inner harbor with 116 handled port wide. LNG, container and RORO sectors in tonnage are off to a good start with steel down in October but expected to pick back up in November. Rail car volumes continue to be higher due to newest OEM customer. Recap for the month, the port saw 19 LNG, no bulk rice or bulk aggregate, 13 RORO, 1 steel vessel, 15 barges, 22 railcars and 12 container vessels. Looking to November, the steel volume is expected to increase with LNG scheduling 18 vessels. Mr. Hibbetts noted Mr. Hogan's attendance at a recent ExxonMobil Exercise as well as Ms. Lewis' efforts hosting safety meetings with staff and tenants. Commissioner Santos inquired on the progress for the EOC AC project. Mr. Hibbetts stated the equipment arrived this week adding with the demo complete, installation should move quickly.

D. Director of Business & Economic Development

Mr. Miura reported that staff held a meeting with Hot Dog Marketing to discuss messaging concepts and stylescapes for the new website, and eventual marketing campaign. He stated that it will be prudent for the Port Commission to consider some of the messaging, bringing some of the concepts to the December 19 workshop. He noted that in doing so, the completion date for the website will be pushed out an additional 3-4 weeks.

E. Chief Financial Officer

Mr. Lowe stated that staff is still working to close out year-end financials but will present them to the Commission at the December meeting. He also gave an update on the sale of lots noting the second advertisement is in today's paper. Bids are due December 3 at 2:00 p.m. Mr. Lowe added that he's been contacted by 15-18 individuals over the last 3-4 months since the signs first started going up and has reached back out to anyone who expressed interest in the lots.

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

November 5 Personnel Committee Meeting – Commissioner Croft reported the committee discussed Port Freeport health, dental and vision insurance and retirement contribution, both of which are on the agenda for consideration. Additionally, the committee discussed Policies 4.1-4.3 and 6.1-6.3.

November 13 OSS Committee Meeting – Commissioner Santos reported the committee discussed stevedore license renewals which are on the agenda for consideration.



Commissioner Croft reported attending Shintech's 50<sup>th</sup> Anniversary Celebration, Brazoria County Cattlemen's Association Dinner, Alliance Quarterly Meeting and the AAPA Annual Convention.

Commissioner Kincannon reported attending the Southern Outdoor Greens Banquet, AAPA Annual Convention, Employee Safety & Appreciation Luncheon, Port Freeport Golf Tournament, USCOE Stakeholder Forum, CBISD Media Day, BCCA Meeting and the Port Workshop.

Commissioner Giesecke reported attending a port meeting with Representative Vasut, Alliance Quarterly Luncheon, Freeport City Council meetings, Port Freeport Golf Tournament, Alvin Community College Foundation Gala, BCCA Meeting and Representative-Elect Jeff Barry Port Visit.

Commissioner Fratila reported attending the AAPA Annual Convention and Employee Safety & Appreciation Luncheon.

Commissioner Santos reported attending the OSS Committee Meeting and the Angleton Chamber State of the Community Luncheon.

Commissioner Singhania reported attending the Representative-Elect Jeff Barry Port Visit

16. Approval to pay legal bills submitted for the month of October 2024.

Mr. Lowe stated that without the full financial package, staff is bringing forth the legal bills for the month and recommends payment of legal bills totaling \$14,450.49.

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

17. Approval of a renewal for Port Freeport Health, Dental and Vision Insurance.

Mr. Lowe stated that staff met with the Personnel Committee November 5 to discuss the insurance renewal which is an annual process. He acknowledged Brandei Goolsby who assists the port with the RFP process for obtaining a renewal as well an alternate bid. He state the current medical plan is a level funded plan through Cigna and has offered a renewal with a premium increase of 16.4% which is an 8.9% savings over a fully funded plan. Staff recommends maintaining the Cigna level funded plan with same employee coverages. For the dental/vision plan, the Port's current plan is through Principal who offered a renewal of a 2.9% increase. MetLife offered a plan that would be a decrease over the current plan of 3.4%. More importantly, the MetLife plan also increases the annual maximum payment benefit per person to \$1750 and \$2250. Based on consultation and discussion regarding how dental coverage works, staff recommends converting to the MetLife plan that would give an additional benefit to employees. Commissioner Singhania inquired if all employees polled are in agreement with the change. Mr. Lowe stated that employees were not polled for a change of this nature, rather, they are only consulted when it's a significant change in coverage.

