

Minutes of Port Commission Regular Meeting
December 19, 2024
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held December 19, 2024, beginning at 1:03 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

This meeting agenda with the agenda packet is posted online at www.portfreeport.com

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

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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, 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. 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. Cecil Booth, Engineering Manager
Mr. Chas Gryseels, Project Engineer
Ms. Holly Soria, Operations Coordinator
Ms. Christie Garcia, Customer Service Coordinator
Ms. Darlene Winkler, Marketing & Public Relations Rep
Ms. Tricia Vela, Public Affairs Assistant
Ms. Ruby Dunn, Receptionist

Mr. Jason Caywood, System Administrator
Ms. Emily Henderson, Sales & Marketing Specialist (Virtual)
Ms. Mary Campus, Controller (Virtual)
Ms. Bailee Anderson, Accounting Analyst (Virtual)

Also, present:

Mr. Chris Moore, Texas Port Ministry
Mr. Mike Hayes, Texas Port Ministry
Mr. Dara Grogue, Texas Port Ministry
Ms. Patty Leowe, Texas Port Ministry
Mr. Cesar Escamilla, SSA Marine
Mr. Joshua Warren, SSA Marine
Mr. Jake Ying
Mr. Mike Meagher, Wood Branch

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 Singhania noted that all Commissioners were present in the board room.
5. Safety Briefing – Ms. Christine Lewis provided tips to help ensure a joyful holiday season for all.
6. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.

Commissioner Croft noted a conflict regarding agenda item #17, adding he would be abstaining from discussion and voting.
7. Public Comment – There were no public comment.
8. Public Testimony – There was no public testimony.
9. Presentation of check to Texas Port Ministry from proceeds of Port Freeport Golf Tournament.

Ms. Saathoff stated that on November 4, the Port hosted the 13th Annual Golf Tournament benefiting Texas Port Ministry at the Wilderness Golf Course. A total of 36 teams, 79 sponsors and more than 15 volunteers worked behind the scenes to help make the tournament a success. Ms. Saathoff thanked and commended the Port Commission for continuing to support the event each year and shared her heartfelt thanks to staff and volunteers at Port Freeport and Texas Port Ministry for their hard work and commitment. The net total for the tournament was \$85,000, surpassing last year's total of \$84,000 and brings the total amount

raised since the tournament's inception to \$691,220. Commissioner Singhanian commented that the results speak very well to how much the Port community values what Texas Port Ministry does for them and how much they are appreciated. A check was presented to Mr. Chris Moore and staff of Texas Port Ministry. Mr. Moore then addressed members of the Board, Port employees and sponsors to thank them for their efforts and success of this tournament.

10. Approval of minutes from the Special Meeting held November 14, 2024 and the Regular Meeting held November 21, 2024.

Commissioner Singhanian asked for a motion to approve the November 14, 2024 minutes.

A motion was made by Commissioner Giesecke to approve the November 14, 2024 minutes. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

Commissioner Singhanian then asked for a motion to approve the November 21, 2024 minutes.

A motion was made by Commissioner Croft to approve the November 21, 2024 minutes. The motion was seconded by Commissioner Giesecke with all Commissioners voting in favor of the motion.

11. Receive reports from Executive Staff on activities and matters related to 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 that the proposed meetings dates for 2025 have been sent out noting two proposed deviations from the regular 4th Thursday meeting day. The first deviation is to meet January 30th instead of the 23rd and the second request is in May to meet on the 29th instead of the 22nd. The Commission agreed on the proposed dates with changes and took action on agenda item 29. Ms. Saathoff noted from her written report that January 14th will be the start of the legislative session and February 25th is Brazoria County Day and Texas Ports Day, adding that staff is still working toward having recognition in both the House and the Senate for the Centennial. March 14th will be the 60-day deadline for bill filing with the Port filing two local bills. The required public notice for both bills was done November 19th and the affidavit confirming the publication was shared with Representative Vasut and Senator Huffman offices. Ms. Saathoff expects the bills to be filed as early as tomorrow (December 20) and will notify the Commission when that occurs. The notice of deadline to apply for a place on the ballot was posted December 16th. The first day candidates can file for a place on the ballot is January 15th and the last day to file and order an election is February 14th. Ms. Saathoff stated the Continuing Resolution (CR) for the federal government expires tomorrow (December 20) adding that its looking optimistic that a resolution will be passed. She noted there had been a negotiated CR that would have carried the operation of the government into the first quarter however the president-elect encouraged it to not be passed. Ms. Saathoff noted that with the Port's contracts with federal agencies could come to a halt over the holidays should things not work out but added that everything with the channel project that is under contract will continue. She also noted that until an appropriations package is approved, the Port can't get additional funding for maintenance of the channel. Staff is also monitoring

