

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

MINUTES - ITEM C-2

PREPARED BY: Angelina Ramirez Interim Secretary, Board of Trustees January 17, 2018

SUBJECT: Minutes – Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves held Monday, December 18, 2017

BACKGROUND: Attached are the minutes of the Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves held Monday, December 18, 2017.

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 Monday, December 18, 2017.

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
Monday, December 18, 2017**

Minutes of the Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves held Monday, December 18, 2017 in the offices of the Port of Galveston on the 8th Floor of the Shearn Moody Plaza, 123 Rosenberg, Galveston, Texas.

Chairman O'Rourke called the meeting to order at 10:01a.m., Monday, December 18, 2017.

The Secretary to the Board called roll.

Presiding Officer: E. L. "Ted" O'Rourke, Chairman, Board of Trustees

Present: Chairman E. L. "Ted" O'Rourke Vice Chair Albert P. Shannon
Trustee Elizabeth Beeton Trustee Richard DeVries
Trustee Jayson Levy (A) Trustee Todd Sullivan
Trustee/Mayor James D. Yarbrough (A)

Others: Peter Simons Anthony P. Brown
John G. Peterlin, III Roger Quiroga
Mark Murchison Humberto Leal
Nic Rac Laura Camcioglu
Erika Barragan Cristina Galego
Susan Klima Angie Ramirez
Judy K. Sponge

Chairman O'Rourke called for conflicts of interest on today's agenda items. As noted previously, Trustee Sullivan declared a standing conflict with his interests in Callan Marine, and Trustee Levy declared a standing conflict with his interests in Industrial Materials. Trustee Beeton stated that she may have a potential conflict on Katie's Seafood.

Members of the Board of Trustees, Port staff and Visitors to the Board Meeting recited the Pledge of Allegiance.

Chairman O'Rourke called for Presentations, asking Rear Admiral Mike Rodriguez, Superintendent at the Texas A&M Maritime Academy to please come forward for his presentation. Rear Admiral Rodriguez addressed the Trustees with very positive and informative suggestions on the Port's infrastructure needs, funding options, grants and MARAD contacts. The Chairman and Trustees expressed their thanks and appreciation to Rear Admiral Rodriguez for his impressive presentation. A copy of Rear Admiral Rodriguez's points presented to the Trustees is attached as part of these minutes.

Chairman O'Rourke called for approval of the minutes. *Trustee DeVries moved, with the second of Vice Chairman Shannon, to approve the minutes of the Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves held Monday, November 27,*

2017, Special Meeting of the Board of Trustees held Thursday, November 30, 2017 (10 a.m.), and Thursday, November 30, 2017 (4 p.m.), and Special Meeting of the Board of Trustees of the Galveston Wharves held Monday, December 11, 2017. Chairman O'Rourke noted a typo on Page 2, paragraph 5 of the minutes of December 11, 2017, wherein the Vice Chairman's name was incorrectly recorded, which would be changed to read Vice Chairman Shannon. Motion unanimously carried with the correction as noted.

Chairman O'Rourke called for the Port Director's Report. The Interim Port Director outlined the details of his report, noting financials, tonnages, and the other information that was provided to the Trustees in their notebooks. All comments and questions were addressed during consideration of the Port Director's Report. Mr. Simons recognized Branko Gligoric, and Brett Milutin on their exceptional efforts in the collection of storage fees.

Upon completion of all discussion, Chairman O'Rourke stated that no action by the Trustees was necessary on the Port Director's Report for November 2017.

Chairman O'Rourke called for the Consent Agenda.

Vice Chairman Shannon moved, with the second of Trustee DeVries for approval of Consent Agenda Items D-1 – Board and Staff Expense Report, D-2 – Financial Statements, D-3 - Port Investments Report, D-4 - Bank Reconciliation Report and Schedule of Internal Fund Balances, D-5 – Cash Flow as of November 30, 2017, D-6 - Monthly Delinquent Accounts Receivable Analysis, and D-7 - Vendor Check Register Report as submitted. No items requiring action by the Trustees were submitted under Item D-8 – Trade Development. Motion unanimously carried.

Chairman O'Rourke called for Business Items.