A motion was made by Commissioner Kincannon to approve the renewal for Port Freeport health, dental and vision insurance as recommended by staff. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

18. Adoption of a Resolution Authorizing Contribution to the Port Freeport Retirement Plan.

Mr. Lowe stated this is an annual process is to approve the contribution to the Port Freeport retirement plan. Staff meet with the Personnel Committee November 5 to discuss and recommends a 6% contribution which has been the normal amount contributed annually.

A motion was made by Commissioner Croft to adopt the resolution authorizing 6% contribution to the Port Freeport Retirement Plan. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

19. Approval of a Construction Contract with Southern Gulf Solutions, LLC for the Chiquita Building Painting project, for an amount not to exceed \$54,050.00.

Mr. Hull stated that staff opened bids for this project October 31, 2024. There was one bid submitted on time from Southern Gulf Solutions in the amount of \$54,050.00. There was a second bid that was not accepted because it was submitted late. Additionally, the Port received a quote for this work in May 2023 for \$53,463.00 and did not include payment performance bonds which would have increased the price. Staff is comfortable with the current bid submitted and recommends approval.

A motion was made by Commissioner Croft to approve a Construction Contract with Southern Gulf Solutions, LLC for the Chiquita Building Painting project, for an amount not to exceed \$54,050.00. The motion was seconded by Commissioner Santos with all Commissioners voting in favor of the motion.

20. Approval of a Construction Contract with Enterprise Commercial Paving, Inc. for the Chiquita Yard Asphalt Repairs 2024 project, for an amount not to exceed \$151,700.00.

Mr. Hull stated that staff opened bids for this project October 31, 2024. There were three bids submitted with Enterprise Commercial Paving submitting the lowest bid of \$151,700.00. The work involves sawing out failed sections of asphalt pavement and replacing the sections with new asphalt pavement.

A motion was made by Commissioner Croft to approve a Construction Contract with Enterprise Commercial Paving, Inc. for the Chiquita Yard Asphalt Repairs 2024 project, for an amount not to exceed \$151,700.00. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

21. Approval to purchase a 2024 Ford Maverick SuperCrew Truck, for an amount not to exceed \$24,975.00.

This item was tabled.

22. Approval of weighting of boom cable bid proposals.

Mr. Lowe first updated the Port Commission on discussions had with legal counsel regarding these types of items stating the Port Commission has previously approved the weighting for construction service contracts. Counsel recommends the same be done for other purchases utilizing a weighting scale. This weighting scale being presented is specific to the purchase of the next item on the agenda. Staff will assemble and come up with a general criterion to use when needed moving forward. Once criteria is determined for a non-construction weighting scale used for any purchase requiring a weighting scale, staff will bring back to the Commission for approval. Further if a particular service is unique requiring a different scale, staff would bring it to the Commission as well. Commissioner Fratila inquired if this was a competitive sealed proposal, not just a competitive bidding. Mr. Randle stated its best value. You have low bid and then best value. For best value, you need criteria, and the Water Code states the Commission has to approve the criteria. Commissioner Croft inquired if this should be addressed in policy/procedure or identified somewhere since it's a departure from what's been considered the norm. Mr. Lowe stated the weighting scale Mr. Hull utilizes is in policy. This is particular scenario is out of the norm, however as prices escalate and reach thresholds where bidding is required, it'll be prudent this is done. Staff needs more time to determine what criteria will fit best in order to set the policy. The policy would then state anything outside the criteria will require Port Commission approval prior. For today's item, counsel has advised that if we publicly approve the criteria prior to approving the purchase, we're compliant. Mr. Lowe also clarified that staff will move forward with criteria for the current item; however, for the future, a policy will be assembled for the Port Commission to approve permanently as a standard for non-construction service best value bids. Mr. Hibbetts then presented the following weighted criteria identified for the purchase of new boom cable for the gantry cranes...

- *Price* 40%
- *Past Business with the Port* 30%
- *Team Orientation* 20%
- *Delivery Schedule* 10%

Commissioner Giesecke asked for clarification on Team Orientation and what it entails. Mr. Hibbetts stated that it includes references, education, knowledge of the business and qualifications of the people doing the work. Staff will clarify this category with the future standardized criteria. Commissioner Singhania also inquired about the delivery schedule in how staff will determine scoring when delivery dates are different. Ms. Saathoff suggested the criteria discussion be referred to committee for further evaluation, noting this criteria is for one specific procurement, not what's being proposed as the standard for adoption. Staff recommends approval of this weighting criteria for boom cable bid proposals.

