

**AGENDA**

**Port Freeport  
Port Commission  
Regular Meeting  
Thursday, September 8, 2022, 1:00 pm - 5:00 pm  
In Person & Videoconference - Administration Building - 1100 Cherry Street**

**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.

The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/83496211915?pwd=R000aXBybWtDWWhpiZ2VESWxnS3FCZz09>

Meeting ID: 834 9621 1915

Passcode: 339624

Dial by your location

1 346 248 7799 US (Houston)

Meeting ID: 834 9621 1915

Find your local number: <https://us02web.zoom.us/u/kbiRNdxh79>

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation.
3. Pledge of Allegiance: U.S. Flag & Texas Flag
4. Roll Call.
5. Safety Briefing.
6. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.
7. 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)
8. Public Testimony. (Public testimony on any item on this Agenda will be limited to 3 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.
9. Approval of minutes from the Special Meeting held August 24 and the Regular Meeting held August 25, 2022.
10. Receive report from Executive Director/CEO and/or Port staff on activities and matters related to COVID-19 health safety matters, 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.
11. Conduct workshop regarding Fiscal Year 2022/2023 Budget for Port Freeport.
12. Adoption of the FY 2022/2023 Budget for Port Freeport.
13. Adoption of a Resolution setting the 2022 Tax Rate for Port Freeport.
14. Discuss and consider the adoption, amendment, repeal or reauthorization of the Port Freeport Tax Abatement Guidelines and Criteria, to be effective September 8, 2022 - September 7, 2024.

15. Approval of Executive Director/CEO and Commissioners' travel for the months of September and October 2022.
16. 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):
    1. Consultation with attorney under Government Code Section 551.071(1) (to seek or receive attorney's advice on pending or contemplated litigation).
    2. Consultation with attorney under Government Code Section 551.071(2) (to seek or receive attorney's advice on legal matters that are not related to litigation).
  - B. Under authority of Section 551.087 (Economic Development Negotiations or Incentives):
    1. To discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations.
    2. To deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).
  - C. Under authority of Section 551.072 (Deliberation of Real Property Matters) for discussion regarding:
    1. Discussion regarding the potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the area known as the East End of Freeport and bordered by or adjacent to the following streets: FM 1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
    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 and 7.
    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.
17. RECONVENE OPEN SESSION:
18. Adjourn.

***The Port Commission 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 Port Commission 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.



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Phyllis Saathoff, Executive Director/CEO  
**PORT FREEPORT**

*In compliance with the Americans with Disabilities Act, the District will provide for reasonable accommodations for persons attending its functions. Requests should be received at least 24 hours in advance.*

Minutes of Port Commission Special Meeting  
August 24, 2022  
In Person & Videoconference

A Special Meeting of the Port Commission of Port Freeport was held August 11, 2022, beginning at 1:04 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.

The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/82396368018?pwd=L2Ira1ZhWWlsWjcwb3RMNWx5djNDUT09>

Meeting ID: 823 9636 8018

Passcode: 241753

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Meeting ID: 823 9636 8018

Find your local number: 9 <https://us02web.zoom.us/u/kdY6s58Nd>

Commissioners present in person:

Mr. John Hoss, Chairman  
Mr. Rudy Santos, Vice Chairman  
Mr. Dan Croft, Secretary  
Mr. Rob Giesecke, Asst. Secretary  
Mr. Ravi Singhania, Commissioner  
Mr. Shane Pirtle, Commissioner

Staff Members Present:

Mr. Peter Nemeth, Interim Legal Counsel  
Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Rob Lowe, Director of Administration/CFO  
Mr. Al Durel, Director of Operations  
Mr. Jason Hull, Director of Engineering  
Mr. Chris Hogan, Director of Protective Services  
Mr. Jason Miura, Director of Business & Economic Development  
Ms. Missy Bevers, Executive Assistant  
Ms. Mary Campus, Controller  
Mr. Rico Arbolante, Help Desk Technician  
Mr. Jesse Hibbetts, Operations Manager  
Ms. Christine Lewis, Safety Coordinator

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Roll Call – Commissioner Hoss noted that all Commissioners were present in the Board Room.

At this time, Commissioners and staff recited pledges to the U.S. Flag and Texas Flag.

3. Public Comment – There were no public comments.
4. Public Testimony – There was no public testimony.
5. Conduct workshop regarding Fiscal Year 2022/2023 Budget for Port Freeport.

Mr. Lowe began the workshop giving an overall budget summary stating staff anticipates \$41.6 million in operating revenues and \$25.6 million in operating expenses which would produce an operating net income of \$16 million. A decrease in net assets of \$22.4 million is anticipated due to contributions to the USACOE for the Freeport Harbor Channel Improvement Project. Planned capital expenditures amount to \$72 million plus contributed to others of \$60.9 (FHCIP) million for a total of \$132.9 million which will be funded through a combination of cash flows, debt and grants. Debt service interest expense on existing debt amounts to \$9 million. Staff anticipates an additional \$55.8 million issuance of General Obligation debt for the Freeport Harbor Channel Improvement Project with \$850 thousand in interest and bond issuance costs. 36% of revenues will be generated through harbor revenues with 17% in lease revenues, ad valorem 10%, grant revenues 34% and other at 3%. Total operating revenues is \$41.5 million an increase of the 2022 forecast of \$2 million. Mr. Lowe noted staff shows it to remain level with the business interruption insurance claim that is still outstanding. Staff anticipates 483 ships calls, tonnage of 14.707 million with volumes up 15% over 2022 forecast due to the resumption of Freeport LNG operations. Lease revenues of \$12.6 million has increased \$223 thousand over current forecast. For Ad Valorem taxes, the 2022 taxable value is \$19.4 billion which is an increase of 19.65% over 2021., The taxes were calculated at the voter approval tax rate of \$0.039852/100. Taxable value increased \$3.1 billion through new improvements, expiring tax abatements and existing property valuation growth which generated an additional \$1.2 million in tax revenue. Commissioner Singhanian inquired why the presentation does not show the no new revenue rate. Mr. Lowe stated that he had to have a point to start and both rates will be included in the presentation later regarding the tax rate proposal. In his position as CFO, he sets it at the highest rate which is the voter approval rate with the Commission to advise setting the rate at or below that rate. Ms. Saathoff added that the discussion among staff has been that when the voters approved the bond package in 2018, the Port committed to holding the tax rate steady. The voter approval rate is the closest to remaining steady. Staff has a presentation for the tax discussion later that will include both rates and both rates are also published on the agenda on the item to be considered. The tax levy projection shows FY2023 just below the 4-cent line at .39 (discussed previously). Mr. Lowe noted that eventually the nature of the statute caps the year over year no new revenue M&O. Combined with those factors as well as debt issuances and payments, it will be forced down from the statute. Based on discussions later today, Mr. Lowe will make any adjustments necessary.

Regarding operating expenses, Ms. Campus noted that with new assets coming on board, depreciation is the majority of the budget at \$11.1 million projected. As reported to the Personnel Advisory Committee, staff has increased the salaries, wages and benefits category from the 2022 forecasted of \$1.3 million or 27% with a total budget \$6.244 million. The budget includes a 6.6% increase in CPI/merit raises, filling six approved positions that are vacant, the addition of one new position and a request to change a current part-time position to a full-time position. Also included is \$40,000 available in market adjustments. There is a 10% increase forecasted in group health insurance premiums and 5% in dental with renewal date of January 1. This puts the percent of group health premiums to total wages and benefits at 16.5% and assumes full participation in the retirement plan and the percent benefits to salaries and wages at 39%. Professional Services is budgeted at \$2.9 million which is an increase over the 2022 forecast of \$513 thousand or 21%. Security service fees takes up a majority of this category which includes K9 detection services. Also included is surveying, environmental consulting, federal and state level government liaisons, port planning services, granted related assistance, election service fees and compensation consulting. Training, Travel, and Promotional budgeted \$879,900 which is an increase from 2022 forecasted \$364 thousand for 70%. Ms. Campus noted that fiscal year 2022 continued to reflect reduced travel due to COVID but staff anticipates travel will resume to normal levels but will continue to monitor. Commercial events continue participation to promote the Port's multi-modal facilities for Roll On Roll Off cargo, containerized cargo and breakbulk cargo. The website redevelopment was carried over from fiscal year 2022, advertising and targeting publication, especially with foreign-trade zone. Also included is sales travel, government relations with state and federal interaction, community events that include four CAP meeting and technical training that focuses on professional development. Electrical ZPMC training, engineering certifications, emergency management and safety programs are also included in this category. Utilities will increase \$115 thousand or 15% to \$854,900 over 2022. Ms. Campus noted the utilities are calculated using an average of the previous year and includes the increase in the City of Freeport water and sewer rates of 9%. Business insurance has a budget of \$1,672,300 which is an increase of \$141 thousand or 9% over 2022 forecasted. Property renewal saw a 6.68% increase March 1, 2021, and the July 1, 2021, liability package renewal experienced an 11.53% increase. Staff has programmed in a 15% increase in premiums for 2023 based on additional assets and market pressures. Other services and charges decreased \$144 thousand or 22% to \$503,600. This area not only includes dues, services and memberships but IT contracted services, port-a-cans and hand wash stations as well. Maintenance and repair budget is \$1,225,400 which is a decrease of 27% over 2022 forecasted. Special projects included under this item include a carryover of the Administration building repairs and maintenance of \$150,000. Crane trolley repairs have also been added however it could be capitalized depending on final scope. The truck scale line replacement, fire diesel pump repairs are also included. Other significant items include maintaining equipment such as the ZPMC cranes, security equipment, cleaning and maintenance of office buildings, dust control product, road repairs and mowing. Depreciation expenses of \$11.1 million is an increase of \$3.2 million due to the addition of the levee stabilization project, berth 8 and ro-ro ramp. Regarding debt interest and fees, as mentioned previously, staff plans a \$55.8 million General Obligation Bonds issuance the first or second quarter fiscal year 2023 with a total of \$16.1 million in principal and interest budgeted for all bonds. A look at the Port's Capital Expansion Plan which is broken into four strategic initiatives that include the Freeport Harbor Channel project at \$60.9 million, buildout of the Port's Container Handling Facilities at \$55.3 million, development of warehousing and OEM distribution facilities at \$11 million and Port Infrastructure support of

\$5.6 million, for a total of \$132.9 million. Ms. Campus noted that the budget for planned \$24.7 million in grants, noting many of these projects are still in the grant application stage. The Port was notified after publication that the Port Freeport did not receive funding for the 2022 Port Security Grant, therefore, \$679,000 of that budget will not be funded as anticipated. Staff will evaluate and discuss with the OSS Advisory Committee the priority of these projects. Finally, the Port's capital funding by source shows 46% coming from general obligation debt, 30% by grant programs, cash flow reserve of 7% and 17% is for items identified by business structure and opportunities that could be advanced with revenue debt. Commissioner Singhania commented on the increase in training, travel and promotional, noting that it appears extraordinary in the form presented. Ms. Campus stated when you compare budget to budget, the increase is about 10%. She further clarified that the slide presentation compares budget to forecasted and the written document compares budget to budget. Commissioner Giesecke asked for an estimate on the operation cash flow for the budget. Ms. Campus stated that staff expects to use \$33.7 million from reserves which will draw the unrestricted assets from July 2022, which is \$44.6 million down to \$14.7 million, anticipated by September 30. Commissioner Giesecke clarified he meant the free cash flow from operations which Ms. Campus stated was \$18.5 million. Discussion then began as to whether or not this number considers the revised schedule Freeport LNG recently released regarding the resumption of operations as well as the pending business interruption claim. Commissioner Giesecke added to Commissioner Singhania's previous comment about the increase under training, travel and promotional stating that in 2019 (the last normal year) was \$519,000 and the budget now is \$879,000 so it's a 70% increase since the last normal year. Mr. Lowe agreed and explained that \$150,000 of the increase was the website redevelopment. Commissioner Giesecke also expressed his heartburn with Commissioners' travel for conventions being categorized as technical training stating that he doesn't agree that its training. After discussing with staff, it was agreed the description would be changed to training and education. He also asked about the amortized premiums for the bonds and whether or not they are amortized over the full life and if they are callable. Staff confirmed prior issued refunding bonds are not callable, but they will have to check the newest GO issued bonds. He also expressed concern about the amortized premium rates for the GO bonds stating that the Port told the taxpayers we would borrow \$130 million in bonds and levy a tax on them to pay them back but now paying an above market interest. Mr. Lowe stated they pay premium up front but not above what the taxpayers authorized. He also offered to have Drew Masterson come in at the next meeting to give an overview on this.

6. Discussion and adoption of a Resolution to increase the Over 65 and Disability Tax Exemption.

Mr. Lowe stated that the Port currently has an Age 65 or older or disabled exemption of \$175,00 that exempts 8,419 accounts from paying any tax to Port Freeport. Mr. Lowe has created a table at various levels to see how many additional accounts would come in, percentage of accounts would be for Port property owners who are qualified in the age 65 or older or disabled category. Ms. Saathoff noted that at the time of the last increase, it covered approximately 10,800 accounts. Commissioner Croft asked for clarification from counsel whether or not he should abstain from voting for the exemption since he and others will benefit from the increase. Mr. Nemeth stated that it is a general benefit that is accruing to the public benefits and not targeted to any commissioner, therefore he does not have to abstain.

A motion was made by Commissioner Pirtle to increase the exemption to \$250,000. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

7. Discuss and consider adoption of a Resolution to propose the 2022 tax rate, to be adopted at a future meeting.

(The 2021 tax rate is \$0.040000; the 2022 No New Revenue Rate is \$0.035909; the 2022 Voter Approval Tax Rate is \$0.039852)

A motion was made by Commissioner Santos to propose the no new revenue rate to be \$.035. Mr. Lowe corrected Commissioner Santos that he would be proposing the Port Freeport tax rate to be \$.035, not the no new revenue rate. The motion was seconded by Commissioner Croft.

Commissioner Giesecke made a motion to amend the motion and amend the tax rate to zero out the M&O rate and adopt the I&\$ at \$0.16856. Commissioner Singhania seconded the motion for discussion.

Mr. Nemeth clarified that as a matter of protocol, once a motion is made and seconded, its up to the person who made the motion to amend the motion. If there is to be a second motion after the first one is considered, that can be done separately. Commissioner Santos stated he did not want to amend this motion.

Commissioner Singhania stated it is still a goal to see a zero M&O rate and feels the Port can be there today with the funds accumulated in the channel reserves but will feel more comfortable doing that once the bonds are issued. He will support Commissioner Santos' motion of \$.035 but stated that once the bonds are issued, he would like the Commission to reevaluate the M&O rate. Commissioner Pirtle stated that the Port has a responsibility to the harbor and surrounding navigation areas, and maintenance and operations has to be covered in some way. There is no other way to capture some income from all the major industry that uses the harbor and the local navigation areas. While he would like to have more fees put on industry and not residents, two-thirds majority is based on industry that is the only way the Port can collect any income from local users and feels the current commission would really hamstring future commissions if the M&O rate went away or have some sort of tax to be able to do capital investment projects. Commissioner Singhania stated that he would like to have some dialogue later in the year regarding this. Commissioner Hoss stated that he is comfortable at three and a half cents and the return the Port gives to the community. Not comfortable defunding government at this time and have made commitments as a governing body to maintain the San Bernard River, regardless of its status. He feels the commission is being very sensitive to the taxpayers in raising exemptions to those who are age 65 or older or disabled adding the Port is sensitive to the taxpayer and getting the taxpayers money's worth into the community. Commissioner Giesecke pointed out that the Port is unique among taxing entities in having another revenue stream. The ad valorem taxes are 10% of total revenue for 2023. Operating revenues from 2016– 2021 have gone up 82.9% and in that period of time, the taxpayers have not seen any real relief. Tax rate was \$.0401 in 2016, last year was \$.04 and will now be slightly under the no new revenue tax rate. When taking into account the years it was above the effective rate and above the no new revenue rate, we're still levying a greater tax than we were in 2016 in the face of an 83% increase in operating

revenue. Commissioner Giesecke feels that everything is a priority in the budget except the taxpayers and he will not vote for treading water and staying where we are. After further discussion, Commissioner Hoss called the vote with five Commissioners voting in favor of the motion and Commissioner Giesecke voting no. The motion passed.

8. 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 551.074 (Deliberation of Personnel Matters):

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 Economic Development and Director of Business & Economic Development.

9. RECONVENE OPEN SESSION:

10. Adjourn.

With no further business before the Commission, the meeting adjourned at 3:09 PM

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John Hoss, Chairman

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Rudy Santos, Vice Chairman

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Dan Croft, Secretary

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Rob Giesecke, Asst. Secretary

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Ravi K. Singhanian, Commissioner

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Shane Pirtle, Commissioner

Minutes of Port Commission Regular Meeting  
August 25, 2022  
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held August 25, 2022, beginning at 2:30 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

**This meeting agenda with the agenda packet is posted online at [www.portfreeport.com](http://www.portfreeport.com)**

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

Join Zoom Meeting

<https://us02web.zoom.us/j/87299746114?pwd=UjY1eTdkZndacDFBWIJkaDI4bmkrUT09>

Meeting ID: 872 9974 6114

Passcode: 820970

Dial by your location

+1 346 248 7799 US (Houston)

Meeting ID: 872 9974 6114

Find your local number: <https://us02web.zoom.us/u/k8VqjAweY>

Commissioners present in person:

Mr. John Hoss, Chairman  
Mr. Rudy Santos, Vice Chairman  
Mr. Dan Croft, Secretary  
Mr. Rob Giesecke, Asst. Secretary  
Mr. Ravi Singhania, Commissioner  
Mr. Shane Pirtle, Commissioner

Staff Members Present:

Mr. Peter Nemeth, Interim Legal Counsel  
Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Rob Lowe, Director of Administration/CFO  
Mr. Al Durel, Director of Operations  
Mr. Mike Wilson, Director of Economic Development & Freight Mobility  
Mr. Jason Hull, Director of Engineering  
Mr. Chris Hogan, Director of Protective Services  
Mr. Brandon Robertson, Network Systems Manager  
Ms. Missy Bevers, Executive Assistant  
Ms. Mary Campus, Controller  
Ms. Tricia Vela, Public Affairs Assistant  
Mr. Jesse Hibbetts, Operations Manager  
Ms. Holly Soria, Operations Coordinator  
Ms. Hannah Fitzsimmons, Operations Specialist  
Ms. Christine Lewis, Safety Coordinator

Also, present:

Mr. Chris Moore, Texas Port Ministry  
Mr. Stuart Herbst, Terracon  
Ms. Megan Mikutis, Randle Law Office  
Mr. James Nash, WGMA

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 Hoss noted that all Commissioners were present in the Board Room.
5. Safety Briefing – Ms. Christine Lewis provided a safety moment regarding flooding and mosquitoes.
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 from 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 August 11, 2022.

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

10. Receive reports from Executive Staff on activities and matters related to COVID-19 health safety matters, 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 plans for the October 17 annual golf tournament benefiting Texas Port Ministry are well underway with more than two-thirds of the teams filled and sponsorships still coming in. Ms. Saathoff gave a federal update stating the Senate Committee on Appropriations released their FY23 spend bills which covers energy and water. Staff is monitoring. The Inflation Reduction Act holds about \$3 billion that would fund electrification at ports to be spread out over five years via a grant program. Staff will review for any opportunities. The next bid package for the FHCIP is scheduled to be advertised November 9, bid opening December 12 and award approximately January 31, 2023. The City of Angleton has contacted the Port about providing a tour to a delegation from Belize. The City will be entering into sister city agreement with a city from Belize

and wants the Port to be part of the program when the delegation arrives. Date to be announced. Marshall Tidwell from Jones Creek is requesting a meeting between the Port, TxDOT and Zachary Construction regarding the wide loads down Highway 36 through the construction areas.

B. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for the month of July.

C. Director of Engineering

Mr. Hull shared a current photo of the progress at Berth 8 stating the last pile was driven August 22. Regarding the demolition project, the contractor is running about 3 days ahead of schedule.

D. Director of Operations

Mr. Durel reported on a few highlights from his written report stating that July was the first full month without an LNG vessel with current year-to-date total at 149. For July, the Port handled 11 RoRo vessels and 10 container vessels. Tenaris steel this month included 2 ships, 16 barges and 31 railcars. Last year, the Port averaged 44 vessels per month but in July the Port handled 24. Year to date, the Port has handled 415 vessels with last year at 444 vessels. Mr. Durel also shared some pictures of the recent cement vessel worked at Dock 7. Bay-Houston Towing announced they will release three tugs assigned to Freeport LNG and will return September 30. Additionally, Freeport LNG is looking to start up partial operations in November.

E. Director of Business & Economic Development

Mr. Miura reported on upcoming events stating the Breakbulk Americas Conference will be held September 27-29 in Houston. The Consul General of India, Aseem Mahajan, will visit Port Freeport September 7 and will also be the guest speaker for the Brazosport Chamber Luncheon the same day. Staff has scheduled a meeting with Port partners, tenants and users September 9 to discuss a general rate adjustment to Port Tariff No. 005. Mr. Miura also updated the Commission on the Port's work with MARAD to modify the Port's project designation for container on barge that utilizes the Port's heavy-lift corridor and the marine highway. The Port is working closely with MARAD to develop a hub and spoke network with Port Freeport as the hub and additional Texas ports as the spoke. Next steps will be to get the project designated by MARAD and once designated, will seek funding for a planning study.

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

A. August 12 Strategic Planning Advisory Committee – Commissioner Singhania reported the committee received an update from staff regarding the progress of the FHCIP, the Sabine to Galveston and Ike Dike and the Inflation Reduction Act.

B. August 12 Personnel Advisory Committee - Commissioner Singhania reported that the committee discussed the personnel budget as well as an inflation adjustment for employees in the form of a one-time lump sum payment. Personnel matters were also discussed under executive session. Performance review forms were also discussed.

C. August 24 OSS Advisory Committee – Commissioner Pirtle deferred his comments to agenda items 14 and 15 which are on the agenda for consideration.

- D. August 24 Finance Advisory Committee – Commissioner Croft reported the committee discussed the Port Freeport tax abatement guidelines as well as proposed general rate adjustment to the Port tariff.
- E. Port Commission related meetings or conferences, Port presentations and other Port related matters.

Commissioner Singhania reported attending the India Consul Dinner August 15. He also noted the Consul General will be arriving September 6 for dinner, then visiting the Port September 7 and attending Chamber luncheon as a guest speaker the same day. He also reported attending the Maritime Dinner August 20 and a few others everyone attends.

Commissioner Giesecke reported attending the Brazosport Chamber luncheon August 11, the Brazoria County Cities Association (BCCA) dinner August 17, the 36A Coalition luncheon August 18 as well as the Angleton Chamber luncheon held earlier in the day.

Commissioner Santos reported also attending the Angleton Chamber luncheon.

Commissioner Croft reported attending an executive committee meeting for CCA Texas.

Commissioner Pirtle reported that he is interim chair for 36A Coalition.

#### 12. Approval of financial reports presented for the period ending July 31, 2022.

A motion was made by Commissioner Croft to approve the financial reports as presented. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

#### 13. Approval of a Correction Easement Grant and Partial Release for the North Wave Barrier.

Mr. Hull stated the Port Commission previously approved an easement to the Velasco Drainage District to relocate the North Wave Barrier and release the old North Wave Barrier. In the easement grant document, there was an error with some of the numbers and this document will correct those errors. Mr. Hull clarified that this correction does not change what was released or granted, only the location/point of beginning. Mr. Hull showed the Commission the three areas within the document where the errors was made. Staff recommends approval.

Commissioner Croft noted that this error was made by the surveyor and not Port Freeport.

A motion was made by Commissioner Pirtle to approve the correction easement as recommended by staff. The motion was seconded by Commissioner Giesecke with all Commissioners present voting in favor of the motion.

#### 14. Approval of a new Stevedore License application submitted by Associated Terminals Pangaea Logistics, LLC.

Mr. Durel stated that this company is also a stevedore for On-Site Concrete, and they requested Associated Terminals also get a stevedore license to perform work in Freeport.

All the necessary paperwork has been submitted and is in order. The application was also reviewed with the OSS Advisory Committee previously. Staff recommends approval.

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

15. Approval of a new Stevedore License application submitted by Vanquish Crane and Construction.

This item was tabled.

16. Discuss and consider the adoption, amendment, repeal or reauthorization of the Port Freeport Tax Abatement Guidelines and Criteria, to be effective August 25, 2022 – August 24, 2024.

This item was tabled.

17. Discuss and consider approving a one-time lump sum inflation payment.

Mr. Lowe stated that staff met with the Personnel Advisory Committee in August 2021 to present a preliminary personnel budget and make a recommendation of a 5% adjustment for wages for FY22. During this meeting, the committee discussed the possibility of considering additional adjustments during the fiscal year based on inflation. At the most recent Personnel Advisory Committee meeting, the topic was discussed further and based on an extraordinarily high year over year CPI increase and overall inflationary market, staff and the committee discussed bringing a recommendation for Port Commission's consideration of a one-time lump sum inflation payment of \$1500 per employee which would be based on 40-hour employees with a full year tenure, otherwise would be prorated accordingly. Port staff has remained diligent in managing expenses and as such, the favorability in the budget can easily accommodate. Staff recommends approval of the payment.

