

**MINUTES OF THE BOARD OF DIRECTORS JOINT MEETING  
OF  
REINVESTMENT ZONE ONE OF THE CITY OF NASSAU BAY, TEXAS  
AND  
NASSAU BAY DEVELOPMENT AUTHORITY  
CITY OF NASSAU BAY, TEXAS**

**OCTOBER 28, 2019**

**THE STATE OF TEXAS           §  
  §  
COUNTY OF HARRIS         §**

**The Board of Directors of Reinvestment Zone Number One, City of Nassau Bay (the “TIRZ” or “Zone”) and of Nassau Bay Redevelopment Authority (the “RDA” or “Authority”) met in a regular session, open to the public, at 7:15 p.m. on the 28th day of October 2019, at the City of Nassau Bay (the “City”) Council Chamber, City Hall, 1800 Space Park Drive, Nassau Bay, Texas. Duly appointed members of the Board, to-wit:**

<b>Mark Denman</b>	<b>Position One, Chair</b>
<b>Ron Swofford</b>	<b>Position Two</b>
<b>Matt Prior</b>	<b>Position Three</b>
<b>Ashley Graves</b>	<b>Position Four</b>
<b>George Dempsey</b>	<b>Position Five</b>
<b>Donald C. Matter</b>	<b>Position Six</b>
<b>Gary Mossman</b>	<b>Position Seven</b>

**1. Roll Call, Confirmation of Quorum;**

The meeting was called to order by Chair Denman at 8:12 p.m. and attendance was taken. All Directors, with the exception of Directors Dempsey, Matter and Mossman, were noticed as present constituting a quorum. Also present at the meeting were City Manager, Jason Reynolds; City Finance Director Csilla Ludanyi; Assistant City Manager, Mary Chambers; Sue Darcy and Jan Buehler of Marsh Darcy Partners, Inc. (“MDP”).

**2. Public comment for items not on the Agenda;**

There were no comments.

**3. Discuss and take necessary action regarding minutes of October 29, 2018 Joint Meeting with the Board of Directors of the Zone and Authority;**

A motion was made by Director Swofford to accept the minutes as written and was seconded by Director Prior. The motion was approved unanimously.

**Items considered by the Nassau Bay Redevelopment Authority:**

**1. Receive Financial Report from the City of Nassau Bay including:**

**a) Receive and approve Financial Report;**

Ms. Ludanyi presented the financial report noting the proposed revenue amount was \$1,905,810 and the actual amount was \$1,030,990. The TIRZ-City Participation Payment was \$1,013,670. The Investment Portfolio total amount was \$683,870. Ms. Ludanyi reviewed the table of projections for 2020 noting an estimated total revenue, based on 2% growth, to the TIRZ of \$1,081.753. A review of the RDA Expenses Incurred indicated \$1,146,628.73, and the projected FYE 2019 fund balance at \$308,278. Director Swofford requested clarification in the 2018 meeting minutes of \$150,000 being

held for flood development, to which Ms. Ludanyi explained that it was budgeted in FY 2019 with a portion spent and some carried forward to FY 2020 budget to be discussed.

**b) Review and authorize payment of invoices and reimbursement to the City;**

The total of invoices paid by the City on behalf of the RDA to be reimbursed was \$73,092.08.

**c) Discuss and authorize payment to Griffin Partners;**

Ms. Ludanyi reviewed the recap of developer reimbursements to date and for the coming year. The audited reimbursable costs were \$6,772,508. The previous payments to developer as listed beginning 2013 resulting in estimated principal balance due at 9/30/19 of \$3,100,379 including the additional interest by 9/30/19 estimated at an additional \$99,664. The recommended reimbursement to the developer is \$227,000 that is being generated by the developer's portion in excess of what is already spent on the debt issuance from 2013. Based on that, the principal balance at FY2020 would be \$2,967,387.

**d) Discuss and approve Budget for fiscal year end September 30, 2020;**

Ms. Ludanyi reviewed the FY20 NBRDA Draft Budget noting that FY 2020 will end with a fund balance of \$557,488.

A motion by Director Swofford to approve Financial Report items a) through e) as presented was seconded by Director Graves and passed unanimously.

**2. Conduct annual review of Investment Policy and adopt Resolution Regarding Annual Review of Investment Policy;**

Ms. Ludanyi reported that the RDA uses the City's Investment Policy which was approved in May 2019 with no changes. A motion by Director Graves to adopt the resolution as presented was seconded by Director Prior and passed unanimously.

**3. Accept annual Disclosure Statement for Investment Officer and Bookkeeper;**

Ms. Ludanyi presented the Annual Disclosure Statement which she prepared and signed. A motion by Director Prior to accept the disclosure statement of Ms. Ludanyi was seconded by Director Swofford and passed unanimously.

**4. Discuss and take necessary action regarding renewal of Insurance and authorize payment of premium;**

Ms. Darcy reviewed the coverage proposal by HARCO for 10/01/19-10/01/20, indicating the coverage is the same as last year along with the premium amount. A motion by Director Swofford to authorize renewal of the HARCO policy and payment of the premium as presented was seconded by Director Prior and passed unanimously.

**5. Adjourn.**

Chair Denman adjourned the meeting at 8:30 p.m.

**Items considered by Reinvestment Zone Number One:**

**1. Call to Order, confirmation of Quorum;**

Chair Denman called the meeting to order at 8:30 pm and confirmed a quorum.

**2. Receive and approve 2018 Annual Report;**

Ms. Darcy presented the 11th annual report of the Zone prepared in accordance with the requirements of Chapter 311 of the Texas Tax Code and in the same format as previous reports. Ms. Darcy noted that there were no changes or amendments to the Project and Financing Plan in 2018. Ms. Darcy advised that the City remains the only participant in the TIRZ and contributes 90% of its tax rate. Tables within the report were reviewed showing the growth in value since inception resulting in a

total value in 2018 of \$259,267,734, representing a 152% increase in value in the zone in 11 years. Ms. Darcy reviewed all tables indicating changes, including significant growth in revenue year over year noting growth from \$601,116 in 2014 to \$1,039,414 for 2018. Ms. Darcy advised that once the 2018 Annual Report is approved by the Board and accepted by City Council, it will be forwarded to the Texas Comptroller and other State Agencies as required.

A motion by Director Prior to approve the 2018 Annual Report as presented was seconded by Director Graves and passed unanimously.

**3. Adjourn.**

There being no further business, a motion by Chair Denman to adjourn at 8:35 p.m. was seconded by Director Swofford.

APPROVED:

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Secretary, Board of Directors  
Reinvestment Zone Number One  
Nassau Bay Redevelopment Authority  
City of Nassau Bay, Texas

Minutes approved as submitted and or amended on \_\_\_\_\_.