

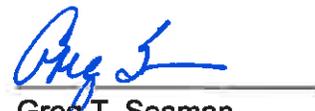
**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE  
APPROVED FY2021 M+O BUDGET**

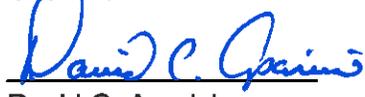
Total Projected Cash Assets - 1 Jan 2021	\$	16,538,120
Total Revenue	\$	1,191,065
RESTRICTED FUNDS:		
Total M&O Expense	\$	(825,134)
Shortfall for Debt Service	\$	(24,822)
Total Capital Improvements	\$	(580,000)
TOTAL RESTRICTED FUNDS		<u>(1,429,956)</u>
Net Revenue after Budgeted Expenditures		<u>(238,891)</u>
Total Projected Cash Assets - 31 December 2021	\$	16,299,229
Total Committed Funds		<u>(10,779,379)</u>
Free Reserves	\$	<u>5,519,850</u>

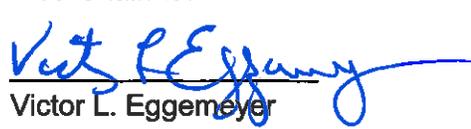
APPROVED this 10th day of September, 2020.

  
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 FY2021 M+O BUDGET**

**REVENUE**

Taxes @ 2020 M&O Rate (\$0.01115)	\$ 126,253	
Lease & Rental Income	731,095	
Interest Income	294,351	
Other Revenue	<u>39,365</u>	
<b>TOTAL M&amp;O REVENUE</b>		<b>\$ 1,191,065</b>

**EXPENDITURES**

Personnel Expense	(263,781)	
Operating Expenses	(150,600)	
Property & Equipment Maintenance & Repair	(191,500)	
Professional Fees and Services	(158,553)	
Marketing, Dues, Training & Staff Development	(44,200)	
Promotion & Development	<u>(16,500)</u>	
<b>TOTAL M&amp;O EXPENDITURES</b>		<b>(825,134)</b>
<b>SHORTFALL FOR DEBT SERVICE</b>		<b>(24,822)</b>
<b>TOTAL CAPITAL EXPENDITURES</b>		<b>(580,000)</b>
<b>TOTAL EXPENDITURES:</b>		<b>\$ (238,891)</b>
<b>TOTAL CASH FLOW:</b>		<b>\$ (238,891)</b>

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE  
APPROVED FY2021 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 2020 M&O Tax Rate:

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Tax Base	\$1,095,935,005	\$1,119,441,141	\$1,132,318,274
Tax Rate - M&O	\$ 0.01105 (Effective M&O)	\$ 0.01115 (Effective M&O)	\$ 0.01115 (2020 M&O Rate)
Tax Rate – I&S	<u>\$ 0.03428</u>	<u>\$ 0.03436</u>	<u>\$ 0.03449</u>
Total Rate	\$ 0.04533 (Effective)	\$ 0.04551 (Proposed)	\$ 0.04564 (2020 Tax Rate)
Tax Revenue – M&O	\$121,101	\$124,818	\$126,253
Tax Revenue – I&S	<u>\$375,687</u>	<u>\$384,640</u>	<u>\$390,628</u>
<b>TOTAL TAX REVENUE</b>	<b>\$496,787</b>	<b>\$509,458</b>	<b>\$516,881</b>

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE  
APPROVED FY2021 M+O BUDGET**

**INCOME**

<b>TAX INCOME</b>		<b><u>SUBTOTAL</u></b>	<b><u>TOTAL</u></b>
Tax Levy Income (2020 M&O Rate @ \$0.01115)			<b>126,253</b>
<b>LEASE &amp; RENTAL INCOME</b>			
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	65,021		
Jensen Property - Pasture Lease	15,897		
Hay Leases (2)	672		
Turning Basin #4 Land	-		
Port Commercial Center	-		
Brooking Property	<u>-</u>	81,591	
Commercial Buildings -			
Gar Shrimp - Former Maint Bldg.	18,000		
Palacios Shipyard Inc Port Buildings (2)	6,437		
Marine Education Center			
Ed Rachal Foundation #100	112,310		
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>	157,608	
Recreational Slips -			
TB#3 Dock (B through G) @ 100% Occupancy		<u>40,908</u>	
<b>TOTAL LEASE &amp; RENTAL INCOME</b>			<b>731,095</b>
<b>INTEREST &amp; INVESTMENT INCOME</b>			
C2 Portfolio	217,851		
First Financial Trust	26,000		
CD Interest	20,500		
Cash Accounts	<u>30,000</u>		
<b>TOTAL INTEREST &amp; INVESTMENT INCOME</b>			<b>294,351</b>
<b>OTHER INCOME</b>			
Palacios Shipyard Note Receivable	27,515		
TGLO Contract Payment - Bilge Pump out Service	11,750		
Other Misc. Revenue	<u>100</u>		
<b>TOTAL OTHER INCOME</b>			<b><u>39,365</u></b>
<b>GRAND TOTAL OF M&amp;O INCOME FOR 2021</b>			<b>\$ 1,191,065</b>

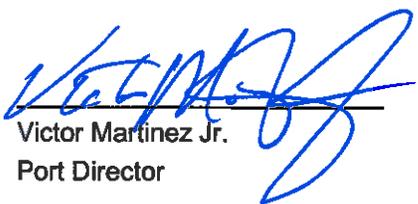
**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE  
APPROVED FY2021 M+O BUDGET**

	<u>EXPENSES</u>	<u>SUBTOTAL</u>	<u>TOTAL</u>
<b>PERSONNEL EXPENSE</b>			
Salaries - Admin	(169,860)		
Salaries - Commissioners	(30,000)		
Employer Health Insurance Expense	(31,476)		
Payroll Taxes & Other Employee Benefits	(30,000)		
Payroll Taxes & AUL Expense - Commissioners	(2,445)		
<b>TOTAL PERSONNEL EXPENSE</b>		(263,781)	
<b>OPERATING EXPENSE</b>			
Operating Supplies	(15,000)		
Trip, Travel and Meals	(20,000)		
Utility Services & Communication	(40,000)		
Trash Collection	(2,300)		
Port Security	(300)		
Legal Notices & Operational Advertisement	(1,000)		
Insurance (Property & Surety Bonds)	(67,400)		
Rentals	(4,600)		
<b>TOTAL OPERATING EXPENSE</b>		(150,600)	
<b>MAINTENANCE AND REPAIR</b>			
Maintenance Contract (Equipment Rental)	(91,000)		
Mowing Contract	(50,000)		
General Maintenance & Repair	(10,000)		
Clean Harbor Expense	(3,500)		
Dock Maintenance & Repair	(10,000)		
Road and Access Maintenance	(5,000)		
MEC Classroom & Diesel Shop Bldg Maintenance	(7,000)		
Admin. Building Maintenance	(10,000)		
Bilge Water Reclamation Equipment & Facility	(5,000)		
<b>TOTAL MAINTENANCE AND REPAIR EXPENSE</b>		(191,500)	
<b>FEES AND SERVICES</b>			
Emergency & In-kind Medical Services	(5,000)		
Fire Protection	(5,500)		
Engineering Expense	(20,000)		
Accounting, Consulting & Other Prof Services	(63,000)		
Legal Services	(30,000)		
Audit Fees	(10,000)		
County Treasurer Admin. Fees	(72)		
County Appraisal District Fees	(6,900)		
County Tax Collection Fees	(2,581)		
Election Expense	-		
Investment Expense	(15,500)		
<b>TOTAL PROFESSIONAL FEES AND SERVICES</b>		(158,553)	
<b>MARKETING, DUES, TRAINING &amp; STAFF DEVELOPMENT</b>			
Advertising	(1,200)		
Matagorda County Economic Dev Corp	(30,000)		

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE  
APPROVED FY2021 M+O BUDGET**

