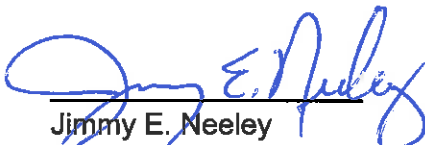



**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2018 M+O BUDGET**

Total Projected Cash Assets - 1 Jan 2018	\$	15,902,908
Total Revenue	\$	1,021,743
RESTRICTED FUNDS:		
Total M&O Expense	\$	(733,505)
Shortfall for Debt Service		-
Total Capital Improvements	\$	(535,000)
TOTAL RESTRICTED FUNDS		<u>(1,268,505)</u>
Net Revenue after Budgeted Expenditures		<u>(246,762)</u>
Total Projected Cash Assets - 31 December 2018	\$	15,656,146
Total Committed Funds		<u>(10,789,445)</u>
Free Reserves	\$	<u><u>4,866,701</u></u>


APPROVED this 13th day of September, 2017.



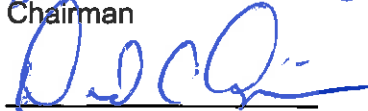
 Jimmy E. Neeley
 Chairman




 Donny L. Tran
 Vice-Chairman



 Greg T. Seaman
 Secretary



 David C. Aparicio
 Commissioner



 Victor L. Eggemeyer
 Commissioner

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2018 M+O BUDGET**

REVENUE

Taxes @ Effective M&O Rate (\$0.01014)	\$ 121,439	
Lease & Rental Income	593,224	
Interest Income	251,775	
Other Revenue	<u>55,305</u>	
TOTAL M&O REVENUE		\$ 1,021,743

EXPENDITURES

Personnel Expense	(247,775)	
Operating Expenses	(119,557)	
Property & Equipment Maintenance & Repair	(174,876)	
Professional Fees and Services	(90,097)	
Marketing, Dues and Staff Development	(34,200)	
Promotion & Development	(42,000)	
Contingency	<u>(25,000)</u>	
TOTAL M&O EXPENDITURES		(733,505)
SHORTFALL FOR DEBT SERVICE		-
TOTAL CAPITAL EXPENDITURES		(535,000)
TOTAL EXPENDITURES:		<u>\$ (246,762)</u>
TOTAL CASH FLOW:		<u><u>\$ (246,762)</u></u>

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2018 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 2018 using the Effective M&O Tax Rate:

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Tax Base	\$1,210,617,687	\$1,196,509,580	\$1,160,983,870
Tax Rate - M&O	\$ 0.00999 (Effective M&O)	\$ 0.01014 (Effective M&O)	\$ 0.01046 (Effective M&O)
Tax Rate – I&S	<u>\$ 0.03428</u>	<u>\$ 0.03428</u>	<u>\$ 0.03428</u>
Total Rate	\$ 0.04427 (Effective)	\$ 0.04442 (Effective)	\$ 0.04474 (Effective)
Tax Revenue – M&O	\$120,941	\$121,326	\$121,439
Tax Revenue – I&S	<u>\$415,000</u>	<u>\$410,163</u>	<u>\$397,985</u>
TOTAL TAX REVENUE	\$535,941	\$535,941	\$535,941

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2018 M+O BUDGET**

INCOME

TAX INCOME

Tax Levy Income (Effective Rate @ \$0.01046)		121,439
--	--	----------------

LEASE & RENTAL INCOME

Dock -

TB#4 Bulkhead Dock - <u>2,708lf</u> @ \$4.00	129,984	
Bulkhead Dock - <u>7,789.2lf</u> @ \$3.00	280,411	
Wood Pier Dock - <u>478lf</u> @ \$2.85	16,348	
New TB#1 Bulkhead - <u>309lf</u> @ \$3.25	<u>12,051</u>	438,794

Property -

Commercial Land Rent	51,165	
Jensen Property - Pasture Lease	16,014	
Hay Leases (2)	750	
Turning Basin #4 Land	-	
Port Commercial Center	-	
Brooking Property	-	67,929