E-1 Discuss and Consider Removal of Victor Hernandez from the List of Persons Authorized to Conduct Banking and Investment Transactions with Respect to All Port Banking and Investment Accounts and Approval of a New List of Persons to Conduct these Transactions Effective January 1, 2018: *Vice Chairman Shannon moved, with the second of Trustee DeVries, to accept Port staff's recommendation to remove Victor Hernandez, who is retiring from the Port of Galveston effective December 31, 2017, from the list of persons authorized to conduct banking and investment transactions with respect to all Port banking and investment accounts, and to approve the list identifying the positions and the individuals currently holding such positions authorized to conduct all Port banking and investment transactions.*

The persons authorized to conduct banking and investment transactions with respect to all Port Banking and Investment Accounts include Rodger Rees, Port Director (effective January 16, 2017); Peter Simons, Deputy Port Director and President GPFC; John Peterlin, Senior Director of Marketing and Administration; Mark Murchison, Director of Finance, Treasurer-Port of Galveston, Treasurer-GPFC; Roger Quiroga, Director of Economic

Development and External Affairs; Laura Camciolgu (effective 1/1/2018) Director of Administration; Erika Barragan (effective 1/1/2018) Controller.

Motion unanimously carried.

E-2 Discuss and Consider Results of the Preliminary Design Phase for the Port of Galveston Slip 12 Fill Project: *Chairman O'Rourke announced that this agenda item is being deferred.*

E-3 Discuss and Consider Approval of a Proposal by AECOM for an Amount Not to Exceed \$107,600.00 for the Engineering Design and Construction Support Services for the Carnival VISTA CT1 Building Improvements: Mr. Simons stated that the building improvements that AECOM will be designing is one of the projects that will be brought to the City's Industrial Development Corporation for possible funding. The Interim Port Director also noted that this item comes under the Professional Services Agreement with AECOM.

After all discussion was heard and questions answered, Trustee Beeton moved, with the second of Vice Chairman Shannon, to accept the recommendation of Port staff and approve the MSA with AECOM in an amount not to exceed \$107,600.00. Motion unanimously carried.

E-4 Discuss and Consider Approval of the Renewal of Stevedore Licenses of Existing Licensed Stevedores: Port staff reviewed the renewals with the Trustees and referenced the renewal of licenses for CY2018 chart that was furnished to the Trustees in their notebooks.

Trustee DeVries moved, with the second of Vice Chairman Shannon, to approve the renewal of the stevedore licenses for CY2018 for Ceres Gulf, Inc., Cooper/Ports America, James J. Flanagan Shipping Corporation, Gulf Stevedoring Services, LLC, Metro Cruise Services, LLC, Ports America Texas, Inc., Suderman Contracting Stevedores, Inc. and United Stevedoring of America dba Hallmark Stevedoring Company, contingent upon the companies confirming their insurance and updating their Insurance Certificate to meet requirements requested by the Port's insurance consultant, Charles Comiskey, no later than December 31, 2017. Motion unanimously carried.

E-5 Discuss and Consider Election of Secretary of the Board of Trustees of the Galveston Wharves: *Trustee Beeton moved, with the second of Trustee Sullivan, to approve Angelina Ramirez to serve as Secretary to the Board on an interim basis between now and June 1, 2018 or until a successor is elected. Motion unanimously carried.*

E-6 Discuss and Consider Change in Date of the January 22, 2018 Regular Monthly Meeting to Monday, January 29, 2018: After discussion was heard on this agenda item, *Trustee DeVries moved, to approve the move of the January 22, 2018 Regular Monthly Board Meeting to Tuesday, January 30, 2018, the May 28, 2018 Regular Monthly Board Meeting to Monday, May 21, 2018, and the December 24, 2018 Regular Monthly Meeting to Monday, December 17, 2018.* Chairman O'Rourke

suggested considering any other changes of moving the Regular Monthly meetings after the first of the year. Trustee Beeton asked to consider moving the November 26, 2018 to November 12, 2018. *Trustee DeVries amended his motion to go thru the proposed dates until June 25, 2018, then reassess at that time future dates to coincide with the budget. Motion was seconded by Trustee Sullivan and unanimously carried.*

E-7 Discuss and Consider Resolution in Support of the Pelican Island Land Bridge: After hearing discussion among the Trustees, *Chairman O'Rourke announced that this item would be deferred until the February 2018 Board Meeting when the Trustees will receive more substantial information.*

Chairman O'Rourke announced that the Trustees were going into Executive Session pursuant to Texas Government Code Section 551.071- Consultation with Attorney, Section 551.072 – Real Property, Section 551.074 – Personnel, and Section 551.087 – Economic Development Negotiation.