A motion was made by Commissioner Giesecke to approve the weighting of boom cable bid proposals. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

23. Approval to purchase new boom cables for gantry cranes, for an amount not to exceed \$77,640.00.

Mr. Hibbetts stated staff received one bid for the replacement of the boom cables on the gantry cranes. SLS Rigging submitted a bid in the amount of \$77,640.00 and meets all the requirements of the specifications and is a reputable contractor who the port has utilized before. Staff recommends approval. Commissioner Giesecke inquired if there have been

multiple bids for previous boom cables purchases. Mr. Hibbetts stated that staff has obtained competitive bids in the past, but the purchases have been under the \$25,000 range. The cables are specific to the gantry cranes with a specific lubricant used adding there are other companies, like ZPMC, who can supply the cables, but have been much higher in price in the past. Commissioner Kincannon inquired about the amount of fabrication required for the cables. Mr. Hibbetts stated that staff specs out one source, meaning its one continuous run of the mill for both cables. They also specify the first 200 feet, and last 60 feet are not greased which is for spooling, handling and starting the spool. The price is just for the purchase of the cable.

A motion was made by Commissioner Santos to approve the purchase of new boom cables for gantry cranes, for an amount not to exceed \$77,640.00. The motion was seconded by Commissioner Fratila with all Commissioners present voting in favor of the motion.

#### 24. Approval of Purchase Order for ZPMC Crane Trolley Rail.

Mr. Lowe stated that staff recently discovered a purchase order with an open balance that totaled \$72,900.00 and included two components, an immediate repair and an additional long-term repair. The delay in completion of work was caused by the lead time of an exotic metal and custom build as well as the immediate repairs needed to the crane caused by Hurricane Beryl. During this process, staff realized the purchase order had not been brought before the Port Commission. Mr. Lowe stated the initial repair amounted to \$32,780.42 was paid in January of 2023. Per port policies and procedures, Commission approval is required for purchases over \$25,000 which was omitted in this particular case. Staff seeks to notify the Commission of the error and requests approval of the purchase order and associated payments. Mr. Lowe added that even though staff has made the payment, staff wants to go on record making note of that and approve the entire purchase order that covers the initial payment as well as the subsequent permanent work that needs to be done. Mr. Lowe noted this was heavily discussed among staff in trying to put the pieces back together to determine how it was missed adding that he feels the procedures in place are exemplary but has added an extra step to reinforce them. He further clarified that staff requests approval of a \$72,900.00 purchase order that would affirm the previous purchase of \$32,780.42 and provide the additional funds needed for the permanent repair of \$40,119.58.

A motion was made by Commissioner Fratila to approve the purchase order as staff recommended. The motion was seconded by Commissioner Singhanian with all Commissioners voting in favor of the motion.

#### 25. Approval of Stevedore License renewals submitted by the following:

APS Stevedoring  
Cooper/Ports America LLC  
Enstructure Richardson  
Gulf Stevedoring Services, LLC  
Gulf Stream Marine, Inc.  
Ports America Texas, Inc.  
Red Hook ConRo Terminals LLC  
Riviana Foods  
SSA Marine  
Suderman Contracting Stevedores, Inc.

Mr. Hibbetts stated that staff met with the OSS Committee to discuss the renewals. He noted that all renewals are in order with the exception of SSA Marine who has not submitted the correct amount of insurance requirements. The committee recommended approving all other license renewals at this time. If SSA Marine brings back the correct insurance requirements, staff will bring it back to the Commission for approval in December. SSA Marine has current insurance requirements in place which is good through the end of the year but isn't handling any business inside the Port.

A motion was made by Commissioner Santos to approve the stevedore license renewals as presented with the exception of SSA Marine. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

26. Approval of sponsorship level for the 2025 RILA Conference being held in Orlando, FL.

Mr. Miura stated that RILA's (Retail Industry Leaders Association) LINK Retail Supply Chain Conference will be held February 16-19, 2025 and is a conference that brings together beneficial cargo owners, shippers, manufacturers, retailers, steamship lines, rail lines, over the road carriers and port authorities to discuss critical topics that are prevalent in the retail supply chain. Staff members planning to attend include himself, Ms. Saathoff, Mr. Woodson and Ms. Henderson. He stated that if an organization wishes to participate and attend the conference, a sponsorship is required if you're not a member. A sponsorship would provide Velasco Container Terminal exposure by displaying the Port Freeport logo on conference material. Staff recommends the silver sponsorship of \$20,750 and includes the following...