Commercial Buildings -

Gar Shrimp - Former Maint Bldg.	18,000	
Lagasse Port Buildings (2)	6,437	
Marine Education Center		
PISD-Hulen House	7,500	
Wakefield Office Lease - Classroom Bldg	1,080	
Anchor Seafood #101 - Shop Bldg	3,576	
TX Parks & Wildlife #102 - Shop Bldg	6,000	
Seawall Commission Office Lease	<u>3,000</u>	45,593

Recreational Slips -

TB#3 Dock (B through G) @ 100% Occupancy		<u>40,908</u>
--	--	---------------

TOTAL LEASE & RENTAL INCOME

593,224

INTEREST & INVESTMENT INCOME

C2 Portfolio	230,409	
CD Interest	17,366	
Cash Accounts	<u>4,000</u>	

TOTAL INTEREST & INVESTMENT INCOME

251,775

OTHER INCOME

Palacios Shipyard Note Receivable	43,455	
TGLO Contract Payment - Bilge Pump out Service	11,750	
Other Misc. Revenue	<u>100</u>	

TOTAL OTHER INCOME

55,305

GRAND TOTAL OF M&O INCOME FOR 2018

\$ 1,021,743

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2018 M+O BUDGET**

EXPENSES

PERSONNEL EXPENSE

Salaries - Admin	(156,705)
Salaries - Commissioners	(30,000)
Employer Health Insurance Contributions	(31,380)
Payroll Taxes & Other Employee Benefits	(27,527)
Payroll Taxes & AUL Expense - Commissioners	(2,163)

TOTAL PERSONNEL EXPENSE (247,775)

OPERATING EXPENSE

Operating Supplies	(11,100)
Trip, Travel and Meals	(15,000)
Utility Services & Communication -	(36,000)
Trash Collection	(2,100)
Port Security	(600)
Legal Notices & Operational Advertisement	(1,000)
Insurance (Property & Surety Bonds)	(47,677)
Equipment & Storage Rental	(6,080)

TOTAL OPERATING EXPENSE (119,557)

MAINTENANCE AND REPAIR

Maintenance Contract	(50,000)
Mowing Contract	(79,576)
General Maintenance & Repair	(7,800)
Clean Harbor Expense	(1,000)
Dock Maintenance & Repair	(10,000)
Road and Access Maintenance	(10,000)
Marine Education Center	(4,000)
Adm. Building Maintenance	(10,000)
Bilge Water Reclamation Equipment & Facility	(2,500)

TOTAL MAINTENANCE AND REPAIR EXPENSE (174,876)

FEES AND SERVICES

Emergency & In-kind Medical Services	(5,000)
Fire Protection	(5,500)
Engineering Expense	(5,000)
Accounting Consulting & Other Prof Services	(8,660)
Legal Services	(25,000)
Audit Fees	(7,550)
County Treasurer Admin. Fees	(96)
County Appraisal District Expense	(9,135)
County Tax Collection Expense	(2,656)
Election Expense	(6,000)
Investment Expense	(15,500)

TOTAL PROFESSIONAL FEES AND SERVICES (90,097)

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2018 M+O BUDGET**

MARKETING, DUES AND STAFF DEVELOPMENT

Advertising	(5,200)
Matagorda County Economic Dev Corp	(20,000)
Seminars, Dues & Staff Development	(9,000)

TOTAL MARKETING, DUES AND STAFF DEVELOPMENT (34,200)

PROMOTION AND DEVELOPMENT- RESTRICTED

Promotion and Development	(42,000)
---------------------------	----------

CONTINGENCY

Contingency Expense	(25,000)
---------------------	----------

GRAND TOTAL FOR M&O EXPENSE **\$ (733,505)**

NET PROPOSED CASH FLOW FROM M&O **288,238**

SHORTFALL FOR DEBT SERVICE **0**

CAPITAL IMPROVEMENTS AND EQUIPMENT

Completion of Administration Building space	(50,000)
Demolition and replacement of Port buildings	(175,000)
Replacement of TSMEC well house	(10,000)
TSMEC Road Improvements	(300,000)

