

MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
MINUTES OF THE BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
April 28, 2021

I. Chairman Neeley called the meeting of April 28, 2021 to order at 1:03 p.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.

ATTENDEES:

David Aparicio, Commissioner
Victor Eggemeyer, Commissioner

Jimmy Neeley, Chairman

Greg Seaman Commissioner

Donny Tran, Commissioner

Victor Martinez, Port Director

Verna H. Williams, Port Office Mgr.

Isidro Castanon, Port Attorney

Traci Gonzales, Port Accountant Consultant

Jose Ortiz, Maintenance Contractor

Tom Schmidt, Urban Engineering

Alan Schulman, Palacios Beacon

Wade Whitlow, KM&L, LLC

II. 1. Consideration and approval of Minutes of Previous Meetings (3/24/2021) (4/21/2021). Minutes from the Regular Board Meeting of March 24, 2021 were reviewed. Commissioner Eggemeyer moved to accept the minutes as presented. Commissioner Tran seconded the motion. Motion carried by majority vote. Commissioner Aparicio abstained since he was not present for meeting.

Minutes from Special Called Planning Workshop Board Meeting of April 21, 2021 were reviewed. Commissioner Seaman moved to accept the minutes a presented. Commissioner Tran 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 were two renewed Recreational Leases (M Ricco/Squibb) . There was one new Property Lease (Bari) and one Commercial Lease Renewal (Grassy Point.). Occupancy for TB#3 Docks B-E is 92% and 67% for F&G slips are occupied. A motion was made by Commissioner Aparicio to approve Port Lease Activity, as presented. Commissioner Eggemeyer seconded the motion. All voted affirmatively and the motion passed.

II. 3. Consideration and acceptance of the FY2020 Financial Audit from KM&L, LLC. MCND#1 contracted with the firm to perform our FY2020 Financial Audit. The MCND#1 staff and accountant worked cooperatively with the auditors to provide all requested financial information in a timely manner. Port Director Martinez and Chairman Neeley reviewed the Audit this afternoon before this Board Meeting. Wade Whitlow went over the sections and a few pages of the FY2020 Audit report. Commissioner Aparicio made a motion to accept the FY2020 Financial Audit. Commissioner Eggemeyer seconded the motion. All voted affirmatively and the motion passed.

II. 4. Consideration and possible action to approve the declare surplus property selected portions land from the Marine Education Center property. Mr. Martinez stated, after much discussion on the Marine Education Center property and the area of property to possibly declare surplus please see the Survey presented on the next page. The area of land that will be considered for surplus at the Marine Education Center is described by 73.45 Acre Upland Tract and 42.64 Acre Marsh Land Tract, this includes the improvements known as each of the buildings on the Marine Education Center property listed as Hulen House, Main Education Classroom Building, Small Lab, Large Lab, Well House, Covered Walkway, Wood Pier, and the Building known as the Diesel Mechanic Shop. After reviewing of this property, the Commissioners must determine if this is what they want to surplus as listed above. After some discussion Commissioner Seaman made a motion to move this Agenda Item to Executive Session. Commissioner Aparicio seconded the motion. All voted affirmatively and the motion passed.

II. 5. Consideration and possible action to approve moving forward with Task Order #45, Rider #38 project. Mr. Martinez stated, this Task Order was previously approved in November 2020 at a Regular Board meeting, but with the caveat that Urban Engineering wouldn't begin the process without first getting approval to move forward from the Board of Commissioners. We need to begin to move forward as one of the first items is we need to complete a Resolution to submit to TxDOT. Once the Resolution is submitted and accepted by TxDOT we will get an Advanced Funding Agreement from TxDOT which will in turn allow us to have Urban begin their side of the process. Reminder Ryder #38 is a grant program from TxDot. The project would increase the drainage capacity on 12th Street and Highway 35. We sent this project to TxDot and they approved a total cost of 1.9 million dollars. Our actual funding from TxDot is 1.7 million dollars. We will have a cost share of \$108,000. As of now, I've asked both the City of Palacios and the Matagorda County Commissioner of Precinct 3, Mr. Shimek to commit to us formally in writing to split this cost share. Either way, I believe we still should have this work done so as not to lose an opportunity to receive money from the State of Texas to better access to our Port. If this action to move forward is approved, I will push to have the Resolution prepared and ready for signature at the May 2021 Regular Board Meeting. After some discussion, Commissioner Aparicio made a motion to approve moving forward with Task Order #45, Rider #38 project and to write a Resolution with TxDot. Commissioner Tran seconded the motion. Motion carried by majority vote. Commissioner Seaman voted Nay.