the ILA USMX contract extension that expires January 15th. Discussions are ongoing. The Port's new ship-to-shore cranes under construction are progressing and ahead of schedule with a forecasted August arrival. Ms. Saathoff shared photos of the vertical erection in her written report. Scott Savage and Matt Gillette from Tenaris visited the Port December 17 and was able to see the discharge of steel bars from a Tenaris vessel and understand how the operation works on this end. Finally, Ms. Saathoff will be attending the HGAC Transportation Policy Council meeting December 20 where they will be voting on bylaw changes. She noted that Houston wanted to have a permanent seat on the council, and instead of them taking the Other Transportation seat permanently, Freeport will now have a permanent seat along with Houston, thanks to TxDOT's push for Port Freeport. Commissioner Singhanian inquired about Ms. Veliz's departmental report, specifically the Facebook posting regarding bids asking if it includes construction bids. Ms. Veliz stated that it was only for the property the Port was selling but staff can discuss if it's something to include in the future. Ms. Saathoff added that staff has been discussing other ways to utilize the platforms for communication. Ms. Veliz also reported the public affairs team has achieved notable milestones highlighting its commitment to community engagement. A key accomplishment was the announcement of the \$1.487 million Clean Ports Program grant from the U.S. Environmental Protection Agency with the Port receiving significant media coverage from 11 media outlets when it was released. Additionally, the team delivered cookie platters to first responders in appreciation of their service and also launched the annual employee United Way campaign. She also reported the team is actively sharing updates on safety awareness, Port activities and key events to strengthen the Port's connection with the public.

B. Director of Engineering

Mr. Hull shared photos of the new gate guard house arrival (a week ago) noting the canopy is currently being installed. He also shared a current photo of the progress work on Terminal Street. With regard to the Corps possibly funding the channel project to 55 feet plus maintenance, Commissioner Singhanian inquired if it would be retroactive for the Port to get its share. Mr. Hull stated that the Port has a signed PPA contract with the Corps of Engineers that says they will cost share at a certain rate. If the funding passes in the WRDA, the Port will have to renegotiate its PPA in order to take advantage of that.

C. Director of Operations

Mr. Hibbetts reported on statistics for the month of November stating the Port handled 52 ships for the month bringing the total to 99 which is 12 more than prior year. He noted that tonnage is a little down from last year, but December will quickly get it caught up. The Port handled 957 rail cars for the month of November, 18 LNG vessels, 1 rice vessel, 17 RoRo vessels, 1 steel vessel and 13 container calls for 116 total vessels port wide. Year to date, the Port has handled 37 LNG vessels while steel has seen 2 vessels, 25 barges and 35 railcars. 30 RoRo vessels have called the port along with 25 container vessels. Mr. Hibbetts is expecting 17 LNG vessels, 11 rice ships, 21 RoRo vessels, 3 steel vessels and 14 container ships for the month of December. He also shared photos of the *Way Forward* the sister ship of the *Future Way*, which is in the Wallenius Wilhelmsen line of ships chartered by Volkswagen and are sustainable ships running on LNG. Mr. Hibbetts also reported that the Customs and Border Protection new radiation portal office has been installed that is located on Pete Schaff Blvd right inside Gate 8.

