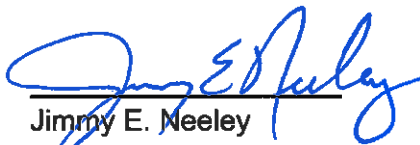
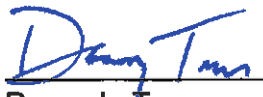
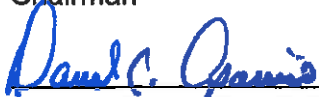




**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2020 M+O BUDGET**

Total Projected Cash Assets - 1 Jan 2020	\$	16,197,631
Total Revenue	\$	1,096,726
RESTRICTED FUNDS:		
Total M&O Expense	\$	(784,830)
Shortfall for Debt Service	\$	(16,010)
Total Capital Improvements	\$	(425,000)
TOTAL RESTRICTED FUNDS		<u>(1,225,840)</u>
Net Revenue after Budgeted Expenditures		<u>(129,114)</u>
Total Projected Cash Assets - 31 December 2020	\$	16,068,517
Total Committed Funds		<u>(10,732,056)</u>
Free Reserves	\$	<u>5,336,461</u>

APPROVED this 11th day of September, 2019.

 <hr style="border: 0; border-top: 1px solid black; margin: 0;"/> Jimmy E. Neeley Chairman	 <hr style="border: 0; border-top: 1px solid black; margin: 0;"/> Donny L. Tran Vice-Chairman
 <hr style="border: 0; border-top: 1px solid black; margin: 0;"/> David C. Aparicio Commissioner	 <hr style="border: 0; border-top: 1px solid black; margin: 0;"/> Victor L. Eggemeyer Commissioner



 Greg T. Seaman
 Secretary

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2020 M+O BUDGET**

REVENUE

Taxes @ Effective M&O Rate (\$0.01115)	\$ 124,818	
Lease & Rental Income	622,724	
Interest Income	301,418	
Other Revenue	<u>47,765</u>	
TOTAL M&O REVENUE		\$ 1,096,726

EXPENDITURES

Personnel Expense	(244,124)	
Operating Expenses	(136,542)	
Property & Equipment Maintenance & Repair	(192,500)	
Professional Fees and Services	(153,463)	
Marketing, Dues, Training & Staff Development	(43,200)	
Promotion & Development	<u>(15,000)</u>	
TOTAL M&O EXPENDITURES		(784,830)
SHORTFALL FOR DEBT SERVICE		(16,010)
TOTAL CAPITAL EXPENDITURES		(425,000)
TOTAL EXPENDITURES:		<u>\$ (129,114)</u>
TOTAL CASH FLOW:		<u><u>\$ (129,114)</u></u>

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2020 M+O BUDGET**

TAX REVENUE

TAXES

The following summary shows the tax revenue for the MCND #1 over the past two years and the projected total tax revenue for 2020 using the Effective M&O Tax Rate:

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Tax Base	\$1,160,983,870	\$1,095,935,005	\$1,119,441,141
Tax Rate - M&O	\$ 0.01046 (Effective M&O)	\$ 0.01105 (Effective M&O)	\$ 0.01115 (Effective M&O)
Tax Rate – I&S	<u>\$ 0.03428</u>	<u>\$ 0.03428</u>	<u>\$ 0.03436</u>
Total Rate	\$ 0.04474 (Effective)	\$ 0.04533 (Effective)	\$ 0.04551 (Proposed)
Tax Revenue – M&O	\$121,439	\$121,101	\$124,818
Tax Revenue – I&S	<u>\$397,985</u>	<u>\$375,687</u>	<u>\$384,640</u>
TOTAL TAX REVENUE	\$519,424	\$496,787	\$509,458

