Minutes of Port Commission Meeting
September 25, 2025
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held September 25, 2025, beginning at 1:00 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioners present in person:
Mr. Rob Giesecke, Chairman
Mr. Rudy Santos, Vice Chairman
Mr. Kim Kincannon, Secretary
Mr. Dan Croft, Asst. Secretary
Ms. Barbara Fratila, Commissioner
Mr. Ravi Singhania, 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 Miura, Director of Business & Economic Development
Mr. Chris Hogan, Director of Protective Services
Mr. Jesse Hibbetts, Director of Operations
Ms. Missy Bevers, Executive Assistant
Ms. Amy O'Brien, Controller
Ms. Amanda Veliz, Public Affairs Manager
Mr. Clinton Woodson, Sales Manager
Mr. Chas Gryseels, Engineering Specialist
Mr. Rico Arbolante, Help Desk Technician
Ms. Tricia Vela – Public Affairs Assistant
Ms. Bailee Anderson, Accounting Analyst
Ms. Danielle Simonds, Accounting Specialist (virtual)
Ms. Ruby Dunn, Receptionist (virtual)

Absent:
Mr. Jason Hull, Director of Engineering
Mr. Brandon Robertson, Director of Information Technology

Also, present:
Mr. Chris Moore, Texas Port Ministry
Mr. Joel Castro, Americans for Prosperity
Ms. Rachel Ritter, Americans for Prosperity
Mr. Josh Beker, Roberts & Kehagiaras LLP (virtual)
Mr. Micheal Schmidt, BCS
Mr. Will Bohlen, GHD
Ms. Melanie Oldham

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:

2. Invocation – Mr. Chris Moore – Texas Port Ministry

3. Pledge of Allegiance – U.S. Flag and Texas Flag

4. Roll Call – Commissioner Giesecke noted that all Commissioners were present in the Board Room.

5. Safety Briefing – Mr. Jesse Hibbetts recognized September as National Preparedness Month and provided tips in preparing and taking proactive measures to save time and reduce stress during emergencies.

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.

7. Public Comment – Ms. Melanie Oldham addressed the Commission regarding the new cranes, transportation plans and eminent domain.

8. Public Testimony – There was no public testimony.

9. Presentation of Lone Star Governance Award to Port Freeport by Americans for Prosperity - Texas.

   Mr. Joel Castro and Ms. Rachel Ritter with Americans for Prosperity presented the Port with the Lone Star Governance Award in recognition of its efforts for serving the taxpayers of Port Freeport in delivering good quality policies and being a shiny beacon of light. Mr. Castro added that Port Freeport is a lighthouse for good governance and thanked everyone for being good stewards.

10. Approval of Foreign-Trade Zone Operator Agreement between Port Freeport and Animal Nutrition & Health, LLC (ANH), formerly known as DSM Nutritional Products, Inc.

    Ms. Bailee Anderson presented the operator agreement stating that DSM recently went through reorganization at the corporate level and with a change in their tax ID number, it requires them to reapply with the Foreign-Trade Zone Board and enter into a new operator agreement with the port. Ms. Saathoff noted the operations being conducted in the foreign-trade zone have not changed, rather they are segregating some of the other business lines into separate companies which require a new federal tax ID.

    A motion was made by Commissioner Croft to approve the agreement. The motion was seconded by Commissioner Singhania with all Commissioners present 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, safety matters, security matters, tenant updates, USCOE, and other related port affairs.

    A. Executive Director/CEO
       Ms. Saathoff reported that August has been another good month with September following suit contributing to the port closing out the year well ahead of the prior year in vessel calls, setting a record. The port will be attending the Breakbulk Conference next week

