

POHA September 19, 2024

The Commissioners of the Port of Harlingen Authority (POH) met in a regularly scheduled session on Thursday September 19, 2024 at 12:00 PM at the Port's Administration Office located at 24633 Port Road, Harlingen, Texas, 78550.

COMMISSIONERS PRESENT: Rose Snell – Commissioner, Place 1
Neil Haman – Commissioner, Place 2
Alan Johnson – Chairman, Place 3
Chris Villarreal – Commissioner, Place 4
Ryan Newman – Commissioner, Place 5

PORT STAFF PRESENT: Walker Smith – Port Director
Robert McDonald – Chief Financial Officer (remote)
Amy Lynch – Director of Marketing & Public Relations
Anne Jimenez - Receptionist (remote)

OTHERS PRESENT: Chris Boswell – Port Attorney
Sean Brashear – RGV Sugar Growers
Armando Briones, Jr – RGV Sugar Growers
Mark Barnard – Coastal Realty
Chris Knoll – TxDOT Maritime Division

A. Meeting called to order at 12:16 pm.

Declaration of conflicts of interest: None.

B. 1. **Item:** PUBLIC COMMENTS

2. **Issue:** To hear public comments, if any.

3. **Discussion:** There were no public comments.

4. **Action Taken:** None.

C. 1. **Item:** APPROVAL OF VOUCHERS

2. **Issue:** To review the vouchers for approval.

3. **Discussion:** There was no discussion regarding the vouchers.

4. **Action Taken:** On a motion by Mr. Haman and seconded by Mrs. Snell, the Commissioners voted unanimously to approve the vouchers.

D. 1. **Item:** APPROVAL OF MINUTES & CERTIFIED AGENDA FOR THE MEETING ON SEPTEMBER 5, 2024

2. **Issue:** To review the corresponding minutes.

3. **Discussion:** There was no discussion regarding the minutes.

4. **Action Taken:** On a motion by Mr. Haman and seconded by Mr. Newman, the

Commission voted unanimously to approve the minutes & certified agenda for the meeting on September 5, 2024.

E. 1. **Item:** CONSIDERATION AND POSSIBLE ACTION REGARDING THE AUGUST FINANCIAL, OPERATIONS AND CAPITAL PROJECTS REPORTS

2. **Issue:** To review and approve the reports.
3. **Discussion:** Regarding the A/R Aging Summary, Mr. McDonald noted that NuStar has a high outstanding balance but has paid it since the report was generated. Regarding the P&L Budget Performance, Mr. McDonald stated that the Port is still under budget in income. He also stated that expenses are also under budget. The expenses will be about \$300,000 under budget for the year. Regarding the Tonnage report, Mr. McDonald said the Port should finish the fiscal year above 2 million overall tons. Mr. Smith gave an update on all the capital projects.
4. **Action Taken:** On a motion by Mr. Newman and seconded by Mr. Haman, the Commissioners voted unanimously to approve the August reports: Tonnage, A/R Aging Summary, Balance Sheet, Profit Loss Budget Performance, and the Master Plan Progress Report.

F. 1. **Item:** PORT DIRECTOR'S REPORT AND DISCUSSION

2. **Issue:** To hear updates regarding various projects.
3. **Discussion:** Mr. Smith reported on a new issue with the fuel trucks going to Mexico. He also told the Commission about a senate hearing on border security that just took place in which the DPS was negatively reporting about the fuel trucks' operations.
4. **Action Taken:** This was for discussion only.

G. 1. **Item:** CFO'S REPORT AND DISCUSSION

2. **Issue:** FM 1595 Note Maturity.
3. **Discussion:** The item was passed by the staff until the next meeting and there was no discussion.
4. **Action Taken:** This was for discussion only.

H. 1. **Item:** PR & MARKETING DIRECTOR'S REPORT AND DISCUSSION

2. **Issue:** To hear updates regarding various projects.
3. **Discussion:** Mrs. Lynch reported that the Port on the Excellence in PR award with the AAPA and will be presented at the conference in Boston.
4. **Action Taken:** This was for discussion only.

- I. 1. **Item:** CONSIDERATION AND POSSIBLE APPROVAL OF AMENDING THE FY 23-24 OPERATIONS BUDGET
2. **Issue:** There were some amendments made by CFO Mr. McDonald.
 3. **Discussion:** Mr. McDonald said that he changed some minor things. The computer expense budget increased by \$3000. He also amended a few other expenses which increased the overall expense budget by \$4000.
 4. **Action Taken:** On a motion by Mr. Haman and seconded by Mr. Villarreal, the Commission voted unanimously to approve the FY 23-24 Budget with the new amendments.
- J. 1. **Item:** DISCUSSION REGARDING SCP88 PROJECTS FM 106 & 509 INTERSECTION, FM 106 RAIL CROSSING & FM 1846
2. **Issue:** The SCP88 projects have changed in cost and the Port needs to adjust its plans.
 3. **Discussion:** Mr. Smith said that after the Port had been awarded funding through TxDOT's Seaport Connectivity Program in August 2023 to do various lighting and drainage projects, the projects were stalled based on TxDOT Pharr District changing its guidelines for the design and specifications. After TxDOT Pharr had new designs generated, the cost estimates for the projects increased from \$4 million to \$7 million which in turn increased the Port's overall match amount. Mr. Smith said that he requested to remove one of the projects that was not as urgent as the others. Meanwhile, Chris Knoll of TxDOT Maritime Division began searching for additional funding to help offset the total amount that the Port would have to match.
 4. **Action Taken:** This was for discussion only.

The Commission entered the executive session authorized by Chapters 551.071 & 551.072 at 1:05 PM. They came out of the executive session at 2:07 PM. A Certified Agenda for the executive session is on file.

- K. 1. **Item:** CONSIDERATION AND POSSIBLE APPROVAL OF THE FY 24-25 OPERATIONS BUDGET
2. **Issue:** To review and discuss the FY 24-25 budget.
 3. **Discussion:** Mr. McDonald said that the tax revenue would not be available until October 1 to be able to add to the budget.
 4. **Action Taken:** On a motion by Mr. Haman and seconded by Mrs. Snell, the Commission voted unanimously to approve the FY 24-25 Budget subject to the tax revenue amount being added on October 1.

There being no further business, the meeting was adjourned at 2:10 PM.

ATTEST:



Alan Johnson, Chairman



Chris Villarreal, Secretary