

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

MINUTES


PREPARED BY: Angelina Ramirez Secretary, Board of Trustees May 24, 2022

SUBJECT: Minutes – Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves held Tuesday, April 19, 2022

BACKGROUND: Attached are the minutes of the Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves held Tuesday, April 19, 2022.

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, April 19, 2022.

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, April 19, 2022**

Minutes of the Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves held Tuesday, April 19, 2022 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 televised live on the Port of Galveston’s website.

Chairman Maxwell called the meeting to order at 10:50 a.m., Tuesday, April 19, 2022.

The Board Secretary called roll.

Presiding Officer: Harry D. Maxwell, Jr., Chairman, Board of Trustees

Present:	Vice Chairman Todd P. Sullivan	Trustee/Mayor Craig Brown
	Trustee Sheila Lidstone	Trustee E. L. “Ted” O’Rourke
	Trustee Jeff Patterson	Trustee Victor Pierson (A)

Others:	Rodger Rees	Anthony P. Brown
	Brett Milutin	Mark Murchison
	Jeffrey Thomas	Angie Ramirez
	Andy Tran	Diane Acosta

Chairman Maxwell declared a quorum of the Trustees was present for the meeting.

The Board and Staff recited the Pledge of Allegiance.

Chairman Maxwell called for the declaration of conflicts of interest on today’s agenda items. Vice Chairman Sullivan declared a standing conflict with Texas International Terminals, Callan Marine.

Chairman Maxwell called for public comments. No comments were voiced.

Chairman Maxwell called for a motion to approve the Minutes of the Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves held March 22, 2022,. ***Trustee Patterson moved, with the second of Vice Chairman Sullivan, to approve the minutes of the Regular Monthly meeting held March 22, 2022 as presented to the Trustees in their notebooks. Motion unanimously carried.***

Chairman Maxwell called for comments from the public. No comments were voiced.

Chairman Maxwell called for the Port Director's Report.

The Port Director briefed the Trustees on the details of his report noting financials, cargo, cruise, lay-dockage, and priority projects. All other information was provided to the Trustees in their briefing materials and was reviewed and discussed in detail. After all meaningful discussion was heard, and questions answered, Chairman Maxwell thanked the Port Director for his report. The presentation of the Port Director's Report can be viewed on the Port's website.

Chairman Maxwell announced that the Trustees were going to recess into Executive Session pursuant to Texas Government Code Section 551.071 – Consultation with Attorney, Section 551.074 – Personnel, Section 551.072 – Real Estate, and Section 551.087 – Economic Development Negotiation. The time was 12:07 p.m., Tuesday, April 19, 2022.

Chairman Maxwell convened the Executive Session at 12:21p.m. on Tuesday, April 19, 2022.

Chairman Maxwell adjourned the Executive Session at 1:27 p.m., Tuesday, April 19, 2022.

Chairman Maxwell reconvened the Regular Monthly Meeting of the Board of Trustees at 1:30 p.m., Tuesday, April 19, 2022.

E.1 Discuss and Consider Action, if any, On Specific Matters Discussed in Executive Session Which Were Listed on the Agenda in Sufficient Detail to Provide Notice to the Public as Required by the Texas Open Meetings Act: No formal action taken.

Chairman Maxwell called for Business Items. The Chairman stated that he would call for both items F.1 and F.2 at the same time.

F.1 Consider and Approve Portfolio Performance Analysis Report, Summary of Investment Performance Report and Investment Detail of the Galveston Wharves Pension Plan for the Quarter Ending March 31, 2022 and Discuss and Consider any Percentage Changes in Fund Mix That May be Necessary to Increase Investment Results, and Discuss and F.2 Consider Acceptance of the Actuarial Valuation of the Galveston Wharves Pension Plan as of January 1, 2022 Which Includes the GASB 67 and 68 Report, Related Assumption and Approval of Contribution to the Plan 2022:

Vice Chairman Sullivan stated that the Finance Committee met and decided that a Pension Committee Meeting would be schedule and held by June. *Vice Chairman Sullivan stated that he would accept Trustee/Mayor Brown's motion to accept the Portfolio Performance Analysis Report, Summary of Investment Performance Report and Investment Detail of the Galveston Wharves Pension Plan for the Quarter Ending March 31, 2022, with no recommend changed in the Fund Mix, and F.2, fully fund the contribution to the 2022 Pension Plan as budgeted in the budget at \$400,000.00. Trustee Patterson seconded the motion. Motion unanimously carried.*