(Sept 30-Oct 2) and hosting an appreciation reception to thank customers for their business. Ms. Saathoff reported the new ship-to-shore cranes arrived Monday morning. She thanked the operations team for coordinating the delivery with the federal agencies, customers and private terminal operators to make the arrival as painless as possible noting the pilots did an outstanding job of bringing the ship in and navigating the channel with the very big pieces of equipment. She also shared a short video of the cranes noting that a more in-depth video will be available on the website after it is produced as well as time lapse coverage of the discharge of the cranes from the vessel to the berth which began today. She stated the goal is to get the cranes commissioned and into operation by December which will dovetail in with the substantial completion of the channel. The port did pay the tariff on the cranes as discussed and authorized; the final number was not as much as originally anticipated. Staff confirmed the amount of the transport and insurance cost was roughly 20% of the total cost making the tariff, harbor maintenance tax and merchandise processing fee just over $6 million. Ms. Saathoff noted that if the port becomes eligible for a refund of a tariff staff will apply for it. She also gave a nod to Al Durel and Paul Bridges for their efforts in getting the cranes procured. On a similar note, Ms. Saathoff stated the transition time for ship fees expires October 14 and there is still no change. USTR has not taken final action on their proposed actions related to RoRo and LNG, nor have they taken action on the ship-to-shore crane additional tariff. Should they take action, Ms. Saathoff stated that it would not apply to the port because the cranes have made entry and the tariff has been paid. She thanked everyone again for their efforts and Ms. Veliz for arranging the drone flights and coordinating with everyone to capture the port's momentous occasion. Ms. Saathoff also reported the port had a sewer line collapse that runs under the Dole yard that was built in the 1950s. Engineering has a bid package put together and will advertise in the paper but noted it will be a sizable project that will come to the Port Commission for approval. The project was not anticipated and just happened last week. Ms. Veliz gave an update on public affairs stating the CAP meeting recently held had a great turnout and thanked staff for providing updates on the cranes and the zero tax rate. The Port's golf tournament will be held October 27 and currently has 50 sponsors, 27 teams filled and $63,900 committed in sponsorships. She also reported that from the three press releases posted in August, 20 unique organizations reposted them and the cranes video posted on Facebook had over 13,000 views and has received positive comments from the community. Ms. Saathoff also reported that the Committee that will work on the tribute to be placed in the buffer zone along Second Street will commence later this year or after the first of the year once Centennial has passed and all the utility relocations are completed.

B. Director of Engineering
In Mr. Hull's absence, Mr. Gryseels reported on the upcoming sewer line replacement project that is out for bid with the bid opening scheduled for October 14. He explained the project entails cutting out the old sewer clay pipeline (700 linear foot) and replacing it with PVC. One manhole will also be replaced. He also reported that the Hurricane Beryl repairs will finish at the end of the month with the gutters completed this week and the fender replacement project will launch with advertisement after the new fiscal year begins. With regard to the lighting on the jug handle, staff is waiting on CenterPoint to finish their work and get the lighting connected. Fifth Street is under construction and should begin pouring concrete soon. Gate 4 has a tentative notice to proceed with TxDOT for mid-October.

C. Director of Operations
Mr. Hibbetts stated that with regard to the new cranes, power to the cranes is estimated to be done the week of October 6 with endurance testing in early November and estimated handover November 17. He thanked his team and everyone at the port involved in coordinating the arrival of the cranes. He reported on statistics for August stating there were 53 vessels for the month, and 118 total vessel calls port wide. Tonnage for the fiscal year is pushing over $19 million tons through August with LNG, containers, steel and railroad cargo leading the way. Year to date tonnage is up 30% with total vehicles being handled at 182,000 and TEUs at 174,748. Mr. Hibbetts noted the total figure for rail cars is a reflection of the GM test run held in the month of August which was a little over 101 rail cars brought in that were offloaded and a total of 808 OEMs from Arlington. Operational insight for the month of September anticipates one project cargo vessel (the crane vessel) and 54 vessels expected overall. Mr. Hibbetts also commented on the sewer line replacement stating Gate 8 was experiencing issues with the sewer, had plumbing out to jet out the lines thinking there was a major clog somewhere but found the collapsed clay pipe. Staff is working with Dole since the issue is located in their leased area; they will need to relocate some operations to a different space during construction.

D. Director of Business & Economic Development
Mr. Miura reported that staff is ready to unveil the port's new exhibition booth for the upcoming Breakbulk Americas Conference that will be held September 30-October 1 and looks forward to hosting port customers October 1. Following Breakbulk, trade development with support from public affairs will attend the International Fresh Produce Association's Global Floral and Fresh Produce Conference where they will continue to promote the ports capabilities as a container port, handling green fruit and perishables with the refrigerated cross docking capacity and future cold storage through Cross Dock 2. Mr. Miura will also provide an update to his recent sales trip later in the meeting.

E. Chief Financial Officer
Mr. Lowe presented financials for the month of August.

12. Receive report from Commissioners on matters related to:

A. September 18 OSS Committee Meeting - Commissioner Santos reported the committee received an update from staff in executive session and also discussed the USCBP required project requirement understanding/acknowledgement letter for Cross Dock 2 which is on the agenda for consideration.

B. September 19 Business Development Committee Meeting – Commissioner Giesecke reported the committee reviewed a proposal from Sterling Solutions LLC for the Owner's Cold Storage Industry Representative. The Committee agrees with staff's recommendation to award a contract and is on the agenda for consideration.