II. 6. Consideration and possible action to approve a temporary extension of maturity of an individual investment within the First Financial Trust Investment Portfolio. Mr. Martinez stated, First Financial Trust purchased FHLMC REMIC Series K-088 3.481% expiring 09/25/28 in an effort to obtain the highest rate of return for MCND #1, while still complying with the Public Funds Act. There was an oversight on the maturity which exceeds 5 years. We can keep this security as long as the Commissioners approve a temporary extension. As stated in our Investment Policy, "Section H. Investment Maturities: Notwithstanding the expected maturity of an investment, the maximum allowable stated maturity of an individual investment for Matagorda County Navigation District No. 1 operating funds shall not exceed five years, unless a temporary extension of maturities is approved by action of Matagorda County Navigation District No. 1 Commissioners." Chairman Neeley made a motion to approve a temporary extension of maturity on FHLMC REMIC Series K-088 3.481% expiring 09/25/2028. Commissioner Aparicio seconded the motion. All voted affirmatively and the motion passed.

II. 7. Consideration and possible action on services provided on current properties within the Marine Education Center's boundaries. Mr. Martinez stated, with the approval of the surplus of property at the MEC, we need to address the issue of the burn pile on that property. I'm not for sure why there was a burn pile created. My only thoughts were it was needed back when our 6-person maintenance crew or our other maintenance contractors would clean up the District's properties and/or do repairs and renovations on infrastructure. Sometime during that time, tenants began throwing all their items they believed could be burned in this pile. This has gotten out of control. We have seen everything from pallets to doors that come from the Shrimp Boats holding areas, tires, couches, and mattresses. With this property being surplus and possibly up for auction, I'm recommending we discontinue the burn pile immediately and notify the tenants of this action. If we do not discontinue it, then we will need to move it to another location on our property. We could move it just north of the location where it is currently at, but then we would need to clear some property and it would still be adjacent to the MEC property. There are concerns of burning because of some of the items that should not be in the pile and whoever is putting them in the pile goes through a lot of trouble sometimes to disguise them in hopes they will get burned. I'm asking for the Commissioners input on this because it has been an unintended service that has been provided for several years. I know it will not go over very well with the tenants if it is discontinued. It was a consensus among all Board Members to no longer have a burn pile. Mr. Martinez will send a memo to the Port tenants. At another Board Meeting, to decide whether to furnish a dumpster for trash for Port tenants.

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

Consideration and approval of Current Voucher Control Report. Commissioner Eggemeyer 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 Aparicio 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.

IV. EXECUTIVE SESSION – At 3:15 p.m., the Board went into an Executive Session, as authorized by the Texas Government Code Sections 551.071, 551.072, 551.074 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.
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 not limited to the following matters:
 - a. Discussion concerning future development of properties and leases
 - b. Discussion on concerning default leases
 - c. Discussion on repair of Port property

II. 4. Consideration and possible action to approve the declare surplus property selected portions land from the Marine Education Center property.

V. RETURN TO OPEN SESSION – The Commissioners returned to Open Session at 4:35 p.m. Chairman Neeley made a motion to approve to declare surplus property selected portions of land from the Marine Education Center property which includes 73.45Acre Upland Tract and 42.64 Acre Marsh Land Tract, this includes the improvements known as each of the buildings on the Marine Education Center property listed as Hulen House, Main Education Classroom Building, Small Lab, Large Lab, Well House, Covered Walkway, Wood Pier, and the Building known as the Diesel Mechanic Shop. Commissioner Eggemeyer seconded the motion. All voted affirmatively and the motion passed.

Chairman Neeley made a motion to have the Port Director begin the Bid Process to sell the surplus land as mentioned above with a minimum starting bid of \$3.25 million. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

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 Wednesday, May 26, 2021 at 1:00 p.m. at the Port Administration Building.

VII. ADJOURNMENT. Commissioner Eggemeyer moved to adjourn and was seconded by Commissioner Aparicio the motion carried, and the meeting adjourned at 4:38 p.m.



Greg T. Seaman, Secretary