D. Director of Business & Economic Development

Mr. Miura gave an update on the market study reporting that staff continues weekly discussions with KPMG to provide them information to support their effort in forecasting

the cargo flows into Port Freeport from different segments such as containers, RoRo, breakbulk and liquor bulk. Development work also continues on the SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. Mr. Miura stated that KPMG will be visiting the Port on January 7 and would like to meet with Ad Hoc Committee to give a presentation of their findings thus far. For the SWOT analysis, staff will then work with them on market outreach to shippers and carriers to understand what they desire at Port Freeport and what would help them make the decision to place their service or cargo here.

E. Chief Financial Officer

Mr. Lowe presented financials for the months of September and October 2024, noting staff should get caught up in January with the November and December financials.

12. Approval of financial reports presented for the periods ending September 30, 2024 and October 31, 2024.

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

13. Approval to pay legal bills submitted for the month of November 2024.

Mr. Lowe stated that as staff navigates getting year end completed and back on schedule, he requests approval to pay the November legal bills in the amount of \$31,127.58.

A motion was made by Commissioner Kincannon to pay the legal bills as presented. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

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

December 10 Finance Committee Meeting – Commissioner Giesecke reported the committee received an update on the quarterly investment report, reviewed workers compensation policy, which is on the agenda for approval, reviewed documents associated with the assignment of lease for the Volkswagen facility, discussed Cross Dock 2 and reviewed the bids received for the sale of lots in Freeport which is also on the agenda for approval.

Commissioner Croft reported attending County Commissioner Linder Holiday Party, Friends of the River Breakfast, Dude Payne Retirement, Finance Committee meeting, Brazoria County Economic Development Alliance Executive Committee meeting and the Tenaris Visit to the Port.

Commissioner Kincannon reported attending the Port's CAP meeting, Tenaris-Bay City Facility Visit, Commissioner Linder Holiday Lunch, 36A Coalition Zoom meeting and the Finance Committee meeting.

Commissioner Giesecke reported attending the CAP Meeting, Commissioner Linder Holiday Lunch, Tenaris-Bay City Facility Visit, Tenaris Port Visit, Freeport City Council meetings and CBP meeting.

Commissioner Fratila reported attending the same meetings previously mentioned noting the Tenaris-Bay City Facility tour was very impressive and helped at the Friends of the River Breakfast as she was able to explain some of what she learned.

Commissioner Santos reported attending the Tenaris-Bay City Facility Visit, CAP meeting and the Dude Payne Retirement.

Commissioner Singhania reported also attending Tenaris-Bay City Facility Visit, CAP meeting and the Dude Payne Retirement.

15. Approval of renewal with Waypoint for Artic Wolfs Managed Network Security Services, for an amount not to exceed \$165,411.00, to be cost-shared through the 2024 Port Security Grant.

Mr. Lowe stated this request is to approve a subscription renewal with Arctic Wolf who is the Port's network security provider. It is a 75/25 cost-share based on the 2024 Port Security Grant and staff recommends approval of the renewal with Artic Wolfs Managed Network Security Services, for an amount not to exceed \$165,411.00 to be cost-shared through the 2024 Port Security Grant.

A motion was made by Commissioner Santos to approve the renewal with Waypoint for Artic Wolfs Managed Network Security Services, for an amount not to exceed \$165,411.00. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

16. Approval to rescind award of contract to Rosehill Roofing and Restoration and award a Construction Contract with Frost Construction Company, Inc. for the Hurricane Beryl Repairs project, for an amount not to exceed \$4,190,000.00.

Mr. Hull stated that on October 24, the Port Commission awarded the contract to the low bidder, Rosehill Roofing and Restoration. Mr. Hull then sent a notice of award to Rosehill so they could get their payment and performance bonds. Rosehill was unable to get payment and performance bonds because the delta on their bid was so great it made their bonding company very nervous. He went on to say that after multiple attempts to multiple bonding companies, Rosehill was unable to get anyone to bond them. They subsequently sent a letter explaining the situation and asked the Port to throw out the bid and award a contract to the second low bidder, which is Frost Construction in the amount of \$4,190,000. Mr. Hull noted that before he made the recommendation to award Rose Hill, he contacted their references, the bonding company, and in spite of the fact of personally getting assurance from Merchants Bonding Company Mutual, Rosehill could not get bonded. Staff contacted Frost Construction's references and bonding company and got both verbal assurances and a written letter from Frost's bonding company that they would bond them up to \$10 million of work. Mr. Hull requests the Commission rescind the award to Rosehill Roofing and Restoration and award contract to Frost Construction. This was discussed with the Capital Planning Committee.