C. September 19 Finance Committee Meeting – Commissioner Croft reported the committee discussed management's input on Port Freeport Tariff No. 005. This item is also on the agenda for consideration.

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

Commissioner Singhania reported joining the port visit and tour with Waller County Judge Duhon and attended the Highway 36A luncheon, State of the Community luncheon, National Waterways Conference and also attending the Business Hall of Fame where Ms. Saathoff was a laureate.

Commissioner Kincannon reported attending the West Columbia Chamber Gala, various port meetings, State of the Community luncheon, Business Hall of Fame, BCCA meeting, National Waterways Conference and Brazosport Cares Banquet.

Commissioner Santos reported attending similar functions in addition to the Tenaris Reception, CAP meeting, Business Hall of Fame and Chamber luncheon.

Commissioner Fratila noted that she also attended many of the same functions as well as the Angleton Chamber Women's Conference.

Commissioner Croft reported attending the Friends of the River (FOR), Alliance quarterly meeting, CAP meeting, State of the Community luncheon, Business Hall of Fame and Chiquita Horizon Maiden Voyage presentation. He also joined the pilot boat trip to bring the new cranes in, attended the Waller County Judge visit and watched the unloading of Crane 3.

Commissioner Giesecke reported attending many of the same functions previously mentioned. In addition, he also gave a port presentation to the Brazosport Republican Women's Group and attended the Brazoria County Alliance for Children in Need, Lake Jackson Business Association meeting, Amelia Island dredge tour, Brazoria Chamber Annual Gala, Freeport City Council meeting, BCCA meeting, 100 Club meeting, ABC luncheon and Pearland Elected Officials reception.

13. Consent Agenda.

    A. Approval of Minutes from the August 28, 2025 Regular Meeting and the September 9, 2025 Special Meeting.
    B. Approval of financial reports for the period ending August 31, 2025.

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

14. Approval of proposed adjustments to Port Freeport Tariff No. 005.

    Mr. Miura began by explaining the process for reviewing the tariff stating that staff met with the Finance Committee in May to look at the CPI increases from this year and last year and recommended a 2% general rate adjustment to the tariff. Staff met internally to discuss potential changes to the tariff modifications and improvements as well as additions related to emergency action plans to ensure all the port's tenants have one on hand if needed. A red line copy of the tariff was sent to the tenants, partners and users noting the recommendation for a 2% general rate adjustment and the additional changes in the red line that would need to be reviewed. The tenants were given a month to review the document and were also invited to meet with staff in person and virtually to review the proposed changes, ask questions and provide feedback or relay any concerns. Mr. Miura stated there wasn't much concern, that everyone understood that 2% was fair and were happy they weren't seeing a 5% increase this year. Staff subsequently met with the Finance Committee again to relay the feedback. Mr. Miura stated that staff recommends a general rate adjustment of 2% to the Port Freeport tariff with some rates being adjusted on a case by case basis and approve the proposed additions, deletions and amendments to the tariff that were presented in the red line with any non-substantial changes to be effective October 1, 2025. Mr. Miura also noted staff received good participation from every segment of the port's business portfolio receiving no negative comments. Staff also reminded them that some of the changes to the tariff would not affect many of the tenants because of their lease agreement with the port which entitles them to certain contractual rates that supersede rates in the tariff.

A motion was made by Commissioner Kincannon to approve the proposed adjustment to Port Freeport Tariff No. 005. The motion was seconded by Commissioner Croft with all Commissioners voting in favor of the motion.

