

AGENDA

**Port Freeport
Finance Committee
Special Meeting
Tuesday, August 13, 2024, 1:30 pm - 3:30 pm
In Person & Videconference - Administration Building - 1100 Cherry Street - Freeport**

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 Finance Committee, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference. The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/84268857045?pwd=nZCMpUAP6gP0lAbKd8lwDhiNj7v4M.1>

Meeting ID: 842 6885 7045

Passcode: 745773

Dial by your location

• 1 346 248 7799 US (Houston)

Meeting ID: 842 6885 7045

Find your local number: <https://us02web.zoom.us/u/keqDKJye3>

1. Committee Members: Giesecke (Chairman), Croft, Kincannon
2. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
3. Roll Call.
4. Public Comment. (Public comment on any matter not on this Agenda will be limited to 5 minutes per participant and can be completed in person or by videoconference)
5. Public Testimony. (Public testimony on any item on this Agenda will be limited to 5 minutes per agenda item to be addressed per participant and can be completed in person or by videoconference. The participant shall identify in advance the specific agenda item or items to be addressed.
6. Review of quarterly investment reports, portfolio allocation and investment strategies.
7. Discussion regarding revenues for Fiscal Year 2024/2025 Budget for Port Freeport.
8. Discussion regarding encumbering funds for the purpose of reducing the portion of the 2024 property tax rate used to pay debt service for General Obligation Bonds (i.e. the I&S rate).
9. Adjourn.

The Committee does not anticipate going into a closed session under Chapter 551 of the Texas Government Code at this meeting for any other items on the agenda, however, if necessary, the Committee may go into a closed session as permitted by law regarding any item on the agenda.

With this posted notice, Port Commissioners have been provided certain background information on the above listed agenda items. Copies of this information can be obtained by the public at the Port Administrative offices at 1100 Cherry Street, Freeport, TX.



Phyllis Saathoff, Executive Director/CEO

PORT FREEPORT

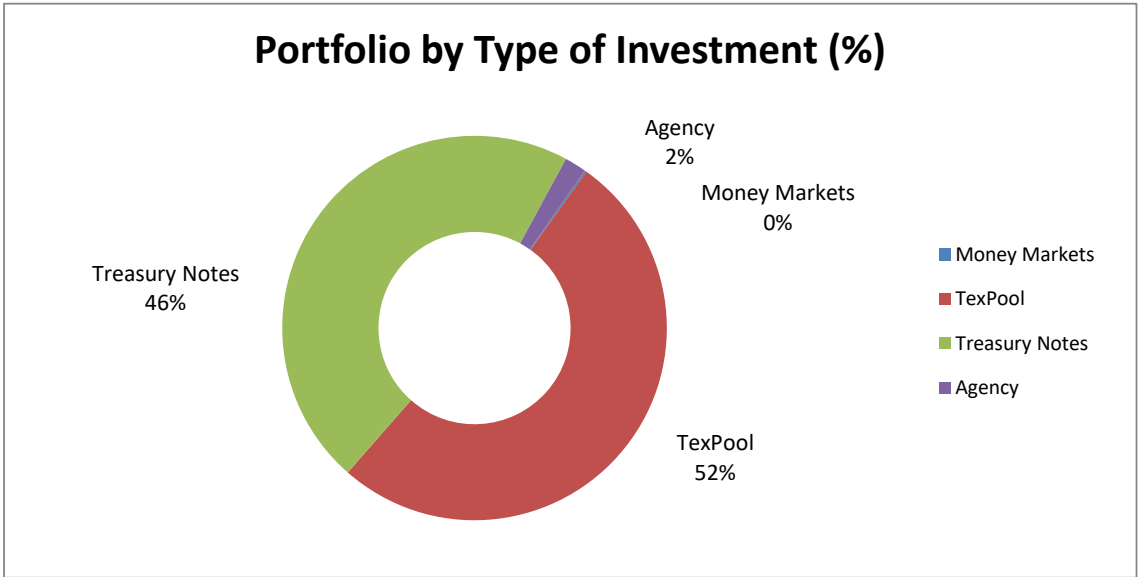
Participation is welcomed without regard to race, color, religion, sex, age, national origin, disability or family status. In accordance with Title II of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act, persons with disabilities needing reasonable accommodations to participate in this proceeding, or those requiring language assistance (free of charge) should contact the Executive Assistant no later than forty-eight (48) hours prior to the meeting, at (979) 233-2667, ext. 4326, email: bevers@portfreeport.com.

La participación es bienvenida sin distinción de raza, color, religión, sexo, edad, origen nacional, discapacidad o situación familiar. De acuerdo con el Título II de la Ley de Estadounidenses con Discapacidades y la Sección 504 de la Ley de Rehabilitación, las personas con discapacidades que necesiten adaptaciones razonables para participar en este procedimiento, o aquellas que requieran asistencia lingüística (sin cargo), deben comunicarse con el Asistente Ejecutivo a más tardar cuarenta -ocho (48) horas antes de la reunión, al (979) 233-2667, ext. 4326, correo electrónico: bevers@portfreeport.com.