A motion was made by Commissioner Kincannon to rescind contract to Rosehill Roofing and Restoration and award a Construction Contract with Frost Construction Company, Inc. for the Hurricane Beryl Repairs project, for an amount not to exceed \$4,190,000.00. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

17. Approval of a Professional Services Agreement with LJA/Berg Oliver for Jurisdictional Determination for Parcels 27 and 34, for an amount not to exceed \$42,300.00.

Commissioner Singhania noted that Commissioner Croft stated he has a conflict of interest and will abstain from discussion and voting on this item. Mr. Hull stated that he selected Berg Oliver as the most qualified firm based on their demonstrated qualifications and requested a fee proposal to submit the field and office work to the Corps of Engineers to get a jurisdictional determination on Parcels 34 and 27. Berg Oliver submitted a fee of \$42,300. Mr. Hull pointed out the review period normally takes 6 months; however, the Corps is currently experiencing a heavy backlog at this time. Mr. Hull doesn't know how long it will take but is confident the right people are on board to get this done as fast as possible. They are estimating 45 days to do the field work, the office work and submit what is normal and customary to the Corps of Engineers. Mr. Hull also noted that with regard to the Continuing Resolution Ms. Saathoff spoke to earlier, should the government shutdown, this is one of the items that will come to a halt. Commissioner Giesecke commented that in discussions with Mr. Hull regarding the work already done (and permitted) for Parcel 19 and this being the first step towards getting Parcels 27 and 34 ready for development, he would like to have a discussion item on the January agenda to identify other parcels that also need to have the process started on.

A motion was made by Commissioner Santos to approve Berg Oliver for the work as presented by staff for the amount not to exceed \$42,300. The motion was seconded by Commissioner Giesecke with all Commissioners voting in favor of the motion and Commissioner Croft abstaining.

18. Approval of Stevedore License renewal submitted by SSA Marine.

Mr. Hibbetts stated that last month staff brought the stevedore license renewals for approval with the exception of SSA Marine who lacked proper insurance. He stated that after discussions with SSA and staff, SSA has provided the insurance requirements and submitted a complete application. He noted their TRIR number is 3.37 and had two corporate recordables. Staff recommends approval of the license renewal for SSA Marine. Mr. Cesar Escamilla with SSA Marine thanked the Commissioners for their consideration and looks forward to continued business.

A motion was made by Commissioner Santos to renew the stevedore license for SSA Marine. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

19. Adoption of a Resolution declaring items surplus and ordered sold separately for cash, after notice of sale and receipt of bids to the highest bidder; destroyed or otherwise disposed of if no bids are received; or offered as trade-in for new property of the same general type.

Mr. Hogan stated that staff is seeking approval to surplus a 2015 Chevy Tahoe, which is the old P3 unit in Protective Services and currently has a little over 240,000 miles on it.

A motion was made by Commissioner Giesecke to approve the resolution to surplus the 2015 Chevy Tahoe. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

20. Approval to purchase a 2024 Ford Maverick Super Crew Truck, for an amount not to exceed \$24,975.00.

Mr. Hogan stated that staff would like to purchase a Ford Maverick for Protective Services which would replace the unit just surplused. Mr. Hogan noted that like the other Mavericks

purchased, this vehicle would also be hybrid. Patrol vehicles usually see a little over 20,000 miles per year with most of it being idle time, whether it's parking the vehicle to talk to someone, investigating something or speed radar. Mr. Hogan compared the Chevy pickup, and the current Ford Maverick the Port has, noting that both had about 24,000 miles last year. The mileage (average miles per gallon) for the entire 2023 fiscal year was 9.6 miles for the Chevy pickup while the mileage for the Ford Maverick was 30.5. Additionally, the Chevy Tahoe saw 5.0 miles per gallon for the year. The Mavericks are proving themselves on the mileage noting staff hasn't seen any issues other than a few recalls which is normal with any vehicle. Regarding the price, Mr. Hogan stated the hybrid motor was technically an add-on, which was a \$1750 addition, but was the only option the dealership had when they got it, so it's listed as an add on. The Port added floor mats for \$135 and with the trade in value of \$2600 on the Chevy Tahoe, it brings the final price to \$24,975.00. Staff requests approval to purchase the Ford Maverick for a price not to exceed \$24,975.00 from local dealership, Gulf Coast Ford.

