

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS

August 14, 2017

Minute No.

Event/Action

General

Chairman Longoria convened the meeting of the Port Commission

Executive

2017-0814-01 Award a contract for group medical insurance coverage for Port Authority active employees, retirees who are not Medicare-eligible, and dependents to Aetna Life Insurance Company for a one-year period commencing January 1, 2018

2017-0814-02 Amend the previously approved purchase order to SHI Government Solutions, Inc. to change the cooperative purchase program used from the State of Texas Department of Information Resources (DIR) to the Local Government Purchasing Cooperative's BuyBoard, for annual renewal of Mimecast email management software maintenance and support (*There is no change to the purchase order amount approved by Minute No. 2017-0725-40*)

Recess Open Meeting and Convene Executive Session

Reconvene Open Meeting

2017-0814-03 Motion to authorize the Port Authority to act to potentially acquire property in the vicinity of Bayport Terminal on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing

Adjourn Meeting

**Port of Houston Authority
Port Commission Special Public Meeting**

**Houston, Texas
August 14, 2017**

A special meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on August 14, 2017 at 9:30 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following Commissioners and staff were present:

Janiece Longoria, Chairman
Clyde E. Fitzgerald, Commissioner
John D. Kennedy, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer

Chairman Longoria called the special meeting of the Port Commission to order, noted she had no remarks, and moved on to the agenda.

The Port Commission then considered each Request for Port Commission Action (“RCA”) attached to these minutes as Exhibit “A.”

(2017-0814-01) RCA B1 was presented, moved by Commissioner Kennedy, seconded by Commissioner Fitzgerald.

Commissioner Mease asked for clarification regarding the insurance options between Aetna and Kelsey for Port Authority employees . Mr. Heidt responded that a dual proposal was being presented to the Port Commission, meaning employees would could stay with Aetna or use Kelsey-Seybold.

Commissioner Fitzgerald asked about co-payments; Mr. Heidt replied that these would remain the same on both programs. He added that if employees decide to stay with Aetna, rates will increase by 10%, and there will be a \$250 deductible per year per person, with a \$500 per family maximum. Employees who choose Kelsey-Seybold will have no increase in current premiums nor changes to any other fee structures.

Chairman Longoria thanked Tom Heidt, Bruce Birdwell, Jessica Shaver, and others for their efforts in negotiating these insurance rates for Port Authority employees, especially in a time that healthcare is in significant flux.

Chairman Longoria asked if there were any comments; Mr. Guenther agreed that staff did a great job and that the dual plan would be very accommodating for employees.

Chairman Longoria noted that Commissioner DonCarlos was out of town and unable to attend, Commissioner Branch was not feeling well, and Commissioner Corgey had an attendance conflict that he could not resolve. She added that Commissioner Corgey

stated that he was in favor of this proposal but that she had not had an opportunity to speak with Commissioner Branch or Commissioner DonCarlos.

Mr. Guenther stated that he spoke with Commissioner DonCarlos but not with Commissioner Branch. He added that the information regarding the proposal was distributed and there had been no opposition.

Mr. Heidt noted that this matter had a time element involved, as the internal communication process to inform Port Authority employees must begin soon. He stated that requesting additional proposals from insurance companies would not be in the Port Authority's interest: it would not be able to obtain another contract as favorable as the current proposal in question. Mr. Heidt stated that over the last two years, the Port Authority had loss ratios of 103% and 115%, meaning for every dollar the Port Authority paid to it, the insurance company had to pay out more than that amount. If this proposal was presented to companies other than Aetna, charges for the loss ratios would be included in their proposals.

Commissioner Fitzgerald thanked Tom Heidt, Jessica Shaver, and Bruce Birdwell and the rest of the staff for their efforts in negotiating this contract and added that he supports looking out for the employees as much as possible, especially when the Port Authority is doing well.

Commissioner Kennedy agreed with Commissioner Fitzgerald, but added that healthcare in our country is a huge issue and the premium per employee is a lot to pay on an annual basis, and could raise potential issues of sustainability for the Port Authority.

Chairman Longoria, and Commissioners Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA B1 PASSED.

(2017-0814-02) RCA B2 was presented. Chairman Longoria asked for an explanation of the item; Mr. Eriksson responded.

Chairman Longoria clarified that this item was to amend a previously-approved purchase order to SHI Government Solutions, Inc. in the amount of \$60,000, to correct the clerical error regarding the named cooperative purchasing program, from the State of Texas Department of Information Resources (DIR) to the Local Government Purchasing Cooperative's BuyBoard, adding no additional funds, for the annual renewal of Mimecast email management software maintenance and support.

Commissioner Kennedy moved, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA B2 PASSED.

At 9:44 a.m., Chairman Longoria recessed the public meeting and instructed Mr. Eriksson to make the following announcement:

It is now 9:44 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code, (i) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*); to deliberate regarding (ii) Real Estate (*Section 551.072, Texas Open Meetings Act*), including deliberations regarding acquisition of Bayport area real property; (iii) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (iv) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*), including deliberations regarding public employees; and (v) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

Immediately thereafter the Port Commission retired into closed session.

