

**MATAGORDA COUNTY NAVIGATION DISTRICT NO. ONE
MINUTES OF THE BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
January 16, 2020**

I. Chairman Jimmy Neeley called the meeting of January 16, 2020 to order at 1:12 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

Jimmy Neeley, Chairman

Greg Seaman Commissioner

Donny Tran, Commissioner

Victor Eggemeyer, Commissioner

Victor Martinez, Port Director

Verna H. Williams, Port Office Mgr.

Isidro Castanon, Port Attorney

Anette Uher, Port Accountant Consultant

Jose Ortiz, Maintenance Contractor

Tom Schmidt, Urban Engineering

Rusty Moon, Texas General Land Office

Tony Belton, Texas General Land Office

Alan Schulman, Palacios Beacon

Mike Ferdinand, MCEDC

Brent Miller, 1st Financial Trust, N.A.

Ken Johnson, 1st Financial Bank

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 (12/12/19). Minutes from the Regular Board Meeting of December 19, 2019 were reviewed. Commissioner Eggemeyer moved to accept the minutes as 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 four renewed Recreational Leases (Gangluff/Kilgore/McNeely/Tausch). There was one Commercial Leases (Palacios Shipyard #16). Occupancy for TB#3 Docks B-E is 92% and 87% 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. Motion passed by majority vote.

II. 3. Consideration and possible approval of Resolution appointing MCND#1 representatives to MCEDC. Mr. Martinez stated, as a funding partner, MCND#1 should appoint someone to represent MCND#1 at MCEDC Board meetings. Historically, the Port Director has attended the MCEDC meetings and any Commissioner can be an alternate in case the Port Director cannot attend. Mr. Martinez read the Resolution out loud. Commissioner Aparicio made a motion to approve the Resolution appointing MCND#1 representatives to MCEDC, as read. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

II. 4. Consideration and possible approval of Resolution to Authorize Signatures on MCND#1 Financial Accounts. Mr. Martinez stated, as a matter of routine practice MCND #1 reviews and updates any documents that are required for standard business and to remain within auditing standards. Last Board meeting it was approved to diversify our investment accounts. This Resolution to Authorize Signatures on Financial Accounts is needed in order to add First Financial Trust as one of our institutions who we have accounts with. Mr. Martinez read the Resolution out loud. Commissioner Tran made a motion to approve Resolution to Authorize Signatures on MCND#1 Financial Accounts as read. Commissioner Aparicio seconded the motion. All voted affirmatively and the motion passed.

II. 5. Consideration and possible action to approve Collateral Security Agreement from First Financial Bank, N.A. Mr. Martinez stated, Last month we approved the transfer of funds to First Financial Bank for a new money market account. First Financial has provided a Collateral Security Agreement for these

funds. I recommend approval of this agreement which will allow Mr. Neeley to sign and Mr. Seaman to attest. Commissioner Aparicio made a motion to approve Collateral Security Agreement from First Financial Bank, N.A. Commissioner Eggemeyer seconded the motion. All voted affirmatively and the motion passed.

II. 6. Consideration and possible action to approve an engagement letter from Kennemer, Masters, & Lundsford, LLC for Performance of the MCND#1 FY 2019 Financial Audit Corporation. Mr. Martinez stated, Kennemer, Masters and Lundsford will conduct our 2019 Audit. This letter just outlines this process for the Audit. The proposed fee for the Audit is \$10,000. Commissioner Eggemeyer made a motion to approve an engagement letter from Kennemer, Masters, & Lundsford, LLC (KLM) for Performance of the MCND#1 FY 2019 Financial Audit Corporation. Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

II. 7. Consideration and possible action to approve Change Order by Urban Engineering for Lester Contracting, Inc. – Port Commercial Center Roadway & Drainage Improvements TxDOT Rider 45 - FY 2018. Mr. Martinez stated, this Change Order is needed to provide 5-foot shoulder along the new road, 4" thick with Type A Grade 2 Limestone Base at an estimate amount of \$49,100. We have room in the grant funding authorized to cover this amount. I recommend we approve the Change Order. Commissioner Eggemeyer made a motion to approve Change Order by Urban Engineering for Lester Contracting, Inc. – Port Commercial Center Roadway & Drainage Improvements TxDOT Rider 45 - FY 2018 Commissioner Tran seconded the motion. All voted affirmatively and the motion passed.

II. 8. Consideration and possible action to approve MCND#1 Cell Phone Policy Update. Mr. Martinez stated, periodically we look at policies and adjust as necessary in order to stay with in auditing standards. This policy update includes the reimbursement of a phone allowance up to \$40 per month when an employee regularly uses their established personal cell phone conducting MCND#1 business. Commissioner Aparicio made a motion to approve MCND#1 Cell Phone Policy Update. Commissioner Eggemeyer 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 Seaman 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 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 2:14 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.
2. To conduct deliberations regarding personnel matters as pertained under Section 551.074.
 - a. Personnel – Port Director Evaluation

3. 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 concerning default leases
 - c. Discussion on repair of Port property
 - d. Discussion on Marine Education Center

V. RETURN TO OPEN SESSION – The Commissioners returned to Open Session at 5:27 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, February 20, 2020 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 5:28 p.m.



Greg T. Seaman, Secretary