

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
January 15, 2014

THE STATE OF TEXAS §
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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 15th day of January, 2014, at 11:00 a.m., at the East Montgomery County Improvement District Complex, 21575 U.S. Highway 59 North, EMCID Conference Room, Room 200A, 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:

Fred Wetz	Chair
Vickie Thumann	Vice Chair
Brenda Webb	Treasurer
Isidor Ybarra, Jr.	Secretary
Katherine Persson	Asst. Secretary
Connie Bloodworth	Director
Linda W. Floyd	Director
Dale Martin	Director

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

Also present were Mr. Frank McCrady, Ms. Suzanne Parmer, Mr. David Marks and Mr. Joe Costanza.

The Chair called the meeting to order and announced that a quorum was present.

As the first order of business, the Board considered a discussion relative to contracts between the District and Emergency Service Districts ("ESD's") located within the boundaries of the District. In that regard, Mr. McCrady reviewed the current sales tax rates with the ESD's and discussed the current requests from the ESD's. He stated that Montgomery County ESD No. 11 ("No. 11") is considering holding a sales tax election in May 2014, and they want the District to make a grant of approximately \$300,000 per year for operations. Mr. McCrady then discussed the possible merger of No. 11 with Montgomery County ESD No. 7.

The Board next discussed existing Economic Development Zones and the potential creation of new Economic Development Zones within the District.

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The Board next considered an amendment to the District's grant request and award policy. In that regard, Mr. McCrady reviewed the history of the grant process and noted that 60% of the grants awarded have been for governmental entities. The Board discussed gradually increasing the match requirement over a period of years to 75%, but recommended that the match amount not be changed until the next fiscal year to allow time for the staff to modify the grant request applications. The Board noted they would still have the authority to waive all or a portion of the 75% match fund if the project is deemed important. Director Floyd noted she would like to see greater enforcement of contractual compliance with the grant recipients. The Board concurred that the staff should not accept incomplete applications and noted that the Board would back up the staff relative to the rejection of incomplete applications. Mr. McCrady then questioned if the Board would like to create a "small grant" application process for organizations wanting small grants and if the Board would like to place a maximum cap on grant requests. The Board concurred they would like to offer a small grant application and to set a maximum cap of \$5,000 per grant request. Mr. McCrady further recommended that the District consider offering the grant applications to be accessible on line. After discussion on the matter, Director Thumann moved that the Board be authorized to prepare a cover letter signed by the Board authorizing return of incomplete applications and/or applications by applicants that are not in compliance with contractual requirements under previous grants; directing that Mr. McCrady prepare a simplified application for projects with a total cost less than \$5,000 for use beginning in fiscal year 2015; and to put both applications on the District web site. Director Floyd seconded said motion, which unanimously carried.

The Board next recessed to Executive Session at 2:16 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, and Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board returned from Executive Session at 2:24 p.m.

The Board next considered matters for possible placement on future agendas.

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

(SEAL)



A handwritten signature in cursive script, appearing to read "Isidor Ybarra, Jr.", written over a horizontal line.

Isidor Ybarra, Jr.
Secretary, Board of Directors