A motion was made by Commissioner Fratila to approve the purchase of 2024 Maverick Super Crew hybrid for the amount not to exceed \$24,975.00. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

21. Discuss and consider bids received for Freeport Lots.

Mr. Lowe stated that staff discussed the Port valuation of the lots in the Finance Committee as it related to the advertisement for the sale of nine individual lots or combinations of lots. Mr. Lowe noted that he included the property ID and property number (1-9) so bidders could identify that on the bid. Additionally, the advertisement included full formal nomenclature of the lots and parcels in addition to where there was an address to make it as transparent as possible. Mr. Lowe then read through each property # below along with the bid amount and staff's recommendation...

Property #	Brazoria County Property ID	Block	Lot	Address	Bid Amount
1	259901	36	15-18	S Ave G	\$ 15,010.00
2	259907	37	4-5	S Ave G	\$ 15,050.00
3	259984	51	7-8	S Ave F	\$ 15,050.00
4	260179	87	11	S Ave F	
5	209745	92	1	W 6th Street (6th @ Walnut)	\$ 16,100.00
6	209791	95	2	W Broad Street	\$ 16,100.00
7	210012	116	15	1026 W 4th Street	\$ 16,100.00
8	260821 and 260822	623	5-6	N Ave G	\$ 15,600.00
9	261936	781	14	1621 N Ave T	

Property 1 - ID 259901 - Bid of \$15,010.00. Staff recommends that we decline this offer based on conversations with the Finance Committee. Commission Singhania inquired about the lot size. Mr. Lowe stated this first property is 4 lots totaling 12,500 square feet (3125 sq. ft each) at \$1.20 per square foot. Commissioner Giesecke noted this property is the only one this large as the others are all in the 6,000 to 7,000 square foot range. Mr. Lowe also noted the bidder may not have realized there were four lots to this property. He also stated there were no bids received for properties #4 and #9 and after consulting with legal, because it's real estate,

these properties would go through the same bid process again. For the lots left after the approval process, including the ones that received no bids and those the Port Commission declined, staff will have to advertise those again in the future. Commissioner Giesecke asked if the Port would be stuck with the lots if no bids were ever received. Mr. Randle stated the Port could donate to charity or to the City although there are exceptions to that. Generally, you have to either auction them or do a sealed bid to dispose of real property. Commissioner Giesecke stated the two no bid properties are 25-foot lots with one sandwich between two properties while the other is adjacent to a vacant lot that the City owned. Mr. Lowe mentioned there is some legislation that will need to be discussed separately that may give the Port an avenue on it. Commissioner Santos inquired about the advertisement costs for the nine lots. The Port spent about \$1,000 on advertising and about the same amount for the signs.

A motion was made by Commissioner Santos to accept staff's recommendation to deny the bid on Property 1 - ID 259901. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

Mr. Lowe then proceeded presenting the bids received on the remaining properties...

Property 2 - ID 259907 – Bid of \$15,050. Staff recommends approval.

A motion was made by Commissioner Santos to accept staff's recommendation to accept the bid on Property 2 - ID 259907. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

Property 3 – ID 259984 – Bid of \$15,050. Staff recommends approval.

A motion was made by Commissioner Santos to accept staff's recommendation to accept the bid on Property 3 - ID 259984. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

Property 4 – No bids received.

Property 5 – ID 209745 – Bid of \$16,100. Staff recommends approval.

A motion was made by Commissioner Santos to accept staff's recommendation to accept the bid on Property 5 - ID 209745. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

Property 6 – ID 209791 – Bid of \$16,100. Staff recommends approval.