- *10 x 10 booth*
- *4 full conference attendees*
- *Branding (logo placement) on conference materials*

Mr. Miura noted that staff originally budgeted two attendees for a total estimated conference expense of \$22,750. The revised estimate to sponsor the event, travel expenses for 4 staff members, shipping for the port's booth to and from the conference and ordering new promotional items to be given out at the conference will be approximately \$37,000.00. Staff recommends approval of the silver sponsorship.

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

27. Approval of an additional Scope of Work with Hot Dog Marketing in the amount of \$5,000 for the development of Port Freeport's Mission, Vision and Core Values statement.

Mr. Miura stated that at the October meeting, staff recommended moving forward with an additional scope with Hot Dog Marketing to prepare a draft mission, vision and core value statements for Port Freeport. The current mission statement was created in 2003, and currently does not have a vision or core values statement. Mr. Miura shared and read over the following slide that will be presented in the workshop and explains what the statements are...

# Additional Scope Request

Staff recommends approval of an additional \$5,000 scope for HDM to develop:

## Mission Statement

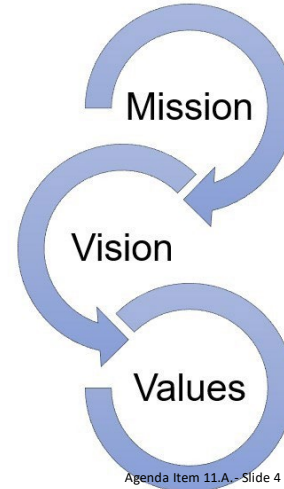
- A simple and brief description that encompasses the purpose of Port Freeport defining its culture, goals, and values. [What does Port Freeport stand for?](#)

## Vision Statement

- A statement that outlines Port Freeport’s long-term goals and aspirations for the future in terms of its growth and impact on the community, the state, the nation and the world. [What are Port Freeport’s goals for the future?](#)

## Core Value Statement

- [What are Port Freeport’s guiding principles that define what is important to the Port?](#)



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Mr. Miura explained that Hot Dog Marketing has done a significant amount of research in surveying staff members, stakeholders and tenants asking many of questions already as they prepare the Port’s identity strategy and messaging concepts mentioned earlier. Staff recommends moving forward with the additional scope of \$5,000. As indicated before, Commissioner Giesecke noted his skepticism of the efficacy of the whole mission statement endeavor asking if anyone (besides HDM) has asked to see the mission statement noting that he doesn’t see how it increases the port’s revenue or decreases its cost. Mr. Miura responded that it ties into everything staff is trying to accomplish with the marketing campaign, the website and the messaging. Commissioner Fratila commented that in updating the port’s website, staff has looked at websites and what other ports are doing, noting Port Freeport kind of behind when it comes to a website and what things people do look for adding that it takes a little bit of explanation and further outreach in telling not just our customers but the surrounding community what the port does and why. She further stated that its \$5,000 and the port needs to market itself in such a way that people can look at it and compare when looking at different port websites. Commissioner Giesecke responded saying that its more than just \$5000, it’s also staff time spent reviewing drafts as well as the opportunity cost of what staff could be doing to go out and get more business rather than wordsmithing a mission statement and the other vision and core values. Mr. Miura stated that staff did spend time with Hot Dog earlier in the day reviewing and discussing the messaging concept with hopes of bringing it to the Commission for approval December 19. His hope is the same would be done with the mission, vision and core values statement. He added that in 2003, the Port Commission felt it necessary to adopt a mission statement and put it in port policies, staff wants to refresh the statement. Commissioner Croft stated that from his perspective, the fact that Hot Dog is reaching out to port customers and staff to get feedback to achieve these statements is a good thing because the results include the feedback adding that he feels this is a good idea. Commissioner Fratila further commented that she sees this statement as an additional update to the website adding that she has participated in a couple of meetings to review what has been done and this is just one additional portion of it. Commissioner Giesecke stated that Commissioner Fratila makes a good argument adding that she previously mentioned adding the sustainability piece to the website, which is good, but he just completely rejects the idea that customers give the slightest care about what the mission statement is. He added that customers come to the port because it’s going to help them make