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2020 M+O BUDGET**

	<u>INCOME</u>		<u>SUBTOTAL</u>	<u>TOTAL</u>
TAX INCOME				
Tax Levy Income (Effective Rate @ \$0.01115)				124,818
LEASE & RENTAL INCOME				
Dock -				
TB#4 Bulkhead Dock - <u>2,708lf</u> @ \$4.00	129,984			
Bulkhead Dock - <u>7,819.2lf</u> @ \$3.00	281,491			
Wood Pier Dock - <u>803lf</u> @ \$2.85	27,463			
New TB#1 Bulkhead - <u>309lf</u> @ \$3.25	<u>12,051</u>		450,989	
Property -				
Commercial Land Rent	67,881			
Jensen Property - Pasture Lease	15,897			
Hay Leases (2)	672			
Turning Basin #4 Land	-			
Port Commercial Center	-			
Brooking Property	<u>-</u>		84,450	
Commercial Buildings -				
Gar Shrimp - Former Maint Bldg.	18,000			
Palacios Shipyard Inc Port Buildings (2)	6,437			
Marine Education Center				
Wakefield Office Lease - Classroom Bldg	1,080			
Anchor Seafood #101 - Shop Bldg	3,576			
TX Parks & Wildlife #102 - Shop Bldg	6,000			
Allen, Stein & Durbin Office Lease #203	8,285			
Seawall Commission Office Lease	<u>3,000</u>		46,378	
Recreational Slips -				
TB#3 Dock (B through G) @ 100% Occupancy			<u>40,908</u>	
TOTAL LEASE & RENTAL INCOME				622,724
INTEREST & INVESTMENT INCOME				
C2 Portfolio	257,703			
CD Interest	22,665			
Cash Accounts	<u>21,050</u>			
TOTAL INTEREST & INVESTMENT INCOME				301,418
OTHER INCOME				
Palacios Shipyard Note Receivable	35,915			
TGLO Contract Payment - Bilge Pump out Service	11,750			
Other Misc. Revenue	<u>100</u>			
TOTAL OTHER INCOME				47,765
GRAND TOTAL OF M&O INCOME FOR 2020				\$ 1,096,726

MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2020 M+O BUDGET
EXPENSES

	<u>SUBTOTAL</u>	<u>TOTAL</u>
PERSONNEL EXPENSE		
Salaries - Admin	(162,074)	
Salaries - Commissioners	(30,000)	
Employer Health Insurance Expense	(21,876)	
Payroll Taxes & Other Employee Benefits	(28,593)	
Payroll Taxes & AUL Expense - Commissioners	<u>(1,581)</u>	
TOTAL PERSONNEL EXPENSE		(244,124)
OPERATING EXPENSE		
Operating Supplies	(15,000)	
Trip, Travel and Meals	(20,000)	
Utility Services & Communication	(40,000)	
Trash Collection	(2,300)	
Port Security	(600)	
Legal Notices & Operational Advertisement	(1,000)	
Insurance (Property & Surety Bonds)	(56,562)	
Storage Rental	<u>(1,080)</u>	
TOTAL OPERATING EXPENSE		(136,542)
MAINTENANCE AND REPAIR		
Maintenance Contract (Equipment Rental)	(97,000)	
Mowing Contract	(50,000)	
General Maintenance & Repair	(10,000)	
Clean Harbor Expense	(1,600)	
Dock Maintenance & Repair	(10,000)	
Road and Access Maintenance	(5,000)	
MEC Classroom & Diesel Shop Bldg Maintenance	(6,400)	
Admin. Building Maintenance	(10,000)	
Bilge Water Reclamation Equipment & Facility	<u>(2,500)</u>	
TOTAL MAINTENANCE AND REPAIR EXPENSE		(192,500)
FEES AND SERVICES		
Emergency & In-kind Medical Services	(5,000)	
Fire Protection	(5,500)	
Engineering Expense	(10,000)	
Accounting, Consulting & Other Prof Services	(60,000)	
Legal Services	(30,000)	
Audit Fees	(10,050)	
County Treasurer Admin. Fees	(72)	
County Appraisal District Fees	(6,794)	
County Tax Collection Fees	(2,547)	
Election Expense	(8,000)	
Investment Expense	<u>(15,500)</u>	
TOTAL PROFESSIONAL FEES AND SERVICES		(153,463)
MARKETING, DUES, TRAINING & STAFF DEVELOPMENT		
Advertising	(1,200)	
Matagorda County Economic Dev Corp	(30,000)	
Seminars, Dues, Training, & Staff Development	<u>(12,000)</u>	
TOTAL MARKETING, DUES, TRAINING & STAFF DEVELOPMENT		(43,200)