A motion was made by Commissioner Santos to accept staff's recommendation to accept the bid on Property 6 - ID 209791. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

Property 7 – ID 210012. – Bid of \$16,100. Staff recommends approval.

A motion was made by Commissioner Santos to accept staff's recommendation to accept the bid on Property 7 - ID 210012. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

Property 8 – ID 260821 and ID 260822. Bid of \$15,600. Staff recommends declining this offer. Mr. Lowe stated that since staff has to go back to bid another property, the valuation of

this property versus what was discussed is at a threshold he feels it would be worthwhile to bid a second time.

A motion was made by Commissioner Santos to accept staff's recommendation to decline the bid on Property 8 - ID 260821 and ID 260822. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

Property 9 – No bid received.

22. Approval of a renewal for Port Freeport Workers Compensation Policy.

Mr. Lowe stated that staff discussed the policy renewal with the Finance Committee noting the Port's policy expires December 31. The Port's workers compensation insurance has been insured through Texas Association of Counties for over 28 years. The estimated premium from Texas Association of Counties for calendar year 2025 is \$42,109. The final number is based on the actual payroll. That is how it's always approved. Staff has always gotten a competitive bid to make sure it's in line and historically, the competitive bid has been just a little higher than the Texas Association of Counties; however, this year Arthur J. Gallagher received a quote from Texas Mutual in the amount of \$22,879 which is a significant savings. Staff had in-depth conversations with the Finance Committee and went back and forth with Gallagher multiple times ensuring that it was apples and apples. Mr. Lowe stated that they're not apples and apples on the classifications but Texas Mutual was comfortable bidding it in a manner that the coverage was the same. Mr. Lowe explained that workers compensation is based on your risk category whereas your accountant is going to be viewed differently from an insurance company than a dockworker, carpenter or an electrician would. Staff provided a complete breakdown of the Port's employee base and that's what the bid is based on. Texas Mutual has made the offer based on a generalization of the entire group rather than breaking down the classification which is why it's significantly less. Mr. Lowe had extensive conversations with Gallagher to ensure this was a reputable firm, reputable coverage and there weren't going to be any issues regardless of any number of employees who needed worker's compensation and was guaranteed that there was none. Mr. Lowe feels comfortable recommending the Port go with Texas Mutual. Commissioner Giesecke commented that the committee discussed this quite a bit noting that if Texas Mutual changes their stance next year and the Port needs to go back to Texas Association of Counties, it can do so without any difficulty.

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

23. Adoption of a Resolution approving the acceptance of the Port's portion of proceeds received from high bidders on delinquent tax property held in trust by Brazoria County, Texas and authorizing the Chairman to join in conveyance to high bidders.

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

24. Adoption of a Resolution Committing Matching Funds to Support a Grant Awarded through the U.S. Department of Transportation Maritime Administration Port Infrastructure Development Program (PIDP) for the Velasco Terminal Sustainable Expansion Project.

Mr. Miura stated the Port submitted in three consecutive years an application to MARAD for the Port Infrastructure Development Program for the Velasco Terminal Sustainable Expansion Project that covered two components. The first was construction of a chilled cross dock warehouse and the second was a gate. The Port was awarded funding through PIDP and Community Project Funding, for the cross dock only. The total amount of the project is \$31,191,283, of which the federal funding would be \$22,481,425. The Port's portion would be \$8,709,858. He explained that to accept the funds from MARAD, the Port must enter into a grant agreement and for MARAD to draft the agreement, they need a commitment from the Port that it will fund its portion of the project. Staff prepared a resolution stating the Port's commitment to fund their local portion and if adopted, staff will work with MARAD to finalize the agreement. Mr. Miura explained that the agreement would go through the concurrence process at MARAD and then to the Maritime Administrator's desk for signature. Once signed, the Port would be able to start the project related to Cross Dock 2 which is (conceptually) a 48,000 square foot warehouse with chilling capabilities located in Parcel 1. Mr. Miura then read the resolution into record...

