

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
May 14, 2015

THE STATE OF TEXAS           §  
  §  
COUNTY OF MONTGOMERY   §

The Board of Directors of East Montgomery County Improvement District (the "District") met in Regular Session, open to the public, on the 14<sup>th</sup> day of May, 2015, at 6:30 p.m., at the East Montgomery County Improvement District Complex, 21575 U.S. Highway 59 North, EMCID Board Room 103, New Caney, Texas, within the boundaries of the District, and the roll was called of the duly elected officers and members of the Board of Directors, to-wit:

Brenda Webb	Chairperson
Dale Martin	Vice Chair
Scott Hesson	Treasurer
Stephen Carlisle	Secretary
Katherine Persson	Asst. Secretary
Martin Zepeda	Asst. Treasurer
Leonard Rogers	Director
Isidor Ybarra, Jr.	Director

with all of said persons being present, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Suzanne Parmer, Ms. Tara Martin, Ms. Kelly Mattlage, Mr. David Marks, Mr. Greg Phipps, Mr. Anthony Lasky and others from the community, as shown on the attached sign in sheet.

Chairperson Webb called the meeting to order and announced that a quorum was present.

Director Hesson led in prayer followed by the pledge of allegiance led by Director Carlisle.

As the first order of business, the Board deferred comments from members of the audience after Chairperson Webb stated no one had signed up to address the Board.

The Board next considered the review and approval of the minutes of the Board of Directors meetings held on April 14, 2015 (a.m.), April 14, 2015 (p.m.) and April 30, 2015. After review and discussion, Director Ybarra made a motion that the minutes of the Board of Directors meetings held on April 14, 2015 (a.m.), April 14, 2015 (p.m.) and April 30, 2015, be approved as written. Director Hesson seconded said motion, which unanimously carried.

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The Board next considered the approval of Community Development Grant Agreements. In that regard, Mr. McCrady reviewed the request of the EMC YMCA of Houston ("YMCA") relative to funding \$3,500.00 to fund an 11 week summer day camp. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Carlisle and seconded by Director Persson, which unanimously carried, to fund the \$3,500.00, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request of Montgomery County Youth Services ("MCYS") relative to funding \$6,000.00 of a total project cost of \$32,525.00 to fund the sponsorship of at least 27 East Montgomery County children to attend the 2015 Camp Watsitumi. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Persson and seconded by Director Rogers, which unanimously carried, to fund the \$6,000.00, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request of the City of Roman Forest ("City") relative to funding \$9,000.00 of a total project cost of \$13,500.00 to purchase new and replacement park equipment at the City park. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Rogers and seconded by Director Hesson, which carried, with Director Carlisle abstaining, to fund the \$9,000.00, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request of the City of Roman Forest Police Department relative to funding \$1,739.82 of a total project cost of \$2,609.73 to purchase six (6) Zxon Body Cameras to be worn by each on duty officer. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Persson and seconded by Director Ybarra to fund the \$1,739.82 in accordance with the staff recommendation. The Board then discussed the cost associated with funding all ten (10) of the Zxon Body Cameras required for each duty officer. Director Rogers made a motion to amend the motion to fund \$4,350.00 for ten (10) body cameras. Director Zepeda seconded said amended motion, which carried, with Director Carlisle abstaining. Following discussion on the motion as amended, the Chair called for a vote and with Director Carlisle abstaining and all other directors voting in favor, the amended motion carried.

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Mr. McCrady next reviewed the request of the East Montgomery County Historical Society relative to funding \$11,000.00 to pay Entergy for the cost of moving the power line easement from the center of the property to the south property line. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Ybarra and seconded by Director Zepeda, which unanimously carried, to fund the \$11,000.00, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request from Splendora ISD Junior High AV Club ("SISD") relative to funding \$8,000.00 of a total project cost of \$12,500.00 to start an AV Club for the 2015/2016 academic year. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Persson and seconded by Director Carlisle, which carried, with Director Martin abstaining, to fund the \$8,000.00, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request from Splendora ISD Junior High School Science Club ("SISD") relative to funding \$4,000.00 of a total project cost of \$6,000.00 to start a Science Club for the 2015/2016 academic year. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Persson and seconded by Director Carlisle, which carried, with Director Martin abstaining, to fund the \$4,000.00, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request from Splendora Youth Baseball Association ("SYBA") relative to funding \$39,529.38 of a total project cost of \$59,893.00 for the purchase of playground equipment for the playground at the Sports Complex; the request from Heaven's Army of Resources ("Heaven's Army") relative to funding \$11,928.00 of a total project cost of \$17,400.00 to pay the costs associated with a compilation audit project; and the request from New Caney New Horizons ("NCNH") relative to funding \$28,712.00 of a total project cost of \$42,854.00 for the purchase of a new van for the organization. After discussion, Director Persson made a motion to defer the grant requests of SYBA, Heaven's Army and NCNH and to reconsider the requests in the Fall round of grant requests. Director Hesson seconded said motion. Director Carlisle then made a motion to amend the motion to remove NCNH from the motion. Director Hesson seconded said motion, which carried, with Director Martin being opposed. The Board then considered the motion as amended. After discussion, the motion as amended passed with Director Martin opposed.

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Mr. McCrady next reviewed the request of Five Star Regional Alliance c/o LSC-K ("Five Star") relative to funding \$60,000/\$20,000 per year for three (3) years of a total project cost of \$294,000/\$98,000 per year for 3 years to fund the salary of a director for the organization. He noted that the staff recommended referring Five Star to the Scholarship Foundation for consideration. After discussion on the matter, a motion was made by Director Carlisle and seconded by Director Martin, which carried, with Director Persson abstaining, to refer the request to the Scholarship Foundation for consideration, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request from Mission Northeast relative to funding \$49,010.50 of a total project cost of \$73,150.00 to purchase a freezer/cooler combination unit, concrete wheel stops, galvanized steel pipe bollards and curtain strips (to protect the doors). He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Persson and seconded by Director Martin, which unanimously carried, to fund the \$49,010.50, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request from New Caney New Horizons ("NCNH") relative to funding \$28,712.00 of a total project cost of \$42,854.00 for the purchase of a new van for the organization. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Carlisle and seconded by Director Hesson, which unanimously carried, to fund the \$28,712.00, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request from Porter Drug & Alcohol Screens relative to funding \$5,000.00 for advertising the Teen Screen Project. Mr. McCrady noted that the staff recommended to deny the funding request as the applicant is not a Non-Profit Organization and therefore does not qualify for a grant. After discussion on the matter, a motion was made by Director Carlisle and seconded by Director Martin, which unanimously carried, to reject the request, in accordance with the staff recommendation.

The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented or as reflected in said reports. In connection therewith, Mr. Lasky presented the financial and investments reports, copies of which are attached hereto, and discussed the invoices for payment. Following review, Director Persson moved that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 11991 through 12053, inclusive, three (3) wire transfers and debits for payroll, and

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on the Special Events Fund, being check nos. 2409 through 2411, as set forth on the attached report. Director Ybarra seconded said motion, which unanimously carried.

The Board next considered the approval of a license agreement with the Houston Metro Go Texan Committee of the Houston Livestock Show and Rodeo. After discussion on the matter, Director Carlisle made a motion that the license agreement with the Houston Metro Go Texan Committee of the Houston Livestock Show and Rodeo be approved and that the Chairman be authorized to execute same on behalf of the Board. Director Hesson seconded said motion, which unanimously carried.

The Board next considered the following announcements:

- National Police Week
- Last Saturday 60 students from Splendora graduated with college hours

The Board next recessed to Executive Session at 6:59 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code, pending or contemplated litigation pursuant to §551.071, Texas Government Code, matters in which the duty of the attorney to the District under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflict with Chapter 551, Texas Government Code, pursuant to §551.071, Texas Government Code, personnel matters pursuant to §551.074, Texas Government Code; and Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board returned from Executive Session at 10:14 p.m.

The Board next considered the approval in principal to modifications to Development Agreement and to authorize preparation of Second Amended and Restated Economic Development Agreement ("Second Agreement") by and among Sig-Valley Ranch, Ltd., Valley Ranch Town Center, Ltd., East Montgomery County Improvement District Economic Development Zone No. 1 and the District. Mr. McCrady reviewed same with the Board. After discussion, Director Rogers made a motion to approve the modification to the Development Agreement and to authorize the preparation of the Second Agreement, as set forth above. Director Persson seconded said motion, which unanimously carried.