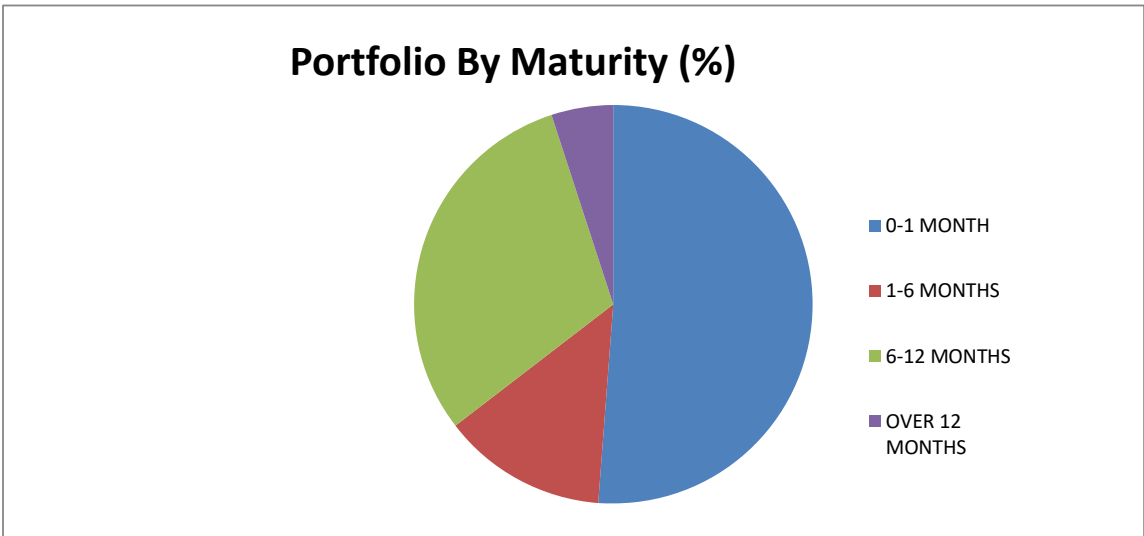
Port Freeport
Finance Committee Investment Review

Portfolio position as of 6/30/24

Money Markets	\$	201,167	0.2%
TexPool		60,544,097	51.6%
Treasury Notes		54,448,710	46.4%
Agency		2,159,376	1.8%
TOTAL	\$	<u>117,353,350</u>	



7/1/24-9/30/24 MATURITIES \$ 5,125,000



Port Freeport
Finance Committee Investment Review

	Unrestricted:	Restricted:
Current Cash & Money Market:		
Cash & MM accounts	\$ 7,748,671	198,446
Texpool	11,643,362	48,900,735
Maturing in next 90 days:		
Jul-24	-	-
Aug-24	-	-
Sep-24	5,125,000	-
Total Funds Available	<u>\$ 24,517,033</u>	<u>\$ 49,099,181</u>
Estimated Cash Flow For Next Quarter		
Estimated Revenues	\$ 13,003,755	\$ -
Estimated expenses	(3,998,389)	
Debt Service		(2,389,600)
2024 Revenue Bond		(5,024,200) Cranes
Port Improvement Projects, estimated	(1,500,000)	
Total Cash Flow	<u>\$ 7,505,366</u>	<u>\$ (7,413,800)</u>
Excess (Shortfall) Cash Available for Investment	\$ 32,022,399	\$ 41,685,381

Recommendation for excess cash- subject to market conditions:

Investments:		
Cash & MM accounts	15,254,037	198,446
Texpool	16,768,362	41,486,935
3 month investment	-	-
6-12 month investment	-	- Agencies,Treasuries, Municipal or CD's
12-18 month investment	-	- Agencies,Treasuries, Municipal or CD's
18 month investment	-	- Agencies,Treasuries, Municipal or CD's
24 month investment	-	- Agencies,Treasuries, Municipal or CD's
36 month investment	-	- Agencies,Treasuries, Municipal or CD's
60 month investment	-	- Agencies,Treasuries, Municipal or CD's
Total investment recommendations	<u>\$ 32,022,399</u>	<u>\$ 41,685,381</u>

Subject to Market Conditions/Interest Rate Conditions and Evaluated Daily.
Port Freeport Channel Improvement Project - subject to USACE request for funding

Port Freeport
 Finance Committee Investment Review
 rates as of: 7/9/2024

	Texpool	MM-Hilltop	CD's	Tbill/Note	Callable Agency	Bullet Agency
MM	5.32%	1.76%				
3 month			1.75%	5.35%		
6 month			2.25%	5.25%		
12 month			3.00%	5.00%	5.35%	
18 month			3.50%	4.75%		
24 month			3.60%	4.60%	5.00%	
36 month			2.35%	4.40%	5.50%	