RESOLUTION

COMMITTING MATCHING FUNDS TO SUPPORT A GRANT AWARDED THROUGH THE U.S DEPARTMENT OF TRANSPORTATION MARITIME ADMINISTRATION PORT INFRASTRUCTURE DEVELOPMENT PROGRAM (PIDP) FOR THE VELASCO TERMINAL SUSTAINABLE EXPANSION PROJECT

At a regular meeting of the Port Commission of Port Freeport of Brazoria County, Texas ("Port") held at the office of the Port at 1100 Cherry Street, Freeport, Texas, on the 19th day of December 2024, among other business, on motion duly made and seconded, the following Resolution was passed and adopted:

FINDINGS

WHEREAS, the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 (Nov. 15, 2021), and the Consolidated Appropriations Act, 2023, Pub. L. No. 117-328 (Dec. 29, 2022) appropriated funds to the United States Department of Transportation (the "USDOT") Maritime Administration ("MARAD") for fiscal year (FY) 2023 to make grants to improve port facilities at coastal seaports, inland river ports, or Great Lakes ports; and

WHEREAS, the MARAD program ("Program") administering those funds is the Port Infrastructure Development Program (PIDP), which provides grants to ports for projects that improve the safety, efficiency, or reliability of the movement of goods into, out of, around, or within a port; and

WHEREAS, the Port is eligible for grant funds under the Program and identified its proposed Velasco Terminal Sustainable Expansion Project ("Project"), identified in the MARAD Program as the "Velasco Terminal Sustainable Expansion Project" as an eligible project for support through said Program; and

WHEREAS, the Port submitted said Project to the Program, and MARAD awarded the Port a grant under the Program in the amount of \$22,481,425 to be used for engineering, design, planning, construction and other expenses related to the Project; and

WHEREAS, the Port commits non-federal funds in amount of \$8,709,858 to be used for engineering, design, planning, construction and other expenses related to the Project.

NOW THEREFORE, BE IT RESOLVED and ordered that Phyllis Saathoff, Executive Director / CEO, for Port Freeport, is authorized and designated as the Port's representative to take all steps necessary to finalize, accept, and modify as needed all instruments, documents, agreements, and/or contracts necessary to memorialize and/or formalize the Port's acceptance of the approved grant funds and the terms and conditions related to same, and is further authorized to execute all documents necessary to accomplish same, including those necessary to accept any funds received through said Program on behalf of the Port; and

BE IT FURTHER RESOLVED that the Port hereby acknowledges and accepts responsibility for payment of any construction expenses, cost overruns, or additional expenses associated with the Project which are in excess of the cumulative total of the Program grant amount and the Port's committed matching funds.

Mr. Miura stated that staff recommends adoption of the resolution as presented.

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

25. Adoption of a Resolution authorizing the Executive Director/CEO to execute a Grant Agreement with the Environmental Protection Agency (EPA) for a Clean Ports Program Climate and Air Quality Planning Grant.

Mr. Miura stated the Environmental Protection Agency has the Clean Ports Program with two separate programs. One is for the deployment of zero emissions technology equipment which is cargo handling equipment. The second program is the climate and air quality planning. He explained that to get the zero emissions technology deployment grant you need to already have a climate and air quality plan, which unfortunately, the Port does not have. The grant awarded to the Port will pay (100%) for the planning effort, which includes a third party grant administrator and manager that will handle all the processes of preparing the plan which includes inventory of the Port's equipment and the stevedore's equipment to determine what emissions are created by that equipment. Mr. Miura shared the budget submitted with the application as well as the timeline, adding that staff hopes to have the agreement this month; however, it most likely will be January. He stated that once the agreement is received and executed, staff will then get a grant manager to begin work on the process which is a long, multi-year process. Commissioner Fratila stated that the Commission needs to keep in mind that we want to proceed the right way as efficiently and quickly as possible, noting there's a potential the money may go away depending on how quickly people act on things and how quickly they may change their mind. The Commission needs to proceed with the assumption that we'll get it, but with the knowledge that we might not.

A motion was made by Commissioner Giesecke to adopt the resolution authorizing the Executive Director/CEO to execute a grant agreement with the Environmental Protection Agency for a Clean Ports Program Climate and Air Quality Planning Grant. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

26. Discuss and consider authorization of expenditure funds for the 2025 Breakbulk Americas Customer Appreciation Reception to be held October 1, 2025.