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The Board next considered the status of development of the District's 12.85 acre site, including the construction of improvements, the leasing of space in the District's office building and the status of the possible condemnation of District property by TxDOT for the Grand Parkway development. In that regard, Mr. McCrady stated that the District has completed the settlement with New Caney MUD and that the fiber optic lines are being replaced by TxDOT.

The Board next considered a report on activities within the Industrial Park, including the status of sale of dirt out of future detention pond and the status of the contract with TDG for excavation and delivery of said dirt. In connection therewith, Mr. McCrady stated that he is still negotiating with landowners for the purchase of the dirt and that no sales have been completed to date.

The Board next considered the status of the contract with Quadvest Construction, LP ("Quadvest") for construction of roads to serve Section 3. Mr. Phipps reported that the contractor is ready to start, but that the project is on hold pending completion of the drainage and detention pond project being performed by East Montgomery County MUD No. 3 ("No. 3").

The Board next deferred the approval of plans and specifications and authorization to advertise for bids for the construction of roads to serve Section 4.

The Board next deferred the status of a plat of Section 3 and 4.

The Board next considered the status of the contract with Quadvest for construction of wastewater lift station. Mr. Phipps reported that the contract has been awarded and that the contractor will start soon.

The Board next considered the status of the contract with Quadvest for construction of the sanitary sewer and water facilities to serve Industrial Park, Section 3. Mr. Phipps reported that the contractor is ready to start, but that the project is on hold pending completion of the drainage and detention pond work being performed by No. 3.

The Board next deferred the status of an Incentive Agreement and a Purchase and Sale Agreement relative to the purchase of a 20 acre site by Command Energy.

The Board next deferred the status of an Incentive Agreement and a Purchase and Sale Agreement relative to the Keysteel expansion project.

The Board next deferred the status of an Incentive Agreement and Purchase and Sale Agreement relative to the sale of a 3 acre site to a nutraceutical company.

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The Board next considered the status of a Purchase and Sale Agreement for the purchase of a 0.828 acre site in the Industrial Park. Mr. McCrady reported that he is currently working on the contract.

The Board next deferred the status of preparation of a demographic study by Leisure Development Partners after Mr. McCrady stated he had nothing new to report.

The Board next considered the status of an Incentive Agreement with Saints and Sinners Brewing Company ("S&S"). Mr. McCrady stated that construction has begun, but that he has not yet received the executed Incentive Agreement back from S&S.

The Board next considered the approval of an Incentive Agreement with Splendora 2090 Property, LLC, or its assignees. Mr. McCrady stated that he has not yet received the executed Incentive Agreement back.

The Board next deferred the approval of a development agreement with Jefco Development Corp. and a sponsor agreement with TxDOT regarding construction of drainage and detention facilities for the retail center and expansion of Loop 494, after Mr. McCrady stated the project has been put on hold. Mr. McCrady recommended that the item be removed from the agenda.

The Board next considered the review and approval of an Amendment to Contract of Employment between the District and Frank McCrady. After discussion on the matter, Director Persson made a motion to amend the contract to extend for one (1) year, award a 3% deferred compensation provision and to remove the Scholarship Foundation incentive. Director Rogers seconded said motion. Director Persson then moved to amend the previous motion to award a 2015 contract incentive of 3%, payable May 31, 2015. Director Ybarra seconded the amended motion, which carried, with Directors Hesson and Martin being opposed. After further discussion, the Board voted to approve the amended motion, with Directors Hesson and Martin voting in opposition.

The Board next considered a process for issuing community service awards. Director Hesson recommended acknowledging people in the community who have performed extraordinary service within and for the community. He suggested that information for nominations be placed on the District's website and that the Board give out quarterly recognition awards. Director Persson recommended that Mr. McCrady and the staff put a proposal together for the Board's review. After discussion, the Board deferred action so the staff can assemble a policy and procedure for awarding community service awards for the Board's review and approval.

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The Board next considered the following matters for possible placement on future agendas, including: to consider moving director elections to the November uniform election date and to conduct a workshop to consider criteria for awarding deferred compensation. No action was taken by the Board relative to either recommendation.

There being no further business to come before the Board of Directors, the meeting was adjourned.

(SEAL)



*Stephen Carlisle*  
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Stephen Carlisle  
Secretary, Board of Directors