Seminars, Dues, Training, & Staff Development	<u>(13,000)</u>	
<b>TOTAL MARKETING, DUES, TRAINING &amp; STAFF DEVELOPMENT</b>		<b>(44,200)</b>
	<b><u>SUBTOTAL</u></b>	<b><u>TOTAL</u></b>
<b>PROMOTION AND DEVELOPMENT- RESTRICTED</b>		
Promotion and Development		(16,500)
<b>GRAND TOTAL FOR M&amp;O EXPENSE</b>		<b>\$ (825,134)</b>
<b>NET PROPOSED CASH FLOW FROM M&amp;O</b>		<b>365,931</b>
<b>SHORTFALL FOR DEBT SERVICE</b>		<b>\$ (24,822)</b>
<b>CAPITAL IMPROVEMENTS AND EQUIPMENT</b>		
Turning Basin #3 Restrooms Renovation		(30,000)
MEC Improvement (HVAC)		(50,000)
HVAC @ Admin Building		(50,000)
Replace Roof on Maintenance Building & Repair Diesel Mechanic Shop		(50,000)
New Clean Harbor Building		(200,000)
Dock Repair or Replacement		(200,000)
<b>TOTAL CAPITAL IMPROVEMENTS AND EQUIPMENT</b>		<b><u>(580,000)</u></b>
<b>GRAND TOTAL M&amp;O AND CAPITAL EXPENDITURES FOR 2020</b>		<b>\$ (238,891)</b>

Respectfully submitted,

  
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 Victor Martinez Jr.  
 Port Director

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE  
APPROVED FY2021 INTEREST+SINKING FUND BUDGET**

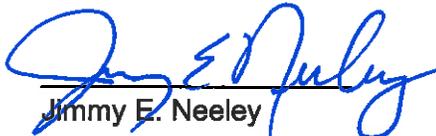
**I. Revenue**

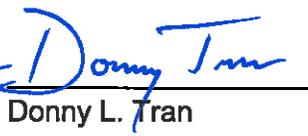
A. 2020 Adjusted Tax Base (\$1,132,318,274)		
@ Debt Service Rate of \$0.03449 per \$100 valuation)	\$	390,628
B. Interest Income on Checking Account FY2021		1,000
Total Revenue:		<u>391,628</u>

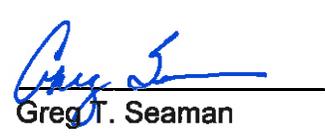
**II. Expenses**

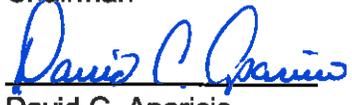
Principal & Interest on Bond Debt	(416,000)	
Bond Management Fee	(450)	
Total Expenses:		<u>(416,450)</u>
Net Revenue after Budgeted Expenses:	\$	(24,822)
Projected balance I&S Checking Account 12/31/20		<u>15,200</u>
Ending Balance:	\$	(9,622)

APPROVED this 10th day of September, 2020.

  
 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 FY2021 COMMITTED FUNDS**

**CONTINGENCY FUNDS**

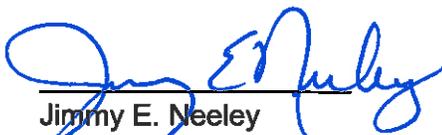
A. Emergency Contingency Fund	(1,556,862)	
B. Insurance Gap Contingency Fund	(312,106)	
C. Property Replacement Contingency Fund	(1,310,411)	
D. Emergency Dredging Contingency Fund	<u>(2,000,000)</u>	
<b>TOTAL CONTINGENCY FUNDS:</b>		<b>(5,179,379)</b>

**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>(50,000)</u>	
<b>TOTAL DESIGNATED FUNDS:</b>		<b><u>(5,600,000)</u></b>

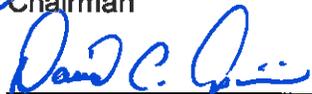
**TOTAL COMMITTED FUNDS: (10,779,379)**

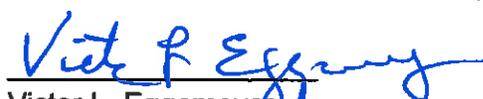
APPROVED this 10th day of September, 2020.

  
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 FY2021 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 FY2019 Financial Audit shows capital assets of infrastructure, buildings, harbors, docks, facilities and equipment valued at \$11,532,313, net of accumulated depreciation, at the end of FY2019. The replacement cost of these properties, based on current costs, is estimated at 135% of net value, or \$15,568,622. 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 2021 Emergency Contingency Fund is \$1,556,862, based on the most current audited property inventory. (1,556,862)

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 FY2019 Financial Audit shows the District's self-insured docks and wharves to be valued at \$6,242,112. 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 \$6,242,112 the Insurance Gap Contingency Fund for 2021 would contain the amount of \$312,106. (312,106)

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 \$26,202,814, a 5% Contingency Fund for 2020 would be \$1,310,411. (1,310,411)

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: \$ (5,179,379)**

**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)

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)