TOTAL CAPITAL IMPROVEMENTS AND EQUIPMENT **(535,000)**

GRAND TOTAL M&O AND CAPITAL EXPENDITURES FOR 2018 **\$ (246,762)**

Respectfully submitted,

Debbie Morris
Port Director

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2018 INTEREST+SINKING FUND BUDGET**


I. Revenue

A. 2017 Adjusted Tax Base (\$1,160,983,870)			
@ Debt Service Rate of \$0.03428 per \$100 valuation)	\$	397,986	
B. Interest Income on Checking Account FY2018		1,000	
		<hr/>	
Total Revenue:	\$		398,986

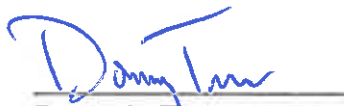
II. Expenses

Principal & Interest on Bond Debt		(413,331)	
Bond Management Fee		(400)	
		<hr/>	
Total Expenses:			(413,731)
		<hr/>	
Net Revenue after Budgeted Expenses:	\$		(14,745)
		<hr/>	
Projected balance I&S Checking Account 12/31/17			15,200
		<hr/>	
Ending Balance:			\$455


APPROVED this 13th day of September, 2017.




Jimmy E. Neeley
Chairman



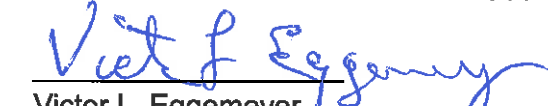
Donny L. Tran
Vice-Chairman



Greg T. Seaman
Secretary



David C. Aparicio
Commissioner



Victor L. Eggemeyer
Commissioner

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2018 COMMITTED FUNDS**

CONTINGENCY FUNDS


A. Emergency Contingency Fund	(1,574,751)	
B. Insurance Gap Contingency Fund	(447,590)	
C. Property Replacement Contingency Fund	(1,039,989)	
D. Emergency Dredging Contingency Fund	<u>(2,000,000)</u>	
TOTAL CONTINGENCY FUNDS:		(5,062,330)

DESIGNATED FUNDS

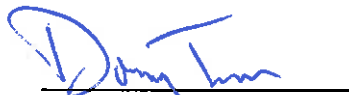
A. Bond Debt Fund	(50,000)	
B. Fund for Purchase of Property for Future Dev.	(2,000,000)	
C. Fund for Dev. of Infrastructure for Undev. Prop.	(1,500,000)	
D. Development Incentive Fund	(2,000,000)	
E. Promotion & Development - Restricted	<u>(177,115)</u>	
TOTAL DESIGNATED FUNDS:		<u>(5,727,115)</u>

TOTAL COMMITTED FUNDS: (10,789,445)

APPROVED this 13th day of September, 2017.



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 FY2018 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 FY2016 Financial Audit shows capital assets of land, infrastructure, buildings, harbors, docks, facilities and equipment valued at \$11,664,824, net of accumulated depreciation, at the end of FY2016. The replacement cost of these properties, based on current costs, is estimated at 135% of net value, or \$15,747,512. 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 2018 Emergency Contingency Fund is \$1,574,751, based on the most current audited property inventory. \$ (1,574,751)

B. Insurance Gap Contingency Fund – MCND#1 buildings are insured under Matagorda County's Self-Insurance Pool, with the exception of the Marine Education Center's Hulen House, Marine Lab and Aquaculture Lab buildings. MCND#1 coverage includes the Marine Education Center Classroom Building. The District's self-insured property is limited to land, docks and wharves. The FY2016 Financial Audit shows the District's self-insured land, docks and wharves to be valued at \$8,951,808. 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 \$8,951,808, the Insurance Gap Contingency Fund for 2018 would contain the amount of \$447,590. (447,590)

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 \$20,799,781, a 5% Contingency Fund for 2018 would be \$1,039,989. (1,039,989)

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: \$ (5,062,330)

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 FY2018 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 of the Navigation District. The budgeted funds are required to be kept in a separate bank account and restricted to P&D use only. Unused funds may accumulate in the account. Projected restricted balance at the end of 2017 is \$50,349.

(177,115)

TOTAL DESIGNATED FUNDS:

\$ (5,727,115)