A motion was made by Commissioner Singhania to approve the payment. The motion was seconded by Commissioner Pirtle with all Commissioners present 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 551.087 (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.

C. Under authority of Section 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:

1. Discussion regarding the potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the are known as the East End of Freeport and bordered by or adjacent to the following streets: FM1495; East 2<sup>nd</sup> Street; Terminal Street and East 8<sup>th</sup> Street in Freeport, Texas.
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 and 7.
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. RECONVENE OPEN SESSION:

20. Adjourn.

With no further business before the Commission, the meeting adjourned at 7:03 PM

\_\_\_\_\_  
John Hoss, Chairman

\_\_\_\_\_  
Rudy Santos, Vice Chairman

\_\_\_\_\_  
Dan Croft, Secretary

\_\_\_\_\_  
Rob Giesecke, Asst. Secretary

\_\_\_\_\_  
Ravi K. Singhania, Commissioner

\_\_\_\_\_  
Shane Pirtle, Commissioner



# Fiscal Year 2022/23 Budget Workshop

**September 8, 2022**

**Rob Lowe, CFO**

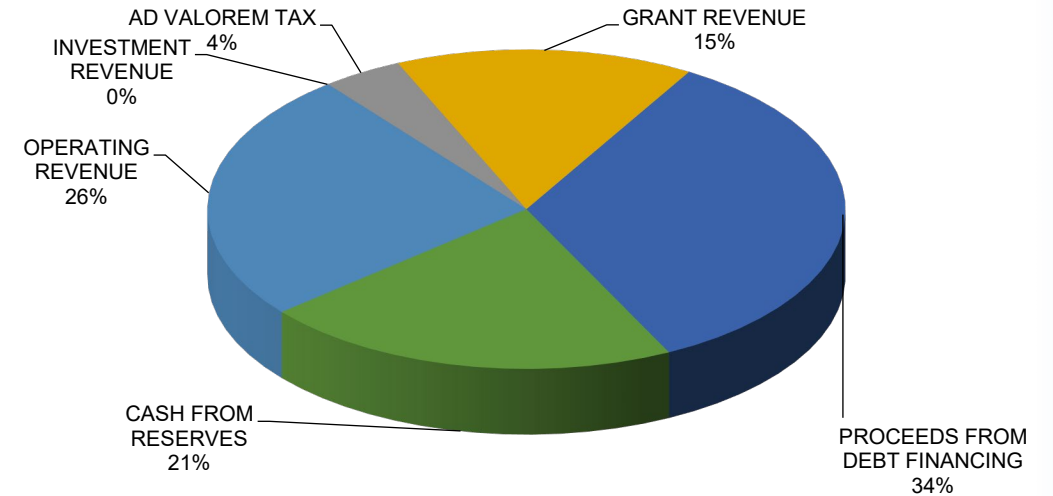
**Mary Campus, Controller**

## Budget Summary

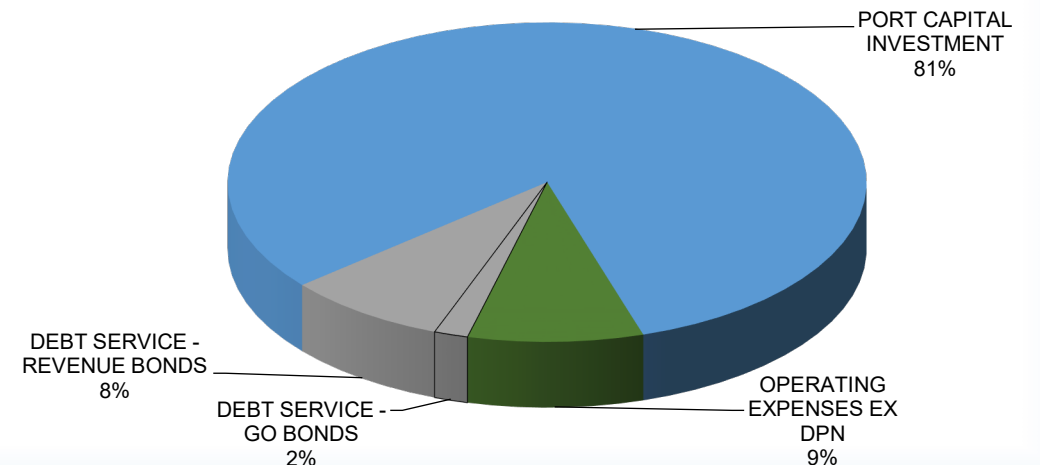
Incorporates:

- \$41.6 million in Operating Revenues
- \$25.6 million in Operating Expense
- Produces an Operating Profit of \$16 million for an operating margin of 38%
- A decrease in Net Assets of \$23,333,900 million is anticipated due to contributions to the USACE for the Freeport Harbor Channel Improvement Project
- Planned Capital Expenditures amount to \$72 million plus Contributed to Others of \$60.9 (FHCIP) million for a total of \$132.9 million, which will be funded through a combination of cash flows, debt and grants
- Debt Service interest expense on existing debt amounts to \$9 million, anticipates a \$55.8 million issuance in General Obligation debt for the Freeport Harbor Channel Improvement Project with \$850 thousand in interest expense and bond issuance costs.

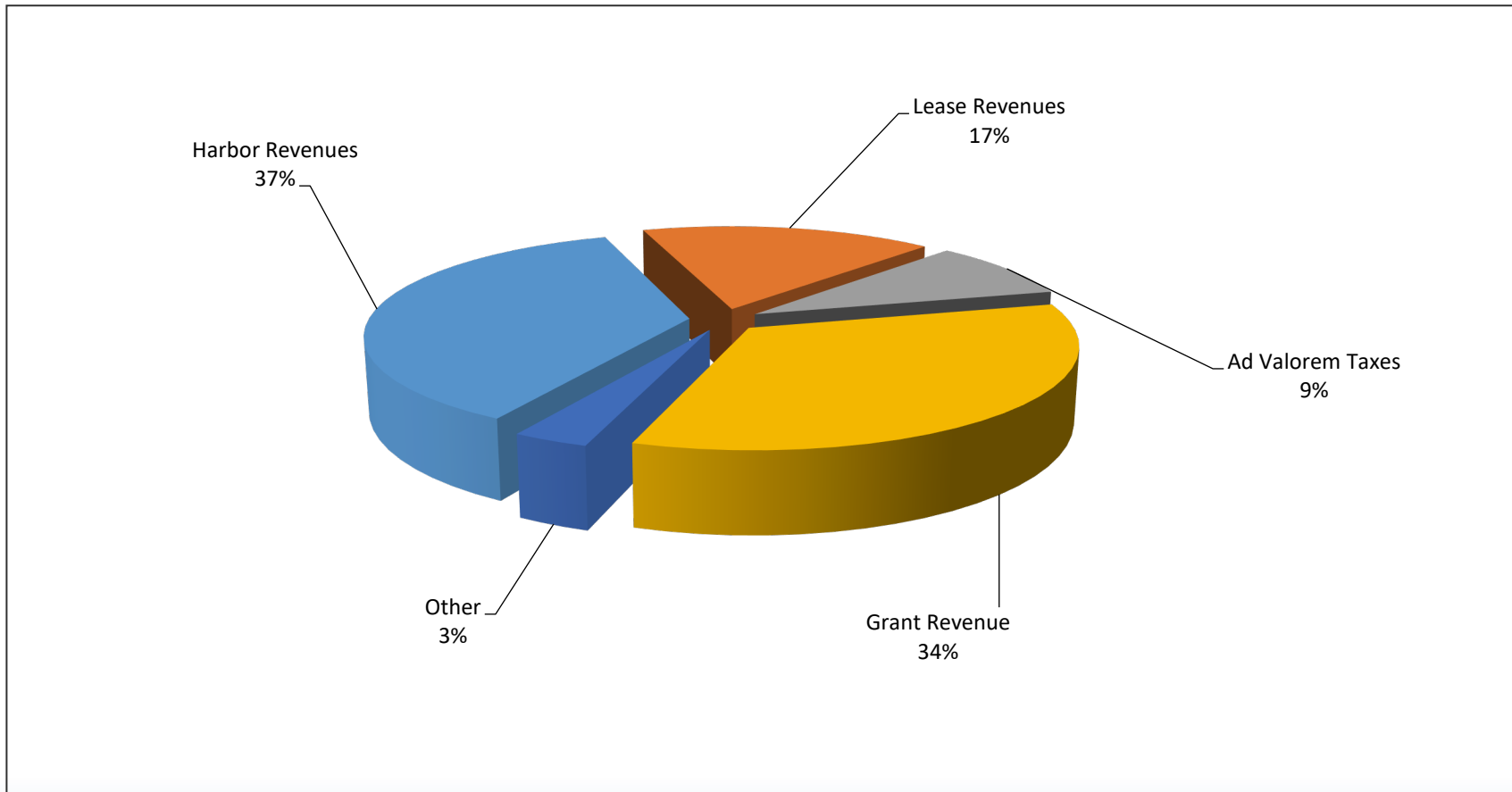
### Sources of Funds



### Use of Funds



## REVENUES





# Ad Valorem Taxes –Port Freeport Roll



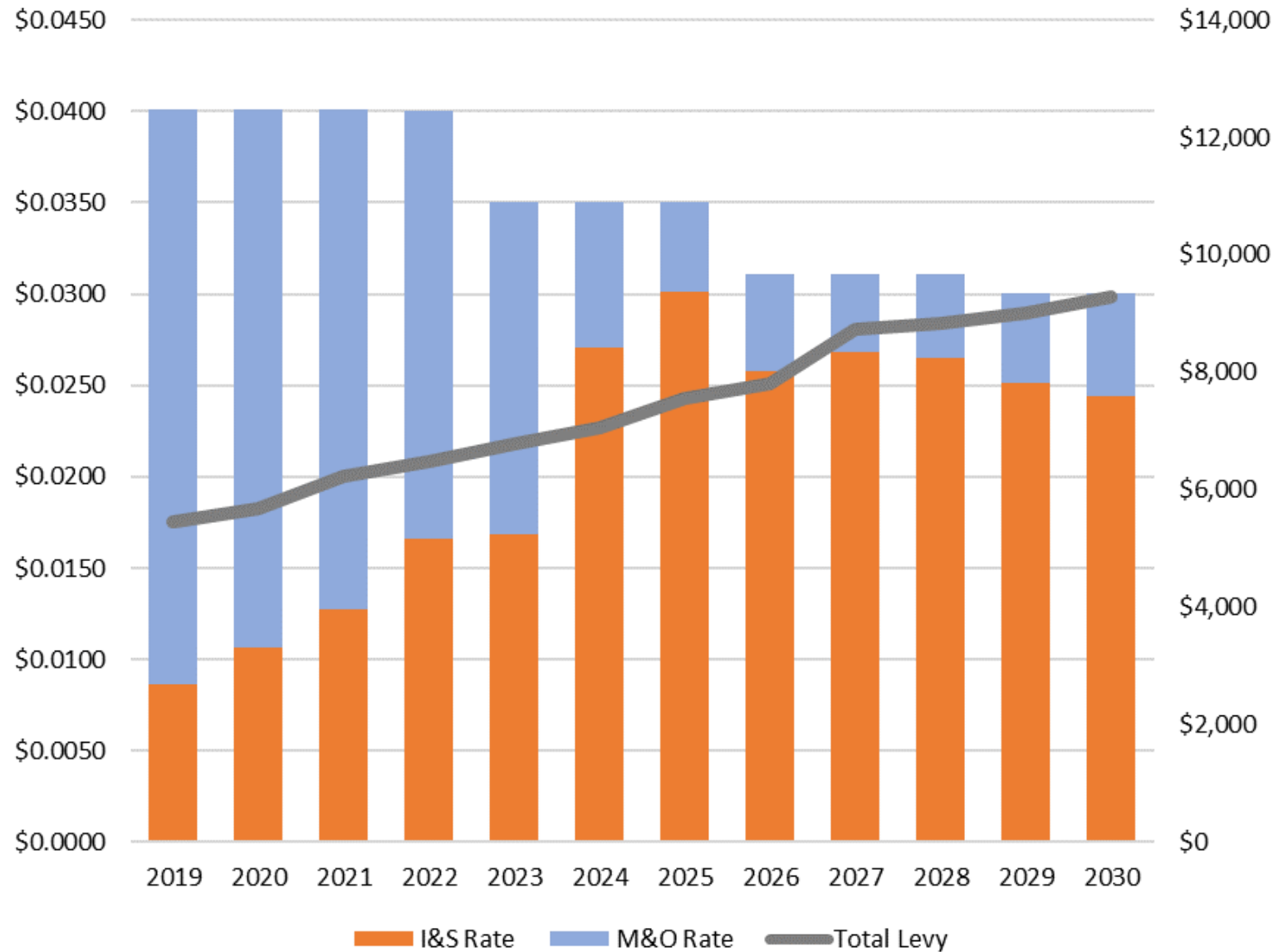
2022 Taxable Value \$19.4 billion, an increase of 19.65%  
Calculated below the No New Revenue Tax Rate of \$.035 per hundred  
Taxable Value increased \$3.1 billion through new improvements, expired tax  
abatements and existing property valuation growth. This generates  
\$1.2 million in additional tax revenue

## LEVY CALCULATION

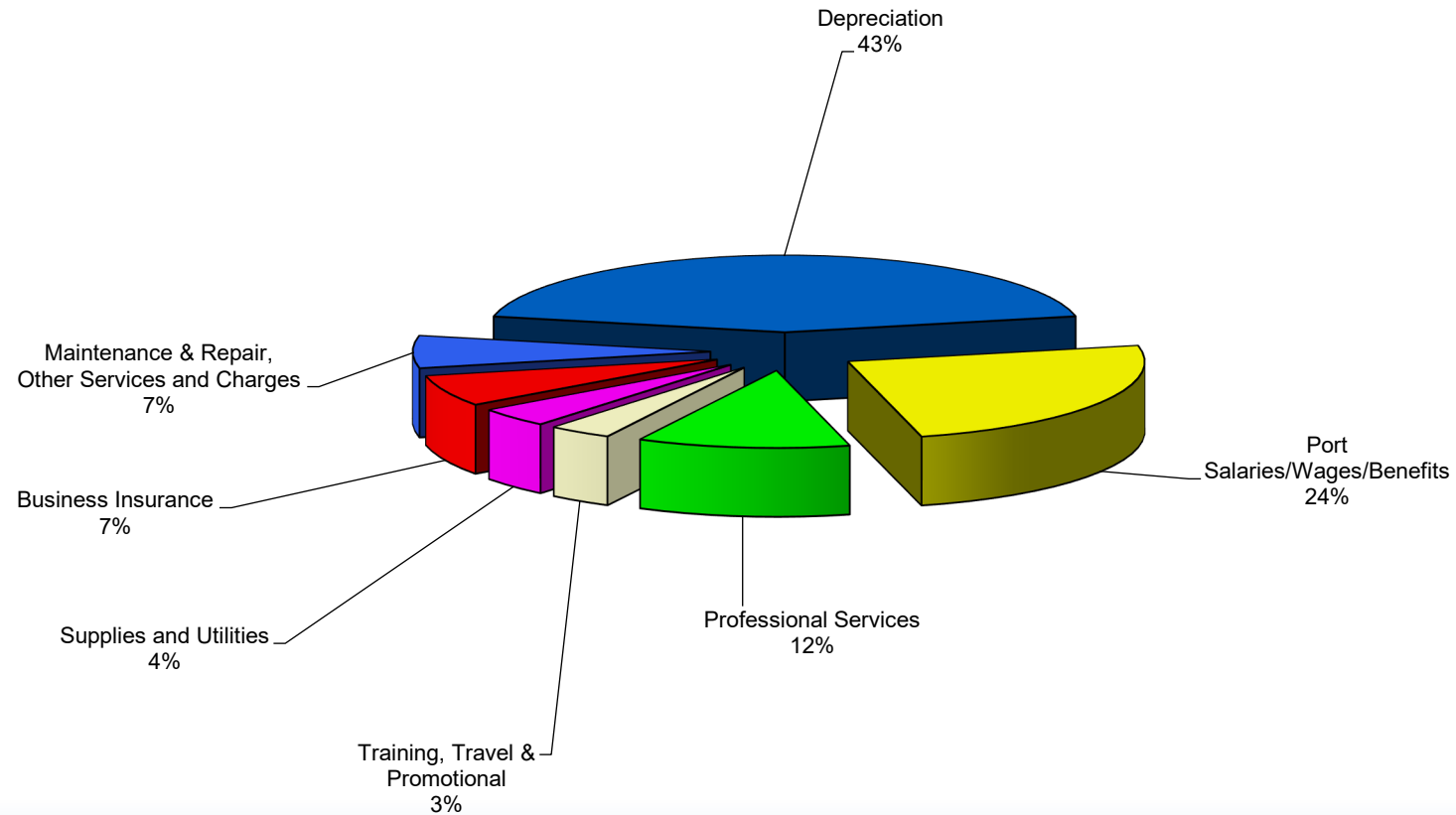
<b>TAXABLE VALUE FOR 2022 APPRAISAL ROLL</b>	<b>\$</b>	<b>19,377,876,871</b>
2022 LEVY:		
M & O		3,515,922
DEBT SERVICE		3,266,335
TOTAL LEVY		6,782,257
ESTIMATED AMOUNT TO BE UNCOLLECTED (100% COLLECTION RATE)		0
APPRAISAL DISTRICT AND TAX OFFICE FEES		69,645
ADJUSTED		(40,312) *
<b>NET AD VALOREM TAX REVENUE BUDGETED</b>	<b>\$</b>	<b>6,672,300</b>

\* Adjusted by an estimated \$40,312 due to a change in the 65 and over or disabled exemption from \$175,000 to \$250,000.

# Tax Levy Projection



## Operating Expenses





## Port Salaries, Wages and Benefits

Increase from 2022 forecasted of \$1,331,857 or 27% - Budget \$6,244,000

Budget includes:

- Fiscal year 2023 includes 6.6% increase in CPI/merit raises
- Filling six approved positions that are vacant and requests for one new position and changing customer service coordinator position from part time to full time
- \$40,000 in available market adjustments
- 10% increase forecasted in group health, 5% increase in forecasted dental and vision premiums (renewal is January 1)
- Percent of group health to total wages and benefits 16.5%
- Assumes full participation in retirement plan
- Percent benefits to salaries and wages 39%

## Professional Services

Budgeted \$2,948,700 which is an increase over 2022 forecasted of \$513 thousand or 21%

Includes:

- Security service fees include canine detection services
- Surveying
- Environmental consulting
- Federal and State level government liaisons
- Port planning services
- Grant related assistance
- Election service fees
- Compensation consulting

## **Training, Travel and Promotional**

Budgeted \$879,900 which is an increase from 2022 forecasted of \$364 thousand or 70%. Fiscal year 2022 continued to reflect reduced activity and travel due to COVID-19. Fiscal year 2023 budget assumes resumption to normal level; however, it will continue to be evaluated.

Includes:

- Commercial Events Participation-continue to promote Port Freeport's multi modal capabilities supporting Roll On Roll Off, Containerized Cargo and Breakbulk Cargo
- Website Redevelopment, carried over from fiscal year 2022
- Advertising-targeted publications, especially FTZ related
- Sales Travel
- Government Relations and Travel- State and Federal Government interaction
- Community Events-including four C.A.P. meetings
- Training and Education:
  - Focus on Professional Development
  - Electrical ZPMC training
  - Engineering Certifications
  - Emergency Management
  - Safety Programs



## Utilities

Increase over 2022 forecasted of \$113 thousand or 15% to \$854,900.

Utilities are calculated using an average of the previous year.

Increase over forecasted due to:

- An increase in the City of Freeport water and sewer rates by 9%.



## Business Insurance

Budget of \$1,672,300 which is an increase of \$141 thousand or 9% over 2022 forecasted.

- The March 1, 2022, property renewal experienced a 6.68% increase, and the July 1, 2022 liability package renewal experienced an 11.53% increase.
- Budget programmed in a 15% increase in premiums for 2023 based on additional asset value and continued market pressures.



## Other Services and Charges

Decrease of \$144 thousand or 22% over 2022 forecasted to \$503,600.

Major items include:

- IT contracted services
- Dues -increase in AAPA Dues
- Port-a-cans and hand wash stations



## Maintenance and Repair

Budget \$1,225,400, a decrease of \$462 thousand or 27% over 2022 forecasted.

### Special Projects:

- Administration building major maintenance \$150,000 (carried over from FY 2022)
- Crane trolley repairs which could be capitalized, depending on final scope
- Truck scale line replacement
- Fire diesel pump repairs

### Other Significant items:

- Terminal operations equipment (mostly cranes)
- Security equipment
- Cleaning and maintenance for office buildings
- Terminal facilities dust control product
- Road repairs
- Mowing



## Depreciation Expense

\$11,106,800, an increase of \$3.2 million or 40% over 2022 forecasted due to the addition of the levee stabilization project, berth 8 and the ro-ro ramp.



## Debt Interest and Fees

### SCHEDULED BOND INTEREST AND PRINCIPAL PAYMENTS

	Interest	Principal	Total Principal & Interest
General Obligation Bonds, Series 2019	\$ 1,241,762	\$ 670,000	\$ 1,911,762
General Obligation Bonds, Series 2021	894,250	-	894,250
Senior Lien Refunding Bonds, Series 2013A	463,232	2,320,000	2,783,232
Senior Lien Revenue & Refunding Bonds, Series 2015A	1,586,588	855,000	2,441,588
Senior Lien Revenue Refunding Bonds, Series 2018	1,372,950	615,000	1,987,950
Senior Lien Revenue Bonds, Series 2019A	1,957,350	820,000	2,777,350
Senior Lien Revenue Bonds, Series 2019B	962,550	585,000	1,547,550
Senior Lien Revenue Bonds, Series 2021	1,326,850	-	1,326,850
Est New 2023 General Obligation Bond Issuance	500,000	-	500,000
<b>Total Debt Service</b>	<b>\$ 10,305,532</b>	<b>\$ 5,865,000</b>	<b>\$ 16,170,532</b>

Estimated \$55.8 million General Obligation Bonds issuance in 1<sup>st</sup> or 2<sup>nd</sup> quarter fiscal year 2023.