The time was 11:14 a.m., Monday, December 18, 2017.

Chairman O'Rourke convened the Executive Session at 11:21 a.m. on Monday, December 18, 2017.

Chairman O'Rourke adjourned the Executive Session at 12:30 p.m., Monday, December 18, 2017.

Chairman O'Rourke reconvened the meeting at 12:35 p.m., Monday, December 18, 2017.

Chairman O'Rourke called for the remainder of the Business Items.

Chairman O'Rourke noted that Trustee Sullivan would have to leave the meeting shortly, noting that he would like to have Trustee Sullivan present for the vote on Agenda Item E-11. All Trustees were agreeable to moving Agenda Item E-11 forward prior to Trustee Sullivan's departure.

E-11 Discuss and Consider One-Time Adjustment to Pay for Port Employees for Prospective Services: *Trustee DeVries moved, with the second of both Vice Chairman Shannon and Trustee Sullivan, to approve Port staff's recommendation of a compensation adjustment for Port employees for prospective services as outlined to the Trustees in the Board notebooks. Motion unanimously carried.*

E-8 Discuss and Consider the Tenth Amendment to the Lease Agreement between the Board of Trustees of the Galveston Wharves and Marine Spill Response Corporation for one additional year effective January 1, 2018: *Trustee Beeton moved, with the second of Vice Chairman Shannon, to approve the Tenth Amendment to the Operating Agreement between the Board of Trustees of the Galveston Wharves and Marine Spill Response Corporation (MSRC) extending the term for an additional one-year period as recommended by Port staff. Motion unanimously carried.*

E-9 Discuss and Consider Lease Agreement Between the Board of Trustees of the Galveston Wharves and Ports America Texas, Inc. to Lease Approximately 11,614 Square Feet of West End Port Property for a Three-Year Term: *Vice Chairman Shannon moved, with the second of Trustee Beeton, to approve the Agreement with Ports America Texas, Inc. to lease approximately 11,614 square feet of west-end Port property for a two-year term as recommended by Port staff. Motion unanimously carried.*

E-10 Discuss and Consider Lease Agreement Between the Board of Trustees of the Galveston Wharves and Katie's Seafood, Inc. to Lease Approximately 5,216 sq. ft. of Net Rentable Area to Katie's Seafood, Inc. for the Operation of a Restaurant at the Former Joe's Crab Shack Facility: *Vice Chairman Shannon moved, with the second of Trustee DeVries, to approve the Agreement with Katie's Seafood, Inc. to lease approximately 5,216 square feet of net rentable area for the operation of a restaurant at the former Joe's Crab Shack facility with the Port attorney to work with Port staff and the representatives of Katie's Seafood to finalize all details. Motion carried, with Trustee Beeton abstaining from vote.*

Chairman O'Rourke noted that the next meeting of the Board of Trustees would be held on Tuesday, January 30, 2018 with the Finance Committee to begin at 8:30 a.m., and the Regular Monthly Meeting to follow the Finance Committee at 9:15 a.m. on January 30, 2018.

Vice Chairman Shannon noted that the Port of Call Committee met on November 29, 2017 with Peter Simons and Kelly de Schaun volunteering to put together a business plan for the Port of Call Committee. Vice Chairman Shannon noted that Franklin Carnes has offered the Galveston Limo Service to possibly be included in plans for the Port of Call Committee, and the Vice Chairman advised that Mr. Carnes is interested in helping with future excursions for cruise ship passengers.

The Vice Chairman noted that while the port of calls may not bring a lot of business to the Port of Galveston, they would be of benefit to the retail businesses and get the cruise passengers familiar with Galveston and will help local and generate jobs on Galveston.

Trustee DeVries noted and appreciated all the devoted time and outstanding work Mrs. Judy Sponge has given to the Port, and stated how much she will truly be missed!


Trustee DeVries welcomed the new Director of Administration, Mrs. Camcioglu to the Port, and wished everyone Happy Holidays.