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2020 M+O BUDGET**

	<u>SUBTOTAL</u>	<u>TOTAL</u>
PROMOTION AND DEVELOPMENT- RESTRICTED		
Promotion and Development	(15,000)	
GRAND TOTAL FOR M&O EXPENSE		\$ (784,830)
NET PROPOSED CASH FLOW FROM M&O		311,896
SHORTFALL FOR DEBT SERVICE		\$ (16,010)
CAPITAL IMPROVEMENTS AND EQUIPMENT		
Replace Roof on Maintenance Building & Repair Diesel Mechanic Shop	(50,000)	
Dock Repair or Replacement	(175,000)	
MEC Improvements	(200,000)	
TOTAL CAPITAL IMPROVEMENTS AND EQUIPMENT		(425,000)
GRAND TOTAL M&O AND CAPITAL EXPENDITURES FOR 2020		\$ (129,114)

Respectfully submitted,



 Victor Martinez Jr.
 Port Director

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2020 INTEREST+SINKING FUND BUDGET**

I. Revenue

A. 2019 Adjusted Tax Base (\$1,119,441,141) @ Debt Service Rate of \$0.03436 per \$100 valuation)	\$ 384,640	
B. Interest Income on Checking Account FY2020	<u>1,000</u>	
Total Revenue:		\$ 385,640

II. Expenses


Principal & Interest on Bond Debt	(416,400)	
Bond Management Fee	<u>(450)</u>	
Total Expenses:		<u>(416,850)</u>
Net Revenue after Budgeted Expenses:		\$ (31,210)
Projected balance I&S Checking Account 12/31/19		<u>15,200</u>
Ending Balance:		\$ (16,010)


APPROVED this 11th day of September, 2019.

Jimmy E. Neeley
Chairman

Donny L. Tran
Vice-Chairman


Greg T. Seaman
Secretary


David C. Aparicio
Commissioner

Absent
Victor L. Eggemeyer
Commissioner

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2020 COMMITTED FUNDS**

CONTINGENCY FUNDS

A. Emergency Contingency Fund	(1,729,755)	
B. Insurance Gap Contingency Fund	(400,624)	
C. Property Replacement Contingency Fund	(1,147,124)	
D. Emergency Dredging Contingency Fund	<u>(2,000,000)</u>	
TOTAL CONTINGENCY FUNDS:		(5,277,503)

DESIGNATED FUNDS

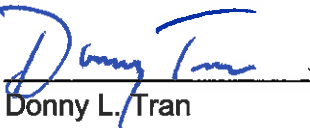
A. Bond Debt Fund	(50,000)	
B. Fund for Purchase of Property for Future Dev.	(2,000,000)	
C. Fund for Dev. of Infrastructure for Undev. Prop.	(1,500,000)	
D. Development Incentive Fund	(2,000,000)	
E. Promotion & Development - Restricted	<u>95,447</u>	
TOTAL DESIGNATED FUNDS:		<u>(5,454,553)</u>

TOTAL COMMITTED FUNDS: (10,732,056)

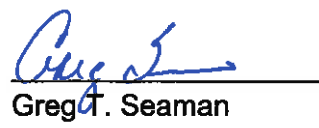
APPROVED this 11th day of September, 2019.