F.3 Consider and Approve CFO Report/Consent Agenda: Chairman Maxwell noted that the Trustees had heard detailed discussion in the Finance Committee Meeting, and reviewed the CFO Report and Consent Agenda, which were provided to the Trustees in their notebooks. *Vice Chairman Sullivan moved, with the second of Trustee Patterson, to approve the CFO Report and Consent Agenda items, F.a. Board and Staff Expense Report, F.b. Financial Statements, F.c. Port Investments Report, F.d. Bank Reconciliation Report, F.e. Cash Flow Projections, F.f. Monthly Delinquent Accounts Receivable, F.g. Vendor Check Register Report, and F.h. Trade Development.* Trustee Patterson stated that under Tab 6 is a report on dockage discounts given last month, and Trustee Patterson thanked Mr. Milutin for the report. *Motion unanimously carried.*

F.4 Discuss and Consider Resolution Approving the Galveston Wharves Investment Policy Following the Annual Review as Requested by the Public Funds Investment Act: *Trustee Patterson moved, with the seconded of Trustee/Mayor Brown, to approve the Galveston Wharves Investment Policy, following the annual review as requested by the Public Funds Investment Act. Motion unanimously carried.*

F.5 Discuss and Consider Adoption of Reimbursement Resolution to Reimburse Cash Fund Expenditures with Bond Funds in the Event a Subsequent Bond Issue by the Galveston Wharves: *Vice Chairman Sullivan moved to adopt the Reimbursement Resolution to Reimburse Cash Fund Expenditures with Bond Funds in the Event a Subsequent Bond Issue by the Galveston Wharves. Motion was seconded by Trustee Lidstone, and unanimously carried.*

F.6 Discuss and Consider Dockage and Vessel Calls: Trustee O'Rourke questioned why some of the vessels were logged in, but there was no invoice. After all discussion was heard and questions answered on how dockage was being calculated between working vessels and lay ships, *no official action was taken on this agenda item.*

F.7 Discuss and Consider for Approval Changes to the Construction Contract between the Board of Trustees of the Galveston Wharves and David E Harvey Builders, Inc. Contract Services for Pier 10 Redevelopment Roadways, Drainage, Illumination and Traffic Signal to Increase the Amount Payable Under the Contract by an Additional \$1000,000.00 to an Amount Not to Exceed \$3,061,260.55: Mr. Thomas briefed the Trustees on the recommended changes to the construction contract between the Board of Trustees and David E Harvey Builders, Inc. for contract services for Pier 10 Redevelopment Roadways, Drainage, Illumination and Traffic Signal, asking that the Trustees approve the increasing amount payable under the contract by an additional \$100,000.00, to a total amount not to exceed \$3,061,260.55, *Trustee Lidstone moved, with the second of Trustee O'Rourke, to approve staff's recommendation as presented. Motion unanimously carried.*

F.8 Discuss and Consider Easement for Electrical Distribution Facilities with CenterPoint Energy as Necessary for the City of Galveston 18th Street Storm Sewer Improvements Project: *Trustee/Mayor Brown moved, with the second of Trustee O'Rourke, to approve the Easement for Electrical Distribution Facilities with CenterPoint Energy as Necessary for the City of Galveston's 18th Street Storm Sewer Improvements Project. Motion unanimously carried.*

F.9 Discuss and Consider Agreement Between the Board of Trustees of the Galveston Wharves and Communities Strategies, LLC: *Trustee/Mayor Brown moved to approve the Communities Strategies, LLC Agreement until December 31, 2022. Motion was seconded by Trustee O'Rourke. Motion unanimously carried.*

F.10 Discuss and Consider Legislative Agenda: The Port Director referenced the Draft Legislative Agenda that was provided to the Trustees in their notebooks, welcoming any input the Trustees may have on the Legislative Agenda. The Port Director stated that this item will be on the workshop agenda and brought back to the Board at a future meeting by year-end for adoption. *No Board action was required on this agenda item.*

F.11 Discuss and Consider Extending Consulting Agreement Between the Board of Trustees of the Galveston Wharves and Cuney, Edwards, Washington, and Associates (CEWA) Until December 31, 2022: *Trustee O'Rourke moved to retain the consulting agreement between the Board of Trustees of the Galveston Wharves and Cuney, Edwards, Washington, and Associates as is, at a \$4,000 per month to month fee, plus reimbursable expenses, and giving the Port Director the authority to go over the \$50,000 threshold until termination. Trustee Patterson seconded the motion. Motion unanimously carried.*

