



PORT COMMISSION MEETING

November 13, 2023 – AGENDA



Monday, November 13, 2023
PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

9:15 a.m.
111 East Loop North
Houston, TX 77029
Fourth Floor Boardroom
And Via WebEx

A. CALL TO ORDER

B. OPENING REMARKS BY CHAIRMAN AND COMMISSIONERS

1. Governance, legislative, policy, operational, and community matters

C. STAFF REPORTS

1. Summary of selected financial and operational matters
2. 2023 ES2G Report - Rich Byrnes, Chief Infrastructure Officer

D. APPEARANCES

1. Public Comment

E. FINANCE

Staff Report – Selected agenda items – Tim Finley, Chief Financial Officer

General

1. Consideration and possible action regarding the proposed Fiscal Year 2024 Operating and Capital Budget.
2. Staff briefing, discussion, and possible action regarding the proposed Five Year Operating and Capital Plan.

F. OPERATIONS

Staff Report – Selected agenda item – Jeff Davis, Chief Port Operations Officer

General

1. Approve increases in Port Authority tariff charges, including dockage, wharfage, throughput charges, container storage rates, container crane and private crane rental rates, water hookup rates, freight handling rates, and miscellaneous other charges as follows: (i) increases equal to the 3.2% increase in the Consumer Price Index average for the 12-month period ending July 2023, as published by the U.S. Bureau of Labor Statistics, for Tariff 14 (Barbours Cut Container Terminal) and Tariff 15 (Bayport Container Terminal); (ii) increases equal to a 3.2% for Tariff 8 (Houston Ship Channel and Public Owned Wharves), and (iii) increases equal to 3.2% for the Harbor Fee, such increased charges to be included and published in Port Authority Tariff Nos. 8, 14, and 15 effective January 1, 2024.

G. RECESS OPEN MEETING AND CONVENE EXECUTIVE SESSION

1. Consultation with Attorneys (Section 551.071, Texas Open Meetings Act), including consultations regarding (i) Port of Houston Authority v. Louis Dreyfus Company Houston Export Elevator LLC, in the Southern District of Texas, and (ii) Port of Houston Authority v. Ootzie Properties-Hou, LLC
2. Real Estate (Section 551.072, Texas Open Meeting Act), including disposition of Turning Basin Terminal property
3. Economic Development Negotiations or Incentives (Section 551.087, Texas Open Meetings Act)
4. Employment and Evaluation of Public Employees (Section 551.074, Texas Open Meetings Act)
5. Security-Related Matters (Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act)
6. Adjourn Executive Session

H. RECONVENE OPEN MEETING

1. Announce any items from Executive Session requiring Port Commission action

I. CLOSING REMARKS BY CHAIRMAN AND COMMISSIONERS

1. Governance, legislative, policy, operational, and community matters

J. ADJOURN MEETING

1. Next Meeting Requested - December 12, 2023
2. Adjourn Port Commission Meeting

E. FINANCE

Subject **1. Consideration and possible action regarding the proposed Fiscal Year 2024 Operating and Capital Budget.**

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Access Public

Type Action

Recommended Action The Port Commission, at its November 13, 2023 meeting, consider and take possible action regarding the proposed Operating and Capital Budget for Fiscal Year 2024, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Finance

Staff Contact:

David Jochnau/Tim Finley

Background:

The Special District Local Laws Code includes the following requirements:

Sec. 5007.223. BUDGET. The port commission shall annually adopt a budget for the authority in an open meeting.

Sec. 5007.224. ONE-YEAR CAPITAL PLAN.

a. Appropriate staff shall develop a one-year capital plan, including associated financing that is integrated with the budget of the authority.

b. The Port Commission shall adopt the one-year capital plan in an open meeting.

c. The Port Commission shall establish and document a detailed process for the analysis and approval of a project proposed for inclusion in the one-year capital plan. A project may be included in the one- year capital plan only if it is approved in accordance with that process.

A proposed Operating Budget has been developed by staff to guide it in the operation and management of Port Authority facilities and activities for Fiscal Year 2024. In addition, staff has followed its standard process for review and analysis of capital projects and prepared a proposed 2024 Capital Budget to address the most urgent infrastructure needs in line with the Port Authority's strategic direction, and as required by law.

Staff Evaluation/Justification:

In accordance with its Strategic Planning Policy, the Port Authority has made available to the public by posting on its website the proposed Fiscal Year 2024 Operating and Capital Budget at least seventy-two hours prior to this meeting.