money. They couldn't care less about the port's mission statement or core values or anything else because they are bottom line oriented. Commissioner Fratila followed up by stating that the port also has a community, other people that need to be addressed in addition to the port's customers. Mr. Miura stated that as staff has been going through the process, Hot Dog has asked who the audience was. The port customers and the community. Commissioner Singhania commented that the port's mission is to promote waterborne freight and would like to see that included in the statement. Ms. Saathoff added that the port's customers complete surveys and do ask for core values which started a number of years ago noting they have an internal policy of wanting to do business with people that have aligned core values and part of that is sustainability.

A motion was made by Commissioner Croft to approve an additional scope of work with Hot Dog Marketing in the amount of \$5,000 for the development of Port Freeport's mission, vision and core values statement scope of work. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

## 28. Approval of the following Port Policies...

4.1 – Employment Categories

6.3 – Improvement of Job Skills

Mr. Lowe stated that staff met with the Personnel Committee on November 5 to review policies 4.1-4.3 and 6.1-6.3. He noted that staff recommends no changes to 4.2, 4.3, 6.1 or 6.2 which was shared with the committee who was in agreement. Staff recommends minimal changes to 4.1 - Employment Categories. The language was updated to align with language used in the hurricane procedure that outlines staff assigned to work during inclement weather or other disasters. Mr. Lowe further explained the port has a coordination and assessment team with designation of key personnel and wanted the language/terms to align in both areas. Staff recommends approval of these changes.

A motion was made by Commissioner Fratila to approve Policy 4.1 as modified. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

Mr. Lowe then presented Policy 6.3 – Improvement of Job Skills. Mr. Lowe explained this policy is often referred to as tuition reimbursement stating he made an outreach to local college to see what rates seem more applicable and recommends a slight increase of the reimbursement from \$375 to \$400 per credit hour and textbooks from \$175 to \$200. This is the only change to the policy. Staff recommends approval as presented.

A motion was made by Commissioner Croft to approve Policy 6.3 as modified. The motion was seconded by Commissioner Giesecke with all Commissioners voting in favor of the motion.

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

Mr. Lowe stated that in accordance with Port Policy 8.8, staff is seeking authorization to issue a new credit card to Amanda Veliz, Public Affairs Manager with a credit limit of \$5,000 for use of public affairs related activities.

A motion was made by Commissioner Giesecke to approve the issuance of credit card to Amanda Veliz with a credit limit of \$5,000 for use of public affairs related activities. The motion was seconded by Commissioner Kincannon with all Commissioners voting in favor of the motion.

30. Approval of Executive Director/CEO to be considered for American Association of Port Authorities (AAPA) Gulf Caucus Chair.

Ms. Saathoff stated at the Annual Convention in Boston, Chett Chiasson with the Port of Fourchon was elected chairman of the AAPA and has been the primary Gulf representative on the AAPA board as well as held the position of Gulf Caucus chair. She noted that each region of ports has a caucus, and it is the format whereby matters associated to that region are discussed which then serves as the conduit to feed information to the AAPA board. Ms. Saathoff has been asked to consider the chair position of the Gulf Caucus which meets twice a year in person at the Spring Conference and the Annual Convention. She stated that it's really important to the Gulf region in making sure its appropriately represented as policy decisions and positions of interest are addressed by the AAPA board. With the Commission's approval, Ms. Saathoff would like to accept the nomination for the position. She noted that she is no longer serving on the Board or Executive Committee of the National Waterways Conference. Commissioner Singhania commented the biggest thing for him was feedback from her adding all these things are little but add up and the Commission knows how hard time she is spending adding that he has confidence in Ms. Saathoff that she will not let the business at Port Freeport slip nor will she let it impact herself adding she can always resign anytime like anything else. He also inquired how this position will benefit Port Freeport. Ms. Saathoff stated that Texas has 22 ports and needs to be represented at AAPA and not have decisions being controlled by ports that are larger and have priority seating at the board. She stated that the port's neighbors to the east in the Gulf also need consistent representation and feels she can add value for Port Freeport and for the Gulf by facilitating those conversations that need to be had and appropriately relay them to the AAPA Board of Directors bringing attention that is necessary to protect the interests of the Gulf and help promote the port's growth, viability and sustainability going forward. She noted that in addition to the two in person meetings a year, there are legislative policy discussions which she already attends virtually once a month and occasionally there may be a virtual meeting of the Gulf Caucus if input is needed or will be handled through e-mail correspondence. She added there will also be a vice chair so if she can't be present, there will be somebody else that's staying abreast of the matters. This would be a net benefit to Port Freeport in helping to stay directly involved in conversations that could affect the future, especially with changes in upcoming proposed tariffs and other things that can dramatically change the way containers and markets move. She added that if the position isn't bringing value, she can always recommend that she resign if she's not bringing value to Port Freeport and to the Association. Commissioner Kincannon commented that his impression is that Ms. Saathoff is held at an extremely high esteem by all the people he spoke with at the Convention and feels she would bring value to Port Freeport as well as the rest of the Texas ports and do a really good job at leading that position. Commissioner Santos commented that Port Freeport should be proud to have Ms. Saathoff in the position that we have her in that's working for the port helping us create a world class port. Commissioner Croft commented that he's all in support and glad she will have a mission vision statement to share with everybody.



