

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2022 M+O BUDGET**

Total Projected Cash Assets - 1 Jan 2022	\$	16,538,120
Total Revenue	\$	1,172,976
RESTRICTED FUNDS:		
Total M&O Expense	\$	(983,148)
Total Capital Improvements	\$	(335,000)
TOTAL RESTRICTED FUNDS		<u>(1,318,148)</u>
Net Revenue after Budgeted Expenditures		<u>(145,173)</u>
Total Projected Cash Assets - 31 December 2022	\$	16,392,947
Total Committed Funds		<u>(10,813,942)</u>
Free Reserves	\$	<u>5,579,005</u>

APPROVED this 22nd day of September, 2021.

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Jimmy E. Neeley

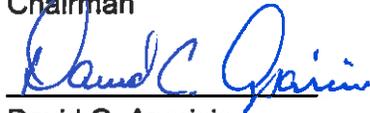
Chairman

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Donny L. Tran

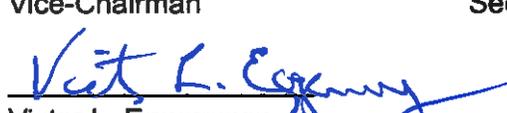
Vice-Chairman

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Greg T. Seaman

Secretary

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David C. Aparicio

Commissioner

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Victor L. Eggemeyer

Commissioner

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2022 M+O BUDGET**

REVENUE

Taxes @ 2021 M&O Rate (\$0.01031)	\$ 126,738	
Lease & Rental Income	795,263	
Interest Income	217,460	
Other Revenue	<u>33,515</u>	
TOTAL M&O REVENUE		\$ 1,172,976

EXPENDITURES

Personnel Expense	(287,115)	
Operating Expenses	(155,935)	
Property & Equipment Maintenance & Repair	(194,060)	
Professional Fees and Services	(282,238)	
Marketing, Dues, Training & Staff Development	(46,700)	
Promotion & Development	<u>(17,100)</u>	
TOTAL M&O EXPENDITURES		(983,148)
SHORTFALL FOR DEBT SERVICE		-
TOTAL CAPITAL EXPENDITURES		(335,000)
TOTAL EXPENDITURES:		<u>\$ (145,173)</u>
TOTAL CASH FLOW:		<u><u>\$ (145,173)</u></u>

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
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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 2021 using the 2021 M&O Tax Rate:

	<u>2019</u>	<u>2020</u>	No New Revenue Rate <u>2021</u>
Tax Base	\$1,119,441,141	\$1,132,318,274	\$1,229,273,377
Tax Rate - M&O	\$ 0.01115 (Effective M&O)	\$ 0.01115 (2020 M&O Rate)	\$ 0.01031 (2021 M&O Rate)
Tax Rate – I&S	<u>\$ 0.03436</u>	<u>\$ 0.03449</u>	<u>\$ -</u>
Total Rate	\$ 0.04551 (Proposed)	\$ 0.04564 (2020 Tax Rate)	\$ 0.01031 (2021 Tax Rate)
Tax Revenue – M&O	\$124,818	\$126,253	\$126,738
Tax Revenue – I&S	<u>\$384,640</u>	<u>\$390,628</u>	<u>\$0</u>
TOTAL TAX REVENUE	\$509,458	\$516,881	\$126,738

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
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INCOME

TAX INCOME		<u>SUBTOTAL</u>	<u>TOTAL</u>
Tax Levy Income (2021 M&O Rate @ \$0.01031)			126,738
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>1,431lf</u> @ \$2.85	48,940		
New TB#1 Bulkhead - <u>309lf</u> @ \$3.25	<u>12,051</u>	472,466	
Property -			
Commercial Land Rent	66,911		
Jensen Property - Pasture Lease	15,897		
Hay Leases (2)	672		
Turning Basin #4 Land	-		
Port Commercial Center	-		
Brooking Property	<u>-</u>	83,480	
Commercial Buildings -			
Gar Shrimp - Former Maint Bldg.	18,000		
Palacios Shipyard Inc Port Buildings (2)	6,437		
Marine Education Center			
Ed Rachal Foundation #100	153,110		
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>	198,408	
Recreational Slips -			
TB#3 Dock (B through G) @ 100% Occupancy		<u>40,908</u>	
TOTAL LEASE & RENTAL INCOME			795,263
INTEREST & INVESTMENT INCOME			
C2 Portfolio	153,460		
First Financial Trust	30,500		
CD Interest	15,500		
Checking Accounts	<u>18,000</u>		
TOTAL INTEREST & INVESTMENT INCOME			217,460
OTHER INCOME			
Palacios Shipyard Note Receivable	21,665		
TGLO Contract Payment - Bilge Pump out Service	11,750		
Other Misc. Revenue	<u>100</u>		
TOTAL OTHER INCOME			33,515
GRAND TOTAL OF M&O INCOME FOR 2022			\$ 1,172,976