Staff recommends that the proposed Operating and Capital Budget be adopted for Fiscal Year 2024.

E. FINANCE

Subject 2. Staff briefing, discussion, and possible action regarding the proposed Five Year Operating and Capital Plan.

Meeting Nov 13, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its November 13, 2023 meeting, conduct a staff briefing, and discussion, and take possible action regarding the proposed Five Year Operating and Capital Plan, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Finance

Staff Contact:

David Jochnau/Tim Finley

Background:

The Special District Local Laws Code includes the following requirements:

Sec. 5007.222. MID-RANGE PLANNING.

a. Appropriate staff shall develop a mid-range plan consistent with the long-range plan.

The mid-range plan must include:

1. a five-year financial forecast addressing the financial needs and financing options of the authority for the five-year period, with information about the relative cost of the options;
2. a five-year capital plan, including a preliminary analysis and prioritization of projects; and
3. other detailed action plans as the port commission or staff finds necessary to achieve the goals of the mid-range plan or long-range plan.

b. Staff shall present the mid-range plan in an open meeting of the Port Commission. The Port Commission is not required to adopt a mid-range plan.

A proposed Five-year Operating and Capital Plan has been developed by staff for the year 2024-2028 as required by law

Staff Evaluation/Justification:

In accordance with its Strategic Planning Policy, the Port Authority has made available to the public by posting on its website the proposed Five-Year Operating and Capital Plan at least seventy-two hours prior to this meeting, and staff requests that the Port Commission review this item.

F. OPERATIONS

Subject 1. Approve increases in Port Authority tariff charges, including dockage, wharfage, throughput charges, container storage rates, container crane and private crane rental rates, water hookup rates, freight handling rates, and miscellaneous other charges as follows: (i) increases equal to the 3.2% increase in the Consumer Price Index average for the 12-month period ending July 2023, as published by the U.S. Bureau of Labor Statistics, for Tariff 14 (Barbours Cut Container Terminal) and Tariff 15 (Bayport Container Terminal); (ii) increases equal to a 3.2% for Tariff 8 (Houston Ship Channel and Public Owned Wharves), and (iii) increases equal to 3.2% for the Harbor Fee, such increased charges to be included and published in Port Authority Tariff Nos. 8, 14, and 15 effective January 1, 2024.

Meeting Nov 13, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its November 13, 2023 meeting, approve increases in Port Authority tariff charges, including dockage, wharfage, throughput charges, container storage rates, container crane and private crane rental rates, water hookup rates, freight handling rates, and miscellaneous other charges as follows: (i) increases equal to the 3.2% increase in the Consumer Price Index average for the 12-month period ending July 2023, as published by the U.S. Bureau of Labor Statistics, for Tariff 14 (Barbours Cut Container Terminal) and Tariff 15 (Bayport Container Terminal); (ii) increases equal to a 3.2% for Tariff 8 (Houston Ship Channel and Public Owned Wharves), and (iii) increases equal to 3.2% for the Harbor Fee, such increased charges to be included and published in Port Authority Tariff Nos. 8, 14, and 15 effective January 1, 2024, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Operations

Staff Contact:

Jeff Davis

Background:

Port Authority operations must remain cost effective to meet the increasing demands of the maritime trades. Staff anticipates that the cost of operations, including third-party expenses, would in general continue to increase in 2024, as reported by the change in the Consumer Price Index (CPI) for All Urban Consumers (CPI-U), United States city average, measured over a twelve-month period.

Staff Evaluation/Justification:

In view of escalating costs and expense increases and recognizing the need to keep Port Authority terminals competitive and operating at compensatory levels to meet the ever-increasing demands of the maritime trades, staff has determined that it is advisable to implement increases in certain tariff charges, including dockage, wharfage, throughput charges, container storage rates, container crane and private crane rental rates, water hookup rates, freight handling rates, and miscellaneous other rates. These 3.2% increases for the container handling facilities, equal to the CPI increase, and 3.2% increases for certain other Tariff 8 fees, including those applicable to the Multi-Purpose facilities, should enable the Port Authority to maintain its facilities and services as a competitive port and continue to meet the needs of its customers.

Staff is also requesting a 3.2% increase in the Harbor Fee per vessel charge provided for in Tariff 8, to continue to permit a fee that is both reasonable and compensates the Port Authority for its administrative expenses relating to safety, fire prevention, and suppression.

Staff recommends the Port Commission approve the above tariff charge increases, to take effect January 1, 2024.