15. Approval of an award to Sterling Solutions LLC for Owner's Cold Storage Industry Representative.

Mr. Miura stated the port has been awarded a port infrastructure development program grant from MARAD as well as community project funding for a combined amount of $22 million, to be used towards a Cross Dock 2 facility which will have cold storage capabilities as well as cross docking and a new federal inspection service facility. Staff went on the market with an RFQ (request for qualifications) seeking a qualified firm to perform the engineering and design of the facility. Staff also determined the need to bring industry's best to represent the port in discussions with the engineering firm to ensure a multi-purpose facility is designed to serve a wide variety of customers in the cold storage space. Staff requested proposals with the scope of work but also asked firms to demonstrate in their proposal that they are qualified to represent the port and have the wherewithal of how the cold storage industry works and operates. Staff met with the Business Development Committee to review a proposal from Sterling Solutions that met all the qualifications of the RFP and had a fee of $16,500 per month. The project is anticipated to run between November and April. It is staff's recommendation that Sterling Solutions be awarded a contract for owner's cold storage industry representative for $16,500 a month and authorize the Executive Director/CEO to execute a consulting agreement to that effect. Commissioner Singhania asked if there was a cap set on spending. Mr. Miura stated that a cap has not been set on the total amount to spend but the contract will be managed so it lines up with the time the firm is actually needed to the time that they're not. He further stated that if the Port Commission wants to set a cap and have staff come back for further approval, it can be done but added that he doesn't feel staff would get the full value out of the contract if it was done that way. Mr. Miura clarified that the monthly fee would only be assessed when the design work is occurring. Ms. Saathoff added that the contract wouldn't commence until a contract was awarded for engineering and the notice to proceed was issued adding the maximum spent would be the time it takes to put together the engineering and design specifications for bidding. With the six month timeframe estimated, Commissioner Giesecke stated the project total would be $99,000, adding that the Commission could approve a $100,000 cap to satisfy the spending concern. Mr. Miura further clarified that Sterling would act as a liaison for the port to make recommendations to the designated engineering firm on how the building should be designed in order to serve a wide variety of perishable users and conform to how the industry operates.

A motion was made by Commissioner Singhania to approve an award to Sterling Solutions for Owner's Cold Storage Industry Representative not to exceed $100,000 and authorizing

Executive Director, CEO to execute such contract. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

16. Adoption of a Resolution Authorizing Executive Director/CEO to sign the U.S. Customs and Border Protection Project Requirements Understanding/Acknowledgement for Federal Inspection Services Facilities at Cross-Dock #2.

    Mr. Miura stated the resolution authorizes the executive director to sign the U.S. Customs and Border Protection (CBP) project requirement understanding/acknowledgement for the federal inspection service facility at Cross Dock 2. As previously mentioned, Cross Dock 2 will have a space designated for CBP to provide agricultural inspections calling it a federal inspection service facility. Mr. Miura noted that when going through the design process, the port will have to enter into a non-disclosure agreement with the United States government and once that is done, federal regs will be provided on how the design of the facility should be done in order for it to be used for its intended purpose and will only apply to the section they will occupy. Additionally, the engineering firm will have a copy and will have to sign the agreement along with Sterling Solutions. Lastly, Mr. Miura stated the port will fund 100% of the facility. The port will not only get the requirements, but the local CBP team will determine how the space should look in terms of how many offices, workspaces, worktables, size of inspection area, etc., to ensure it follows the federal requirements. Once the project is complete, the port will then lease the facility to CBP. Mr. Miura noted that it’s critically important for the port to offer these services in Freeport to serve its customers so that trucks aren’t going to another port for inspections. Staff reviewed this with the OSS Committee and recommends adoption of the resolution authorizing Ms. Saathoff to sign the acknowledgement.

    A motion was made by Commissioner Singhania to adopt the resolution authorizing Executive Director, CEO to sign the U.S. Customs and Border Protection Project Requirements Understanding/Acknowledgement for Federal Inspection Services Facilities at Cross-Dock #2. The motion was seconded by Commissioner Kincannon with all Commissioners voting in favor of the motion.

17. Approval to purchase three (3) ABB Drives for Cranes 1 and 2, for an amount not to exceed $98,680.85.

    Mr. Hibbetts stated that during the budget workshops staff explained the drives on the existing cranes need to be refurbished. The budget includes $270,000 per fiscal year for the purchase of the three drives and refurbishment costs. Crane 1 will be done in the 2025/2026 budget while Crane 2 will be done in the 2026/2027 budget. He noted that ABB is the sole source OEM manufacturer of the drives with lead times of 35 days for two drives and 11 weeks for the filter module as indicated in his memo. He explained that once the new drives arrive, they will install them and send the others to get refurbished which will take about 6-8 weeks. He will also come back to the Commission for approval on the refurbishment expenditures. Commissioner Giesecke inquired about the service life for the drives. Mr. Hibbetts stated that ABB has indicated that 2028 will be the end of manufacturing for these specific drive components which is why staff wants to proceed with the refurbishment project while the drives can still be acquired.

A motion was made by Commissioner Santos to approve the purchase of three ABB drives for Cranes 1 and 2 for an amount not to exceed $98,680.85. The motion was seconded by Commissioner Fratila with all Commissioners voting in favor of the motion.

18. 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):

        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 Report including potential offers of financial or other incentives to the business prospect.

        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 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, 3, 5, 7 and 8.

        2. The potential lease or value of real property located at Port Freeport or adjacent to Port Freeport, including but not limited to Parcel 1.

        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.

19. RECONVENED OPEN SESSION to review and consider the following:

20. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:25 PM.