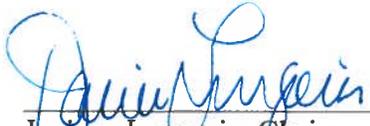
At 9:56 a.m., Chairman Longoria reconvened the open meeting at the Port of Houston Authority Executive Office Boardroom, at 111 East Loop North, Houston, Texas 77029, with the following Commissioners and staff in attendance:

Janiece Longoria, Chairman
Clyde E. Fitzgerald, Commissioner
John D. Kennedy, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer

(2017-0814-03) Commissioner Kennedy moved to authorize the Port Authority to act to potentially acquire property in the vicinity of Bayport Terminal on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Fitzgerald, Kennedy and Mease voted Aye. Nays none. MOTION PASSED.

At 9:57 a.m., Chairman Longoria adjourned the special meeting.

The above is a correct copy of the Minutes of the August 14, 2017 special meeting of the Port Commission of the Port of Houston Authority.



Janiece Longoria, Chairman



Erik A. Eriksson, Assistant Secretary

B. EXECUTIVE

Subject	1. Award a contract for group medical insurance coverage for Port Authority active employees, retirees who are not Medicare-eligible, and dependents to Aetna Life Insurance Company, in an amount not to exceed \$15,056,107, for a one-year period commencing January 1, 2018.
Meeting	Aug 14, 2017 - SPECIAL PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its August 14, 2017 meeting: (a) authorize the award of a contract for group medical insurance coverage to Aetna Life Insurance Company, in an amount not to exceed \$15,056,107, for the Port Authority's active employees, retirees who are not Medicare-eligible, and eligible dependents, for a one-year period commencing January 1, 2018, with the Port Authority contributing 82% of the cost for active employees and their eligible dependents, and 100% of the cost for eligible retirees who are not Medicare-eligible and their eligible dependents; (b) authorize contract renewal negotiations with the insurance carrier prior to contract expiration; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Jessica Shaver

Background:

By Minute No. 2016-0322-42, the Port Commission awarded a contract to McGriff, Seibels, and Williams, Inc. (McGriff), to provide employee benefits consulting services, including assisting in: development of requests for proposals (RFP) for group insurance coverage; evaluation of proposals; negotiation of renewal rates; and providing recommendations on provider selection.

By Minute No. 2016-0927-58, the Port Commission awarded a contract to Aetna Life Insurance Company for group medical insurance for active employees, pre-65 retirees, and dependents of the Port Authority in an amount not to exceed \$15,654,000, for a one-year period commencing January 1, 2017. This action also authorized contract renewal negotiations with the insurance carrier prior to contract expiration.

Accordingly, McGriff and staff began negotiations with Aetna Life Insurance Company for 2018 group medical coverage for Port Authority active employees, retirees who are not Medicare-eligible, and eligible dependents.

Staff Evaluation/Justification:

McGriff and Port Authority staff have negotiated renewals with Aetna Life Insurance Company for an Open Access Managed Choice \$250 Deductible plan and a KelseyCare Health Maintenance Organization (HMO) plan for a one-year period beginning January 1, 2018. The negotiated rates for 2018 would result in no change in the 2017 rate per participant for the KelseyCare HMO plan, and a 10% increase for the Open Access Managed Choice \$250 Deductible plan.

Staff recommends that the Port Commission award a contract to Aetna Life Insurance Company as described above. Staff additionally recommends that Port Commission authorize contract renewal negotiations with the insurance carrier prior to contract expiration, to better ascertain in advance the need to solicit proposals for the next contract year.

B. EXECUTIVE

Subject	2. Amend a previously approved purchase order in an amount not to exceed \$60,000 to SHI Government Solutions, Inc. for annual renewal of Mimecast email management software maintenance and support, to authorize the BuyBoard cooperative purchase program.
Meeting	Aug 14, 2017 - SPECIAL PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its August 14, 2017 meeting, authorize the Port Authority to amend its award made under Minute Number 2017-0725-40 to SHI Government Solutions, Inc. for annual renewal of Mimecast email management software maintenance and support, to revise the cooperative purchase program from the State of Texas Department of Information Resources (DIR) to The Local Government Purchasing Cooperative's BuyBoard, 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:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

By action taken in Minute No. 2017-0725-40, the Port Commission authorized awarding a purchase order in an amount not to exceed \$60,000 to SHI Government Solutions, Inc. (SHI) for annual renewal of Mimecast email management software maintenance and support, using the DIR cooperative purchasing agreement.

Staff has determined that SHI provides its annual renewal of Mimecast email management software maintenance and support under SHI's BuyBoard contract, and not under SHI's DIR contract, and therefore requests that the Port Commission authorize a revision to its previous award in order to change the cooperative program used.

The Local Government Purchasing Cooperative is an administrative agency of cooperating local governments authorized by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Port Commission by action taken in Minute 2006-1023-43 entered into an interlocal agreement with The Local Government Purchasing Cooperative to become a member participant and to utilize its BuyBoard electronic purchasing application.

Staff Evaluation/Justification:

SHI is a provider of Mimecast email management software and support, and offers these goods and services at a competitive price through its BuyBoard contract #498-15.

Accordingly, staff has determined that the price and availability for the annual renewal of Mimecast email management software maintenance and support as offered by SHI through its BuyBoard contract provides the best value to the Port Authority and therefore recommends that the Port Commission amend its previous award to use the BuyBoard cooperative instead of DIR.