A motion was made by Commissioner Kincannon to approve the acceptance of Ms. Saathoff to the AAPA Gulf Caucus Chair position. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

31. 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 551.076 (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.
  - C. 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).
  - D. 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 Parcels 1 and 19.
    - 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.
  - 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, Chief Financial Officer, Director of Operations, Director of Engineering, Director of Protective Services, Director of Business & Economic Development and Director of Information Technology.

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

33. Approval of a Second Amendment to the Terminal Use Agreement between Port Freeport and Cemex, Inc.

Mr. Miura stated the revised Second Amendment to the Terminal Use Agreement now considers Alliera, a subsidiary of Cemex, a co-user with Cemex, Inc. under the Terminal Use Agreement. He further stated the agreement expired June 30, 2024 and the amendment being presented is retroactive to July 1, 2024 and provides 5 initial renewal options of one year each with revised terminal use rates. Staff met with the Finance Committee on June 13, 2024 to review the commercial terms and the proposed amendment which they are in support of. He explained that the original amendment presented to the committee was between Port Freeport and Alliera; however, staff determined that it would be best to have it between Port Freeport, Alliera and Cemex Inc., so in the event one of the parties did not meet their obligations, the port could still go after a United States company instead of having to go to Mexico. Staff worked with legal counsel who prepared the document and is in support of the port's approach. Mr. Miura also noted the port is going through the process of becoming an approved vendor with Cemex. Once the port is given a supplier number, Cemex will then be able to sign the agreement. Commissioner Singhania asked for clarification on what kind of waterborne trade the port develops in this business. Mr. Miura stated this is specific to two rail tracks inside the port with the tracks receiving liquified CO2 by tank truck, then transloading to rail car which is then exported to Mexico. He further clarified it's not moving waterborne commerce, rather rail traffic. Commissioner Giesecke stated the Finance Committee discussed this in depth and the recommendation at the time was for approval and doesn't see any reason to rescind that recommendation.

A motion was made by Commissioner Giesecke to approve the Second Amendment to the Terminal Lease Agreement between Port Freeport and Cemex, Inc. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

34. Affirm pay increases for Chief Financial Officer, Director of Operations, Director of Engineering, Director of Protective Services, Director of Business & Economic Development and Director of Information Technology.

Mr. Lowe stated Ms. Saathoff has made individual reviews and recommendations for the directors with a total adjustment averaging 4.35% for a total amount of \$45,942.78. Staff recommends approval.

A motion was made by Commissioner Santos to affirm pay increases for six directors a total amount of \$45,942.78 to be retroactive to October 1, 2024. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

35. Discuss and consider action resulting from Executive Session for Executive Director/CEO.

Commissioner Singhania stated the Commission discussed the performance and will be finalizing it in the coming weeks to be retroactive October 1, 2024. Commissioner Croft first thanked Ms. Saathoff for her exemplary performance this year, noting she's a blessing to the organization and the most pleasant person to work with.

A motion was made by Commissioner Croft to approve a salary of \$286,860 plus an annual car allowance of \$9600 for the position of Executive Director/CEO. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

36. Adjourn.

With no further business before the Commission, the meeting adjourned at 7:56 PM.