Chairman O'Rourke appointed Laura Camcioglu, the Director of Administration to the Pension Committee, and welcomed her to the Port of Galveston.

Chairman O'Rourke read a personal letter from Trustee/Mayor Yarbrough commending Mrs. Judy Sponge for 33 ½ years of exceptional service to the Port of Galveston. He also presented her with a memento in appreciation for her commitment to the Board and the Port's employees.

Chairman O'Rourke reminded Vice Chairman Shannon to make sure that Mr. Stefano Borzone, President of Metro Cruise Services, will be invited to the Port of Call meetings.

On motion duly made and seconded, Chairman O'Rourke adjourned the Regular Monthly Meeting of the Board of Trustees of the Galveston Wharves at 12:48 p.m. on Monday, December 18, 2017.


Angelina Ramirez, Interim Secretary
Board of Trustees of the Galveston Wharves

<p>Ports and Infrastructure: The Federal Government is beginning to get shipping and that leads to an understanding of infrastructure.</p> <p>* Back to the future: recognizing need to catch up on investment in maritime infrastructure</p> <ol style="list-style-type: none">1) Federal grant programs extended to maritime and intermodal projects (TIGER)2) MARAD: StrongPorts program3) OBAMA: <i>Fostering Advancements in Shipping and Transportation for the Long-Term Achievement of National Efficiencies</i> (FASTLANE) grants.4) TRUMP: <i>Infrastructure Rebuilding America</i> (INFRA) grants <p>* I think the bottom line is there will always be a Federal role in infrastructure.</p> <p>Public good/Economic wellbeing</p> <p>Decisions on transportation projects are made on the local level. Federal government provides</p> <ol style="list-style-type: none">1) Funding2) Research support3) Must build resilience into our systems	<p>Fixing America's Surface Transportation (FAST) Act (Pub. L. No. 114-94)</p> <p>Established National Policy related to freight transportation infrastructure ...</p> <p>NATIONAL MULTI-MODAL FREIGHT NETWORK</p> <p><i>Shipping lanes and Marine Highways included!</i></p> <p>GOALS</p> <ul style="list-style-type: none">* Improve the condition and performance of the national freight network and* Support investment in freight-related surface transportation projects <p>Encourages</p> <ul style="list-style-type: none">* State Freight Advisory Boards <p>Requires</p> <ul style="list-style-type: none">* State Freight Plans (<i>Texas Freight Mobility Plan</i>) <p>FEDERAL GRANTS</p> <p>5-year, apportioned funding certainty (2016-2020)</p> <p>National Highway Freight Plan:</p> <p>Highway focused but up to 10% for rail/intermodal/port projects</p>
<p><u>Planning and Performance</u></p> <p>More consultation and participation</p> <p>New considerations</p> <ul style="list-style-type: none">* Resiliency* stormwater mitigation* travel/tourism <hr/> <p>CONTACT at MARAD</p> <p>Brian Hill Western Gulf Gateway Director/Houston brian.p.hill@dot.gov Office: (713) 272-2864 Mobile: (281) 635-0785</p> <hr/> <p><u>TIGER VIII</u></p> <p>\$500 million announced 9/7/2017 – discretionary \$</p> <p>Deadline was 10/16/2017</p> <p>Transportation Investment Generating Economic Recovery</p> <ul style="list-style-type: none">* \$5-25 million/significant impact on region/webinar <p>Port Canaveral TIGER VIII application</p> <ul style="list-style-type: none">* Inland Port Logistics Center Road Improvements	<p><u>Other Provisions</u></p> <ul style="list-style-type: none">* Allows bundling of bridge projects into one project! <p><u>Update from MARAD</u></p> <ul style="list-style-type: none">* Marine Highway growth is still a priority –new Marine Highway Project getting ready to start between Freeport and Houston bringing containers with resins.* TIGER VIII grants this year, and they are being reviewed right now.* FAST ACT grant announcement (INFRA Grants) and they should start being reviewed soon. Several ports in Texas applied for both TIGER and INFRA.* TIFIA loans are now available to ports* RIFIA loans for rail projects – several local ports are considering applying.- 100% financing- Low interest- Repayment up to 40 years- No payments for 5 years post construction.