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
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	<u>EXPENSES</u>	<u>SUBTOTAL</u>	<u>TOTAL</u>
PERSONNEL EXPENSE			
Salaries - Admin	(180,669)		
Salaries - Commissioners	(30,000)		
Employer Health Insurance Expense	(34,056)		
Payroll Taxes & Other Employee Benefits	(39,945)		
Payroll Taxes & AUL Expense - Commissioners	(2,445)		
TOTAL PERSONNEL EXPENSE		(287,115)	
OPERATING EXPENSE			
Operating Supplies	(16,000)		
Trip, Travel and Meals	(20,500)		
Utility Services & Communication	(40,000)		
Trash Collection	(3,500)		
Port Security	(300)		
Legal Notices & Operational Advertisement	(1,000)		
Insurance (Property & Surety Bonds)	(73,555)		
Rentals	(1,080)		
TOTAL OPERATING EXPENSE		(155,935)	
MAINTENANCE AND REPAIR			
Maintenance Contract (Equipment Rental)	(91,000)		
Mowing Contract	(50,000)		
General Maintenance & Repair	(10,000)		
Clean Harbor Expense	(1,000)		
Dock Maintenance & Repair	(10,000)		
Road and Access Maintenance	(5,000)		
MEC Classroom & Diesel Shop Bldg Maintenance	(7,000)		
Admin. Building Maintenance	(10,060)		
Bilge Water Reclamation Equipment & Facility	(10,000)		
TOTAL MAINTENANCE AND REPAIR EXPENSE		(194,060)	
FEES AND SERVICES			
Emergency & In-kind Medical Services	(5,000)		
Fire Protection	(6,000)		
Engineering Expense	(100,000)		
Accounting, Consulting & Other Prof Services	(100,000)		
Legal Services	(36,000)		
Audit Fees	(10,000)		
County Treasurer Admin. Fees	(72)		
County Appraisal District Fees	(7,300)		
County Tax Collection Fees	634		
Election Expense	(3,000)		
Investment Expense	(15,500)		
TOTAL PROFESSIONAL FEES AND SERVICES		(282,238)	
MARKETING, DUES, TRAINING & STAFF DEVELOPMENT			
Advertising	(1,200)		
Matagorda County Economic Dev Corp	(30,000)		

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Seminars, Dues, Training, & Staff Development	(15,500)		
TOTAL MARKETING, DUES, TRAINING & STAFF DEVELOPMENT		(46,700)	
		<u>SUBTOTAL</u>	<u>TOTAL</u>
PROMOTION AND DEVELOPMENT- RESTRICTED			
Promotion and Development		(17,100)	
GRAND TOTAL FOR M&O EXPENSE			<u>\$ (983,148)</u>
NET PROPOSED CASH FLOW FROM M&O			189,827
SHORTFALL FOR DEBT SERVICE			\$ -
CAPITAL IMPROVEMENTS AND EQUIPMENT			
Admin Building upgrades/repairs		(75,000)	
Dock Repair or Replacement		(150,000)	
Rider 38 Hwy 35 & Main St Project		(110,000)	
TOTAL CAPITAL IMPROVEMENTS AND EQUIPMENT			<u>(335,000)</u>
GRAND TOTAL M&O AND CAPITAL EXPENDITURES FOR 2022			<u>\$ (145,173)</u>

Respectfully submitted,


 Victor Martinez Jr.
 Port Director

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2022 COMMITTED FUNDS**

CONTINGENCY FUNDS

A. Emergency Contingency Fund	(1,667,370)	
B. Insurance Gap Contingency Fund	(306,490)	
C. Property Replacement Contingency Fund	(1,290,082)	
D. Emergency Dredging Contingency Fund	<u>(2,000,000)</u>	
TOTAL CONTINGENCY FUNDS:		(5,263,942)

DESIGNATED FUNDS

A. Bond Debt Fund		
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>(50,000)</u>	
TOTAL DESIGNATED FUNDS:		<u>(5,550,000)</u>

TOTAL COMMITTED FUNDS: (10,813,942)

APPROVED this 22nd day of September, 2021.



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 FY2022 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 FY2020 Financial Audit shows capital assets of infrastructure, buildings, harbors, docks, facilities and equipment valued at \$12,350,886, net of accumulated depreciation, at the end of FY2020. The replacement cost of these properties, based on current costs, is estimated at 135% of net value, or \$16,673,696. 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 2022 Emergency Contingency Fund is \$1,667,370, based on the most current audited property inventory. 1,667,370

B. Insurance Gap Contingency Fund – MCND#1 buildings are insured under Matagorda County's Self-Insurance Pool. The District's self-insured property is limited to docks and wharves. The FY2020 Financial Audit shows the District's self-insured docks and wharves to be valued at \$6,129,801. 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 \$6,129,801 the Insurance Gap Contingency Fund for 2022 would contain the amount of \$306,490. 306,490

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 \$25,801,631, a 5% Contingency Fund for 2022 would be \$1,290,082. 1,290,082

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: \$ 5,263,942

II. DESIGNATED FUNDS

A. Bond Debt Fund - MCND #1 completed paying this Bond August 2021. No Bond Debt Fund is needed for 2022. \$ -

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

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

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
APPROVED FY2022 COMMITTED FUND DESCRIPTIONS**

E. Promotion & Development Fund – Under the Texas Water Code, MCND#1 is authorized to designate up to 5% of annual revenue (less tax revenue) \$1,008,223, multiplied by 5% = \$50,411 to be used for promotion and development (P&D) of the Navigation District. The Board of Commissioners will designate an amount up to 5% in order to keep no less than \$50,000 balance at the end of 2022. 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 FY22 as approved by the Board of Commissioners within the FY22 Budget. Projected restricted balance at the end of 2021 is \$50,000

50,000

TOTAL DESIGNATED FUNDS: \$ 5,550,000