Mr. Miura stated that Breakbulk Americas will start in Fiscal Year 2025 and end in Fiscal Year 2026. Staff has reserved the space for the Port's Customer Appreciation Reception at

Toro Toro which requires deposits to be made. Staff is requesting the approval to begin spending funds related to this event. Mr. Miura noted that he will come back in January to request approval of funds for the entire event since it does end in Fiscal Year 2026. At this time, staff seeks approval to spend funds up to \$21,000 for the Port's Customer Appreciation Reception.

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

27. Approval of Government Liaison Services Agreement with Carriage House Partners, LLC for legislative consulting services.

Ms. Saathoff stated the two-year agreement currently in place with Carriage House Partners expires at the end of December. Staff recommends the Port renew its agreement for another two years beginning January 1, 2025, expiring December 31, 2026 with the same terms and same rate of \$ 5,000 per month or \$60,000 annually. Ms. Saathoff surveyed Texas ports of similar size, and the rate is comparable to the rates other ports are paying. She stated that Carriage House does a good job representing the Port noting it's team of individuals working for the Port utilizing their services to monitor legislation that might be impactful to the Port adding that they've already been working (on the Port's behalf) on the bills that will be filed. Staff recommends the contract be renewed with Carriage House.

A motion was made by Commissioner Croft to approve the agreement with Carriage House Partners, LLC for legislative consulting services. The motion was seconded by Commissioner Giesecke with all Commissioners voting in favor of the motion.

28. Approval of Executive Director/CEO and Commissioners' travel for the months of January - March 2025.

Ms. Saathoff stated there are several trips and conferences in the first quarter of 2025 that will be attended starting with an anticipated business development sales trip that would involve her, Commissioner Singhanian, Commissioner Giesecke and Jason Miura. Commissioner Fratila will be attending the AAPA Powers Summit in January followed by Brazoria County Day in February will all Commissioners and Ms. Saathoff attending. Ms. Saathoff will be attending the RILA Conference in February along with the sales team. Next will be the JOC Trans-Pacific Maritime Conference in March with Ms. Saathoff, Commissioners Singhanian, Giesecke and Croft. The National Waterways Legislative Summit in March will have Commissioner Kincannon and Jason Hull attending followed by the AAPA Legislative Summit that will be held in Washington, DC where Ms. Saathoff and Commissioners Singhanian, Santos, Giesecke and Fratila will be attending.

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

29. Discuss and consider setting the 2025 Port Commission meeting dates.

Ms. Saathoff stated that the meetings dates for 2025 are being proposed with two deviations from the regular 4th Thursday meeting day. The first is to meet January 30th instead of the 23rd and the second is in May to meet on the 29th instead of the 22nd.

A motion was made by Commissioner Santos to approve the proposed meeting dates for 2025. The motion was seconded by Commissioner Giesecke with all Commissioners voting in favor of the motion.

30. 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 Parcel 1.
 - 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.
31. RECONVENE OPEN SESSION to review and consider the following:

32. Discuss and consider approval of Assignment of Lease Agreement by PRP KDC Freeport Development, LLC to Freeport TIC I, LLC, Freeport TIC II, LLC and Freeport TIC III, LLC.

Mr. Lowe stated that staff has worked over the last couple of months with Woodbranch Investments and TIC I, TIC II and TIC III in regard to lease requirements to approve the assignment of the lease. Staff recommends approval of the Assignment of the Lease Agreement by PRP KDC Freeport Development LLC to Freeport TIC I, LLC, Freeport TIC II, LLC and Freeport TIC III, LLC, and execution of related consenting agreement by Port Freeport. Mr. Lowe introduced Mike Meagher who joined the meeting in person and represents the entities behind the transaction. Mr. Lowe added that he appreciates Mr. Meagher's efforts and has had a good working relationship throughout the process. Mr. Meagher addressed the Commission thanking them for their consideration stating that he's excited to be a part of the project and represent the family of TIC I, TIC II and TIC III who has been an investor in the Houston area for a very long time.

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

33. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:51 PM.