F.12 Discuss and Consider Approval of Lease of Retail Space at 2418 Strand Suite C.: Mr. De Leon briefed the Trustees on the retail space at the Transit Terminal, 2418 Strand Suite C. Mr. De Leon stated that the new tenants are a local small business owner that currently runs an art consignment store on Mechanic. Mr. De Leon stated that the small business owner supports over 300 local artists and craftsmen in the Galveston area. Mr. De Leon stated that rent would be \$3,000 monthly for the first year, with second and third-year options. *Trustee Lidstone moved, with the second of Vice Chairman Sullivan, to approve the lease of retail space at 2418 Strand Suite C. Motion unanimously carried.*

F.13 Consider and Approve Lease of Property at 1201 & 1228 Harborside: *Vice Chairman Sullivan moved to approve the lease of property at 1201 & 1228 Harborside as presented, authorizing the Port Director to negotiate additional extensions to the lease terms. Trustee O'Rourke seconded the motion.* Trustee O'Rourke asked the Port Director to let the Trustees know what outcome transpires. *Motion unanimously carried.*

F.14 Consider and Approve Purchase of the Parking Access and Revenue Equipment for Cruise Terminal 10: Upon completion of all discussion amongst the Trustee and staff, Trustee Patterson requested that in the future on request for proposals, that staff provide a summary document in the briefing material to the Trustees, who were on the committee, the thought process staff went through, pricing information, and scoring sheet... The over-all thought process that staff went through to get to the recommendation. *Trustee Patterson moved to accept staff's recommendation to approve the agreement with PSX and the purchase of the parking access and revenue equipment for cruise terminal 10, and to include in future briefing material a summary document, as noted in discussion, for request for proposals. Vice Chairman Sullivan seconded the motion. Motion carried with Trustee O'Rourke opposed.*

Chairman Maxwell called for comments from the Trustees.

Trustee Lidstone recognized and appreciated all the hard work staff does every month. Trustee Lidstone stated that she lives on the east-end of the island and got to drive her 95-year-old dad by the new cruise terminal, and how excited they are to see these things progress. Trustee Lidstone noted how hard staff is working, and really appreciates staff's responses to questions that the Trustees ask, and encourage staff to keep doing what they are doing.

Trustee O'Rourke had no comments.

Trustee Patterson added to Trustee Lidstone's comments, stating that he is very impressed with staff's strategic planning document and all the elements that go along with that. Trustee Patterson complemented the Safety Committee, and over-all of the diligent work of the staff. Trustee Patterson thanked Staff for all they do.

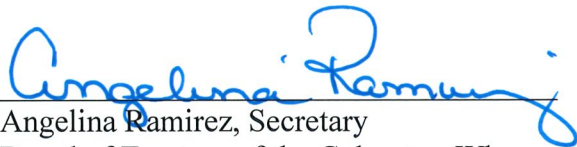
Trustee/Mayor Brown thanked Staff, and recognized that staff works very hard to provide all the information for each meeting, and Trustee/Mayor Brown appreciated all the information staff provides to give background and help in making decisions. Trustee/Mayor Brown is impressed with the strategic goals worksheet that was presented to the Trustees, and commended and thanked the Port Director on having a Workshop Meeting to discuss some of the future agenda items coming up. Trustee/Mayor Brown stated that the City is looking forward to an unbelievable busy summer on the island this year, including the Cruise Lines and the Port.

Vice Chairman Sullivan thanked Mr. Milutin, the Engineering staff, the Mayor, Labor, Private Industry, GEDP, Chamber of Commerce, JP Bryan, Pilots, and everybody who had a part in helping to get the channel extension completion project funded. Vice Chairman Sullivan also thanked Representative Randy Weber for the bipartisan letter, and the help from legislators from all over the country, as the Port of Galveston serves the mid-west. Vice Chairman Sullivan thanked Mr. Milutin again for being the voice of the project helping to get it funded. Vice Chairman Sullivan thanked the Port Director for his contribution to leading the project. Vice Chairman Sullivan stated that he was impressed with the financial results year to date. Vice Chairman Sullivan also thanked Senator Cruz and Senator Cornyn for their part on the project as well.

Chairman Maxwell thanked Mr. Milutin and his staff for bringing in \$801,000.00 of lay dockage last month. Chairman Maxwell stated that he's seen the revenue go up every year and appreciates everything that Mr. Milutin and his staff has done in making that happen.

Chairman Maxwell noted that the next Regular Monthly Meeting of the Board of Trustees will be held May 24, 2022, here in the Port's offices at 9:30 a.m., followed by the Finance Committee Meeting at 9:00 a.m.

On motion duly made and seconded, Chairman Maxwell adjourned the Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves at 2:21 p.m., Tuesday, April 19, 2022.


Angelina Ramirez, Secretary
Board of Trustees of the Galveston Wharves