Jimmy E. Neeley
Chairman



Donny L. Tran
Vice-Chairman



Greg T. Seaman
Secretary



David C. Aparicio
Commissioner



Victor L. Eggemeyer
Commissioner

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2020 COMMITTED FUND DESCRIPTIONS**

I. CONTINGENCY FUNDS - Percentages shown are contingent upon the Unrestricted Fund Balance being more than \$5,000,000.

A. Emergency Contingency Fund – The MCND#1 FY2018 Financial Audit shows capital assets of land, infrastructure, buildings, harbors, docks, facilities and equipment valued at \$12,813,001, net of accumulated depreciation, at the end of FY2018. The replacement cost of these properties, based on current costs, is estimated at 135% of net value, or \$17,297,551. District policy provides that a minimum of 10% of the replacement cost of MCND#1 property is set aside in a contingency fund to handle the clean up and repair from a major storm or other emergency. The 2020 Emergency Contingency Fund is \$1,729,755, based on the most current audited property inventory. (1,729,755)

B. Insurance Gap Contingency Fund – MCND#1 buildings are insured under Matagorda County's Self-Insurance Pool. Due to the non-renewal of the lease from Palacios ISD the Marine Education Center's Hulen House, Marine Lab and Aquaculture Lab buildings was added to the Insurance coverage June 2018. MCND#1 coverage includes the Marine Education Center Classroom Building. The District's self-insured property is limited to docks and wharves. The FY2018 Financial Audit shows the District's self-insured docks and wharves to be valued at \$8,012,483. The District policy provides that a minimum of 1% of the property value not covered by outside insurance, be set aside to assure reasonable repair funds for insurance gap. The Board recommends 5% be set aside. At 5% of \$8,012,483 the Insurance Gap Contingency Fund for 2020 would contain the amount of \$400,624. (400,624)

C. Property Replacement Contingency Fund - The District policy provides that a minimum of 1% of the replacement value of all property be set aside to replace worn out property when it reaches the end of its useful life. At the current property replacement cost, estimated at \$22,942,473, a 5% Contingency Fund for 2020 would be \$1,147,124. (1,147,124)

D. Emergency Dredging Contingency Fund – The Corps of Engineers is responsible for maintenance dredging of the Federally-authorized sections of the Palacios Channel on a 3-year cycle. The critical nature of keeping our Channel open to maritime commerce and boat traffic make it necessary to include \$2,000,000 in a emergency contingency fund for dredging of the Channel and harbor. (2,000,000)

TOTAL CONTINGENCY FUNDS: \$ (5,277,503)

II. DESIGNATED FUNDS

A. Bond Debt Fund - MCND #1 refinanced its General Obligation Bonds in August 2011. The debt service is payable over 10 years and the effective interest rate is **3.268%**. Although the intent of the refinance was to produce a level savings where annual debt service would equal revenue derived from the District's I&S, a reduction in the District's Appraisal Tax Roll could result in a subsidy of the debt service from year to year, therefore a nominal amount of \$50,000 is included to cover potential I&S account shortfalls during the rest of the bond term (2021). \$ (50,000)

B. Fund for Purchase of Property for Future Development - Should an opportunity arise for MCND#1 to purchase property that would contribute to the development of marine-related industry, business or amenities, a fund in the amount of \$2,000,000 is available to draw from for purchase of property and related expenses. (2,000,000)

C. Fund for Development of Infrastructure for Undeveloped Properties – MCND #1 has approximately 725 acres of shoreline and inland property available for development. The Navigation District may elect to build infrastructure for development, including roads, utilities and lighting. A designated fund balance of \$1,500,000 is set aside for infrastructure for future development. (1,500,000)

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2020 COMMITTED FUND DESCRIPTIONS**

D. Development & Incentive Fund – In order to further induce a prospective tenant to locate in the Port or Commercial Center, a fund is set aside for incentive and/or development that would encourage investment in Navigation District properties. For future development and construction that may enhance or diversify District revenue, the amount of \$2,000,000 should be set aside.

(2,000,000)

E. Promotion & Development Fund – Under the Texas Water Code, MCND#1 is authorized to designate up to 5% of annual revenue (less tax revenue) to be used for promotion and development (P&D) of the Navigation District. MCND#1 will not designate funds from the annual revenue in FY20. The budgeted funds are required to be kept in a separate bank account and restricted to P&D use only. Unused funds may remain in the account. MCND#1 will use the P&D bank account for P&D purposes in FY19 as approved by the Board of Commissioners within the FY20 Budget. Projected restricted balance at the end of 2019 is \$95,447

95,447

TOTAL DESIGNATED FUNDS:

\$ (5,454,553)