

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE**  
**MINUTES OF THE BOARD OF COMMISSIONERS**  
**REGULAR BOARD MEETING**  
**September 11, 2019**

I. Chairman Jimmy Neeley called the meeting of September 11, 2019 to order at 9:06 a.m. Chairman Neeley announced the Notice of Meeting had been duly posted and there was a quorum present. The Pledge of Allegiance was recited. Chairman Neeley welcomed those in attendance and thanked them for coming. Commissioner Victor Eggemeyer was absent due to a death in the family.

**ATTENDEES:**

David Aparicio, Commissioner

Jimmy Neeley, Chairman

Greg Seaman Commissioner

Donny Tran, Commissioner

Victor Martinez, Port Director

Verna H. Williams, Port Office Mgr.

Isidro Castanon, Port Attorney

Tom Schmidt, Urban Engineering

Rusty Moon, Texas General Land Office

Alan Schulman, Palacios Beacon

Mike Ferdinand, MCEDC

Jose Ortiz, Maintenance Contractor

**I. 5. Report from Matagorda County Economic Development Corporation.** Mike Ferdinand, MCEDC Executive Director, gave a report on Matagorda County projects. He will give more detail on Palacios Projects during Executive Session.

**II. 1. Consideration and approval of Minutes of Previous Meetings (8/22/19).** Minutes from the Regular Board Meeting of August 22, 2019 were reviewed. Commissioner Seaman moved to accept the minutes as presented. Commissioner Aparicio seconded the motion. All voted affirmatively and the motion passed.

**II. 2. Consideration and approval of Lease Activity since last Regular Board Meeting.** Mr. Martinez reported on lease activity since the last regular Board meeting. There is one renewed recreational lease (Sojak). There were two Release of Leases (Po Boys Dock, LLC #10 & #401). There were two new commercial leases (Tres Palacios Seafood, LLC #10 & #401). Occupancy for TB#3 Docks B-E is 92% and 87% for F&G slips are occupied. A motion was made by Commissioner Seaman to approve Port Lease Activity, as presented. Commissioner Aparicio seconded the motion. All voted affirmatively and the motion passed.

**II. 3. Consideration and approval of FY2020 Maintenance & Operations Budget.** Mr. Martinez stated the proposed FY2020 M&O Budget was reviewed at our Budget Workshop and again at the August 22<sup>nd</sup> Regular Meeting. All suggested changes were made. Routine M&O expenditures are projected to use 73% of estimated revenue. Capital Improvement projects in the proposed budget total \$425,000 and included: replacement of Maintenance Building & Repair Diesel Mechanic Shop; Dock Repair or Replacement and MEC Improvements. Commissioner Aparicio made a motion to approve the FY2020 Maintenance & Operations Budget, as presented. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

**II. 4. Consideration and approval of FY2020 Interest & Sinking Budget.** Mr. Martinez stated debt service for FY2020 on the MCND#1 General Obligation Bonds will be paid for with existing I&S funds and anticipated tax revenue. The Anticipated shortfall from the I&S Fund is anticipated at \$31,000. In this case we will pull the remaining needed funds from the M&O Budget as we discussed throughout this Budget Process. The bonds will be paid off in 2021. Commissioner Tran made a motion to approve the FY2020 Interest & Sinking Budget, as presented. Commissioner Aparicio seconded the motion. All voted affirmatively and the motion passed.

**II. 5. Consideration and approval of FY2020 Committed Funds Budget.** Mr. Martinez stated, MCND#1 has committed adequate funds for designated projects and contingency situations for FY2020. Generally, readily-available cash is in our depository accounts throughout the year for projected expenses and other planned usage. Commissioner Seaman made a motion to approve the FY2020 Committed Funds

Budget, as presented. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

**II. 6. Consideration and approval of Order to Adopt 2019 Tax Rate.** Mr. Martinez read the Order to Adopt 2019 Tax Rate. The Board stressed there is no increase in tax revenue to the District. Commissioner Seaman made a motion to approve the Order to Adopt the 2019 Tax Rate, including an M&O Tax Rate of \$0.01115 per \$100 of value and Debt Service Tax Rate of \$0.03436 per \$100 of value, totaling Adopted Tax Rate of \$0.04551 per \$100 of value. Commissioner Tran seconded the motion. All Commissioners voted affirmatively, and the motion passed. Chairman Neeley and Secretary Seaman signed the Order.

**III. INTERNAL & FINANCIAL REPORTS** for Board discussion and appropriate action Internal Reports.

- a. Contractor's Port Maintenance Report
- b. Port Director's Operations, Promotion & Development Activity verbal report.

**Consideration and approval of Current Voucher Control Report.** Commissioner Aparicio made a motion to accept the Current Voucher Control Report. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

**Consideration and approval of Current Register Reports.** After review, Commissioner Seaman made a motion to approve the current Register Reports. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

**Consideration and approval of Current Investment Activity Report.** Mrs. Gonzalez reported on the Current Investment Activity Report. Commissioner Aparicio made a motion to approve the Current Investment Activity Report. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

**Consideration and approval of C2 Investment Group Investment Semi-Annual Report ending June 30, 2019.** Mrs. Gonzalez reported briefly went over the C2 Investment Group Investment Report. Commissioner Tran made a motion to approve the C2 Investment Group Investment Report for the previous 12 months ending June 30, 2019. Commissioner Aparicio seconded the motion. All voted affirmatively and the motion passed.

**IV. EXECUTIVE SESSION** – At 10:40 a.m., the Board went into an Executive Session, as authorized by the Texas Government Code Sections 551.071, 551.072 and 551.087 of the Open Meetings Act, permitting discussion and deliberation in an Executive Meeting for the following purpose:

1. Consultation with Attorney on legal matters as permitted under Sections 551.071 including, but not limited to some of the other matters listed below to be discussed in Executive Session.
  - a. Discussion on Marine Education Center
2. To conduct deliberations regarding real property and to conduct deliberations regarding economic development as permitted under Sections 551.072 and 551.087 including, but limited to the following matters:
  - a. Discussion concerning future development of properties and leases
  - b. Discussion concerning default leases
  - c. Discussion on repair of Port property

**V. RETURN TO OPEN SESSION** – The Commissioners returned to Open Session at 12:06 p.m. No other motions were offered for action from Executive Session.

**VI. SCHEDULE THE NEXT MEETING DATE, TIME AND PLACE.** The next Regular Board Meeting was scheduled for Thursday, October 24, 2019 at 1:00 p.m. at the Port Administration Building.

**VII. ADJOURNMENT.** Commissioner Aparicio moved to adjourn and was seconded by Commissioner Tran the motion carried and the meeting adjourned at 12:08 p.m.

  
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Greg D. Seaman, Secretary