## Debt Interest and Fees

### SCHEDULED BOND INTEREST AND PRINCIPAL PAYMENTS

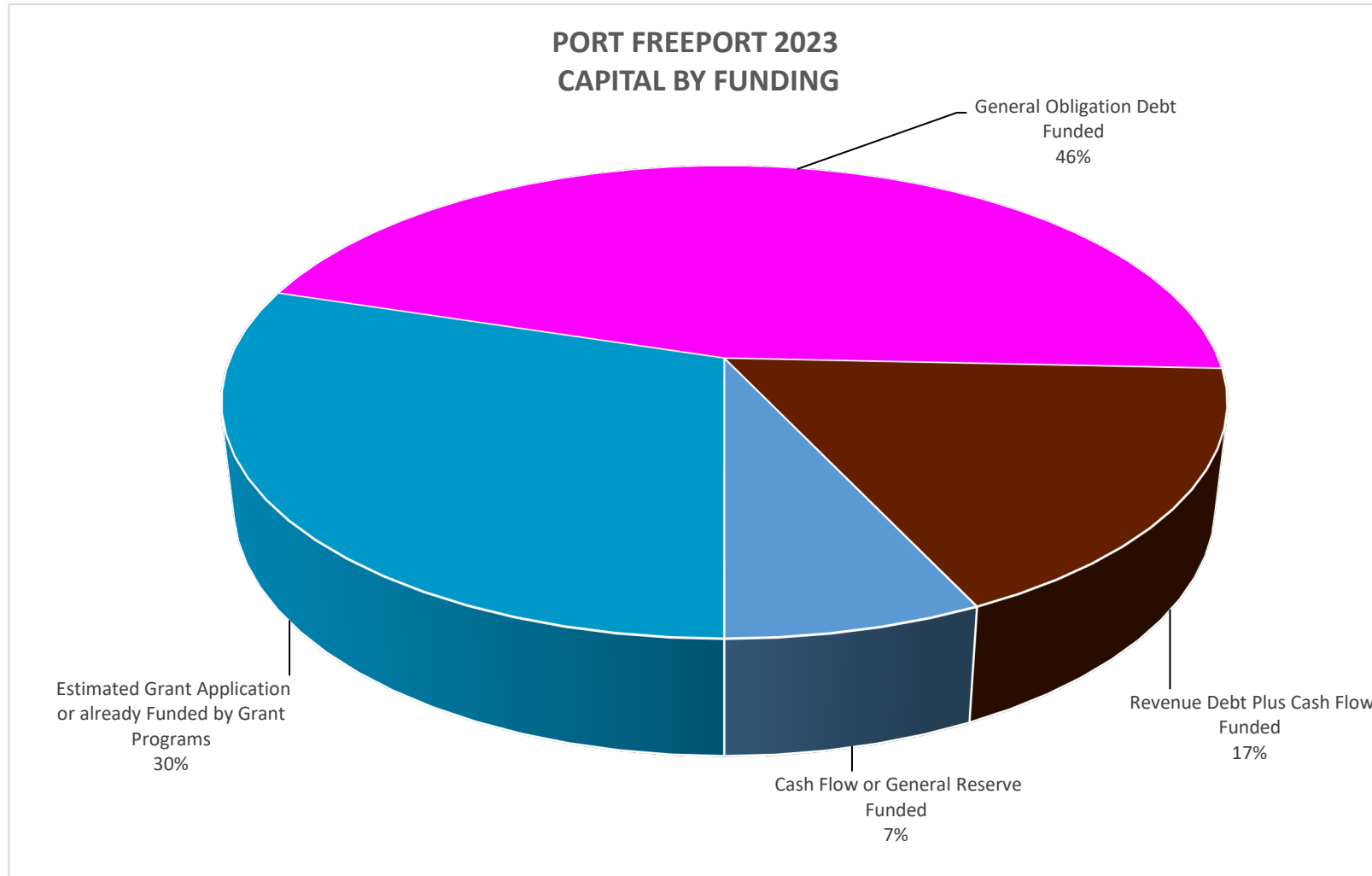
	Interest	Principal	Total Principal & Interest	Call Date
General Obligation Bonds, Series 2019	\$ 1,241,762	\$ 670,000	\$ 1,911,762	8/1/2029
General Obligation Bonds, Series 2021	894,250	-	894,250	8/1/2029
Senior Lien Refunding Bonds, Series 2013A	463,232	2,320,000	2,783,232	Current
Senior Lien Revenue & Refunding Bonds, Series 2015A	1,586,588	855,000	2,441,588	6/1/2025
Senior Lien Revenue Refunding Bonds, Series 2018	1,372,950	615,000	1,987,950	6/1/2028
Senior Lien Revenue Bonds, Series 2019A	1,957,350	820,000	2,777,350	6/1/2029
Senior Lien Revenue Bonds, Series 2019B	962,550	585,000	1,547,550	6/1/2029
Senior Lien Revenue Bonds, Series 2021	1,326,850	-	1,326,850	6/1/2031
Est New 2023 General Obligation Bond Issuance	500,000	-	500,000	
<b>Total Debt Service</b>	<b>\$ 10,305,532</b>	<b>\$ 5,865,000</b>	<b>\$ 16,170,532</b>	

Estimated \$55.8 million General Obligation Bonds issuance in 1<sup>st</sup> or 2<sup>nd</sup> quarter fiscal year 2023.

**PORT FREEPORT  
PROPOSED PORT CAPITAL EXPANSION PLAN  
Fiscal Year 2023**

***Strategic Initiatives***

	<b><i>Milestones</i></b>
➤ Freeport Harbor Channel deepening and widening	\$ 60,932,681
➤ Buildout of the Port's Container Handling Facilities	55,298,650
➤ Development of warehousing and OEM distribution	11,096,050
➤ Port Infrastructure Support	5,600,700
<b>Total</b>	<b>\$ 132,928,081</b>



## QUESTIONS AND COMMENTS

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**2022/2023 FISCAL YEAR  
BUDGET DRAFT  
AUGUST 25, 2022**

**PREPARED BY:**

**Mary Campus, Controller**

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## DRAFT BUDGET TRANSMITTAL

August 25, 2022

Members of the Port Commission  
Port Freeport  
Freeport, Texas

Presented herein is the Fiscal Year 2022/23 Budget. This budget was prepared through the collective efforts of staff, directors, and commissioners. It represents the planned financial and operating performance of the Port for the coming fiscal year and provides insight to the direction of Port expansion for the next five years. Overall, this budget anticipates a \$23.3 million decrease in change in net assets due to capital contributions for the Port Freeport Harbor Channel Improvement Project. This year's budget follows the same format as the previous budgets with supporting documentation and schedules.

### OPERATING BUDGET

#### Revenue:

When compared to the 2022 Budget, total operating revenue for fiscal year 2023 is expected to increase \$1.7 million to \$41.6 million, while net non-operating revenue and expenses are expected to increase by \$194 thousand to (\$3.1) million.

Harbor operations revenues have decreased \$947 thousand to \$26.6 million with an offset of \$2.3 million in business interruption insurance. Lease revenues have increased \$223 thousand to \$12.6 million primarily due to contractual inflation increases.

Net non-operating revenues at (\$3.1) million include debt service. Debt interest and fees have increased to \$9.8 million. This includes an estimated accrual of interest and issuance costs for anticipated issuance of General Obligation Bond debt issuance in fiscal year 2023.

The Certification of Appraised Valuations prepared by the Brazoria County Appraisal District reports assessed value for 2022 to be \$19.4 billion, which is 19.65% higher than the prior year. Increases were observed in market values, expiration of tax abatements, and asset additions, along with offsets in these increases from homestead, abatements, and other exemptions. The budget has been prepared with the tax rate of \$0.035 per \$100 of valuation which below the no new revenue tax rate. A rate of \$0.016856 per \$100 valuation is required for debt service, leaving a rate of \$0.018144 per \$100 valuation for maintenance and operations. Assuming a 100% collection rate, ad valorem tax collections are projected to be \$6.7 million, net of appraisal district and tax office fees.

## Expenditures:

Overall, expenditures, at \$25.6 million, are anticipated to increase \$4.1 million from the budget for fiscal year 2022. Expenditures, excluding depreciation are expected to be \$14.5 million, an increase of 9% or \$1.2 million from the budget for fiscal year 2022. Fiscal year 2022 budgets resumption to normal activity with full staffing, however staff will continue to monitor conditions.

**Port Salaries and Wages:** The total amount budgeted for Port salaries and wages is \$4.5 million, an increase of \$500 thousand or 13% from the 2022 budget. The budget includes 6.6% CPI/merit increases, a market/internal equity pool and assumes filling six positions that are vacant and changing one part-time position to a full-time position.

**Port Employee Benefits:** The total amount budgeted employee benefits are \$1.7 million, an increase of \$101 thousand or 6% from the 2022 budget. The primary reason for the increase comes from an anticipated increase in medical (10%), dental and vision plan premiums (5%), full participation in the retirement plan, and assumes filling six positions that are vacant and changing one part-time position to a full-time position.

**Professional Services:** The budget for consultant services has increased \$227 thousand or 8% from the 2022 budget to \$2.9 million. The largest line item in the professional services category is security service fees, which increased 12% or \$210 thousand to \$1.97 million due to contracted rates, increased manpower utilization and services. Fiscal year 2023 includes funds for election service fees, Port planning services, compensation consulting, grant writing services, environmental consulting, and surveying.

**Training, Travel & Promotional:** The training, travel and promotional category budget is \$880 thousand, which has increased from the 2022 budget by 10% or \$77 thousand. Fiscal year 2021 budget was dramatically reduced due to the impact of COVID-19. Fiscal year 2022 budget assumed resumption to normal levels, but the impact remained. Fiscal year 2023 assumes resumption to normal level, however, it will continue to be evaluated. Commercial business development at \$472 thousand, which includes commercial trade shows, advertising, website development, economic development, and promotional items, has been increased \$34 thousand or 7.6% from last year due to increased focus on target cargo events. Sales and promotion have increased by \$17 thousand or 28% to \$76 thousand due to an anticipated prospective new business reception. Government relations travel is increased 27% or \$11 thousand to \$53 thousand due to increase in State and Federal legislative interaction. Community relations at \$82 thousand has increased 1% or \$1 thousand due to increased community events and interaction and costs. Training, education, and related travel expense are increased by 11% or \$13 thousand to \$132 thousand due to assumed resumption of normal training needs. Automobile expense at \$64 thousand remains consistent.

**Supplies:** The supplies budget is \$176 thousand which is an increase of 12% or \$19 thousand due to small equipment and safety purchases planned and fuel prices.

**Utilities:** The utilities budget has increased by \$54 thousand or 7% thousand to \$855 thousand. This includes fiscal year 2022 water and sewer rate increases and anticipates another increase in fiscal year 2023.

**Business Insurance:** Business insurance is being budgeted for \$1.7 million, which is a \$115 thousand or 7% increase from fiscal year 2022 budget. Contracted insurance premiums account for this increase.

**Other Services & Charges:** The \$504 thousand budget for other services and charges is planned to decrease 30% or \$220 thousand from the 2022 budget. This category includes contract labor, contract services, lease expense, memberships, and subscriptions.

**Maintenance & Repair:** The \$1.2 million budget for 2023 is \$298 thousand or 32% more than 2022 with increases in some areas and decreases in others. Significant line items in this category include

maintenance expense for the crane, software and computer support services, maintenance for the administration building, mowing services, and security systems maintenance.

Depreciation expense: Depreciation expense for fiscal year 2023 budget is projected at \$11.1 million, which has increased 37% or \$3 million over fiscal year 2022 budget. Depreciation additions from new assets are expected to be \$3 million.

## CAPITAL BUDGET

### Port Expansion:

Continuing from fiscal year 2020, the most significant projects planned over the next five-years are the construction of Velasco Terminal and related development of backland property to support the berths. Construction of the next 928' berth (Berth 8) began in fiscal year 2020. \$66.7 million in total has been budgeted for Port expansion projects for fiscal year 2023. Cash flow requirements of the capital expansion plans will be funded from current cash flows, grant funds, or reserves.

### Capital Contributed to Others:

Capital contributions to others include \$60.9 million for the Port Freeport Harbor Channel Improvement Project which will be funded by the additional \$55.8 in FY 2023 General Obligation Bond issuance that was approved by the voters on May 5, 2018 and cash flows.

### Capitalized Maintenance & Repair:

The \$3.7 million in capitalized maintenance and repair projects include the continuation of the repairs of the dock concrete joints, railroad track renovations, building repairs and road repairs. Upgrades of paved areas to concrete are planned. Cash flow requirement of the capitalized maintenance plan will be funded from current cash flows.

### Capital Equipment Outlay:

Capital outlay includes equipment purchases over \$5,000 that will be capitalized and depreciated over a short life span of 3-20 years. The capital outlay budget for fiscal year 2023 is \$1.6 million. The major items in fiscal year 2023 include software upgrades, equipment purchases, security improvements, and operational equipment. Cash flow requirements for the capital outlay plans will be funded by grant funds and current cash flows, reserves, or financing.

## CONCLUSION

The proposed budget for fiscal year 2022/23 continues to demonstrate the Port's commitment to the expansion and development of Port Freeport. Budgeted operating revenues exceed operating expenses by \$16 million with planned capital expenditures of \$71.2 million. This budget is fiscally conservative without impeding the Port's continuing commitment to provide well-maintained, efficient, safe, and secure port facilities to our customers and to further the growth and development of Port Freeport.

Respectfully submitted,



Mary Campus, Controller

**PORT FREEPORT  
2022/2023 FISCAL YEAR BUDGET**

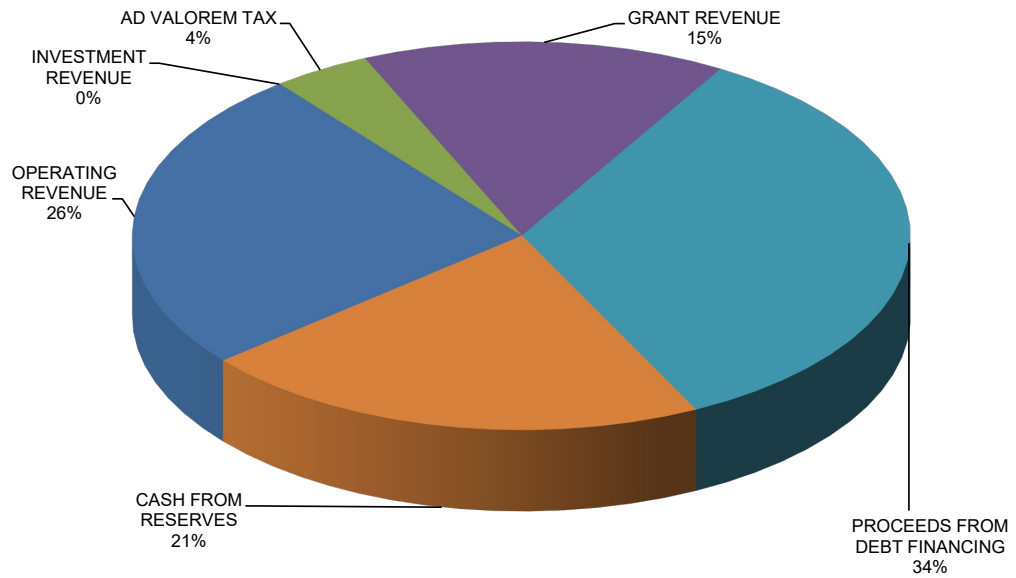
**CASH FLOW WORKSHEET**

Operating Revenue	\$	41,582,800	
Operating Expenses		( 25,611,800)	
Operating Income (Loss)		<u>15,971,000</u>	
Net Non-Operating Revenues		( 3,136,000)	
<b>Net Income</b>	<b>\$</b>		<b>12,835,000</b>
Add Back Non-cash Items			
Depreciation		11,106,800	
Interest Expense		9,818,300	
Loss on Disposition of Assets		-	
Total Net Non-cash Expenses			<u>20,925,100</u>
<b>Cash Flow from Operations, Taxes, Investments</b>			<b>33,760,100</b>
<b>Debt Service Payments</b>			<u>( 16,170,532)</u>
<b>Net Cash Flow Before Capital Expenditures</b>			<b>17,589,568</b>
<b>Capital Expenditures and Contributed to Others:</b>			
Funded by Grant Programs		( 39,701,310)	
Cash Flow or General Reserve Funded		( 9,294,090)	
Proceeds from Debt Funding and Operating Cash Flow		( 83,932,681)	
<b>Total</b>			<b>( 132,928,081)</b>
<b>Reimbursement Resolution/Financing Proceeds</b>			<b>55,800,000</b>
Contributed Capital From Grants			24,763,800
<b>Cash To (From) Reserves</b>	<b>\$</b>		<b>( 34,774,713)</b>
July 2022 Net Assets Balance:			
Unrestricted	\$		44,642,016
Reserve for Capital Improvements			14,146,523
Restricted for Debt Service			12,422,542
2021 Series GO Project Fund			6,848,532
Restricted for Capital Improvements (Corps)			12,431
<b>Approximate FY 2023 Net Assets:</b>			
Unrestricted	\$		14,700,413
Reserve for Capital Improvements			17,662,445
Restricted for Debt Service			10,922,542
Restricted for Capital Improvements (Corps)			11,931

**PORT FREEPORT  
2022/2023 FISCAL YEAR BUDGET**

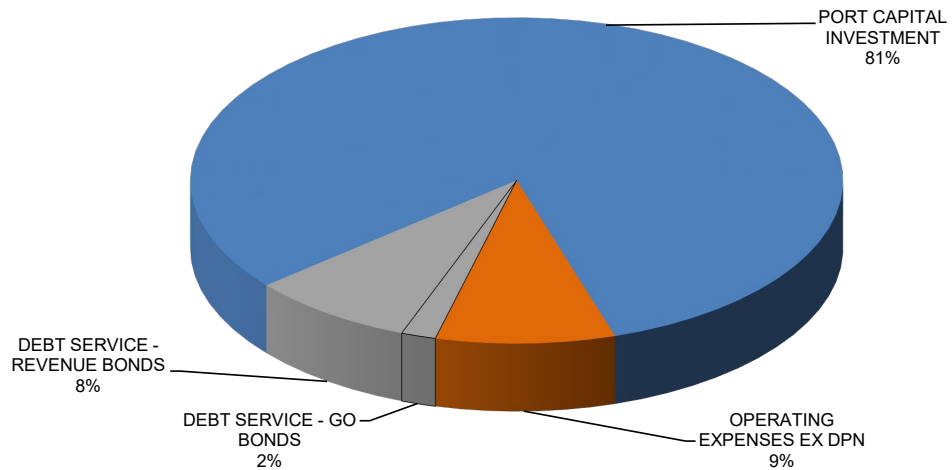
**SOURCES OF FUNDS**

OPERATING REVENUE	\$ 41,582,800
INVESTMENT REVENUE	10,000
AD VALOREM TAX	6,672,300
GRANT REVENUE	24,763,800
PROCEEDS FROM DEBT FINANCING	55,800,000
CASH FROM RESERVES	<u>34,774,713</u>
<b>TOTAL</b>	<b>\$ 163,603,613</b>



**USES OF FUNDS**

PORT CAPITAL INVESTMENT	\$ 132,928,081
OPERATING EXPENSES EX DPN	14,505,000
DEBT SERVICE - GO BONDS	2,806,012
DEBT SERVICE - REVENUE BONDS	<u>13,364,520</u>
<b>TOTAL</b>	<b>\$ 163,603,613</b>



**PORT FREEPORT  
2022/2023 FISCAL YEAR BUDGET**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**

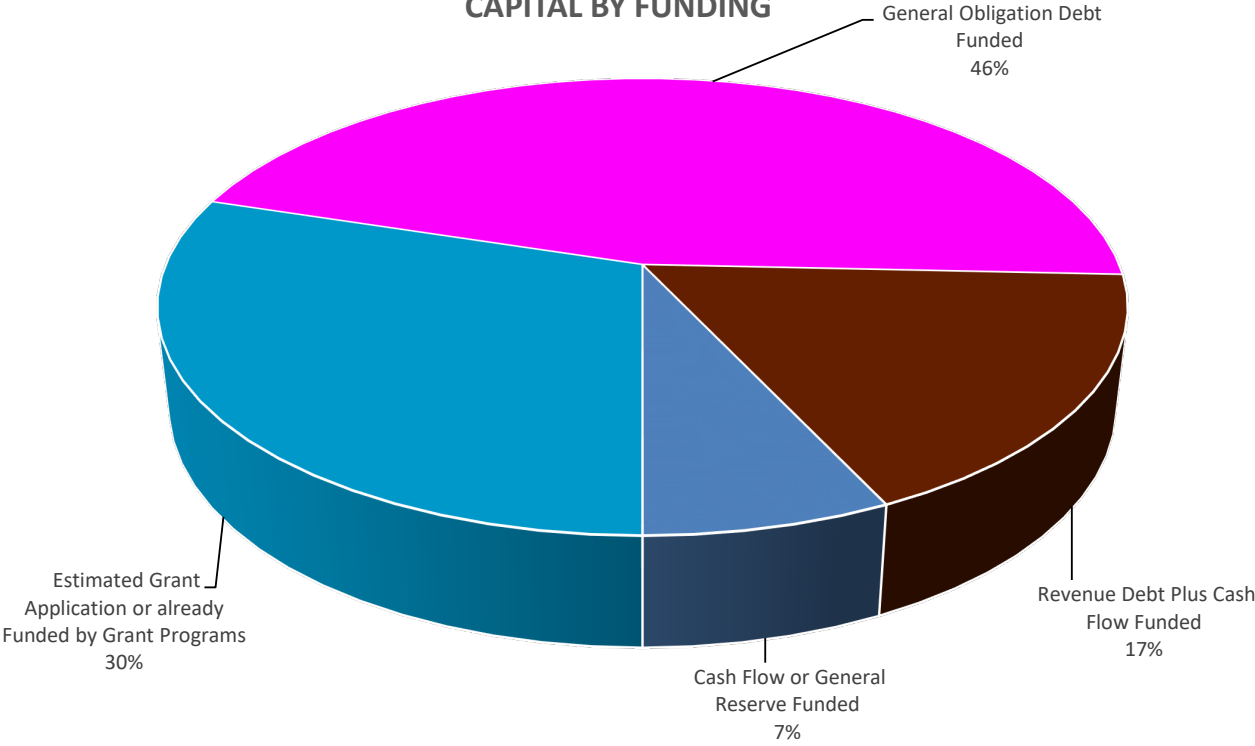
	2019 Actual	2020 Actual	2021 Actual	2021 Budget	2022 Budget	2022 Forecasted	2023 Budget	Percent of Total
<b>OPERATING REVENUES:</b>								
Wharfage	\$ 7,886,541	\$ 10,853,640	\$ 13,526,823	\$ 8,555,700	\$ 13,608,300	\$ 11,142,018	\$ 12,546,200	30%
Dockage & Deep Water Berth	1,958,713	4,181,863	7,356,823	4,419,200	7,864,100	6,932,592	7,743,700	19%
Equipment & Pallet Use Fees	1,244,184	1,686,489	1,098,167	1,652,100	1,277,800	1,332,994	1,303,450	3%
Facility Use Fees	439,822	880,516	1,168,335	704,000	1,150,000	1,636,144	1,437,600	3%
Security Fees	873,501	1,521,840	2,458,595	1,644,900	2,608,300	2,183,457	2,294,250	6%
Other Customer Service Fees	1,074,896	1,051,900	1,075,780	1,110,100	1,072,100	1,361,412	1,308,300	3%
Ground Leases	13,370,499	12,423,239	12,101,850	12,128,600	11,300,600	11,483,014	11,699,000	28%
Other Leases	1,059,508	964,948	868,345	837,700	944,700	878,200	885,300	2%
Estimated Business Interruption Claim	-	-	-	-	-	4,290,000	2,340,000	6%
Other Revenue	37,478	8,880	8,303	25,000	25,000	36,173	25,000	0%
<b>Total Operating Revenue</b>	<b>27,945,142</b>	<b>33,573,315</b>	<b>39,663,021</b>	<b>31,077,300</b>	<b>39,850,900</b>	<b>41,276,004</b>	<b>41,582,800</b>	
<b>OPERATING EXPENSES:</b>								
Port Salaries/Wages	3,514,447	3,718,152	3,691,177	3,633,400	3,993,600	3,532,270	4,494,200	18%
Port Employee Benefits	1,260,966	1,350,053	1,418,715	1,570,800	1,648,300	1,379,873	1,749,800	7%
Professional Services	2,094,856	2,163,290	2,212,828	2,484,200	2,722,000	2,435,146	2,948,700	12%
Training, Travel & Promotional	519,101	296,763	312,831	497,300	802,900	516,259	879,900	3%
Supplies	152,485	170,938	159,881	156,200	156,700	175,701	176,200	1%
Utilities	554,231	636,683	741,203	606,900	800,500	741,530	854,900	3%
Business Insurance	981,882	1,128,006	1,254,661	1,269,700	1,557,500	1,531,471	1,672,300	7%
Other Services & Charges	540,705	515,468	487,467	465,000	723,800	648,048	503,600	2%
Maintenance & Repair	1,165,766	973,834	907,606	880,800	927,300	1,687,177	1,225,400	5%
Depreciation	6,797,897	7,592,533	8,192,602	8,175,000	8,093,700	7,890,259	11,106,800	43%
<b>Total Operating Expenses</b>	<b>17,582,336</b>	<b>18,545,720</b>	<b>19,378,971</b>	<b>19,739,300</b>	<b>21,426,300</b>	<b>20,537,734</b>	<b>25,611,800</b>	
<b>OPERATING INCOME (LOSS)</b>	<b>10,362,806</b>	<b>15,027,595</b>	<b>20,284,050</b>	<b>11,338,000</b>	<b>18,424,600</b>	<b>20,738,270</b>	<b>15,971,000</b>	
<b>OPERATING MARGIN</b>	<b>37%</b>	<b>45%</b>	<b>51%</b>	<b>36%</b>	<b>46%</b>	<b>50%</b>	<b>38%</b>	
<b>NON-OPERATING REVENUES (EXPENSES):</b>								
Ad Valorem Tax Collections	5,400,964	5,623,025	6,190,447	6,072,900	6,422,200	6,414,581	6,672,300	
Investment Net Revenue	2,010,440	2,095,520	87,667	800,000	200,000	10,000	10,000	
Gain (Loss) on Sale of Assets			460,696		-	705,000		
Debt Interest and Fees	( 4,640,871)	( 7,862,024)	( 8,794,637)	( 9,575,100)	( 9,564,200)	( 9,564,200)	( 9,818,300)	
Other			237,140		-	( 161,745)		
<b>Non-Operating Revenues, Net</b>	<b>2,770,533</b>	<b>( 143,479)</b>	<b>( 1,818,687)</b>	<b>( 2,702,200)</b>	<b>( 2,942,000)</b>	<b>( 2,596,364)</b>	<b>( 3,136,000)</b>	
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>13,133,339</b>	<b>14,884,116</b>	<b>18,465,363</b>	<b>8,635,800</b>	<b>15,482,600</b>	<b>18,141,906</b>	<b>12,835,000</b>	
<b>CAPITAL CONTRIBUTIONS-Grants</b>	<b>95,541</b>	<b>139,833</b>	<b>11,092</b>	<b>245,300</b>	<b>375,000</b>	<b>145,000</b>	<b>24,763,800</b>	
<b>NET CAPITAL CONTRIBUTIONS (To)/From Others</b>	<b>( 846,158)</b>	<b>( 8,310,245)</b>	<b>( 15,152,065)</b>	<b>( 66,349,500)</b>	<b>( 31,000,000)</b>	<b>( 45,325,000)</b>	<b>( 60,932,700)</b>	
<b>CHANGE IN NET ASSETS</b>	<b>\$ 12,382,722</b>	<b>\$ 6,713,704</b>	<b>\$ 3,324,390</b>	<b>\$ ( 57,468,400)</b>	<b>\$ ( 15,142,400)</b>	<b>\$ ( 27,038,094)</b>	<b>( 23,333,900)</b>	

# CAPITAL EXPANSION

**PORT FREEPORT  
 PROPOSED PORT CAPITAL EXPANSION PLAN  
 Fiscal Year 2023**

<b><i>Strategic Initiatives</i></b>	<b><i>Milestones</i></b>	<b><i>Funding Sources</i></b>
➤ Freeport Harbor Channel deepening and widening	\$ 60,932,681	General Obligation Bonds, Cash or Reserves
➤ Buildout of the Port's Container Handling Facilities	55,298,650	Pledged Revenue Debt, Cash or Reserves
➤ Development of warehousing and OEM distribution facilities	11,096,050	Pledged Revenue Debt, Cash or Reserves
➤ Port Infrastructure Support:		
Capital Maintenance	3,705,000	Cash or Reserves
Office, computer, IT related	364,350	Cash or Reserves
Security Related	1,160,100	Cash or Reserves
Vehicles	47,500	Cash or Reserves
Operational Equipment	323,750	Cash or Reserves
<b>Total</b>	<u>\$ 132,928,081</u>	

**PORT FREEPORT 2023  
CAPITAL BY FUNDING**



# PORT FREEPORT

## PROPOSED PORT CAPITAL EXPANSION PLAN

FY 2023 to 2027

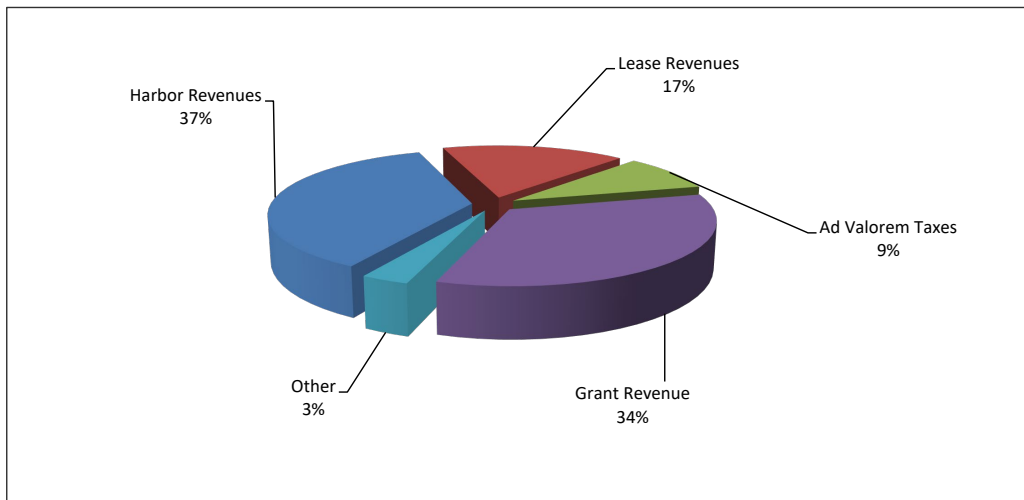
PROJECT	2023	2024	2025	2026	2027	2023-2027 TOTAL
<b>VELASCO TERMINAL &amp; RELATED INFRASTRUCTURE DEVELOPMENT</b>						
Cash Funded	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
Revenue Debt/Cash Funded	23,000,000	-	3,000,000	5,000,000	-	31,000,000
Estimated Grant Application Funded	28,298,650	-	-	7,300,000	63,600,000	99,198,650
Cranes (2)- Equipment or Revenue Debt Funded	-	6,000,000	24,000,000	-	-	30,000,000
Revenue Growth Funded	-	-	25,000,000	31,500,000	35,000,000	91,500,000
<b>Subtotal Velasco Terminal &amp; Related Infrastructure</b>	<b>\$ 55,298,650</b>	<b>\$ 6,000,000</b>	<b>\$ 52,000,000</b>	<b>\$ 43,800,000</b>	<b>\$ 98,600,000</b>	<b>\$ 255,698,650</b>
<b>OEM / LOGISTICS CENTER</b>						
Cash Funded	575,000	4,000,000	-	-	-	4,575,000
Revenue Debt/Cash Funded	-	-	-	-	-	-
Grant Application Funded	10,521,050	-	-	-	-	10,521,050
<b>Subtotal OEM/Logistics Center</b>	<b>\$ 11,096,050</b>	<b>\$ 4,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,096,050</b>
<b>OTHER PROJECTS, M &amp; R, EQUIPMENT</b>						
Cash Funded	4,719,090	429,500	1,068,000	351,000	521,500	7,089,090
Estimated Grant Application Funded	881,610	102,000	545,000	75,000	75,000	1,678,610
<b>Subtotal Other Projects, M &amp; R, Equipment</b>	<b>\$ 5,600,700</b>	<b>\$ 531,500</b>	<b>\$ 1,613,000</b>	<b>\$ 426,000</b>	<b>\$ 596,500</b>	<b>\$ 8,767,700</b>
<b>CAPITAL CONTRIBUTED TO OTHERS</b>						
Cash Funded	-	5,200,000	2,000,000	-	-	7,200,000
General Obligation Debt Funded	60,932,681	-	-	-	-	60,932,681
Revenue Debt/Cash Funded	-	-	-	-	-	-
Funded From Capital Improvement Reserve	-	750,000	750,000	1,030,000	750,000	3,280,000
<b>Subtotal Capital Contributed to Others</b>	<b>\$ 60,932,681</b>	<b>\$ 5,950,000</b>	<b>\$ 2,750,000</b>	<b>\$ 1,030,000</b>	<b>\$ 750,000</b>	<b>\$ 71,412,681</b>
<b>TOTALS</b>						
Cash Funded	9,294,090	9,629,500	3,068,000	351,000	521,500	22,864,090
Revenue Debt Plus Cash Flow Funded	23,000,000	-	3,000,000	5,000,000	-	31,000,000
Equipment Lease/Other Debt Funded	-	6,000,000	24,000,000	-	-	30,000,000
Grant Funded	39,701,310	102,000	545,000	7,375,000	63,675,000	111,398,310
General Obligation Debt Funded	60,932,681	-	-	-	-	60,932,681
Funded From Capital Improvement Reserve	-	750,000	750,000	1,030,000	750,000	3,280,000
Revenue Growth Funded	-	-	25,000,000	31,500,000	35,000,000	91,500,000
<b>\$ 132,928,081</b>	<b>\$ 16,481,500</b>	<b>\$ 56,363,000</b>	<b>\$ 45,256,000</b>	<b>\$ 99,946,500</b>	<b>\$ 350,975,081</b>	

# REVENUES

**PORT FREEPORT  
2022/2023 BUDGET**

**TOTAL REVENUE**

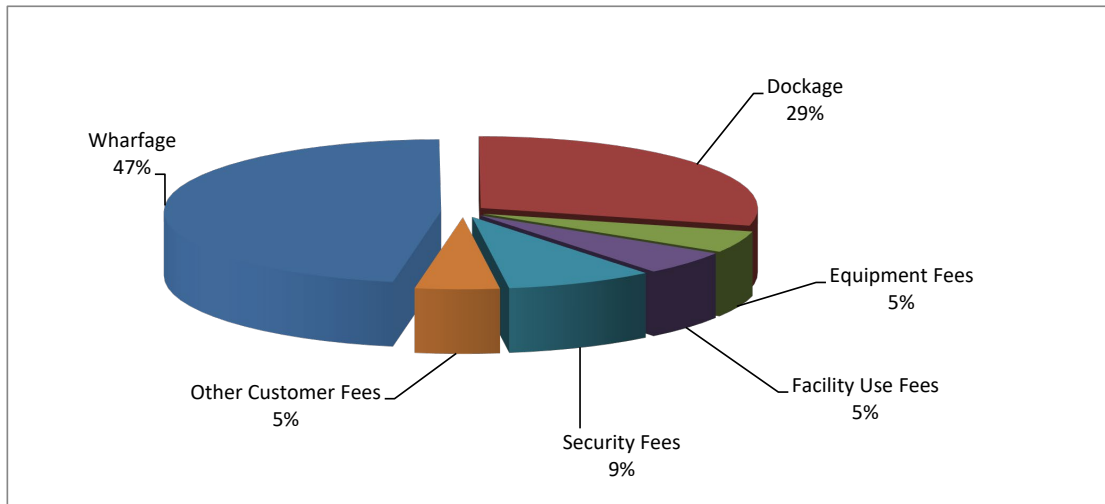
	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Forecasted	2023 Budget
<b>OPERATING REVENUES:</b>						
Wharfage	\$7,886,541	\$10,853,640	\$13,526,823	\$ 13,608,300	\$ 11,142,018	\$ 12,546,200
Dockage	1,958,713	4,181,863	7,356,823	7,864,100	6,932,592	7,743,700
Equipment Fees	1,244,184	1,686,489	1,098,167	1,277,800	1,332,994	1,303,450
Facility Use Fees	439,822	880,516	1,168,335	1,150,000	1,636,144	1,437,600
Security Fees	873,501	1,521,840	2,458,595	2,608,300	2,183,457	2,294,250
Other Customer Service Fees	1,074,896	1,051,900	1,075,780	1,072,100	1,361,412	1,308,300
Ground Leases	13,372,587	12,423,239	12,101,850	11,300,600	11,483,014	11,699,000
Other Leases	1,057,420	964,948	868,345	944,700	878,200	885,300
Estimated Business Interruption Claim					4,290,000	2,340,000
Other Revenue	37,478	8,880	8,303	25,000	36,173	25,000
<b>Total Operating Revenue</b>	<b>\$27,945,142</b>	<b>\$33,573,315</b>	<b>\$39,663,021</b>	<b>\$39,850,900</b>	<b>\$41,276,004</b>	<b>\$ 41,582,800</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Ad Valorem Tax Collections	5,400,964	5,623,025	6,190,447	6,422,200	6,414,581	6,672,300
Investment Income	2,010,440	2,095,520	87,667	200,000	10,000	10,000
Gain (loss) on Sale of Assets			460,696	-	705,000	-
Debt Interest and Fees	( 4,640,871)	( 7,862,024)	( 8,794,637)	( 9,564,200)	( 9,564,200)	( 9,818,300)
Other			246,000		( 161,745)	
<b>Non-Operating Revenues, Net</b>	<b>\$ 2,770,533</b>	<b>\$ (143,479)</b>	<b>\$ ( 1,809,827)</b>	<b>\$ ( 2,942,000)</b>	<b>\$ ( 2,596,364)</b>	<b>\$ ( 3,136,000)</b>
<b>TOTAL REVENUE BEFORE CONTRIBUTIONS</b>	<b>\$ 30,715,675</b>	<b>\$ 33,429,836</b>	<b>\$ 37,853,194</b>	<b>\$ 36,908,900</b>	<b>\$ 38,679,640</b>	<b>\$ 38,446,800</b>
Capital Contributions - Grants	95,541	139,833	11,092	375,000	145,000	24,763,800
Capital Contributions (To)From Others	( 846,158)	( 8,310,245)	( 15,152,065)	( 31,000,000)	( 45,325,000)	( 60,932,700)
<b>TOTAL REVENUE</b>	<b>\$ 29,965,058</b>	<b>\$ 25,259,424</b>	<b>\$ 22,712,221</b>	<b>\$ 6,283,900</b>	<b>\$ (6,500,360)</b>	<b>\$ 2,277,900</b>



**PORT FREEPORT  
2022/2023 FISCAL YEAR BUDGET**

**HARBOR OPERATIONS**

	<b>2019 Actual</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Budget</b>	<b>2022 Forecasted</b>	<b>2023 Budget</b>
<b>OPERATING REVENUES:</b>						
Wharfage	\$7,886,541	\$10,853,640	\$13,526,823	\$ 13,608,300	\$ 11,142,018	\$ 12,546,200
Dockage	1,958,713	4,181,863	7,356,823	7,864,100	6,932,592	7,743,700
Equipment Fees	1,244,184	1,686,489	1,098,167	1,277,800	1,332,994	1,303,450
Facility Use Fees	439,822	880,516	1,168,335	1,150,000	1,636,144	1,437,600
Security Fees	873,501	1,521,840	2,458,595	2,608,300	2,183,457	2,294,250
Other Customer Fees	1,074,896	1,051,900	1,075,780	1,072,100	1,361,412	1,308,300
<b>TOTAL HARBOR REVENUE</b>	<b>\$ 13,477,657</b>	<b>\$ 20,176,248</b>	<b>\$ 26,684,523</b>	<b>\$ 27,580,600</b>	<b>\$ 24,588,617</b>	<b>\$ 26,633,500</b>
<b>TOTAL TONNAGE</b>	<b>2,822,412</b>	<b>8,702,200</b>	<b>17,035,929</b>	<b>16,776,234</b>	<b>12,745,284</b>	<b>14,707,260</b>
<b>SHIP CALLS</b>	<b>325</b>	<b>412</b>	<b>531</b>	<b>541</b>	<b>453</b>	<b>483</b>



**PORT FREEPORT  
2022/2023 FISCAL YEAR BUDGET**

**TAX RATE**

	<b>TAX RATE PER \$100</b>	<b>PERCENT OF TOTAL</b>
2021 LEVY TAX RATE	0.040100	
2022 NO NEW REVENUE TAX RATE	0.035909	
2022 VOTER APPROVAL TAX RATE	0.039852	
<b>2022 TAX RATE:</b>		
<b>M &amp; O</b>	<b>0.018144</b>	<b>51.84%</b>
<b>DEBT SERVICE</b>	<b>0.016856</b>	<b>48.16%</b>
<b>TOTAL TAX RATE</b>	<b>0.035000</b>	<b>100.00%</b>

**LEVY CALCULATION**

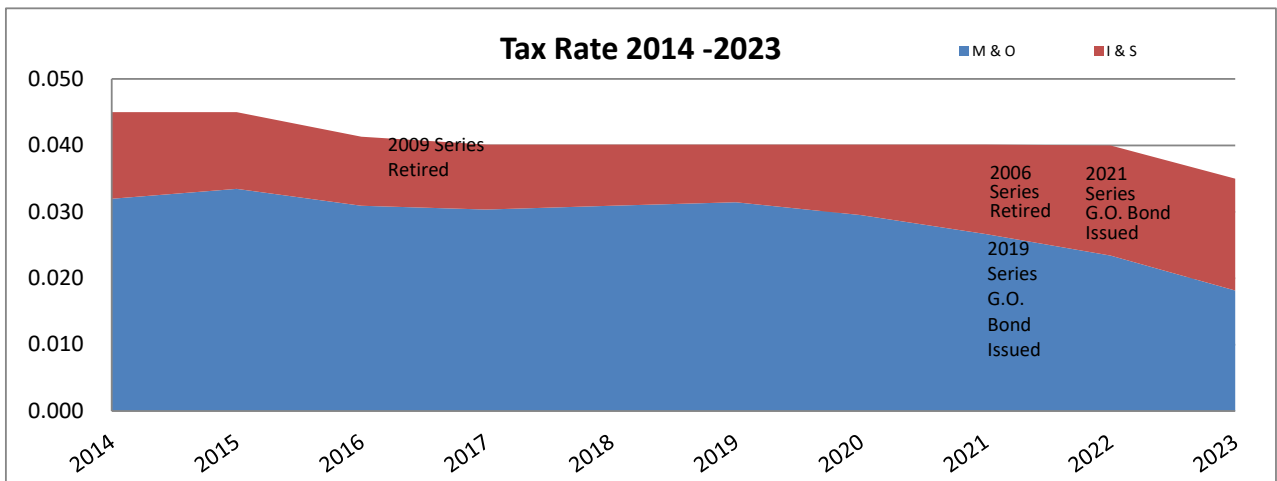
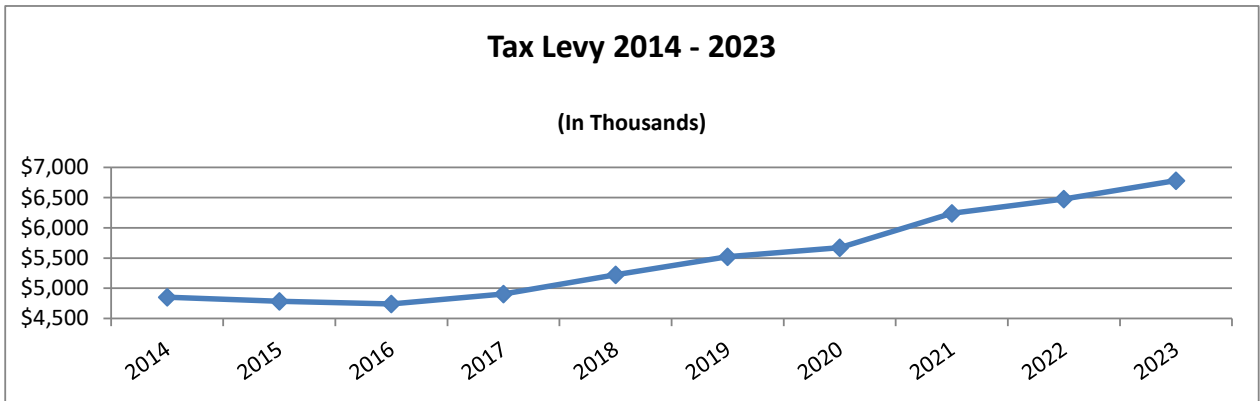
<b>TAXABLE VALUE FOR 2022 APPRAISAL ROLL</b>	<b>\$</b>	<b>19,377,876,871</b>
2022 LEVY:		
M & O		3,515,922
DEBT SERVICE		3,266,335
TOTAL LEVY		6,782,257
ESTIMATED AMOUNT TO BE UNCOLLECTED (100% COLLECTION RATE)		0
APPRAISAL DISTRICT AND TAX OFFICE FEES		69,645
ADJUSTED		(40,312) *
<b>NET AD VALOREM TAX REVENUE BUDGETED</b>	<b>\$</b>	<b>6,672,300</b>

\* Adjusted by an estimated \$40,312 due to a change in the 65 and over or disabled exemption from \$175,000 to \$250,000.

**PORT FREEPORT  
2022/2023 FISCAL YEAR BUDGET**

**VALUATION AND TAX RATE HISTORY**

	FISCAL YEAR				
	2019	2020	2021	2022	2023
TAXABLE VALUE	\$ 13,772,985,905	\$ 14,147,947,460	\$ 15,562,627,567	\$ 16,195,665,393	<b>\$ 19,377,876,871</b> <sup>1</sup>
TAX RATE:					
M&O	0.031451	0.029485	0.026657	0.023394	<b>0.018144</b>
DEBT SERVICE	0.008649	0.010615	0.013443	0.016606	<b>0.016856</b>
TOTAL TAX RATE	0.040100	0.040100	0.040100	0.040000	<b>0.035000</b>
LEVY AMOUNT	\$5,522,967	\$5,673,327	\$6,240,614	\$6,478,266	<b>\$6,782,257</b>
% OF LEVY COLLECTED <sup>3</sup>	98.65%	98.65%	98.65%	101.24%	100.00% <sup>2</sup>



<sup>1</sup> TAXABLE VALUE FOR CURRENT YEAR HAS BEEN CERTIFIED BY THE BRAZORIA COUNTY APPRAISAL DISTRICT.

TAXABLE VALUE FOR PAST YEARS ARE TAKEN FROM THE CERTIFIED ROLL FROM BRAZORIA COUNTY.

<sup>2</sup> PROPOSED OR ESTIMATED

<sup>3</sup> INCLUDES COLLECTION OF CURRENT & DELINQUENT TAXES AND PENALTIES & INTEREST.

**RESOLUTION APPROVING 2022 TAX RATE PROPOSAL  
AND SETTING THE DATE FOR A RECORD VOTE**

At a regular meeting of the Commissioners of Port Freeport of Brazoria County, Texas (“Port”) held at the office of the Port at 1100 Cherry Street, Freeport, Texas, on the 24th day of August 2022, among other business, on motion duly made and seconded, the following resolution was passed and adopted:

**FINDINGS**

1. Due and proper notice of the date, time, place and purpose of this meeting has been duly given in accordance with the provisions of the Texas Open Meetings Act, and such meeting has been conducted in accordance with said Open Meetings Act.
2. The Port’s 2021 tax rate was \$0.040000;
3. The Port considered a 2022 tax rate proposal of \$0.035, (“Proposed 2022 Tax Rate”);  
and
4. The Port finds and determines that it is in the best interest of Port Freeport of Brazoria County, Texas to approve the 2022 Tax Rate Proposal and set a date to take a record vote of the Proposed 2022 Tax Rate.

**NOW, THEREFORE, BE IT RESOLVED**, that the Port hereby approves the Proposal of the 2022 Tax Rate and will take a record vote on September 8, 2022 at 1:00 p.m.at the Port’s Administration Building.

The following members of the Port Commission present and participating in the deliberation and vote on the above and foregoing Resolution and the manner in which each member voted is evidenced below:

John Hoss, Chairman

VOTED: Yes

Rob Giesecke, Assistant Secretary

VOTED: No

Rudy Santos, Vice Chairman

VOTED: Yes

Shane Pirtle, Commissioner

VOTED: Yes

Dan Croft, Secretary

VOTED: Yes

Ravi K Singhania, Commissioner

VOTED: Yes

  
\_\_\_\_\_  
John Hoss, Chairman

  
\_\_\_\_\_  
Dan Croft, Secretary

## RESOLUTION ADOPTING 2022 TAX RATE

At a Regular Meeting of the Port Commission of Port Freeport held at the office of said Port at 1100 Cherry Street, Freeport, Texas on the 8<sup>th</sup> day of September 2022, among other business came on to be considered the following Resolution, which was upon motion duly made and seconded, adopted by a \_\_\_\_\_ vote of six Commissioners present, which Resolution is as follows:

### FINDINGS:

The Port Commission finds:

- (1) Notice of the date, time, place and purpose of the meeting at which this Resolution has been considered and adopted has been duly given in accordance with the requirements of Section 551.001, Texas Government Code, et. sec.
- (2) A quorum of the members of the Port Commission were present and participated in the deliberation and adoption of this Resolution.
- (3) The deliberation and vote on this Resolution has been conducted in open meeting as defined in Section 551.001, Texas Government Code, et. sec.
- (4) The deliberation and vote on this Resolution was separate from the vote adopting the budget for Port Freeport for the Fiscal Year 2022/2023.
- (5) The designated Officer of the Port has publicized the No New Revenue Tax Rate and the calculation used to determine it in the manner required by Section 26.04, Texas Property Tax Code, and has submitted same to the Port Commission.
- (6)
  - (A) A tax rate of one and 8144/100 (\$0.018144) cents on each \$100 valuation for the purpose of maintenance and operations;
  - (B) A tax rate of one and 6856/100 (\$0.016856) cents on each \$100 valuation for the payment of principal and interest on debts of the Port;
  - (C) A total tax rate of three and 5000/100 (\$0.0350) cents for each \$100 valuation to be applied to the total taxable value of all taxable property located within Port Freeport, subject to taxation and calculated as provided in Sections 26.04 and 26.05, Texas Property Tax Code, should be proposed for adoption as the tax rate of Port Freeport for the year 2022.

**RESOLUTION**

NOW THEREFORE, BE IT RESOLVED, ORDAINED AND ORDERED, by the Port Commission of Port Freeport, that: a tax rate of one and 8144/100 (\$0.018144) cents on each \$100 valuation for the purpose of maintenance and operations, and a tax rate of one and 6856/100 (\$0.016856) cents on each \$100 valuation for the payment of principal and interest on debts of the Port, for a total tax rate of three and 5000/100 (\$0.0350) on each \$100 valuation to be applied to the total taxable value of all taxable property located within Port Freeport, subject to taxation and is hereby levied or adopted as the tax rate of Port Freeport for the year 2022.

The following members of the Port Commission present and participating in the deliberation and vote on the above and foregoing Resolution and the manner in which each member voted is evidenced by the signature of each member present as indicated below:

\_\_\_\_\_  
Chairman VOTED

\_\_\_\_\_  
Vice Chairman VOTED

\_\_\_\_\_  
Secretary VOTED

\_\_\_\_\_  
Assistant Secretary VOTED

\_\_\_\_\_  
Commissioner VOTED

\_\_\_\_\_  
Commissioner VOTED

# 2022 Tax Rate Calculation Worksheet

## Taxing Units Other Than School Districts or Water Districts

Form 50-856

PORT FREEPORT

979-233-2667

Taxing Unit Name

Phone (area code and number)

1100 Cherry, Freeport, TX 77541

www.portfreeport.com

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

**GENERAL INFORMATION:** Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

### SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	<b>2021 total taxable value.</b> Enter the amount of 2021 taxable value on the 2021 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). <sup>1</sup>	\$ 16,105,724,445
2.	<b>2021 tax ceilings.</b> Counties, cities and junior college districts. Enter 2021 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2021 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>2</sup>	\$ 0
3.	<b>Preliminary 2021 adjusted taxable value.</b> Subtract Line 2 from Line 1.	\$ 16,105,724,445
4.	<b>2021 total adopted tax rate.</b>	\$ 0.040000 /\$100
5.	<b>2021 taxable value lost because court appeals of ARB decisions reduced 2021 appraised value.</b>	
	A. Original 2021 ARB values: .....	\$ 68,482,250
	B. 2021 values resulting from final court decisions: .....	- \$ 62,731,772
	C. 2021 value loss. Subtract B from A. <sup>3</sup>	\$ 5,750,478
6.	<b>2021 taxable value subject to an appeal under Chapter 42, as of July 25.</b>	
	A. 2021 ARB certified value: .....	\$ 0
	B. 2021 disputed value: .....	- \$ 0
	C. 2021 undisputed value. Subtract B from A. <sup>4</sup>	\$ 0
7.	<b>2021 Chapter 42 related adjusted values.</b> Add Line 5C and Line 6C.	\$ 5,750,478

<sup>1</sup> Tex. Tax Code § 26.012(14)

<sup>2</sup> Tex. Tax Code § 26.012(14)

<sup>3</sup> Tex. Tax Code § 26.012(13)

<sup>4</sup> Tex. Tax Code § 26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	<b>2021 taxable value, adjusted for actual and potential court-ordered adjustments.</b> Add Line 3 and Line 7.	\$ 16,111,474,923
9.	<b>2021 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2021.</b> Enter the 2021 value of property in deannexed territory. <sup>5</sup>	\$ 0
10.	<b>2021 taxable value lost because property first qualified for an exemption in 2022.</b> If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2022 does not create a new exemption or reduce taxable value.  <b>A. Absolute exemptions.</b> Use 2021 market value:..... \$ 2,680,836  <b>B. Partial exemptions.</b> 2022 exemption amount or 2022 percentage exemption times 2021 value:..... + \$ 209,171,416  <b>C. Value loss.</b> Add A and B. <sup>6</sup>	\$ 211,852,252
11.	<b>2021 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2022.</b> Use only properties that qualified in 2022 for the first time; do not use properties that qualified in 2021.  <b>A. 2021 market value:</b> ..... \$ 4,063,894  <b>B. 2022 productivity or special appraised value:</b> ..... - \$ 78,640  <b>C. Value loss.</b> Subtract B from A. <sup>7</sup>	\$ 3,985,254
12.	<b>Total adjustments for lost value.</b> Add Lines 9, 10C and 11C.	\$ 215,837,506
13.	<b>2021 captured value of property in a TIF.</b> Enter the total value of 2021 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2021 taxes were deposited into the tax increment fund. <sup>8</sup> If the taxing unit has no captured appraised value in line 18D, enter 0.	\$ 0
14.	<b>2021 total value.</b> Subtract Line 12 and Line 13 from Line 8.	\$ 15,895,637,417
15.	<b>Adjusted 2021 total levy.</b> Multiply Line 4 by Line 14 and divide by \$100.	\$ 6,358,254
16.	<b>Taxes refunded for years preceding tax year 2021.</b> Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2021. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2021. This line applies only to tax years preceding tax year 2021. <sup>9</sup>	\$ 13,535
17.	<b>Adjusted 2021 levy with refunds and TIF adjustment.</b> Add Lines 15 and 16. <sup>10</sup>	\$ 6,371,789
18.	<b>Total 2022 taxable value on the 2022 certified appraisal roll today.</b> This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. <sup>11</sup>  <b>A. Certified values:</b> ..... \$ 18,472,873,860  <b>B. Counties:</b> Include railroad rolling stock values certified by the Comptroller's office: ..... + \$ _____  <b>C. Pollution control and energy storage system exemption:</b> Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:..... - \$ 0  <b>D. Tax increment financing:</b> Deduct the 2022 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2022 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. <sup>12</sup> ..... - \$ 0  <b>E. Total 2022 value.</b> Add A and B, then subtract C and D.	\$ 18,472,873,860

<sup>5</sup> Tex. Tax Code § 26.012(15)

<sup>6</sup> Tex. Tax Code § 26.012(15)

<sup>7</sup> Tex. Tax Code § 26.012(15)

<sup>8</sup> Tex. Tax Code § 26.03(c)

<sup>9</sup> Tex. Tax Code § 26.012(13)

<sup>10</sup> Tex. Tax Code § 26.012(13)

<sup>11</sup> Tex. Tax Code § 26.012, 26.04(c-2)

<sup>12</sup> Tex. Tax Code § 26.03(c)

No-New-Revenue Tax Rate Worksheet		Amount/Rate
<b>19.</b>	<b>Total value of properties under protest or not included on certified appraisal roll.</b> <sup>13</sup> <b>A. 2022 taxable value of properties under protest.</b> The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district’s value and the taxpayer’s claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. <sup>14</sup> ..... \$ <u>905,003,011</u> <b>B. 2022 value of properties not under protest or included on certified appraisal roll.</b> The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. <sup>15</sup> ..... + \$ <u>0</u> <b>C. Total value under protest or not certified.</b> Add A and B. \$ <u>905,003,011</u>	
<b>20.</b>	<b>2022 tax ceilings.</b> Counties, cities and junior colleges enter 2022 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2021 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>16</sup>	\$ <u>0</u>
<b>21.</b>	<b>2022 total taxable value.</b> Add Lines 18E and 19C. Subtract Line 20. <sup>17</sup>	\$ <u>19,377,876,871</u>
<b>22.</b>	<b>Total 2022 taxable value of properties in territory annexed after Jan. 1, 2021.</b> Include both real and personal property. Enter the 2022 value of property in territory annexed. <sup>18</sup>	\$ <u>0</u>
<b>23.</b>	<b>Total 2022 taxable value of new improvements and new personal property located in new improvements.</b> New means the item was not on the appraisal roll in 2021. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to exist-ing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2021 and be located in a new improvement. New improvements <b>do</b> include property on which a tax abatement agreement has expired for 2022. <sup>19</sup>	\$ <u>1,634,041,522</u>
<b>24.</b>	<b>Total adjustments to the 2022 taxable value.</b> Add Lines 22 and 23.	\$ <u>1,634,041,522</u>
<b>25.</b>	<b>Adjusted 2022 taxable value.</b> Subtract Line 24 from Line 21.	\$ <u>17,743,835,349</u>
<b>26.</b>	<b>2022 NNR tax rate.</b> Divide Line 17 by Line 25 and multiply by \$100. <sup>20</sup>	\$ <u>0.035909</u> /\$100
<b>27.</b>	<b>COUNTIES ONLY.</b> Add together the NNR tax rates for each type of tax the county levies. The total is the 2022 county NNR tax rate. <sup>21</sup>	\$ _____/\$100

**SECTION 2: Voter-Approval Tax Rate**

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit’s debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit’s debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Voter-Approval Tax Rate Worksheet		Amount/Rate
<b>28.</b>	<b>2021 M&amp;O tax rate.</b> Enter the 2021 M&O tax rate.	\$ <u>0.023394</u> /\$100
<b>29.</b>	<b>2021 taxable value, adjusted for actual and potential court-ordered adjustments.</b> Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>16,111,474,923</u>

<sup>13</sup> Tex. Tax Code § 26.01(c) and (d)  
<sup>14</sup> Tex. Tax Code § 26.01(c)  
<sup>15</sup> Tex. Tax Code § 26.01(d)  
<sup>16</sup> Tex. Tax Code § 26.012(6)(B)  
<sup>17</sup> Tex. Tax Code § 26.012(6)  
<sup>18</sup> Tex. Tax Code § 26.012(17)  
<sup>19</sup> Tex. Tax Code § 26.012(17)  
<sup>20</sup> Tex. Tax Code § 26.04(c)  
<sup>21</sup> Tex. Tax Code § 26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
30.	<b>Total 2021 M&amp;O levy.</b> Multiply Line 28 by Line 29 and divide by \$100	\$ 3,769,118
31.	<p><b>Adjusted 2021 levy for calculating NNR M&amp;O rate.</b></p> <p><b>A. M&amp;O taxes refunded for years preceding tax year 2021.</b> Enter the amount of M&amp;O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2021. This line applies only to tax years preceding tax year 2021. . . . . + \$ 9,168</p> <p><b>B. 2021 taxes in TIF.</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2022 captured appraised value in Line 18D, enter 0. . . . . - \$ 0</p> <p><b>C. 2021 transferred function.</b> If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. . . . . +/- \$ 0</p> <p><b>D. 2021 M&amp;O levy adjustments.</b> Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. . . . . \$ 9,168</p> <p><b>E.</b> Add Line 30 to 31D.</p>	\$ 3,778,286
32.	<b>Adjusted 2022 taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 17,743,835,349
33.	<b>2022 NNR M&amp;O rate (unadjusted).</b> Divide Line 31E by Line 32 and multiply by \$100.	\$ 0.021293 /\$100
34.	<p><b>Rate adjustment for state criminal justice mandate.</b> <sup>23</sup></p> <p><b>A. 2022 state criminal justice mandate.</b> Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. \$ 0</p> <p><b>B. 2021 state criminal justice mandate.</b> Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. . . . . - \$ 0</p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100. . . . . \$ 0/\$100</p> <p><b>D.</b> Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ 0/\$100
35.	<p><b>Rate adjustment for indigent health care expenditures.</b> <sup>24</sup></p> <p><b>A. 2022 indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state assistance received for the same purpose. . . . . \$ 0</p> <p><b>B. 2021 indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state assistance received for the same purpose. . . . . - \$ 0</p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100. . . . . \$ 0/\$100</p> <p><b>D.</b> Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ 0/\$100

<sup>22</sup> [Reserved for expansion]  
<sup>23</sup> Tex. Tax Code § 26.044  
<sup>24</sup> Tex. Tax Code § 26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
36.	<p><b>Rate adjustment for county indigent defense compensation.</b> <sup>25</sup></p> <p><b>A. 2022 indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state grants received by the county for the same purpose . . . . . \$ _____ 0</p> <p><b>B. 2021 indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state grants received by the county for the same purpose. . . . . \$ _____ 0</p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100. . . . . \$ _____ 0/\$100</p> <p><b>D.</b> Multiply B by 0.05 and divide by Line 32 and multiply by \$100. . . . . \$ _____ 0/\$100</p> <p><b>E.</b> Enter the lesser of C and D. If not applicable, enter 0.</p>	\$ _____ 0/\$100
37.	<p><b>Rate adjustment for county hospital expenditures.</b> <sup>26</sup></p> <p><b>A. 2022 eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2021 and ending on June 30, 2022. . . . . \$ _____ 0</p> <p><b>B. 2021 eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2020 and ending on June 30, 2021. . . . . \$ _____ 0</p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100. . . . . \$ _____ 0/\$100</p> <p><b>D.</b> Multiply B by 0.08 and divide by Line 32 and multiply by \$100. . . . . \$ _____ 0/\$100</p> <p><b>E.</b> Enter the lesser of C and D, if applicable. If not applicable, enter 0.</p>	\$ _____ 0/\$100
38.	<p><b>Rate adjustment for defunding municipality.</b> This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code 26.0444 for more information.</p> <p><b>A. Amount appropriated for public safety in 2021.</b> Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year . . . . . \$ _____ 0</p> <p><b>B. Expenditures for public safety in 2021.</b> Enter the amount of money spent by the municipality for public safety during the preceding fiscal year. . . . . \$ _____ 0</p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100 . . . . . \$ _____ 0/\$100</p> <p><b>D.</b> Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ _____ 0/\$100
39.	<p><b>Adjusted 2022 NNR M&amp;O rate.</b> Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.</p>	\$ 0.021293 /\$100
40.	<p><b>Adjustment for 2021 sales tax specifically to reduce property values.</b> Cities, counties and hospital districts that collected and spent additional sales tax on M&amp;O expenses in 2021 should complete this line. These entities will deduct the sales tax gain rate for 2022 in Section 3. Other taxing units, enter zero.</p> <p><b>A.</b> Enter the amount of additional sales tax collected and spent on M&amp;O expenses in 2021, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent . . . . . \$ _____ 0</p> <p><b>B.</b> Divide Line 40A by Line 32 and multiply by \$100 . . . . . \$ _____ 0/\$100</p> <p><b>C.</b> Add Line 40B to Line 39.</p>	\$ 0.021293 /\$100
41.	<p><b>2022 voter-approval M&amp;O rate.</b> Enter the rate as calculated by the appropriate scenario below.</p> <p><b>Special Taxing Unit.</b> If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08.</p> <p>- or -</p> <p><b>Other Taxing Unit.</b> If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.</p>	\$ 0.022996 /\$100

<sup>25</sup> Tex. Tax Code § 26.0442  
<sup>26</sup> Tex. Tax Code § 26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
<b>D41.</b>	<p><b>Disaster Line 41 (D41): 2022 voter-approval M&amp;O rate for taxing unit affected by disaster declaration.</b> If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of</p> <p>1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or</p> <p>2) the third tax year after the tax year in which the disaster occurred</p> <p>If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. <sup>27</sup> If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).</p>	\$ _____ 0 /\$100
<b>42.</b>	<p><b>Total 2022 debt to be paid with property taxes and additional sales tax revenue.</b> Debt means the interest and principal that will be paid on debts that:</p> <p>(1) are paid by property taxes,</p> <p>(2) are secured by property taxes,</p> <p>(3) are scheduled for payment over a period longer than one year, and</p> <p>(4) are not classified in the taxing unit's budget as M&amp;O expenses.</p> <p><b>A. Debt</b> also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. <sup>28</sup></p> <p>Enter debt amount ..... \$ <u>3,307,012</u></p> <p><b>B.</b> Subtract <b>unencumbered fund amount</b> used to reduce total debt. .... - \$ <u>0</u></p> <p><b>C.</b> Subtract <b>certified amount spent from sales tax to reduce debt</b> (enter zero if none) ..... - \$ <u>0</u></p> <p><b>D.</b> Subtract <b>amount paid</b> from other resources ..... - \$ <u>0</u></p> <p><b>E. Adjusted debt.</b> Subtract B, C and D from A. ....</p>	\$ <u>3,307,012</u>
<b>43.</b>	<b>Certified 2021 excess debt collections.</b> Enter the amount certified by the collector. <sup>29</sup>	\$ _____ 0
<b>44.</b>	<b>Adjusted 2022 debt.</b> Subtract Line 43 from Line 42E.	\$ <u>3,307,012</u>
<b>45.</b>	<p><b>2022 anticipated collection rate.</b></p> <p><b>A.</b> Enter the 2022 anticipated collection rate certified by the collector. <sup>30</sup> ..... <u>101.24</u> %</p> <p><b>B.</b> Enter the 2021 actual collection rate. .... <u>105.40</u> %</p> <p><b>C.</b> Enter the 2020 actual collection rate. .... <u>104.78</u> %</p> <p><b>D.</b> Enter the 2019 actual collection rate. .... <u>101.24</u> %</p> <p><b>E.</b> If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. <sup>31</sup></p>	<u>101.24</u> %
<b>46.</b>	<b>2022 debt adjusted for collections.</b> Divide Line 44 by Line 45E.	\$ <u>3,266,507</u>
<b>47.</b>	<b>2022 total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>19,377,876,871</u>
<b>48.</b>	<b>2022 debt rate.</b> Divide Line 46 by Line 47 and multiply by \$100.	\$ <u>0.016856</u> /\$100
<b>49.</b>	<b>2022 voter-approval tax rate.</b> Add Lines 41 and 48.	\$ <u>0.039852</u> /\$100
<b>D49.</b>	<p><b>Disaster Line 49 (D49): 2022 voter-approval tax rate for taxing unit affected by disaster declaration.</b> Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.</p>	\$ _____ /\$100

<sup>27</sup> Tex. Tax Code § 26.042(a)  
<sup>28</sup> Tex. Tax Code § 26.012(7)  
<sup>29</sup> Tex. Tax Code § 26.012(10) and 26.04(b)  
<sup>30</sup> Tex. Tax Code § 26.04(b)  
<sup>31</sup> Tex. Tax Code §§ 26.04(h), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	<b>COUNTIES ONLY.</b> Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2022 county voter-approval tax rate.	\$ _____ 0 /\$100

### SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	<b>Taxable Sales.</b> For taxing units that adopted the sales tax in November 2021 or May 2022, enter the Comptroller's estimate of taxable sales for the previous four quarters. <sup>32</sup> Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2021, enter 0.	\$ _____ 0
52.	<b>Estimated sales tax revenue.</b> Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. <sup>33</sup>  <b>Taxing units that adopted the sales tax in November 2021 or in May 2022.</b> Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. <sup>34</sup> <b>- or -</b> <b>Taxing units that adopted the sales tax before November 2021.</b> Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$ _____ 0
53.	<b>2022 total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 19,377,876.871
54.	<b>Sales tax adjustment rate.</b> Divide Line 52 by Line 53 and multiply by \$100.	\$ _____ 0 /\$100
55.	<b>2022 NNR tax rate, unadjusted for sales tax.</b> <sup>35</sup> Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.035909 /\$100
56.	<b>2022 NNR tax rate, adjusted for sales tax.</b> <b>Taxing units that adopted the sales tax in November 2021 or in May 2022.</b> Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2021.	\$ 0.035909 /\$100
57.	<b>2022 voter-approval tax rate, unadjusted for sales tax.</b> <sup>36</sup> Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.039852 /\$100
58.	<b>2022 voter-approval tax rate, adjusted for sales tax.</b> Subtract Line 54 from Line 57.	\$ 0.039852 /\$100

### SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	<b>Certified expenses from the Texas Commission on Environmental Quality (TCEQ).</b> Enter the amount certified in the determination letter from TCEQ. <sup>37</sup> The taxing unit shall provide its tax assessor-collector with a copy of the letter. <sup>38</sup>	\$ _____ 0
60.	<b>2022 total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 19,377,876.871
61.	<b>Additional rate for pollution control.</b> Divide Line 59 by Line 60 and multiply by \$100.	\$ _____ 0 /\$100
62.	<b>2022 voter-approval tax rate, adjusted for pollution control.</b> Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$ 0.039852 /\$100

<sup>32</sup> Tex. Tax Code § 26.041(d)

<sup>33</sup> Tex. Tax Code § 26.041(i)

<sup>34</sup> Tex. Tax Code § 26.041(d)

<sup>35</sup> Tex. Tax Code § 26.04(c)

<sup>36</sup> Tex. Tax Code § 26.04(c)

<sup>37</sup> Tex. Tax Code § 26.045(d)

<sup>38</sup> Tex. Tax Code § 26.045(i)

### SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate before the unused increment rate for the prior three years.<sup>39</sup> In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the unused increment rate for that year would be zero.

The difference between the adopted tax rate and voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020;<sup>40</sup>
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);<sup>41</sup> or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.<sup>42</sup>

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.<sup>43</sup>

Line	Unused Increment Rate Worksheet	Amount/Rate
63.	<b>2021 unused increment rate.</b> Subtract the 2021 actual tax rate and the 2021 unused increment rate from the 2021 voter-approval tax rate. If the number is less than zero, enter zero.	\$ _____ 0/\$100
64.	<b>2020 unused increment rate.</b> Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate. If the number is less than zero, enter zero.	\$ _____ 0/\$100
65.	<b>2019 unused increment rate.</b> Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$ _____ 0/\$100
66.	<b>2022 unused increment rate.</b> Add Lines 63, 64 and 65.	\$ _____ 0/\$100
67.	<b>2022 voter-approval tax rate, adjusted for unused increment rate.</b> Add Line 66 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).	\$ _____ 0.039852/\$100

### SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.<sup>44</sup>

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.<sup>45</sup>

Line	De Minimis Rate Worksheet	Amount/Rate
68.	<b>Adjusted 2022 NNR M&amp;O tax rate.</b> Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i>	\$ _____ 0.021293/\$100
69.	<b>2022 total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ _____ 19,377,876,871
70.	<b>Rate necessary to impose \$500,000 in taxes.</b> Divide \$500,000 by Line 69 and multiply by \$100.	\$ _____ 0.002580/\$100
71.	<b>2022 debt rate.</b> Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ _____ 0.016856/\$100
72.	<b>De minimis rate.</b> Add Lines 68, 70 and 71.	\$ _____ 0.000000/\$100

### SECTION 7: Voter-Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.<sup>46</sup>

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.<sup>47</sup>

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.

<sup>39</sup> Tex. Tax Code § 26.013(a)

<sup>40</sup> Tex. Tax Code § 26.013(c)

<sup>41</sup> Tex. Tax Code §§ 26.0501(a) and (c)

<sup>42</sup> Tex. Local Gov't Code § 120.007(d), effective Jan. 1, 2022

<sup>43</sup> Tex. Tax Code § 26.063(a)(1)

<sup>44</sup> Tex. Tax Code § 26.012(8-a)

<sup>45</sup> Tex. Tax Code § 26.063(a)(1)

<sup>46</sup> Tex. Tax Code § 26.042(b)

<sup>47</sup> Tex. Tax Code § 26.042(f)

This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
73.	<b>2021 adopted tax rate.</b> Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.040000 / \$100
74.	<b>Adjusted 2021 voter-approval tax rate.</b> Use the taxing unit’s Tax Rate Calculation Worksheets from the prior year(s) to complete this line.  If a disaster occurred in 2021 and the taxing unit calculated its 2021 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2021 worksheet due to a disaster, enter the 2021 voter-approval tax rate as calculated using a multiplier of 1.035 from Line 49. - or - If a disaster occurred prior to 2021 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2021, complete the separate <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2021 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. <sup>48</sup> Enter the final adjusted 2021 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2021 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year’s worksheet.	\$ 0 / \$100
75.	<b>Increase in 2021 tax rate due to disaster.</b> Subtract Line 74 from Line 73.	\$ 0.040000 / \$100
76.	<b>Adjusted 2021 taxable value.</b> Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 15,895,637,417
77.	<b>Emergency revenue.</b> Multiply Line 75 by Line 76 and divide by \$100.	\$ 6,358,254
78.	<b>Adjusted 2022 taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 17,743,835,349
79.	<b>Emergency revenue rate.</b> Divide Line 77 by Line 78 and multiply by \$100. <sup>49</sup>	\$ 0 / \$100
80.	<b>2022 voter-approval tax rate, adjusted for emergency revenue.</b> Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	\$ 0.039852 / \$100


**SECTION 8: Total Tax Rate**

Indicate the applicable total tax rates as calculated above.

<b>No-new-revenue tax rate.</b> .....	\$ 0.035909 / \$100
As applicable, enter the 2022 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax). Indicate the line number used: <u>26</u>	
<b>Voter-approval tax rate.</b> .....	\$ 0.039852 / \$100
As applicable, enter the 2022 voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue). Indicate the line number used: <u>49</u>	
<b>De minimis rate.</b> .....	\$ 0.000000 / \$100
If applicable, enter the 2022 de minimis rate from Line 72.	

**SECTION 9: Taxing Unit Representative Name and Signature**

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit’s certified appraisal roll or certified estimate of taxable value, in accordance with requirements in Tax Code.<sup>50</sup>

**print here**  KRISTIN BULANEK, TAX-ASSESSOR-COLLECTOR  
 Printed Name of Taxing Unit Representative

**sign here**  \_\_\_\_\_  
 Taxing Unit Representative

\_\_\_\_\_ Date

<sup>48</sup> Tex. Tax Code §26.042(c)  
<sup>49</sup> Tex. Tax Code §26.042(b)  
<sup>50</sup> Tex. Tax Code §§ 26.04(c-2) and (d-2)

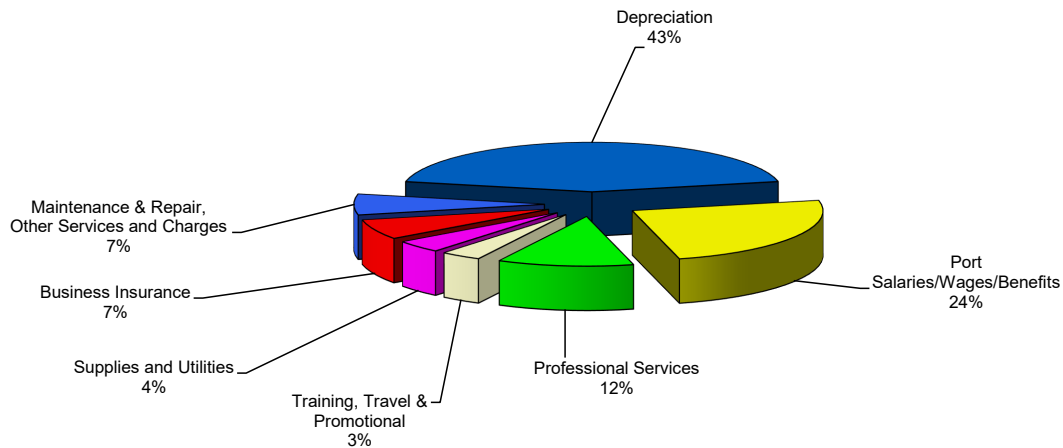
# EXPENSES BY MAJOR CLASSIFICATIONS

**PORT FREEPORT  
2022/2023 FISCAL YEAR BUDGET**

**OPERATING EXPENSES**

	<b>2019 Actual</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2021 Budget</b>	<b>2022 Budget</b>	<b>2022 Forecasted</b>	<b>2023 Budget</b>
Port Salaries/Wages	\$ 3,514,447	\$ 3,718,152	\$ 3,691,177	\$ 3,633,400	\$ 3,993,600	\$ 3,532,270	\$ 4,494,200
Port Employee Benefits	1,260,996	1,350,053	1,418,715	1,570,800	1,648,300	1,379,873	1,749,800
Professional Services	2,094,856	2,163,290	2,212,828	2,484,200	2,722,000	2,435,146	2,948,700
Training, Travel & Promotional	519,101	296,763	312,831	497,300	802,900	516,259	879,900
Supplies	152,485	170,938	159,881	156,200	156,700	175,701	176,200
Utilities	554,231	636,683	741,203	606,900	800,500	741,530	854,900
Business Insurance	981,882	1,128,006	1,254,661	1,269,700	1,557,500	1,531,471	1,672,300
Other Services & Charges	540,705	515,468	487,467	465,000	723,800	648,048	503,600
Maintenance & Repair	1,165,766	973,834	907,606	880,800	927,300	1,687,177	1,225,400
<b>TOTAL GENERAL OPERATING</b>	<b>10,784,469</b>	<b>10,953,187</b>	<b>11,186,369</b>	<b>11,564,300</b>	<b>13,332,600</b>	<b>12,647,475</b>	<b>14,505,000</b>
Depreciation	6,797,897	7,592,533	8,192,602	8,175,000	8,093,700	7,890,259	11,106,800
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 17,582,366</b>	<b>\$ 18,545,720</b>	<b>\$ 19,378,971</b>	<b>\$ 19,739,300</b>	<b>\$ 21,426,300</b>	<b>\$ 20,537,734</b>	<b>\$ 25,611,800</b>

Consider adding another chart - no depreciation



**PORT FREEPORT  
2022/2023 FISCAL YEAR BUDGET**

**OPERATING EXPENSES DETAIL**

	2019 Actual	2020 Actual	2021 Actual	2021 Budget	2022 Budget	2022 Forecasted	2023 Budget
<b>OPERATING EXPENSES:</b>							
Port Salaries/Wages							
Commissioners	\$ 63,200	\$ 57,600	\$ 57,600	\$ 57,600	\$ 60,500	\$ 57,600	\$ 61,400
Administration	1,117,910	1,183,588	1,217,141	1,214,400	1,373,300	1,179,455	1,475,900
Engineering	392,050	418,593	417,988	407,700	428,000	406,574	456,100
Operations & Maintenance	1,420,303	1,496,542	1,460,874	1,475,900	1,525,000	1,333,080	1,816,550
Oper. & Maint. - Overtime	162,116	196,726	173,504	100,000	150,000	188,918	150,000
Business Development	358,868	365,103	364,070	357,800	436,800	366,643	494,250
Variable Pay & Other				20,000	20,000		40,000
<b>TOTAL PORT SALARIES &amp; WAGES</b>	<b>3,514,447</b>	<b>3,718,152</b>	<b>3,691,177</b>	<b>3,633,400</b>	<b>3,993,600</b>	<b>3,532,270</b>	<b>4,494,200</b>
Port Employee Benefits							
Social Security Expense	251,084	262,975	261,279	270,700	297,500	264,861	334,800
Unemployment Ins.	512	7,048	11,860	6,500	12,100	607	7,600
Group Health & Life Ins.	724,635	796,923	819,149	944,300	977,100	774,200	1,029,100
Retirement Fund	256,430	252,207	292,042	318,000	326,700	305,453	337,400
Workers' Comp. Ins.	28,305	30,900	34,385	31,300	34,900	34,752	40,900
<b>TOTAL PORT EMPLOYEE BENEFITS</b>	<b>1,260,966</b>	<b>1,350,053</b>	<b>1,418,715</b>	<b>1,570,800</b>	<b>1,648,300</b>	<b>1,379,873</b>	<b>1,749,800</b>
Professional Services:							
Legal Service Fees/Expenses	374,648	189,255	123,192	231,600	231,600	250,000	273,000
Audit Service Fees	26,335	29,000	30,740	29,700	30,800	30,800	32,400
Election Expenses	-	-	-	25,000	-	-	34,300
Security Service Fees	1,323,911	1,486,961	1,642,358	1,685,600	1,761,250	1,760,196	1,970,950
Consultant Services	369,962	458,074	416,538	512,300	698,350	394,150	638,050
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>2,094,856</b>	<b>2,163,290</b>	<b>2,212,828</b>	<b>2,484,200</b>	<b>2,722,000</b>	<b>2,435,146</b>	<b>2,948,700</b>
Training, Travel & Promotional:							
Commercial Business Development	245,164	128,911	161,253	188,600	438,450	297,244	472,100
Sales/Promotion Travel	31,761	17,126	18,107	47,000	59,450	46,627	76,300
Governmental Relations Travel	44,768	8,846	4,854	46,600	41,875	11,258	53,300
Community Relations	57,388	41,068	50,286	58,600	80,425	62,670	81,700
Training and Education	80,182	38,741	16,939	92,300	118,500	36,541	132,000
Automobile Expense	59,838	62,071	61,392	64,200	64,200	61,919	64,500
<b>TOTAL TRAINING TRAVEL &amp; PROMOTIONAL</b>	<b>519,101</b>	<b>296,763</b>	<b>312,831</b>	<b>497,300</b>	<b>802,900</b>	<b>516,259</b>	<b>879,900</b>
Supplies, Furniture & Equipment							
Supplies	64,493	84,675	68,629	74,850	74,800	72,405	78,000
Furniture & Equipment	21,537	17,826	32,582	10,800	26,400	24,793	25,200
Postage & Freight	3,102	1,471	4,115	2,550	4,500	3,916	4,500
Maintenance & Operation	13,091	13,609	9,913	16,000	12,000	12,232	12,500
Fuel/Oil	50,262	53,357	44,642	52,000	39,000	62,355	56,000
<b>TOTAL SUPPLIES, FURNITURE &amp; EQUIPMENT</b>	<b>152,485</b>	<b>170,938</b>	<b>159,881</b>	<b>156,200</b>	<b>156,700</b>	<b>175,701</b>	<b>176,200</b>
Utilities							
Telephone	58,519	59,789	63,004	62,550	69,100	67,551	77,700
Electricity	335,143	346,285	327,305	345,100	384,100	337,583	387,200
Water & Gas	160,569	230,609	350,894	199,250	347,300	336,396	390,000
<b>TOTAL UTILITIES</b>	<b>554,231</b>	<b>636,683</b>	<b>741,203</b>	<b>606,900</b>	<b>800,500</b>	<b>741,530</b>	<b>854,900</b>
Business Insurance							
Business Insurance Expense	981,882	1,128,006	1,254,661	1,269,700	1,557,500	1,531,471	1,672,300
<b>TOTAL BUSINESS INSURANCE</b>	<b>981,882</b>	<b>1,128,006</b>	<b>1,254,661</b>	<b>1,269,700</b>	<b>1,557,500</b>	<b>1,531,471</b>	<b>1,672,300</b>
Other Services & Charges:							
Contract Labor Expense	18,428	9,364	11,723	9,000	116,800	46,012	14,500
Contract Services	319,282	295,634	267,907	266,800	396,700	393,183	267,350
Dues, Memberships & Subscriptions	101,876	107,470	102,900	86,200	105,300	101,921	114,800
Lease Expense	101,119	103,000	104,937	103,000	105,000	106,932	106,950
<b>TOTAL OTHER SERVICES &amp; CHARGES</b>	<b>540,705</b>	<b>515,468</b>	<b>487,467</b>	<b>465,000</b>	<b>723,800</b>	<b>648,048</b>	<b>503,600</b>
Maintenance & Repair:							
Equipment	272,376	292,566	429,845	370,750	336,900	782,631	490,150
Vehicles	26,400	20,061	25,553	10,000	13,750	17,606	14,650
Buildings	214,337	148,030	151,187	130,800	280,250	322,441	305,000
Warehouses	13,612	32,040	58,572	16,050	19,850	26,311	22,000
Transit Sheds	37,357	38,970	72,946	39,200	49,950	77,199	64,700
Terminal Facilities	408,704	305,428	58,711	200,500	103,100	303,338	203,400
Leased Facilities	111,738	74,223	17,630	34,000	37,000	63,192	37,000
Other	81,242	62,516	93,162	79,500	86,500	94,459	88,500
<b>TOTAL MAINTENANCE &amp; REPAIR</b>	<b>1,165,766</b>	<b>973,834</b>	<b>907,606</b>	<b>880,800</b>	<b>927,300</b>	<b>1,687,177</b>	<b>1,225,400</b>
<b>TOTAL GENERAL OPERATING</b>	<b>10,784,439</b>	<b>10,953,187</b>	<b>11,186,369</b>	<b>11,564,300</b>	<b>13,332,600</b>	<b>12,647,475</b>	<b>14,505,000</b>
<b>DEPRECIATION</b>	<b>6,797,897</b>	<b>7,592,533</b>	<b>8,192,602</b>	<b>8,175,000</b>	<b>8,093,700</b>	<b>7,890,259</b>	<b>11,106,800</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 17,582,336</b>	<b>\$ 18,545,720</b>	<b>\$ 19,378,971</b>	<b>\$ 19,739,300</b>	<b>\$ 21,426,300</b>	<b>\$ 20,537,734</b>	<b>\$ 25,611,800</b>

**PORT FREEPORT  
2022/23 FISCAL YEAR BUDGET  
DEBT INTEREST AND FEES SCHEDULE**

**SCHEDULED BOND INTEREST AND PRINCIPAL PAYMENTS**

	Interest	Principal	Total Principal & Interest	Call Date
General Obligation Bonds, Series 2019	\$ 1,241,762	\$ 670,000	\$ 1,911,762	8/1/2029
General Obligation Bonds, Series 2021	894,250	-	894,250	8/1/2029
Senior Lien Refunding Bonds, Series 2013A	463,232	2,320,000	2,783,232	Current
Senior Lien Revenue & Refunding Bonds, Series 2015A	1,586,588	855,000	2,441,588	6/1/2025
Senior Lien Revenue Refunding Bonds, Series 2018	1,372,950	615,000	1,987,950	6/1/2028
Senior Lien Revenue Bonds, Series 2019A	1,957,350	820,000	2,777,350	6/1/2029
Senior Lien Revenue Bonds, Series 2019B	962,550	585,000	1,547,550	6/1/2029
Senior Lien Revenue Bonds, Series 2021	1,326,850	-	1,326,850	6/1/2031
Est New 2023 General Obligation Bond Issuance	500,000	-	500,000	
<b>Total Debt Service</b>	<u>\$ 10,305,532</u>	<u>\$ 5,865,000</u>	<u>\$ 16,170,532</u>	

**INTEREST EXPENSE RECOGNIZED - FY 2023**

	Interest & Fees	Amortized Premiums	Total
General Obligation Bonds, Series 2019	\$ 1,243,588	\$ (118,025)	\$ 1,125,563
General Obligation Bonds, Series 2021	899,704	(76,251)	823,453
Senior Lien Refunding Bonds Series 2013A	440,413	1,163	441,576
Senior Lien Revenue & Refunding Bonds, Series 2015A	1,573,338	(40,516)	1,532,822
Senior Lien Revenue Refunding Bonds, Series 2018	1,363,700	(50,723)	1,312,977
Senior Lien Revenue Bonds, Series 2019A	1,944,683	(223,028)	1,721,655
Senior Lien Revenue Bonds, Series 2019B	953,800	(53,251)	900,549
Senior Lien Revenue Bonds, Series 2021	1,327,850	(218,094)	1,109,756
Est New 2023 General Obligation Bond Issuance	850,000	-	850,000
Other - Rounding	(51)		(51)
<b>Total Interest Expense Recognized</b>	<u>\$ 10,597,025</u>	<u>\$ (778,725)</u>	<u>\$ 9,818,300</u>

# PORT FREEPORT

Senior Lien Revenue Refunding Bonds, Series 2013A (AMT)  
September 30, 2022

Fiscal Year Ending September 30	Coupon	Interest Due December 1	Interest Due June 1	Principal Due June 1	Total Principal & Interest	Principal Balance
						\$ 15,040,000
2023	3.08 %	\$ 231,616	\$ 231,616	\$ 2,320,000	2,783,232	12,720,000
2024	3.08	195,888	195,888	2,395,000	2,786,776	10,325,000
2025	3.08	159,005	159,005	2,465,000	2,783,010	7,860,000
2026	3.08	121,044	121,044	2,540,000	2,782,088	5,320,000
2027	3.08	81,928	81,928	2,620,000	2,783,856	2,700,000
2028	3.08	41,580	41,580	2,700,000	2,783,160	0
		\$ 831,061	\$ 831,061	\$ 15,040,000	\$ 16,702,122	

# PORT FREEPORT

Senior Lien Revenue and Refunding Bonds, Series 2015A (AMT)  
September 30, 2022

Fiscal Year		Interest	Interest	Principal	Total	
Ending		Due	Due	Due	Principal &	Principal
September 30	Coupon	December 1	June 1	June 1	Interest	Balance
						\$ 34,125,000
2023	5.00 %	\$ 793,294	\$ 793,294	\$ 855,000	\$ 2,441,588	33,270,000
2024	5.00	771,919	771,919	895,000	2,438,838	32,375,000
2025	5.00	749,544	749,544	945,000	2,444,088	31,430,000
2026	5.00	725,919	725,919	990,000	2,441,838	30,440,000
2027	5.00	701,169	701,169	1,035,000	2,437,338	29,405,000
2028	5.00	675,294	675,294	1,090,000	2,440,588	28,315,000
2029	5.00	648,044	648,044	1,145,000	2,441,088	27,170,000
2030	4.00	619,419	619,419	1,200,000	2,438,838	25,970,000
2031	4.13	595,419	595,419	1,250,000	2,440,838	24,720,000
2032	4.13	569,638	569,638	1,300,000	2,439,276	23,420,000
2033	4.25	542,825	542,825	1,355,000	2,440,650	22,065,000
2034	4.25	514,031	514,031	1,410,000	2,438,062	20,655,000
2035	4.25	484,069	484,069	1,475,000	2,443,138	19,180,000
2036	5.00	452,725	452,725	1,535,000	2,440,450	17,645,000
2037	5.00	414,350	414,350	1,610,000	2,438,700	16,035,000
2038	5.00	374,100	374,100	1,690,000	2,438,200	14,345,000
2039	5.00	331,850	331,850	1,775,000	2,438,700	12,570,000
2040	5.00	287,475	287,475	1,860,000	2,434,950	10,710,000
2041	4.50	240,975	240,975	1,955,000	2,436,950	8,755,000
2042	4.50	196,988	196,988	2,045,000	2,438,976	6,710,000
2043	4.50	150,975	150,975	2,140,000	2,441,950	4,570,000
2044	4.50	102,825	102,825	2,235,000	2,440,650	2,335,000
2045	4.50	52,538	52,538	2,335,000	2,440,076	0
		\$ 10,995,385	\$ 10,995,385	\$ 34,125,000	\$ 56,115,770	

# PORT FREEPORT

Senior Lien Revenue Refunding Bonds, Series 2018 (AMT)  
September 30, 2022

Fiscal Year Ending September 30	Coupon	Interest Due December 1	Interest Due June 1	Principal Due June 1	Total Principal & Interest	Principal Balance
						\$ 30,685,000
2023	5.00 %	\$ 686,475	\$ 686,475	\$ 615,000	\$ 1,987,950	30,070,000
2024	5.00	671,100	671,100	645,000	1,987,200	29,425,000
2025	5.00	654,975	654,975	680,000	1,989,950	28,745,000
2026	5.00	637,975	637,975	710,000	1,985,950	28,035,000
2027	5.00	620,225	620,225	750,000	1,990,450	27,285,000
2028	5.00	601,475	601,475	785,000	1,987,950	26,500,000
2029	5.00	581,850	581,850	825,000	1,988,700	25,675,000
2030	5.00	561,225	561,225	865,000	1,987,450	24,810,000
2031	5.00	539,600	539,600	910,000	1,989,200	23,900,000
2032	5.00	516,850	516,850	955,000	1,988,700	22,945,000
2033	5.00	492,975	492,975	1,000,000	1,985,950	21,945,000
2034	5.00	467,975	467,975	1,050,000	1,985,950	20,895,000
2035	5.00	441,725	441,725	1,105,000	1,988,450	19,790,000
2036	5.00	414,100	414,100	1,160,000	1,988,200	18,630,000
2037	5.00	385,100	385,100	1,220,000	1,990,200	17,410,000
2038	5.00	354,600	354,600	1,280,000	1,989,200	16,130,000
2039	4.00	322,600	322,600	1,345,000	1,990,200	14,785,000
2040	4.00	295,700	295,700	1,395,000	1,986,400	13,390,000
2041	4.00	267,800	267,800	1,455,000	1,990,600	11,935,000
2042	4.00	238,700	238,700	1,510,000	1,987,400	10,425,000
2043	4.00	208,500	208,500	1,570,000	1,987,000	8,855,000
2044	4.00	177,100	177,100	1,635,000	1,989,200	7,220,000
2045	4.00	144,400	144,400	1,700,000	1,988,800	5,520,000
2046	4.00	110,400	110,400	1,770,000	1,990,800	3,750,000
2047	4.00	75,000	75,000	1,840,000	1,990,000	1,910,000
2048	4.00	38,200	38,200	1,910,000	1,986,400	0
		\$ 10,506,625	\$ 10,506,625	\$ 30,685,000	\$ 51,698,250	

# PORT FREEPORT

Senior Lien Revenue Bonds, Series 2019A (AMT)  
September 30, 2022

Fiscal Year Ending September 30	Coupon	Interest Due 1-Dec	Interest Due 1-Jun	Principal Due 1-Jun	Total Principal & Interest	Principal Balance
						\$ 42,675,000
2023	5.000 %	\$ 978,675	\$ 978,675	\$ 820,000	2,777,350	41,855,000
2024	5.000	958,175	958,175	860,000	2,776,350	40,995,000
2025	5.000	936,675	936,675	900,000	2,773,350	40,095,000
2026	5.000	914,175	914,175	945,000	2,773,350	39,150,000
2027	5.000	890,550	890,550	995,000	2,776,100	38,155,000
2028	5.000	865,675	865,675	1,045,000	2,776,350	37,110,000
2029	5.000	839,550	839,550	1,095,000	2,774,100	36,015,000
2030	5.000	812,175	812,175	1,150,000	2,774,350	34,865,000
2031	5.000	783,425	783,425	1,210,000	2,776,850	33,655,000
2032	5.000	753,175	753,175	1,270,000	2,776,350	32,385,000
2033	5.000	721,425	721,425	1,330,000	2,772,850	31,055,000
2034	5.000	688,175	688,175	1,400,000	2,776,350	29,655,000
2035	4.000	653,175	653,175	1,470,000	2,776,350	28,185,000
2036	4.000	623,775	623,775	1,530,000	2,777,550	26,655,000
2037	4.000	593,175	593,175	1,590,000	2,776,350	25,065,000
2038	4.000	561,375	561,375	1,650,000	2,772,750	23,415,000
2039	4.000	528,375	528,375	1,720,000	2,776,750	21,695,000
2040	4.000	493,975	493,975	1,785,000	2,772,950	19,910,000
2041	4.000	458,275	458,275	1,860,000	2,776,550	18,050,000
2042	4.000	421,075	421,075	1,935,000	2,777,150	16,115,000
2043	4.000	382,375	382,375	2,010,000	2,774,750	14,105,000
2044	4.000	342,175	342,175	2,090,000	2,774,350	12,015,000
2045	5.000	300,375	300,375	2,175,000	2,775,750	9,840,000
2046	5.000	246,000	246,000	2,285,000	2,777,000	7,555,000
2047	5.000	188,875	188,875	2,395,000	2,772,750	5,160,000
2048	5.000	129,000	129,000	2,515,000	2,773,000	2,645,000
2049	5.000	66,125	66,125	2,645,000	2,777,250	0
		\$ 16,129,975	\$ 16,129,975	\$ 42,675,000	\$ 74,934,950	

# PORT FREEPORT

Senior Lien Revenue Bonds, Series 2019B (NON-AMT)  
September 30, 2022

Fiscal Year Ending September 30	Coupon	Interest Due 1-Dec	Interest Due 1-Jun	Principal Due 1-Jun	Total Principal & Interest	Principal Balance
						\$ 27,775,000
2023	5.000 %	\$ 481,275	\$ 481,275	\$ 585,000	\$ 1,547,550	27,190,000
2024	5.000	466,650	466,650	615,000	1,548,300	26,575,000
2025	5.000	451,275	451,275	645,000	1,547,550	25,930,000
2026	5.000	435,150	435,150	680,000	1,550,300	25,250,000
2027	5.000	418,150	418,150	715,000	1,551,300	24,535,000
2028	5.000	400,275	400,275	750,000	1,550,550	23,785,000
2029	5.000	381,525	381,525	785,000	1,548,050	23,000,000
2030	5.000	361,900	361,900	825,000	1,548,800	22,175,000
2031	5.000	341,275	341,275	865,000	1,547,550	21,310,000
2032	3.000	319,650	319,650	910,000	1,549,300	20,400,000
2033	3.000	306,000	306,000	935,000	1,547,000	19,465,000
2034	3.000	291,975	291,975	965,000	1,548,950	18,500,000
2035	3.000	277,500	277,500	995,000	1,550,000	17,505,000
2036	3.000	262,575	262,575	1,025,000	1,550,150	16,480,000
2037	3.000	247,200	247,200	1,055,000	1,549,400	15,425,000
2038	3.000	231,375	231,375	1,085,000	1,547,750	14,340,000
2039	3.000	215,100	215,100	1,120,000	1,550,200	13,220,000
2040	3.000	198,300	198,300	1,155,000	1,551,600	12,065,000
2041	3.000	180,975	180,975	1,185,000	1,546,950	10,880,000
2042	3.000	163,200	163,200	1,225,000	1,551,400	9,655,000
2043	3.000	144,825	144,825	1,260,000	1,549,650	8,395,000
2044	3.000	125,925	125,925	1,300,000	1,551,850	7,095,000
2045	3.000	106,425	106,425	1,335,000	1,547,850	5,760,000
2046	3.000	86,400	86,400	1,375,000	1,547,800	4,385,000
2047	3.000	65,775	65,775	1,420,000	1,551,550	2,965,000
2048	3.000	44,475	44,475	1,460,000	1,548,950	1,505,000
2049	3.000	22,575	22,575	1,505,000	1,550,150	0
		\$ 7,027,725	\$ 7,027,725	\$ 27,775,000	\$ 41,830,450	

# PORT FREEPORT

Senior Lien Revenue Bonds, Series 2021 (AMT)  
September 30, 2022

TABLE 18

Fiscal Year Ending September 30	Coupon	Interest Due December 1	Interest Due June 1	Principal Due June 1	Total Principal & Interest	Principal Balance
						\$ 29,885,000
2023	5.000 %	\$ 663,425	\$ 663,425	-	\$ 1,326,850	29,885,000
2024	5.000	663,425	663,425	-	1,326,850	29,885,000
2025	5.000	663,425	663,425	-	1,326,850	29,885,000
2026	5.000	663,425	663,425	-	1,326,850	29,885,000
2027	5.000	663,425	663,425	-	1,326,850	29,885,000
2028	5.000	663,425	663,425	-	1,326,850	29,885,000
2029	5.000	663,425	663,425	\$ 735,000	2,061,850	29,150,000
2030	5.000	645,050	645,050	775,000	2,065,100	28,375,000
2031	5.000	625,675	625,675	810,000	2,061,350	27,565,000
2032	5.000	605,425	605,425	855,000	2,065,850	26,710,000
2033	5.000	584,050	584,050	895,000	2,063,100	25,815,000
2034	5.000	561,675	561,675	1,000,000	2,123,350	24,815,000
2035	5.000	536,675	536,675	1,000,000	2,073,350	23,815,000
2036	5.000	511,675	511,675	1,040,000	2,063,350	22,775,000
2037	5.000	485,675	485,675	1,090,000	2,061,350	21,685,000
2038	5.000	458,425	458,425	1,145,000	2,061,850	20,540,000
2039	5.000	429,800	429,800	1,205,000	2,064,600	19,335,000
2040	5.000	399,675	399,675	1,265,000	2,064,350	18,070,000
2041	5.000	368,050	368,050	1,330,000	2,066,100	16,740,000
2042	4.000	334,800	334,800	1,395,000	2,064,600	15,345,000
2043	4.000	306,900	306,900	1,450,000	2,063,800	13,895,000
2044	4.000	277,900	277,900	1,510,000	2,065,800	12,385,000
2045	4.000	247,700	247,700	1,570,000	2,065,400	10,815,000
2046	4.000	216,300	216,300	1,630,000	2,062,600	9,185,000
2047	4.000	183,700	183,700	1,695,000	2,062,400	7,490,000
2048	4.000	149,800	149,800	1,765,000	2,064,600	5,725,000
2049	4.000	114,500	114,500	1,835,000	2,064,000	3,890,000
2050	4.000	77,800	77,800	1,910,000	2,065,600	1,980,000
2051	4.000	39,600	39,600	1,980,000	2,059,200	0
		\$ 12,804,825	\$ 12,804,825	\$ 29,885,000	\$ 55,494,650	

# PORT FREEPORT

General Obligation Bonds, Series 2019 (Non-AMT)  
September 30, 2022

Fiscal Year Ending September 30	Coupon	Interest Due February 1	Interest Due August 1	Principal Due August 1	Total Principal & Interest	Principal Balance
						\$ 30,715,000
2023	5.000 %	\$ 620,881	\$ 620,881	\$ 670,000	\$ 1,911,762	30,045,000
2024	5.000	604,131	604,131	125,000	1,333,262	29,920,000
2025	3.000	601,006	601,006	710,000	1,912,012	29,210,000
2026	5.000	590,356	590,356	730,000	1,910,712	28,480,000
2027	5.000	572,106	572,106	770,000	1,914,212	27,710,000
2028	5.000	552,856	552,856	805,000	1,910,712	26,905,000
2029	5.000	532,731	532,731	845,000	1,910,462	26,060,000
2030	2.125	511,606	511,606	890,000	1,913,212	25,170,000
2031	5.000	502,150	502,150	910,000	1,914,300	24,260,000
2032	4.000	479,400	479,400	955,000	1,913,800	23,305,000
2033	4.000	460,300	460,300	990,000	1,910,600	22,315,000
2034	4.000	440,500	440,500	1,030,000	1,911,000	21,285,000
2035	4.000	419,900	419,900	1,070,000	1,909,800	20,215,000
2036	4.000	398,500	398,500	1,115,000	1,912,000	19,100,000
2037	3.000	376,200	376,200	1,160,000	1,912,400	17,940,000
2038	4.000	358,800	358,800	1,195,000	1,912,600	16,745,000
2039	4.000	334,900	334,900	1,240,000	1,909,800	15,505,000
2040	4.000	310,100	310,100	1,290,000	1,910,200	14,215,000
2041	4.000	284,300	284,300	1,345,000	1,913,600	12,870,000
2042	4.000	257,400	257,400	1,395,000	1,909,800	11,475,000
2043	4.000	229,500	229,500	1,455,000	1,914,000	10,020,000
2044	4.000	200,400	200,400	1,510,000	1,910,800	8,510,000
2045	4.000	170,200	170,200	1,570,000	1,910,400	6,940,000
2046	4.000	138,800	138,800	1,635,000	1,912,600	5,305,000
2047	4.000	106,100	106,100	1,700,000	1,912,200	3,605,000
2048	4.000	72,100	72,100	1,765,000	1,909,200	1,840,000
2049	4.000	36,800	36,800	1,840,000	1,913,600	0
		\$ 10,162,023	\$ 10,162,023	\$ 30,715,000	\$ 51,039,046	

# PORT FREEPORT

General Obligation Bonds, Series 2021 (Non-AMT)  
September 30, 2022

TABLE 17

Fiscal Year Ending September 30	Coupon	Interest Due February 1	Interest Due August 1	Principal Due August 1	Total Principal & Interest	Principal Balance
						\$ 37,135,000
2023		\$ 447,125	\$ 447,125	\$ -	\$ 894,250	37,135,000
2024		447,125	447,125	-	894,250	37,135,000
2025		447,125	447,125	-	894,250	37,135,000
2026		447,125	447,125	-	894,250	37,135,000
2027	4.000 %	447,125	447,125	\$ 1,040,000	1,934,250	36,095,000
2028	4.000	426,325	426,325	1,080,000	1,932,650	35,015,000
2029	4.000	404,725	404,725	1,125,000	1,934,450	33,890,000
2030	4.000	382,225	382,225	1,165,000	1,929,450	32,725,000
2031	4.000	358,925	358,925	1,215,000	1,932,850	31,510,000
2032	3.000	334,625	334,625	1,265,000	1,934,250	30,245,000
2033	3.000	315,650	315,650	1,300,000	1,931,300	28,945,000
2034	3.000	296,150	296,150	1,340,000	1,932,300	27,605,000
2035	2.000	276,050	276,050	1,380,000	1,932,100	26,225,000
2036	2.000	262,250	262,250	1,405,000	1,929,500	24,820,000
2037	2.000	248,200	248,200	1,435,000	1,931,400	23,385,000
2038	2.000	233,850	233,850	1,465,000	1,932,700	21,920,000
2039	2.000	219,200	219,200	1,495,000	1,933,400	20,425,000
2040	2.000	204,250	204,250	1,525,000	1,933,500	18,900,000
2041	2.000	189,000	189,000	1,555,000	1,933,000	17,345,000
2042	2.000	173,450	173,450	1,585,000	1,931,900	15,760,000
2043	2.000	157,600	157,600	1,615,000	1,930,200	14,145,000
2044	2.000	141,450	141,450	1,650,000	1,932,900	12,495,000
2045	2.000	124,950	124,950	1,680,000	1,929,900	10,815,000
2046	2.000	108,150	108,150	1,715,000	1,931,300	9,100,000
2047	2.000	91,000	91,000	1,750,000	1,932,000	7,350,000
2048	2.000	73,500	73,500	1,785,000	1,932,000	5,565,000
2049	2.000	55,650	55,650	1,820,000	1,931,300	3,745,000
2050	2.000	37,450	37,450	1,855,000	1,929,900	1,890,000
2051	2.000	18,900	18,900	1,890,000	1,927,800	0
		\$ 7,369,150	\$ 7,369,150	\$ 37,135,000	\$ 51,873,300	

**PORT FREEPORT  
2022/23 FISCAL YEAR BUDGET**

**\$55.8 Million General Obligation Tax Bond**

CRITERIA USED FOR BUDGETING:

ISSUANCE - 1st or 2nd qtr FY 2023

AMORTIZATION PERIOD - 30 YEARS

RATE - 3%

PAYMENTS - SEMI-ANNUAL

FIRST YEAR PAYMENT INTEREST- \$500,000

FISCAL YEAR 2023 INTEREST ACCRUAL- \$500,000

ISSUANCE COSTS EST \$350,000

## **RESOLUTION ADOPTING 2022 TAX RATE**

At a Regular Meeting of the Port Commission of Port Freeport held at the office of said Port at 1100 Cherry Street, Freeport, Texas on the 8<sup>th</sup> day of September 2022, among other business came on to be considered the following Resolution, which was upon motion duly made and seconded, adopted by a \_\_\_\_\_ vote of six Commissioners present, which Resolution is as follows:

### **FINDINGS:**

The Port Commission finds:

- (1) Notice of the date, time, place and purpose of the meeting at which this Resolution has been considered and adopted has been duly given in accordance with the requirements of Section 551.001, Texas Government Code, et. sec.
- (2) A quorum of the members of the Port Commission were present and participated in the deliberation and adoption of this Resolution.
- (3) The deliberation and vote on this Resolution has been conducted in open meeting as defined in Section 551.001, Texas Government Code, et. sec.
- (4) The deliberation and vote on this Resolution was separate from the vote adopting the budget for Port Freeport for the Fiscal Year 2022/2023.
- (5) The designated Officer of the Port has publicized the No New Revenue Tax Rate and the calculation used to determine it in the manner required by Section 26.04, Texas Property Tax Code, and has submitted same to the Port Commission.
- (6)
  - (A) A tax rate of one and 8144/100 (\$0.018144) cents on each \$100 valuation for the purpose of maintenance and operations;
  - (B) A tax rate of one and 6856/100 (\$0.016856) cents on each \$100 valuation for the payment of principal and interest on debts of the Port;
  - (C) A total tax rate of three and 5000/100 (\$0.0350) cents for each \$100 valuation to be applied to the total taxable value of all taxable property located within Port Freeport, subject to taxation and calculated as provided in Sections 26.04 and 26.05, Texas Property Tax Code, should be proposed for adoption as the tax rate of Port Freeport for the year 2022.

**RESOLUTION**

NOW THEREFORE, BE IT RESOLVED, ORDAINED AND ORDERED, by the Port Commission of Port Freeport, that: a tax rate of one and 8144/100 (\$0.018144) cents on each \$100 valuation for the purpose of maintenance and operations, and a tax rate of one and 6856/100 (\$0.016856) cents on each \$100 valuation for the payment of principal and interest on debts of the Port, for a total tax rate of three and 5000/100 (\$0.0350) on each \$100 valuation to be applied to the total taxable value of all taxable property located within Port Freeport, subject to taxation and is hereby levied or adopted as the tax rate of Port Freeport for the year 2022.

The following members of the Port Commission present and participating in the deliberation and vote on the above and foregoing Resolution and the manner in which each member voted is evidenced by the signature of each member present as indicated below:

VOTED

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Chairman

VOTED

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Vice Chairman

VOTED

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Secretary

VOTED

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Assistant Secretary

VOTED

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Commissioner

VOTED

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Commissioner

## 2022 Tax rate Calculation Worksheet

	Levy Amount	Rate per \$100
<b>2022 Tax Base</b>	\$ 19,377,876,871	
<b>Deduct New Improvements *</b>	\$ (1,634,041,522)	
<b>2022 Adjusted Taxable Value</b>	\$ 17,743,835,349	
<b>Last Year's Adjusted Total Taxes</b>	\$ 6,371,789	
<b>2022 No New Revenue Tax Rate</b>		<b>0.035909</b>
<b>* Items not on the 2021 appraisal rolls</b>		
	Levy Amount	Rate per \$100
<b>2022 Tax Base</b>	\$ 19,377,876,871	
<b>Debt Service Tax (I&amp;S)</b>	\$ 3,266,507	0.016856
<b>2022 Adjusted Taxable Value</b>	\$ 17,743,835,349	
<b>2022 Adjusted NNR M&amp;O Tax Levy</b>	\$ 3,778,286	0.021293
<b>2022 Multiplier 8%</b>		1.080
<b>2022 Voter Approval M&amp;O rate</b>		0.022996
<b>2022 Voter Approval Tax Rate</b>		<b>0.039852</b>

# 2022 Proposed Tax Rate

- Port Commission passed a resolution proposing a tax rate of \$.035000 per \$100 which was less than the No New Revenue Tax Rate of \$.035909 per \$100

## 2022 Tax Proposal

Total Tax Rate of \$0.035000

	Levy Amount	Rate per \$100
Debt Service Tax (I&S)	\$ 3,266,335	\$ 0.016856
Operating Tax (M&O)	<u>\$ 3,515,922</u>	<u>\$ 0.018144</u>
Total Taxes at Proposed Tax Rate	\$ 6,782,257	<b>\$ 0.035000</b>
Incremental Debt Service Obligation	\$ 576,883	

**2022 vs 2021 Budgeted Tax Revenue Components @ \$0.035000**

**TAXABLE VALUE FOR 2021 APPRAISAL ROLL** **\$ 16,195,665,393**

**2021 LEVY:**

**M & O**

**3,788,814**

**DEBT SERVICE**

**2,689,452**

**TOTAL LEVY**

**6,478,266**

**TAXABLE VALUE FOR 2022 APPRAISAL ROLL** **\$ 19,377,876,871**

**2022 LEVY:**

**M & O**

**3,515,922**

**DEBT SERVICE**

**3,266,335**

**TOTAL LEVY**

**6,782,257**

**2022 Tax Revenues**  
Calculated at **Proposed Rate of \$.035000**

	<b>M&amp;O Rate</b>	<b>Levy Amount</b>
<b>2021 M&amp;O Revenue</b>	<b>0.023394</b>	<b>\$ 3,788,814</b>
<b>2022 M&amp;O Revenue</b>	<b>0.018144</b>	<b>\$ 3,515,922</b>
<b>Decrease in M&amp;O Revenues</b>		<b>\$ (272,892)</b>
	<b>I&amp;S Rate</b>	<b>Levy Amount</b>
<b>2021 Debt Service Revenue</b>	<b>0.016606</b>	<b>\$ 2,689,452</b>
<b>2022 Debt Service Revenue</b>	<b>0.016856</b>	<b>\$ 3,266,335</b>
<b>Increase in Debt Service Revenues</b>		<b>\$ 576,883</b>

# Thank You

For additional information, please contact us

<http://www.portfreeport.com/contact-us>



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(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023  
WWW.PORTFREEPORT.COM

**TO:** Port Commissioners  
Executive Director/CEO

**FROM:** Rob Lowe

**DATE:** September 8, 2022

**SUBJECT:** Tax Abatement Guidelines

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Under Tax Code Chapter 312, tax abatement guidelines are effective for two years from the date adopted. The current Port Freeport guidelines were adopted on July 23, 2020 and thus need to be updated to consider new applications going forward. Applications submitted prior to the expiration of the current guidelines will be considered under the existing guidelines. Staff has reviewed the guidelines and state statute along with legal counsel and has suggested updates aimed at providing administrative and process clarity. Staff presented to the proposed updated guidelines to the Finance Advisory Committee on 7/21/22 and would recommend adopting of the guidelines as presented.

Below is a recap of key updates to the previous guidelines:

- Updates throughout the guidelines aimed at providing more clarity to Port Freeport as an individual entity separate entity from Brazoria County. Port Freeport guidelines remain closely aligned with Brazoria County guidelines with language simply added to show applicants that the district and approvals within are specific to the port.
- Abatement Authorized – Section 2
  - Subsection (g) – language expanded to emphasize the Port Commission’s determination of percent of value and term of abatement will include consideration of the project value and number of jobs along with other factors emphasizing local economic impact. This aligns with changes made by Brazoria County.
  - Brazoria County guidelines also reference a new exhibit in their guidelines which is a table titled Tax Abatement Graduated Scale. The table contains recommendations on the number of years and percentage of abatement per year of abatement based on the value of the project. Staff is not recommending the adoption of a table as staff believes our guidelines already provide for flexibility in determining these assignments.
- Application – Section 3
  - Subsection (e) – language was added to allow the Port Commission to approve an abatement prior to Brazoria County approving their application contingent upon Brazoria County subsequently approving within 60 days. An abatement agreement would not be executed by the Chairman in this situation until the county requirements were met and the intent is to provide flexibility should the timing be critical.

[PORT COMMISSION](#)

JOHN HOSS, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; DAN CROFT, SECRETARY; ROB GIESECKE, ASST. SECRETARY;  
RAVI K. SINGHANIA, COMMISSIONER; SHANE PIRTLE, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

- Administration – Section 7
  - Subsection (c) expands the language to state that the port will utilize either a Port Tax Abatement Review Committee or the Brazoria County Tax Abatement Review Committee.
  - Subsection (d) Add a subsection stating the utilization of the Finance Advisory Committee to review tax abatement applications prior to the approval of an abatement. This conforms to existing practice.
- Provisions Regarding City Initiated Abatements – Section 9
  - (e) language was added to allow the Port Commission to approve an abatement prior to a city approval contingent upon the city subsequently approving their application within 60 days. An abatement agreement would not be executed by the Chairman in this situation until the city requirements were met and the intent is to provide flexibility should the timing be critical.
  - (f) language was added to allow the Port Commission to approve a city initiated abatement prior to Brazoria County contingent upon Brazoria County subsequently approving their application within 60 days. An abatement agreement would not be executed by the Chairman in this situation until the county requirements were met and the intent is to provide flexibility should the timing be critical.

Section 2 (h)(6)

Must file a plan statement with application demonstrating willingness and planned efforts to use qualified Port Freeport vendors and service providers where applicable in the construction and operations of the facility. Port Freeport vendors and service providers must be competitive with non-county vendors and service providers regarding price, quality, safety, availability and ability to perform. ~~When seeking employees for direct employment by the owner of the planned improvement at the abated facility site, it is preferred~~ required that applicant seek qualified workers who are United States citizens ~~and veterans and also~~ or legal residents (and give preference to veterans of the U.S. armed forces) prior to seeking non-resident workers from other countries. For all employees of applicant who will work at properties for which an abatement is granted, applicant must use E-Verify or other appropriate methods to confirm the identity and employment eligibility of those employees to work in the United States.

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT  
IN A REINVESTMENT ZONE CREATED IN  
PORT FREEPORT  
IN BRAZORIA COUNTY, TEXAS**

*(Effective ~~July 21~~September 8, 2022 to ~~July 20~~September 7, 2024)*

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**WHEREAS**, the creation, retention and diversification of job opportunities that bring new wealth are among the highest civic priority; and

**WHEREAS**, the purpose of tax abatement is to provide an incentive offered by the tax-payers, i.e. citizens within the Port Freeport district, to attract investments, that lead to better quality of life and better services. The wealth created by these enterprises leads to more service and retail businesses, which in addition to improving quality of life, increases the tax base. In summary, by giving incentive in terms of tax abatement, the citizens agree to give up short term tax benefits, for long-term benefits; and

**WHEREAS**, new jobs, investment and industrial diversification will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

**WHEREAS**, the communities within the Port Freeport district must compete with other localities across the nation currently offering tax inducements to attract new plant and modernization projects; and

**WHEREAS**, any tax incentives offered in the Port Freeport district would reduce needed tax revenue unless strictly limited in application to those new and existing industries that bring new wealth to the community; and

**WHEREAS**, the abatement of property taxes, when offered to attract capital investment and primary jobs in industries which bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area of the economy, and

**WHEREAS**, Texas law requires any eligible taxing unit to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement, and said Guidelines and Criteria to be unchanged for a two-year period unless amended by a three-quarters vote of the governing body of the taxing unit;

**WHEREAS**, Texas law requires a public hearing regarding the proposed adoption, amendment, repeal, or reauthorization of tax abatement guidelines and criteria;

**WHEREAS**, a public hearing [on these guidelines](#) was held [on July 21, 2022](#), and these Guidelines and Criteria for Granting Tax Abatement in a Reinvestment Zone in the Port Freeport district were approved by the Port Commission of Port Freeport by Resolution and dated ~~July 21~~September 8, 2022.

Now, therefore, be it resolved that Port Freeport does hereby adopt these Guidelines and Criteria for granting tax abatement in reinvestment zones in the Port Freeport district.

## **DEFINITIONS - Section 1**

- (a) “Abatement” means the full or partial exemption from ad valorem taxes on certain real property in a reinvestment zone designated by Brazoria County or a municipality located within Brazoria County for economic development purposes.
- (b) “Abatement Period” means the period during which all or a portion of the value of real property or tangible personal property that is the subject of a tax abatement agreement is exempt from taxation.
- (c) “Abated Facility Site” (or “proposed abated facility site”) means the tract(s) or area of land underlying the proposed improvements to be abated.
- (d) “Agreement” means a contractual agreement between a property owner and/or lessee and Port Freeport for the purpose of tax abatement.
- (e) “Base Year Value” means the assessed value of eligible property January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.
- (f) “Deferred Maintenance” means the improvements necessary for continued operations, which do not improve productivity or alter the process technology.
- (g) “Distribution Center Facility” means buildings and structures, including machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility operator where seventy percent (70%) of the goods or services are distributed outside the Port Freeport district.
- (h) “Economic Development” means participation in or support of an organized program or entity which for the purpose of its mission, engages in activities designed to encourage employment opportunities development/commercial and manufacturing business/industry to locate and/or expand in the Port Freeport district, thus expanding and diversifying the tax base as well as increasing the economic strength and stability of Port Freeport.
- (i) “Eligible Jurisdiction” means Port Freeport, Brazoria County and any municipality or other local taxing units eligible to abate taxes according to Texas law, the majority of which is located in the Port Freeport district that levies ad valorem taxes upon and provides services to reinvestment zones designated by Brazoria County or any municipality located within Brazoria County.
- (j) “Employee” for the purposes of the economic qualifications of Section 2(h) (2) of these Guidelines and Criteria shall include all persons directly employed by the owner of the planned improvement at the abated facility site/reinvestment zone together with any independent contractor or employee of independent contractors employed on a full-time (40 hours per week equivalent) basis at the facility site/reinvestment zone continuously for the duration of the abatement agreement.
- (k) “Existing Facility” is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately

comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2 (h) (2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if an existing facility has 100 employees, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized “existing facility” in order for the facility improvements to qualify for abatement.

- (l) “Expansion” means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (m) “Facility” means property improvements completed or in the process of construction which together comprise an integral whole.
- (n) “Manufacturing Facility” means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (o) “Modernization” means the replacement and upgrading of existing facilities, which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, or repairing.
- (p) “New Facility” means a property previously undeveloped, which is placed into service, by means other than or in conjunction with expansion or modernization.
- (q) “Other Basic Industry” means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside the Port Freeport district.
- (r) “Port Freeport Vendors and Service Providers” means a company that employs residents who live in the Port Freeport district and pay Port Freeport taxes.
- (s) “Productive Life” means the number of years a property improvement is expected to be in service. After a cessation of production, the productive life of property improvements may be deemed to end, at Port Freeport’s election, on the date of cessation of production either upon (1) a determination by Port Freeport that it is unlikely the improvement(s) will be reactivated as an integral part of a producing facility, and/or (2) the expiration of eighteen (18) continuous or non-consecutive months of non-production in any twenty-four (24) month period following the date the property improvement(s) cease to be in active service as part of a facility operating in a producing capacity. Upon cessation of production and for calculation of the recapture amount of taxes, the “productive life” will be determined to begin on the effective date of the tax abatement as set forth in the Agreement.
- (t) “Qualified Vendors and Services” means those vendors and services that meet the company’s individual state requirements, which can include but are not limited to: safety, financial condition, environmental record, quality or ability to perform.

- (u) “Regional Entertainment Facility” means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the public where seventy percent (70%) of users reside at least 50 miles from its location in the Port Freeport district.
- (v) “Research Facility” means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (w) “Regional Service Facility” means buildings and structures, including machinery and equipment, used or to be used to service goods where seventy percent (70%) of the goods being serviced originate outside the Port Freeport district.
- (x) “Tangible Personal Property” means tangible personal property classified as such under state law, but excludes inventory and/or supplies, ineligible property as defined herein, and tangible personal property that was located in the investment zone at any time before the period covered by the agreement with Port Freeport.

## **ABATEMENT AUTHORIZED - Section 2**

- (a) Authorized Facility. A facility may be eligible for abatement if it is a: Manufacturing Facility, Research Facility, Distribution Center or Regional Service Facility, Regional Entertainment Facility, Other Basic Industry, or a facility that the Port Commission determines would enhance job creation and the economic future of Port Freeport.
- (b) Creation of New Value. Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Port Freeport and the real property owner, Tangible Personal Property owner, leasehold interest, and/or lessee, subject to such limitations as Port Freeport may require.
- (c) New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) Eligible Property. Abatement may be extended to the value of buildings, structures, tangible personal property as defined in the Tax Code including fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.

Tangible Personal Property: Abatement may be granted to the owner of tangible personal property located on real property in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the real property, (2) all or a portion of the value of the tangible personal property located on the real property, or (3) all or a portion of the value of both.

An abatement may be granted to the owner of tangible personal property or an improvement located on tax-exempt real property that is located in a designated reinvestment zone to exempt all or a portion of the value of the tangible personal property or improvement located on the real property.

(e) **Ineligible Property.** The following type of property shall be fully taxable and ineligible for abatement: land, existing improvements, tangible personal property that the Brazoria County Appraisal District classifies as inventory or supplies, tools, furnishings, and other forms of movable personal property, vehicles, watercraft, aircraft, housing, convalescent homes, assisted living homes/centers, hotel accommodations, retail facilities, deferred maintenance investments, property to be rented or leased except as provided in Section 2 (f), tangible personal property located in the reinvestment zone prior to the effective date of the tax abatement agreement, property already subject to real or personal property tax(es) moved from one location in Brazoria County to the reinvestment zone, real property with a productive life of less than 10 years, property owned or used by the State of Texas or its political subdivisions or by any organizations owned, operated or directed by a political subdivision of the State of Texas, or any other property for which abatement is not allowed by state law.

(f) **Leased Facilities. Leasehold Interest:** 1) Abatement may be granted to the owner of a leasehold interest in tax-exempt real property located in a reinvestment zone designated to exempt all or a portion of the value of the leasehold interest in the real property; or 2) Abatement may be granted to the owner of improvements even if said owner does not own fee simple title to the real property upon which the improvements are built.

**Lessee Interest:** Abatement may be granted to a lessee of taxable real property located in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the fixtures, improvements, or other real property owned by the lessee and located on the property that is subject to the lease, (2) all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or (3) all or a portion of the value of both the fixtures, improvements, or other real property and the tangible personal property defined herein.

Leasehold Interest/Lessee shall be required to certify in its application that the lease agreement between lessor/lessee has (or, when executed, will have) a remaining lease term of at least twice the abatement term requested.

(g) **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of the Port Commission's Resolution granting the abatement and approving the abatement application. The Port Commission shall determine the percent of value and the term of the abatement based upon the overall value of the project, the number and types of new jobs being created, the extent to which local labor or local subcontractors will be used in the construction phase, the types and values of public improvements to be made, and the extent to which local vendors and suppliers will be used during the productive life of the project. The Port Commission may vary the length and abatement percentage on a case by case basis upon consideration of the factors above and any other relevant factors. The amount of the abatement may be one hundred percent of the value or such other percentage of value as shall be set forth in the Port Commission's Resolution. The term of abatement may be for seven (7) years; or up to ten (10) years if the value of the proposed improvements exceeds \$1 billion; or one-half (1/2) of the productive life of the improvement, whichever is less. The "productive life" will be calculated from the effective date of the tax abatement and the date the equipment ceased to be in service. The abatement may be extended through an

initial agreement and a subsequent agreement may be required to comply with state law regarding the term of the reinvestment zone.

If it is determined that the abatement period would better benefit Port Freeport and the Applicant by deferring the commencement date beyond the January 1<sup>st</sup> following the date of the resolution granting the abatement and approving the abatement application, Port Freeport may defer the commencement date of the abatement period to a future date certain. The deferral of the commencement date will not allow the duration of the abatement period to extend beyond the authorized number of years. However, in no event shall the abatement begin later than January 1 following the commencement of construction.

If a modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).

New eligible properties must be in active service and operation as part of a facility operating in a producing capacity for a period equal to double the abatement period (*i.e.* ten-year abatement, then in producing capacity for 20 years) in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions.

(h) Economic Qualification. In order to qualify for tax abatement, the planned improvement:

- (1) Must be reasonably expected to increase and must actually increase the value of the property in the amount of \$1 million or more;
- (2) Must create employment for at least 10 people on a full-time (40 hours per week equivalent) basis in the Port Freeport district for the duration of the Abatement Period at the abated facility site described in the tax abatement application; or alternatively, must retain and prevent the loss of employment of 10 employees or fifty percent (50%) of the existing number of employees, at the time of application, employed at or in connection with the existing facility containing the abated facility site described in the tax abatement application, whichever is greater, for the duration of the Abatement Period. The following is applicable to the employment retention/preventing loss of employment requirement:
  - a. “Existing Facility” is the facility described in Section 2(a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2(h)(2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if a large plant complex has a sub-unit that produces chlorine and 100 employees are employed at or in connection with that unit, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized “existing facility” in order for the facility improvements to qualify for abatement.

- b. Employees of a larger plant unit transferred or assigned to and employed at or in connection with a new sub-unit containing the planned improvements, constructed on undeveloped land constituting the proposed abated facility site shall be considered “created” employment for purposes of this sub-section.

The proposed number of employees to be employed at the abated facility as stated in the abatement application for the property that is the subject of the tax abatement agreement (including the projected creation or retention of employment) must be maintained for the duration of the abatement period at the abated facility site. For purposes of this sub-section, in order for a planned improvement to be considered as preventing the loss of employment or retaining employment, the abated facility/project must be necessary in order to retain or keep employment at levels as indicated in the application and in order to retain the proposed number of employees at the abated facility as indicated in the application. The owner/applicant seeking to qualify on the basis of retention or preventing loss of employment must provide a detailed statement as an attachment to its application affirmatively representing compliance with this sub-section and explaining the necessity of this project to prevent loss of employment. Any variance from the requirements of this sub-section is subject to approval of the Port Commission in accordance with the variance section of these Guidelines and Criteria.

- (3) Must not be expected to solely or primarily have the effect of transferring employment from one part of the Port Freeport district to another part of the Port Freeport district. A variance may be requested relative to this provision which approval shall be at the sole discretion of Port Freeport.
- (4) Must be necessary because capacity cannot be provided efficiently utilizing existing improved property;

Additionally, the owner of the project:

- (5) Must provide for and pay, at the time of filing an application for tax abatement, a non-refundable application fee of \$1,000.
- (6) Must file a plan statement with application demonstrating willingness and planned efforts to use qualified Port Freeport vendors and service providers where applicable in the construction and operations of the facility. Port Freeport vendors and service providers must be competitive with non-county vendors and service providers regarding price, quality, safety, availability and ability to perform. When seeking employees for direct employment by the owner of the planned improvement at the abated facility site, it is preferred required that applicant seek qualified workers who are United States citizens and veterans and also or legal residents (and give preference to veterans of the U.S. armed forces) prior to seeking non-resident workers from other countries. For all employees of applicant who will work at properties for which an abatement is granted, applicant must use E-Verify or other appropriate methods to confirm the identity and employment eligibility of those employees to work in the United States.

- (7) Must not file with the Brazoria County Appraisal District a valuation or taxpayer protest or notice of protest pursuant to the Texas Property Tax Code during the abatement period legally protesting the valuation of the abated improvements of a manufacturing facility pursuant to an appraisal method that produces a valuation of improvements based on each improvement's value as a separate item of personal property rather than the improvements value as integral fixtures of a producing manufacturing facility. An owner's legal protest to the improvements' value pursuant to the Texas Property Tax Code must be based on and use accepted appraisal methods and techniques allowed by law (Texas Property Tax Code) and uniform standards of professional appraisal practice. The filing of a valuation protest or notice of protest contrary to this standard shall cause the tax abatement agreement to be subject to termination and recapture of all previously abated taxes.
- (8) Must not be defendant in any litigation by Port Freeport seeking recovery or recapture of previously abated taxes.
- (i) Taxability. From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
  - (1) The value of ineligible property as provided in Section 2(e) shall be fully taxable;
  - (2) The base year value of existing eligible property as determined each year shall be fully taxable; and
  - (3) The additional value of new eligible property shall be taxable in the manner described in Section 2(g).

### **APPLICATION - Section 3**

- (a) The Application for tax abatement may be obtained from the Port Freeport Administration Office or on the Port Freeport website at [www.portfreeport.com](http://www.portfreeport.com). Applicant may contact the Chief Financial Officer at (979) 233-2667, ext. 4366.
- (b) Any present or potential owner of taxable property in the Port Freeport district may request a tax abatement by filing a tax abatement application with Port Freeport. The application shall be filed with the Chief Financial Officer, or in the absence of a Chief Financial Officer the Chief Executive Officer, by providing an electronic version and two (2) copies. After filing the application, the owner/applicant shall provide an economic impact analysis report, in a format comparable to the Texas Governor's economic impact analysis report to the Chief Financial Officer prior to the Port Commission meeting on the applicant's tax abatement application.
- (c) The application shall consist of a completed application form accompanied by:
  - a general description of the proposed use and the general nature and extent of the modernization;
  - expansion or new improvements which will be a part of the facility;
  - a map and property description;
  - CAD data or a shapefile with the boundaries of the reinvestment zone;

- a time schedule for undertaking and completing the planned improvements

In the case of modernizing, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form shall require such financial and other information as Port Freeport deems appropriate for evaluating the financial capacity and other factors of the applicant. Applicant should not submit confidential information as part of the application. If doing so cannot be avoided, a general description in non-confidential terms should be included on the application, along with a sealed document containing the confidential information as an attachment and clearly marked "CONFIDENTIAL".

- (d) Before the Port Commission acts upon an application, the applicant must have filed an application for tax abatement with Brazoria County. After an applicant has filed an application for tax abatement with Brazoria County, the Port Commission shall hold a public hearing at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement. The public hearing shall also afford the applicant and the designated representative of any eligible jurisdiction opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be given in the manner provided for under Chapter 551 of the Texas Government Code at least 30 days prior to the hearing.
- (e) Port Freeport will not enter into or execute a tax abatement agreement unless and until a valid Court Order granting the abatement application has been issued by the Brazoria County Commissioners Court. Any approval of an abatement application by the Port Commission prior to approval of the application by the Brazoria County Commissioners Court is and will be expressly contingent upon approval by the Brazoria County Commissioners Court and, if Port Freeport does not receive a correct copy of the Brazoria County Commissioners' Court Order approving the application within sixty (60) days following approval by the Port Commission, the approval granted by the Port Commission will automatically be revoked
- (f) Any final decision or interpretation as to the intent and meaning or policy of any provision or its written language, any final decision as to whether or not an application complies or does not comply with these Guidelines and Criteria, and any final decision as to whether to grant or deny tax abatement shall be made by the Port Commission at its sole discretion.
- (g) Variance. Requests for variance from the provisions of Subsections (a) (b) (e) (g), (h)(1), (h)(2) and/or (h)(3) of Section 2 may be made in written form to the Chief Financial Officer, or in the absence of a Chief Financial Officer the Chief Executive Officer. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request requires a three-fourths (3/4) vote of the members of the governing body.

#### **PUBLIC HEARING - Section 4**

If Brazoria County holds a public hearing and determines an abatement agreement should not be authorized due to (1) a substantial adverse effect on the provision of government services or tax base, (2) the applicant has insufficient financial capacity, (3) planned or potential use of the

property would constitute hazard to public safety, health or morals, (4) violation of other codes or laws, or (5) any other permissible reason, then Port Freeport will follow the County's determination from the hearing to not approve the abatement. However, approval by Brazoria County does not obligate Port Freeport to likewise approve the abatement; rather, the Port Commission retains full discretion and authority to grant any abatement on behalf of Port Freeport.

### **AGREEMENT - Section 5**

- (a) After approval, the Port Commission shall formally pass a resolution and execute an agreement with the Applicant as required which shall include:
- (1) Estimated value to be abated and the base year value;
  - (2) Percent of value to be abated each year as provided in Section 2 (g);
  - (3) The commencement date and the termination date of abatement;
  - (4) The proposed use of the facility: nature of construction, time schedule, map, property description and improvement list as provided in Application, Section II and III;
  - (5) Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections 2(a), 2(f), 2(g), 2(h), 6, 7, and 8
  - (6) Size of investment and average number of jobs involved for the period of abatement; and
  - (7) Provision that Applicant shall annually furnish information necessary for the Port Freeport evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria (in the form of an annual report/statement of compliance), together with an additional provision that Port Freeport may, at its election, request and obtain information from Applicant as is necessary for the Port Freeport evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria. See Attachment A.
  - (8) Provision that, upon expiration of the tax abatement agreement, Applicant shall begin annually reporting the status of the abated improvements regarding active service and operation as part of a facility operating in a producing capacity. Reporting will be for the same amount of years as the tax abatement period (*i.e.* ten-year abatement, then follow-up reporting for ten more years). See Attachment B.
- (b) Such agreement shall be executed within sixty (60) days after the Port Commission has approved the abatement application and the applicant has provided all necessary information and documentation to Port Freeport (including a copy of the Order granting the tax abatement that was adopted by the Commissioners Court of Brazoria County).

## **RECAPTURE - Section 6**

- (a) In the event the facility contemplated herein is completed and begins producing product or service, but the company fails to maintain the level of employment (including the projected creation or retention of employment) stated in the abatement application for the property that is the subject of the abatement agreement, Port Freeport may elect to:
  - (1) Declare a default and terminate the abatement agreement without recapturing prior years' abated taxes; (2) Declare a default, terminate the agreement and order a recapture of all or part of previous years' abated taxes; or (3) Set specific terms and conditions for the continuation of the abatement exemption for the duration of the term of the agreement under its present terms or alter the amount of the abatement for the remaining term of the agreement.
- (b) Should Port Freeport determine that the company or individual is in default according to the terms and conditions of its agreement, Port Freeport shall notify the company or individual in writing at the address stated in the agreement and if such is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated.
- (c) In the event that the company or individual (1) allows its ad valorem taxes owed Port Freeport to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the "Cure Period", the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.
- (d) Failure to provide any requested statement or information pursuant to the provisions described in Section 5(a)(7) without just cause within sixty (60) days of the request for the information or the presentation of any false or misleading statement may, at the Port Freeport option, be construed as a default by the company or individual and cause for immediate termination of the tax abatement agreement and recapture of all previously abated taxes, if after written notice of default, the company or individual has not cured such default prior to the expiration of thirty (30) days from such written notice. The cure period provisions of sub-sections (b) and (c) above are not applicable to a default and termination under this paragraph.

## **ADMINISTRATION - Section 7**

- (a) The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the eligible jurisdictions, which levies taxes on the amount of the assessment.
- (b) The agreement shall stipulate that representatives of Port Freeport will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of

the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with their safety standards.

- (c) **Tax Abatement Review Committee:** The Port Commission may appoint a Port Tax Abatement Review Committee (PTARC) or, if a PTARC is not appointed, shall utilize and rely on the Brazoria County Tax Abatement Review Committee (TARC) for purposes of (i) reviewing the tax abatement application and preparing a feasibility study setting out the impact of the proposed tax abatement; (ii) conducting annual inspections and/or evaluations of the abated facilities to ensure compliance with the terms/conditions of the tax abatement agreement.
- (d) **Finance Advisory Committee Review:** The Port Commission shall utilize and rely upon the Port Freeport Finance Advisory Committee for purposes of reviewing all tax abatement applications. Prior to approval of an abatement application, the Chairman of the Finance Advisory Committee shall report to the Port Commission on the completeness of the abatement application, compatibility with best interests of Port Freeport and the community, and compliance with these Guidelines and Criteria.
- (e) Upon completion of construction, the owner of an abated facility must submit a written report/statement of compliance annually during the life of the abatement to the Chief Financial Officer of Port Freeport, clearly detailing the status of the facility and how it is complying with the abatement guidelines. A form of annual report that may be used by the owner is attached as Attachment A to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment A form.
- (f) Upon expiration of the Tax abatement term, the owner of the abated improvements must submit a written report/statement of compliance annually, beginning January 1 after the expiration of the tax abatement term, documenting that the abated improvements remain in active service and operation as part of a facility operating in a producing capacity for an additional period equal to the abatement period granted and completed in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions. The Report shall be delivered to the Chief Financial Officer. The PTARC or, if a PTARC is not formed, the Chief Financial Officer shall report identified violations to the contract and agreement to the Port Commission. A form of annual report that may be used by the owner is attached as Attachment B to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment B form.

### **ASSIGNMENT AND MODIFICATION - Section 8**

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of Port Freeport subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with Port Freeport. Assignee shall submit a tax abatement application, including financial information to Port Freeport prior to consideration of assignment. Full assignment of the abatement requires approval of the Port Commission. No assignment or transfer shall be approved if the new parties to the existing agreement, the new owner or new lessee are liable to Port Freeport of any other taxing unit for delinquent taxes or other obligations. Approval shall not be unreasonably withheld.

Abatement may be modified or amended. A modification or amendment, except those that change the commencement date, correct clerical errors, or make administrative changes (including changes to the notification section or the company name) requires approval of the Port Commission.

### **PROVISIONS REGARDING CITY-INITIATED ABATEMENTS – Section 9**

- (a) This section is applicable to tax abatement applications for property located in a reinvestment zone designated by a city and applications by applicants who have previously entered into a tax abatement agreement with a city regarding that property.
- (b) All provisions of these Guidelines & Criteria are applicable to city-initiated reinvestment zones and abated areas within a city’s territorial limits unless otherwise stated herein or provided by law.
- (c) An applicant shall file a tax abatement application on the Port Freeport application form together with all attachments and statements described in the application instructions and in subsection (d) herein below.
- (d) Upon receipt of a tax abatement application applicable to property within a city-designated reinvestment zone, the application shall be reviewed for approval as to (a) correct application form, (b) represented compliance with economic value estimates and employment criteria of Section 2(h) of these Guidelines & Criteria, (c) legal description requirements, and (d) attachment of a correct copy of the city’s ordinance designating the area as a reinvestment zone.
- (e) Before the Port Commission acts upon an abatement application under this Section, the applicant must have filed an application for tax abatement with the city. Port Freeport will not enter into a tax abatement agreement under this Section until Port Freeport has received (i) a correct copy of the city’s ordinance approving the abatement application, and (ii) a correct copy of the tax abatement agreement between the city and the applicant. Any approval of an abatement application by the Port Commission prior to approval of the application by the city is and will be expressly contingent upon approval by the city and, if Port Freeport does not receive a correct copy of the city’s ordinance approving the application within sixty (60) days following approval by the Port Commission, the approval granted by the Port Commission will automatically be revoked.
- (f) Port Freeport will not enter into or execute a tax abatement agreement unless and until the applicant has filed an application for tax abatement with Brazoria County and a valid Court Order granting the abatement application has been issued by the Brazoria County Commissioners Court. Any approval of an abatement application by the Port Commission prior to approval of the application by the Brazoria County Commissioners Court is and will be expressly contingent upon approval by the Brazoria County Commissioners Court and, if Port Freeport does not receive a correct copy of the Brazoria County Commissioners Court Order approving the application within sixty (60) days following approval by the Port Commission, the approval granted by the Port Commission will automatically be revoked.

- (g) The percentage of property value abated and the term of abatement shall be the same as that stated in the city's tax abatement agreement unless otherwise specified by Port Freeport.

**SUNSET PROVISION – Section 10**

- (a) These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all tax abatement contracts created pursuant to its provisions will be reviewed by Port Freeport to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed or repealed provided that such actions shall not affect existing contracts or applications for tax abatement filed prior to the expiration of these Guidelines and Criteria. Applications for abatement filed prior to the expiration of these Guidelines and Criteria shall be governed by the provisions of these Guidelines and Criteria regardless of any subsequent modification or amendment.
- (b) This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of special attention as agreed by the taxing units.
- (c) Subject to Section 10(a) above, the Guidelines and Criteria for Tax Abatement that were adopted by Port Freeport on July 23, 2020 are hereby repealed. These Guidelines and Criteria for Tax Abatement shall be effective as of July 21, 2022 and shall remain in force until July 20, 2024 unless amended or superseded, modified, renewed, or eliminated by the Port Commission of Port Freeport prior to that date.

(TO THE PORT FREEPORT GUIDELINES &  
CRITERIA FOR GRANTING TAX ABATEMENT)

ANNUAL REPORT FORM

**ANNUAL REPORT**  
PURSUANT TO SECTION 5(a)(7) AND 7(e) OF  
THE PORT FREEPORT  
GUIDELINES & CRITERIA ON TAX ABATEMENT

RE: TAX ABATEMENT AGREEMENT

\_\_\_\_\_ (Company/Owner Name)

REINVESTMENT ZONE (RZ) NO. \_\_\_\_\_ (Number of RZ, if applicable)

1. Commencement and/or completion date of the contemplated improvements described in the tax abatement agreement.

Date of commencement of construction: \_\_\_\_\_

Date of completion all contemplated improvements: \_\_\_\_\_

2. Number of permanent employees, contract employees and temporary contract employees currently employed by you at the tax abated facility location or construction site as of the date of this Report. (See definitions below).

Permanent Employees: \_\_\_\_\_

\* Permanent Contract Employees \_\_\_\_\_

(\* List contract employees employed on a full-time, 40 hours per week equivalency basis and who are expected to be employed on a full-time basis for the duration of the abatement period. Do not include temporary contract employees.)

\*\*Temporary Contract Employees \_\_\_\_\_

(\*\*List temporary contract employees who are employed for a temporary period ending prior to expiration of the tax abatement term)

3. Status of construction of the contemplated improvements, percentage of construction completed and Owner's estimate of taxable value of constructed improvements on the date of the Report.

Percentage of construction completed: \_\_\_\_\_

Estimated value of Improvements: \_\_\_\_\_

As of \_\_\_\_\_

- 4. Status of production of the completed facility and the productive service capacity of the improvements. *(only applicable to a completed facility that has previously commenced production)*

Is the abated facility currently producing the product or similar product described in the tax abatement agreement? **Check One**  
 Yes or  No

If the answer to the above question is “No”, please state the date or time period when production ceased and attach a narrative explanation of the reason for cessation of production as Attachment B. \_\_\_\_\_

If production at this abated facility is shut down, please state the expected date or time period, if any, at which/during which you expect the facility to resume production operations. If you do not expect to resume production at this abated facility, please state “plant closed” in the blank space. \_\_\_\_\_

State your estimate of the expected productive life of the abated facility and its improvements as measured from the beginning date of production until the expected permanent cessation of production (*or in other words*, the total number of years, if any, that you expect the abated facility improvements to be in service as part of the operations of a producing facility, including in your total any previous years of production prior to the date of this report.) \_\_\_\_\_

- 5. Include a list of Brazoria County vendors and services That you have used and attach the same as Attachment A to this Report.

Is the list of Brazoria County vendors and Services attached? **Check One**  
 Yes or  No

To the best of my knowledge, the above information and estimates are true and correct.

Owner: \_\_\_\_\_

By: \_\_\_\_\_

Printed \_\_\_\_\_ Name: \_\_\_\_\_

Title/Position \_\_\_\_\_

Date: \_\_\_\_\_

(TO THE PORT FREEPORT GUIDELINES & CRITERIA  
FOR GRANTING TAX ABATEMENT)

REPORT FORM  
After the initial term of the  
Tax Abatement Agreement

**PRODUCTIVE LIFE REPORT  
TAX ABATEMENT TERM COMPLETED  
PURSUANT TO SECTION 5(a)(8) AND 7(f) OF  
THE PORT FREEPORT GUIDELINES &  
CRITERIA ON TAX ABATEMENT**

RE: TAX ABATEMENT AGREEMENT

\_\_\_\_\_ (Company/Owner Name)

REINVESTMENT ZONE (RZ) NO. \_\_\_\_\_ (Number of RZ, if applicable)

Effective Date of Tax Abatement: \_\_\_\_\_

1. Status of production of the completed facility and the productive service capacity of the improvements.

Is the abated facility currently producing the product or similar product described in the tax abatement agreement? **Check One**  
( ) Yes or ( ) No

If the answer to the above question is "No", please state the date or time period when production ceased and attach a narrative explanation of the reason for cessation of production as Attachment A. \_\_\_\_\_

If production at this abated facility is shut down, please state the expected date or time period, if any, at which/during which you expect the facility to resume production operations. If you do not expect to resume production at this abated facility, please state "plant closed" in the blank space. \_\_\_\_\_

State your estimate of the expected productive life of the abated facility and its improvements as measured from the beginning date of production until the expected permanent cessation of production (*or in other words*, the total number of years, if any, that you expect the abated facility improvements to be in service as part of the operations of a producing facility, including in your total, any previous years of production prior to the date of this report.) \_\_\_\_\_

To the best of my knowledge, the above information and estimates are true and correct.

Owner: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A  
TAX ABATEMENT GRADUATED SCALE**

Tier 1 \$1,000,000 - \$100,000,000		Tier 2 \$100,000,001 - \$300,000,000		Tier 3 \$300,000,001 - \$500,000,000	
Year	Abatement Amount	Year	Abatement Amount	Year	Abatement Amount
1	100%	1	100%	1	100%
2	100%	2	100%	2	100%
3	80%	3	90%	3	90%
4	80%	4	90%	4	90%
5	70%	5	80%	5	90%
6	70%	6	80%	6	80%
7	70%	7	70%	7	80%
				8	70%

Tier 4 \$500,000,001 - \$1,000,000,000		Tier 5 \$1,000,000,001+		NOTES:
Year	Abatement Amount	Year	Abatement Amount	
1	100%	1	100%	Commissioners Court shall determineconsider the percent of value and the term of the abatement based upon the overall value of the project, and the number and types of new jobs being created, the extent to which local labor or local subcontractors will be used in the construction phase, the types and values of public improvements to be made, and the extent to which local vendors and suppliers will be used during the productive life of the project. Commissioners Court may vary the length and abatement percentage on a case by case basis upon consideration of the factors above and any other relevant factors. <i>[Guidelines and Criteria for Granting Tax Abatement in a Reinvestment Zone Created in Brazoria County, Page 5, Paragraph (g)]</i>
2	100%	2	100%	
3	100%	3	100%	
4	90%	4	100%	
5	90%	5	100%	
6	80%	6	80%	
7	80%	7	80%	
8	70%	8	80%	
		9	80%	
		10	80%	



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**EXECUTIVE DIRECTOR/CEO  
COMMISSIONER  
TRAVEL ARRANGEMENTS  
September – October 2022**

***Texas Ports Association Meeting  
Port Authority Advisory Committee Meeting***  
*September 13, 2022  
Corpus Christi  
Attendees: Saathoff*

***Automotive Logistics Conference***  
*September 20-21, 2022  
Detroit, MI  
Hotel: MGM Grand Detroit  
\$179/night  
Attendees: Saathoff*

***AAPA Annual Convention***  
*October 16-19, 2022  
Orlando, FL  
Hotel: Loews Royal Pacific  
\$249/night  
Registration Fee: \$1600  
Attendees: Saathoff, Singhanian*