

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE**  
**MINUTES OF THE BOARD OF COMMISSIONERS**  
**REGULAR BOARD MEETING**  
**September 10, 2020**

I. Chairman Jimmy Neeley called the meeting of September 10, 2020 to order at 1:16 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 (1:19 pm)

Victor Martinez, Port Director

Verna H. Williams, Port Office Mgr.

Isidro Castanon, Port Attorney

Tom Schmidt, Urban Engineering

Mike Ferdinand, MCEDC

Alan Schulman, Palacios Beacon

Anette Uher, Port Accountant Consultant

**I. 5. Report from Matagorda County Economic Development Corporation.** Mike Ferdinand, MCEDC Executive Director, gave a brief report.

**II. 1. Consideration and approval of Minutes of Previous Meetings (8/20/2020).** Minutes from the Regular Board Meeting of August 20, 2020 were reviewed. Commissioner Eggemeyer 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 was one renewed Recreational Lease (Sojak). There were no Commercial Leases. Occupancy for TB#3 Docks B-E is 92% and 87% for F&G slips are occupied. A motion was made by Commissioner Eggemeyer to approve Port Lease Activity, as presented. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

**II. 3. Consideration and approval of FY2021 Maintenance & Operations Budget.** Mr. Martinez Stated, the proposed FY2021 M&O Budget was reviewed at our August 20<sup>th</sup> Regular Meeting. All suggested changes were made. Routine M&O expenditures are projected to use 71% of estimated revenue. Capital Improvement projects in the budget totaling \$580,000 include: Renovation of Turning Basin #3 Restrooms, MEC Improvement (HVAC), Replace or repair roof on Maintenance Building & Diesel Mechanic Shop, New Clean Harbor Building and Dock Repair or Replacement. If there are no other updates or questions about the M&O Operations Budget, I recommend approving as it is. If there are more updates, I recommend approving the M&O Operations Budget with the understanding all updates and changes will be made before final signatures. Commissioner Aparicio made a motion to approve the FY2021 Maintenance & Operations Budget, as presented. Commissioner Eggemeyer seconded the motion. All voted affirmatively and the motion passed.

**II. 4. Consideration and approval of FY2021 Interest & Sinking Budget.** Mr. Martinez stated the Debt service for FY2021 on the MCND#1 General Obligation Bonds will be paid for with existing I&S funds and anticipated tax revenue. Anticipated shortfall from the I&S Fund is anticipated at \$24,822. 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 August 2021. Commissioner Eggemeyer made a motion to approve the FY2021 Interest & Sinking Budget, as presented. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

**II. 5. Consideration and approval of FY2021 Committed Funds Budget.** Mr. Martinez MCND#1 has committed adequate funds for designated projects and contingency situations for FY2021. 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 FY2021 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 2020 Tax Rate.** Chairman Neeley announced, before we read or approve the Order to Adopt 2020 Tax Rate, we must approve the I&S Rate and then approve the M&O Rate. Mr. Martinez stated, as we approve the I&S Tax Rate and then the M&O Tax Rate, each Commissioner must pole separately their separate vote on each motion. The Interest & Sinking Tax Rate for 2020 is \$0.03449. It produces 2020 Tax Revenue to pay all but \$24,822 of our debit service. We will need a motion along with individual approvals.

Chairman Neeley made a motion to approve the I&S Tax Rate of \$0.03449 per \$100 of value. Commissioner Eggemeyer seconded the motion. Individual motions as follows: Chairman Neeley: Yes Commissioner Aparicio: Yes Commissioner Eggemeyer: Yes Commissioner Seaman: Yes Commissioner Tran Yes. All voted affirmatively and the motion passed

Mr. Martinez stated the next item to approve is the Maintenance & Operation Tax Rate for 2020 is. Our no-new revenue rate that was proposed for 2020 by the County Tax Assessor \$0.01109. At our last Regular Board Meeting it was decided to use \$0.0115 per \$100 of value, which was the same tax rate for 2019. Since this rate is above the no-new-revenue rate, there is special language to be used in the motion.

I, Commissioner Neeley move that the property tax rate be increased by the adoption of a tax of \$0.01115 per \$100 of value, which is effectively a .54% increase in the tax rate from the no-new-revenue rate.” THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S RATE.” “THE TAX RATE WILL EFFECTIVELY BE RAISED BY .54 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.06”. Commissioner Tran seconded the motion. Individual motions as follows: Chairman Neeley: Yes Commissioner Aparicio: Yes Commissioner Eggemeyer: Yes Commissioner Seaman: Yes Commissioner Tran Yes. All voted affirmatively and the motion passed.

Mr. Martinez read the “Order To Adopt 2020 Tax Rate”. Commissioner Eggemeyer made a motion to Adopt the 2020 Tax Rate as presented. Commissioner Aparicio seconded the motion. Individual motions as follows: Chairman Neeley: Yes Commissioner Aparicio: Yes Commissioner Eggemeyer: Yes Commissioner Seaman: Yes Commissioner Tran Yes. All voted affirmatively and the motion passed.

**II. 7. Consideration and possible action to accept Certification of Unopposed Candidates for Matagorda County Navigation District Number One Commissioner Positions No. 3 and No. 4 from Matagorda County Clerk.** Mr. Martinez stated the only filings for the two open positions were from each of the incumbent officeholders. Therefore, the election may be cancelled upon the Board accepting the Certification from the County Clerk. Commissioner Seaman made a motion to accept the Certification of Unopposed Candidates for MCND#1 Commissioner Positions No. 3 and No. 4 from Matagorda County Clerk. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

**II. 8. Consideration and possible action adopt and approve issuance of an Order of Cancellation of Election.** Mr. Martinez stated, upon receipt of the Certification of Unopposed Candidates from the County Clerk, MCND#1 Commissioners may adopt an order to cancel the election. This Order will be posted at the Navigation District, on our website and at each of the locations where voting for election of Commissioners would have taken place. Commissioner Aparicio made a motion to approve Issuance of an Order of Cancellation of Election. Commissioner Seaman seconded the motion. All voted affirmatively and the motion passed.

**II. 9. Consideration and possible action to approve a Letter of Agreement for KM&L, LLC to provide annual financial audit services to the Navigation District for FY2020.** Mr. Martinez stated KM&L, LLC conducted a very thorough and objective FY2019 financial audit for the District at a reasonable rate. Last year’s audit expense was \$6,500. Due to the receipt of Grant Funds from TXDOT in 2020 and FEMA, Government Auditing Standards Board requires us to have a more detailed audit. KM&L, LLC proposes a fee of \$10,000 for the FY2020 audit. I recommend to approve a Letter of Agreement for KM&L,

LLC to conduct the District's FY2020 financial audit. Commissioner Eggemeyer made a motion to approve a Letter of Agreement for KM&L, LLC to provide annual financial audit services to the Navigation District for FY2020. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

**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 Eggemeyer seconded the motion. All voted affirmatively and the motion passed.

**Consideration and approval of Current Register Reports.** After review, Commissioner Tran made a motion to approve the current Register Reports. Commissioner Eggemeyer 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 Eggemeyer 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 2:35 p.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.
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

**V. RETURN TO OPEN SESSION** – The Commissioners returned to Open Session at 4:00 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 8, 10, 2020 at 1:00 p.m. at the Port Administration Building.

**VII. ADJOURNMENT.** Commissioner Eggemeyer moved to adjourn and was seconded by Commissioner Tran the motion carried, and the meeting adjourned at 4:02 p.m.

  
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Greg T. Seaman, Secretary