

**Board of Trustees of the Galveston
Wharves
Compensation Committee Meeting
Tuesday, November 16, 2021 9:30 a.m.
Port of Galveston
123 Rosenberg Avenue, 8th Floor
Galveston, TX 77550**

**COMMITTEE MEMBERS
Todd P. Sullivan, Chairman
Trustee Jeff Patterson
Trustee Victor Pierson
Ex-officio Harry D. Maxwell**

NOTICE OF MEETING

One or more members of the Board of Trustees of the Galveston Wharves may attend the Compensation Committee Meeting scheduled at 9:30 a.m. on November 16, 2021 at the Port of Galveston, 123 Rosenberg, Galveston, Texas 77550.

The Compensation Committee Meeting is open to the public. Seating is limited due to COVID. To reserve a seat, please call 409.765.9321 ext. 4.

Members of the public may participate in the meeting in the following ways:

1. Submit public comment in advance of the meeting. Comments can be submitted to:

[https://www.portofgalveston.com/formcenter/public-comment-form-2/public-comment-form-](https://www.portofgalveston.com/formcenter/public-comment-form-2/public-comment-form-36)

[36](https://www.portofgalveston.com/formcenter/public-comment-form-2/public-comment-form-36)

2. Attend the meeting in person at the above address.

A. CALL TO ORDER

- 1.A. Roll Call
- 1.B. Declaration of Conflicts of Interest
- 1.C. Comments from the Public

B. RECESS INTO EXECUTIVE SESSION

C. RECONVENE COMPENSATION COMMITTEE MEETING

D. BUSINESS ITEMS

- D.1. Discuss And Consider Compensation Of The Port Director/CEO

Documents:

[D1.PDF](#)

E. COMMENTS FROM THE COMPENSATION COMMITTEE ON AGENDA ITEMS

F. SET DATE AND TIME OF NEXT MEETING

G. ADJOURNMENT

I certify that the above Notice of Meeting was posted in a place convenient to the public, in accordance with Chapter 551 of the Texas Government Code, on or before 4:00 p.m. Friday, November 12, 2021.

Rodger Rees, Port Director/CEO

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE SECRETARY'S OFFICE, 123 ROSENBERG 8th Floor, GALVESTON, TEXAS 77550 (409-766.6105).

**PORT OF GALVESTON
REQUEST FOR DISCUSSION**

BUSINESS ITEM

SUBJECT: Discuss and Consider Approval of First Amendment to Employment Agreement for Port Director / Chief Executive Officer

DISCUSSION: This item was placed on the agenda by the Compensation Committee for Trustee discussion and consideration.

**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT
FOR PORT DIRECTOR/CHIEF EXECUTIVE OFFICER**

THIS AGREEMENT ("Agreement") is entered into by and between the **BOARD OF TRUSTEES OF THE GALVESTON WHARVES**, a separate utility of the City of Galveston, Texas ("Wharves" or "the Board"), and **RODGER E. REES** ("Rees").

WHEREAS, the Board and Rees entered into an Employment Agreement For Port Director/Chief Executive Officer with an effective date of July 1, 2021 (the "Employment Agreement"); and

WHEREAS, the Board and Rees would like to amend the Employment Agreement as set forth herein.

NOW, THEREFORE, the parties mutually agree as follows (any capitalized word not otherwise defined herein has the definition given to it in the Employment Agreement):

1. Section 3.1 is deleted in its entirety, and is hereby replaced with the following provision:

3.1. SALARY. Wharves shall provide Rees with an annual salary in the sum of Three Hundred Thousand Dollars and No Cents (\$300,000.00). This annual salary rate shall be paid to Rees in equal installments on the schedule as other Wharves employees and shall be paid net of any applicable withholding or deductions required by the Applicable Laws and Authorities.

2. Section 3.2 is deleted in its entirety, and is hereby replaced with the following provision:

3.2. VEHICLE ALLOWANCE. Wharves will also pay Rees a vehicle allowance in the amount of \$12,000 per year, payable in equal installments pursuant to Wharves' payroll schedule during the period of employment. The amount paid is to be prorated for any partial payroll period. Rees shall not be eligible for mileage reimbursement.

3. Section 3.11 is hereby added to the Employment Agreement, with the following language:

3.11 ADDITIONAL PERFORMANCE-BASED COMPENSATION. Wharves will also pay Rees the following amounts as additional performance based compensation, based on the amount of Net Operating Income (After Depreciation and Amortization) generated by Wharves' operations during the 2022 fiscal (calendar) year, as calculated below, and subject to the conditions also set out below ("Additional Compensation"). The Additional Compensation will be calculated by multiplying the sum of Thirty Thousand Dollars (\$30,000) by a fraction (the "Multiplier Fraction"), being:

[CONTINUES ON THE FOLLOWING PAGE]

Actual 2022 Galveston Wharves Net Operating Income After Depreciation and Amortization
\$8,164,953¹

Notwithstanding the foregoing, (1) Wharves will not pay Additional Compensation if the Multiplier Fraction falls below 0.8, and (2) the Multiplier Fraction shall not exceed a maximum amount of 1.2. Thus, if payable, Additional Compensation will not be less than Twenty Four Thousand Dollars (\$24,000), nor more than Thirty Six Thousand Dollars (\$36,000). If the foregoing formula generates an amount less than Twenty Four Thousand Dollars (\$24,000), no Additional Compensation will be paid.

4. Except as herein amended, which amendments are effective as of the First Amendment Effective Date, the terms of the Employment Agreement remain in full force and effect and the terms thereof are hereby ratified and confirmed.

EXECUTED in Galveston, Texas, effective as of the 1st day of January, 2022 (the "First Amendment Effective Date").

**BOARD OF TRUSTEES OF
THE GALVESTON WHARVES**

By: _____
Name: Harry D. Maxwell, Jr.
Title: Chairman of the Board of Trustees

Rodger E. Rees

Approved as to form:

Anthony P. Brown
Counsel to the Board of Trustees
of the Galveston Wharves

¹ 2022 Wharves Budgeted Net Operating Income After Depreciation and Amortization

T://APB/Wharves/General/Personnel/Rees/Draft First Amendment to Employment Agreement (APB 11.11.2021)