Agencies Available:

Federal Home Loan Bank -FHLB
 Fannie Mae-FNMA
 Freddie Mac - FHLMC
 Federal Farm Credit Bank - FFCB

**PORT FREEPORT
2024/2025 BUDGET**

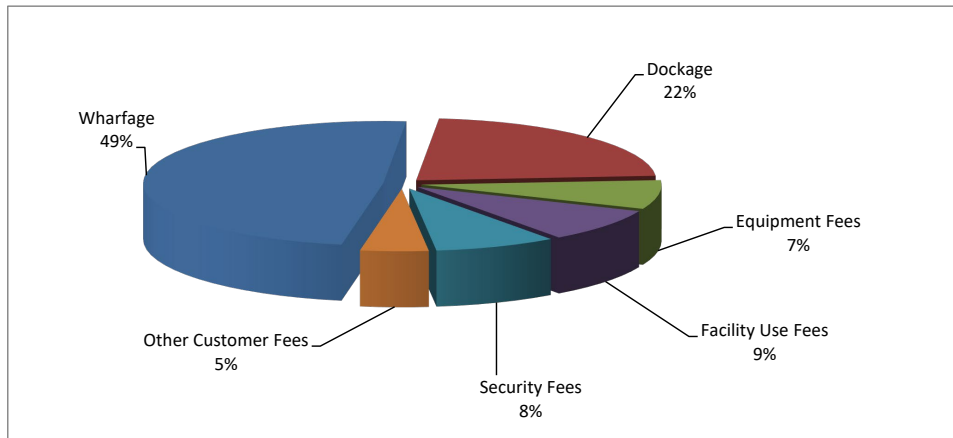
TOTAL REVENUE

	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2024 Forecasted	2025 Budget
OPERATING REVENUES:						
Wharfage	\$13,526,823	\$11,642,336	\$13,826,006	\$ 17,049,000	\$ 16,361,759	\$ 18,597,120
Dockage	7,356,823	6,927,659	5,854,458	8,134,100	7,753,508	8,507,187
Equipment Fees	1,098,167	1,454,339	1,518,887	1,537,600	1,796,306	2,867,178
Facility Use Fees	1,168,335	1,666,677	1,474,310	1,116,200	1,916,623	3,302,691
Security Fees	2,458,595	2,396,761	2,330,597	2,984,500	3,087,806	3,129,146
Other Customer Service Fees	1,075,780	1,460,834	1,311,568	1,443,500	1,582,753	1,744,912
Ground Leases	12,101,850	11,487,599	12,526,514	12,554,800	12,993,767	13,790,511
Other Leases	868,345	878,200	894,511	908,800	912,732	927,396
GASB 87 Lease Recognition		4,845,575	4,254,871			
Estimated Business Interruption Claim		4,500,000	2,000,000		1,400,000	
Other Revenue	8,303	24,289	110,261	25,000	25,000	25,000
Total Operating Revenue	\$39,663,021	\$47,284,269	\$46,101,983	\$ 45,753,500	\$47,830,254	\$ 52,891,141

**PORT FREEPORT
2024/2025 FISCAL YEAR BUDGET**

HARBOR OPERATIONS

	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2024 Forecasted	2025 Budget
OPERATING REVENUES:						
Wharfage	\$13,526,823	\$11,642,336	\$13,826,006	\$ 17,049,000	\$ 16,361,759	\$ 18,597,120
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Other Customer Fees	1,075,780	1,460,834	1,311,568	1,443,500	1,582,753	1,744,912
TOTAL HARBOR REVENUE	\$26,684,523	\$ 25,548,606	\$ 26,315,826	\$ 32,264,900	\$ 32,498,755	\$ 38,148,234
TOTAL TONNAGE	17,035,929	12,994,761	11,419,816	18,826,418	16,583,973	18,783,952
SHIP CALLS	531	456	402	495	510	592





1100 CHERRY ST. • FREEPORT, TX 77541
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023
WWW.PORTFREEPORT.COM

MEMORANDUM

TO: Port Commissioners
Chief Executive Officer

FROM: Rob Lowe

DATE: August 8, 2024

SUBJECT: Encumbering Funds

Last year the board took action to encumber \$1M from our available unencumbered funds to be used toward our FY23 General Obligation Bonds Debt Service payments. The board expressed a desire to consider this action annually going forward. I will present data that will allow the board to analyze the potential impact of encumbering funds for FY25 through use of financial projections.

PORT COMMISSION

RAVI K. SINGHANIA, CHAIRMAN; ROB GIESECKE, VICE CHAIRMAN; BARBARA FRATILA, SECRETARY; KIM KINCANNON, ASST. SECRETARY;
DAN CROFT, COMMISSIONER; RUDY SANTOS, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO