

**PORT OF GALVESTON
REQUEST FOR DISCUSSION AND
TRUSTEES ACTION**

MINUTES

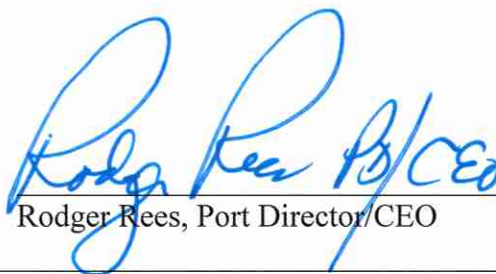
PREPARED BY: Angelina Ramirez Secretary, Board of Trustees March 30, 2021

SUBJECT: Minutes – Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves held Tuesday, March 2, 2021

BACKGROUND: Attached are the minutes of the Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves held Tuesday, March 2, 2021.

RECOMMENDATIONS: Port staff respectively requests Board approval of the minutes from the Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves held Tuesday, March 2, 2021.

Respectfully Submitted By:



Rodger Rees, Port Director/CEO

DATE ACTION TAKEN: _____

Approved: _____
Disapproved: _____
Deferred To: _____
Incorporated into Minutes: _____

Motion By: _____
Seconded By: _____
Unanimous: Yes _____ No _____
By: _____

**Minutes of the Regular Monthly Meeting of the
Board of Trustees of the Galveston Wharves
Tuesday, March 2, 2021**

Minutes of the Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves held Tuesday, March 2, 2021, in the offices of the Port of Galveston on the 8th Floor of the Shearn Moody Plaza, 123 Rosenberg, Galveston, Texas.

The Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves was held virtual and televised live on the Port of Galveston’s website.

Chairman Shannon called the meeting to order at 12:06 p.m., Tuesday, March 2, 2021.

The Secretary to the Board called roll.

Presiding Officer: Albert P. Shannon, Chairman, Board of Trustees

Present:	Chairman Albert P. Shannon	Vice Chair Elizabeth Beeton
	Trustee/Mayor Craig Brown	Trustee Harry D. Maxwell, Jr.
	Trustee E. L. “Ted” O’Rourke	Trustee Jeff Patterson
	Trustee Todd P. Sullivan	

Others:	Rodger Rees	Anthony P. Brown
	Mark Murchison	Jeffrey Thomas
	Dave Anderson	Brett Milutin
	Julio Deleon	Angie Ramirez
	Laura Camcioglu	

Chairman Shannon declared a quorum of the Trustees present for the meeting, and asked that the Trustees and Port staff recite the Pledge of Allegiance.

Chairman Shannon announced that Mr. Trey Dowdy, Pastor of the Church of the Living God, was present to administer the invocation. After the invocation, Chairman Shannon and the Board thanked Mr. Dowdy for attending the meeting.

Chairman Shannon called for the declaration of conflicts of interest on today’s agenda items. Trustee Sullivan declared conflicts under Callan Marine, Texas International Terminals, and DRC Emergency Services.

Chairman Shannon called for comments from the public. There were no public comments submitted.

Chairman Shannon called for Presentations and Announcements.

Chairman Shannon, along with the Port Director, called for the recipients of the Government Finance Officers Association Award, and recognized the Chief Financial Officer, Mark Murchison for the Board Financial Achievement Award. Chairman Shannon noted that this was the Port's 27th year to receive this award.

Chairman Shannon and the Port Director next recognized Mona Erika Barragan, recipient for the Finance Reporting Achievement Award.

Chairman Shannon next called for Employee Service Awards.

The Chairman and Port Director recognized the 2021 recipients of the Port Service Awards. Rebecca Sampson (5 years), Vic Gonzalez (5 years), William Gomez (5 years), Clay Garrison (5 years), Mark Murchison (10 years), and Michael Lahar (10 years) who was not present to receive his award. Chairman Shannon called each employee forward, presenting each employee with an appropriate service pin and certificate, and thanked each employee for their dedicated service and continued support of the Galveston Wharves. All recipients were recognized with hardy rounds of applause by the Board of Trustees and Port staff.

To conclude the Employee Awards, Chairman Shannon and the Port Director presented the Finance Department with the Government Finance Officers Association Award for Finance Reporting Achievement.

The Port Director announced that there was a short video presentation from Christine Duffy, President of Carnival Cruise Line. The video presentation is available for viewing on the Port's website.

Chairman Shannon called for a motion to approve the Minutes of the Special Meeting of the Board of Trustees of the Galveston Wharves held January 26, 2021. ***Trustee Maxwell moved, with the second of Trustee Patterson, to approve the minutes of the Special Meeting held January 26, 2021. Motion unanimously carried.***

Chairman Shannon announced that the Trustees were going to recess into Executive Session pursuant to Texas Government Code Section 551.071 – Consultation with Attorney, Section 551.072 – Real Estate, and Section 551.087 – Economic Development Negotiation. The time was 12:24 p.m., Tuesday, March 2, 2021.

Chairman Shannon convened the Executive Session at 12:34 p.m. on Tuesday, March 2, 2021.

Chairman Shannon adjourned the Executive Session at 2:27 p.m., Tuesday, March 2, 2021.

Chairman Shannon reconvened the Regular Monthly Meeting at 2:36 p.m., Tuesday, March 2, 2021 and called for business items.

Chairman Shannon first called on Agenda Item F.6.

F.6 Consider and Approve the Port Property, Flood, Liability, Excess Liability, Business Auto, Public Official Liability, Crime, Cyber, Terrorism, and Fiduciary Liability Insurance Policies, Scheduled for Renewal for Policy Period March 1, 2021 to March 1, 2022 at a Total Premium Not to Exceed \$2,897,944: Mrs. Camcioglu introduced Mr. Tom Keel and Mr. Robert Waggoner, which are with McGriff Insurance, and Ms. Susan Golla, who was present virtually. Mrs. Camcioglu stated that since the Board had received their briefing information, McGriff has come back with a lower number under budget. After McGriff's presentation with detailed discussion, *Trustee O'Rourke moved to approve the Port Property, Flood, Liability, Excess Liability, Business Auto, Public Official Liability, Crime, Cyber, Terrorism, and Fiduciary Liability Insurance Policies, scheduled for renewal for the Policy Period March 1, 2021 to March 1, 2022 at a cost not to exceed \$2,748,128. Trustee Patterson seconded the motion.* After all questions and answers were voiced, *Trustee/Mayor Brown asked if Trustee O'Rourke and Trustee Patterson would entertain an amendment to their motion to have staff reevaluate the value of the insurance coverage and come back to the Board with any suggestion on how the Port can be more efficient with the insurance coverage. Trustee O'Rourke and Trustee Patterson agreed to amend their motion.* Trustee Sullivan suggested evaluating what the real risks are to losing the buildings, warehouses, roofs, concrete, etc. *Motion unanimously carried.*

F.1 Consider and Approve CFO – Report / Consent Agenda Items: *Trustee Sullivan moved, with the second of Trustee Maxwell, to approve the CFO Report and Consent Agenda items, D.1.a. Board and Staff Expense Report, D.1.b. Financial Statements, D.1.c. Port Investments Report, D.1.d. Bank Reconciliation Report, D.1.e. Cash Flow Projections, D.1.f. Monthly Delinquent Accounts Receivable, and D.1.g. Vendor Check Register Report. No items were submitted under item D.1.h. Trade Development. Motion unanimously carried.*

F.2 Consider and Approve a Two Year Lease Agreement Between the Board of Trustees of the Galveston Wharves and Ports America Texas Inc. for the Use of 8,250 Square Feet Inside the Pier 37 Warehouse and 3, 300 Square Feet of Office Space for Stevedoring Services: *Trustee O'Rourke moved, with the second of Trustee Maxwell, to approve a Two Year Lease Agreement Between the Board of Trustees of the Galveston Wharves and Ports America Texas Inc. for the Use of 8,250 Square Feet Inside the Pier 37 Warehouse, and 3, 300 Square Feet of Office Space for Stevedoring Services.* Trustee Sullivan questioned if Ports America provides their own insurance. Mr. Milutin stated that the Port insures the warehouses, and they insure their own property. The Port Director stated that the Port is an additional insurer on their policies. *Motion unanimously carried.*

F.3 Consider and Approve a Two Year Lease Agreement Between the Board of Trustees of the Galveston Wharves and Suderman Contracting Services (Metro Ports) for the Use of 18,860 Square Feet Inside the Pier 34 Warehouse for Office Space and Stevedoring Services: *Trustee Maxwell moved to approve a Two Year Lease Agreement Between the Board of Trustees of the Galveston Wharves and Suderman Contracting Services (Metro Ports) for the Use of 18,860 Square Feet Inside the Pier 34 Warehouse for Office Space and Stevedoring Services. Motion was seconded by Trustee Patterson, and unanimously carried.*

F.4 Consider and Approve a Three Year Lease Agreement Between the Board of Trustees of Galveston Wharves and Bludworth Marine, LLC, for Office Space at Pier 38 for Support Services Relating to Ship Repair: *Trustee Patterson moved, with the second of Trustee O'Rourke, to approve a Three Year Lease Agreement Between the Board of Trustees of Galveston Wharves and Bludworth Marine, LLC for Office Space at Pier 38 for Support Services Relating to Ship Repair.* Chairman Shannon noted that Bludworth is behind in one of their payments and was not sure if that is significant or not. Mr. Milutin stated that Bludworth should be caught up with their payments. *Motion unanimously carried.*

F.5 Consider and Approve Proposed Vehicle Use Policy of the Board of Trustees of the Galveston Wharves & Discuss Vehicle Use Procedures: *Trustee Patterson moved, with the second of Vice Chairman Beeton, to approve the Vehicle Use Policy of the Board of Trustees of the Galveston Wharves.* Chairman Shannon noted that these vehicles are not intended for personal use or to take home. *Motion unanimously carried.*

F.7 Consider and Approve Royal Caribbean Group Restricted Transfer Request – Ceres Terminals Holding, LLC: *Vice Chairman Beeton moved, with the second of Trustee Maxwell, to approve the Royal Caribbean Group Restricted Transfer Request – Ceres Terminal Holding, LLC, as presented. Motion unanimously carried.*

F.8: Consider and Approve Adjustment to Settle Outstanding Balance Due: Chairman Shannon noted that this adjustment was discussed earlier in the Finance Committee Meeting to adjust the balance due by a limousine company in the amount of \$9,180. *Trustee Patterson moved, with the second of Vice Chairman Beeton, to approve the adjustment to settle the outstanding balance due. Motion unanimously carried.*

F.9 Consider and Approve Capital Purchase of 3 New Police Trucks: *Trustee O'Rourke moved to approve a capital purchase of 3 new F-150 police trucks. Motion was seconded by Trustee Patterson, and unanimously carried.*

F.10 Discuss and Consider Marketing and Possible Cargo Operations at Cruise Terminals 1&2: Trustee O'Rourke distributed information to the Trustees on cargo that moves through Texas ports. Trustee O'Rourke stated that it's important to get cargo at the Port of Galveston. Trustee O'Rourke pointed out the dredging depths in Freeport and Galveston, and also the Houston area, stating how important it is for the Channel to reach 50ft for new potential business at the Port and on Pelican Island. Trustee O'Rourke showed the Trustees on the boardroom map the two areas that he believed are accessible to cargo. Mr. Milutin addressed the two areas pointed out by Trustee O'Rourke. The Port Director addressed the dredging depths and stated that he has spoken with Colonel Vail, with the U.S. Army Corps of Engineers, and understood what the Port's next steps would be to get to 50ft. The Port Director stated that the Port, in conjunction with Houston, would have to piggy-back on *Project 12*, which is a big deal. Vice Chairman Beeton questioned which docks would be taken to 50ft, and what's the best use for the Port to make money. After further discussion on possible cargo operations at the Port, Chairman Shannon stated that he didn't see that any action needed to be taken on this agenda item today. *No formal action was taken.*

F.11 Consider and Approve Third Amendment to Lease and Development Agreement Between the Board of Trustees of the Galveston Wharves and Del Monte Fresh Produce N.A. Inc.: After all meaningful discussion was heard, and questions answered, *Vice Chairman Beeton moved to approve the Third Amendment to the Lease and Development Agreement between the Board of Trustees of the Galveston Wharves and Del Monte Fresh Produce N. A. Inc. Motion was seconded by Trustee Maxwell and unanimously carried.*

F.12 Chairman to Appoint Real Estate Committee: *Trustee Patterson moved, with the second of Trustee O'Rourke, to appoint a Real Estate Committee. Chairman Shannon announced the committee members are Trustee Harry Maxwell, Chairman, Trustee Todd Sullivan, Committee Member, and Trustee Jeff Patterson, Committee Member.* The Port Director asked if he may also be seated on the Real Estate Committee. Chairman Shannon stated that the Port Director is welcome to sit on the Committee and welcomed anyone else who's interested in participating. *Motion unanimously carried.*

Chairman Shannon called for the Port Director's Report.

The Port Director briefed the Trustees on the details of his report noting financials, cargo, lay-dockage, grant status, and asked Mr. Milutin to comment on the 2020 maintenance dredging. Mr. Thomas briefed the Trustees on the Port's priority projects. All other information was provided to the Trustees in their briefing materials and was reviewed and discussed in detail. After all comments and questions were heard and answered, Chairman Shannon thanked the Port Director for his report. The presentation of the Port Director's Report can be viewed on the Port's website.

Chairman Shannon noted that the next Regular Monthly Meeting of the Board of Trustees is scheduled for Tuesday, March 30, 2021 in the Port Offices.


Chairman Shannon called for comments from the Trustees.

Trustee Patterson noted what a great month it was in January, an impressive performance. Trustee Patterson understood that with the freeze it was a lot of hard work, and commended staff for all the hard work.

Trustee Sullivan referred to Mr. Milutin's comments, and stated that he would not use the fact that the docks are old as a motive not to modernize the waterway. Trustee Sullivan encourages the Port to modernize its docks, presuming the docks will be here for the next hundred years. Trustee Sullivan stated that the Port should jump on the Houston/Texas City Channel Study to 50/52 ft. Galveston needs to be included in the Channel Study. Trustee Sullivan stated that the west-end cargo will benefit from the deeper water.

Trustee Maxwell stated that it was a good job for January, and the Board looked forward to good news next month.

Chairman Shannon echoed Trustee Patterson's and Trustee Maxwell's comments on the January performance, thanked staff, and called for a motion to adjourn. ***Trustee Maxwell moved for adjournment. Trustee Sullivan seconded the motion. On a unanimous vote, Chairman Shannon adjourned the Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves at 4:50 p.m., Tuesday, March 2, 2021.***



Angelina Ramirez, Secretary
Board of Trustees of the Galveston Wharves