

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
May 7, 2013

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 7<sup>th</sup> day of May, 2013, at 6:00 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:

Connie Bloodworth	Chair
Linda W. Floyd	Vice Chair
Brenda Webb	Secretary/Treasurer
Dale Martin	Director
Vickie Thumann	Director
Fred Wetz	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, Mr. David Marks, Mr. Chris Palis, and others from the community, as shown on the attached sign in sheet.

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

Director Martin led in prayer followed by the pledge of allegiance led by Director Thumann.

As the first order of business, the Board considered comments from members of the audience. In connection therewith, Chairman Bloodworth noted that 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 18 and April 19, 2013. After review and discussion, Director Webb moved that the minutes of the Board of Directors meetings held on April 18 and April 19, 2013, be approved as written. Director Floyd seconded said motion, which unanimously carried.

The Board next considered the approval of Community Development Grant Agreements. In that regard, Mr. McCrady advised that a total of eleven (11) requests had been submitted for consideration.

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Mr. McCrady then reviewed the request of the New Caney Independent School District Education Foundation, Inc. relative to funding \$25,000.00 to provide grants to NCISD teachers for innovative projects in the classroom that directly impact students. He noted that the staff recommended funding \$5,000 of the \$25,000 request due to limited funds available. After discussion on the matter, a motion was made by Director Thumann and seconded by Director Floyd, which carried, with Director Webb abstaining, to fund the \$5,000, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request of the Splendora Independent School District relative to funding \$12,060.00 of a total project cost of \$18,000.00 to cover the costs of hiring a motivational/key note speaker to inspire and jump start the 2013-2014 school year. He noted that the staff recommended funding the request with the 33% required fund match. After discussion on the matter, a motion was made by Director Wetz and seconded by Director Webb, which carried with Director Floyd being opposed, Director Martin abstaining and all other directors voting in favor, to fund \$12,060.00, with the required 33% fund match, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request of the City of Splendora relative to funding \$150,813.50 to construct a new City park on 2.15 acres which will consist of walking trails, sports field, playground equipment and family recreational equipment. He noted that the staff recommended funding \$30,890.00 for the costs associated with construction of a parking lot as Phase I. He noted that the City, as its matching funds, would be required to acquire the land and close on the site for the parking lot at an estimated cost of \$22,500. After discussion on the matter, a motion was made by Director Martin and seconded by Director Floyd, which unanimously carried, to fund the \$30,890.00, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request of the City of Roman Forest on behalf of the Roman Forest Police Department relative to funding \$9,692.87 of a total project cost of \$14,466.97 for the implementation of an Off-Road Patrol Program, including the purchase of an ATV, accessories and materials to construct a storage facility to house the ATV. He noted that the staff recommended funding the request with the 33% required fund match. After discussion on the matter, a motion was made by Director Ybarra and seconded by Director Thumann, which unanimously carried, to fund \$9,692.87, with the required 33% fund match, in accordance with the staff recommendation.

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Mr. McCrady next reviewed the request from Montgomery County Precinct 4 on behalf of the New Caney Friendship Center ("NCFS") relative to funding \$34,979.02, to purchase materials to construct a 25 X 40 addition to the existing facilities of the NCFS. He noted that the staff recommended funding, as submitted. After discussion on the matter, a motion was made by Director Floyd and seconded by Director Wetz, which unanimously carried, to fund the \$34,979.02, in accordance with the staff recommendation.

Mr. McCrady then reviewed the request from Eating for Peace relative to funding \$8,000.00 of a total project cost of \$12,120.00 to start a Summer Program to teach senior citizens how to eat a healthier lifestyle. He noted that the staff did not recommend funding the request, and requested the applicant re-submit after the program has been established with tangible benchmarks and successful implementation of the program for the community. After discussion on the matter, a motion was made by Director Floyd and seconded by Director Thumann, which unanimously carried, not to fund the project, in accordance with the staff recommendation.

Mr. McCrady then reviewed the request of the City of Patton Village on behalf of the Patton Village Police Department relative to funding \$3,685.03 of a total project cost of \$5,500.02 to purchase non-lethal laser guns (12), holsters and training. He noted that the staff did not recommend funding the request, due to the District possibly funding two (2) other grant requests from the same City. After discussion on the matter, a motion was made by Director Webb and seconded by Director Ybarra, which unanimously carried, not to fund the project, in accordance with the staff recommendation.

Mr. McCrady then reviewed the request of the City of Patton Village relative to funding \$13,758.02 of a total project cost of \$20,534.36 to purchase and install playground equipment in the City Park. He noted that the staff recommended funding the request with the 33% required fund match. After discussion on the matter, a motion was made by Director Thumann and seconded by Director Martin, which unanimously carried, to fund \$13,758.02, with the required 33% fund match, in accordance with the staff recommendation.

Mr. McCrady then reviewed the request of the City of Patton Village on behalf of the Patton Village Police Department relative to funding \$20,249.01 of a total project cost of \$30,222.40 to purchase and install five (5) Complete MDT Units for existing patrol units. He noted that the staff

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did not recommend funding the request, and requested applicant re-apply for the next cycle of funding to allow for the funding of several projects in the District. After discussion on the matter, a motion was made by Director Wetz and seconded by Director Floyd, which carried, with Director Bloodworth voting in opposition, not to fund the project, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request from Montgomery County Constable Precinct 4 ("MCCP4") relative to funding \$113,335.78, to cover the costs associated with hiring one (1) full time Deputy Constable posting which includes salary, auto allowance and benefits for a twelve (12) month period. He noted that the staff did not recommend funding the request, as the staff needs a more detailed explanation on duties and how the position differs from a normal position. Mr. McCrady further recommended that applicant consider re-submitting the request as part of the 2013-2014 budget. After discussion on the matter, a motion was made by Director Floyd and seconded by Director Wetz, which passed with Directors Webb and Martin being opposed, not to fund the project, in accordance with the staff recommendation.

Mr. McCrady then reviewed the request of the Montgomery County Youth Services relative to funding \$6,000.00 of a total project cost of \$36,000.00 for scholarships to attend Camp Watsitumi. He noted that the staff did not provide a recommendation relative to funding such request, as the application was turned in after the deadline. After discussion on the matter, a motion was made by Director Ybarra and seconded by Director Webb, which unanimously carried, to fund \$6,000.00, for scholarships to attend Camp Watsitumi.

Mr. McCrady next advised that a total of \$106,379.91 was funded by the District to the various applicants located within the District.

The Board next considered the appointment of a Director to fill the vacancy created by the resignation of Director Idoux. In connection therewith, Director Webb moved that the Board defer the appointment of a Director to fill the vacancy created by the resignation of Director Idoux. Director Floyd seconded said motion, which unanimously carried.

The Board next deferred the acceptance of a Qualification Statement, Oath of Office and Election Not to Disclose Personal Information for a new director.

The Board next deferred the election of an Assistant Secretary of the Board of Directors.

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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. Palis presented the financial and investments reports, copies of which are attached hereto, and discussed the invoices for payment. Following review, Director Wetz moved that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 10332 through 10369, inclusive, two (2) wire transfers and debits for payroll, and on the Special Events Fund being check nos. 2327 and 2328, as set forth on the attached reports. Director Floyd seconded said motion, which unanimously carried.

Mr. Palis next presented and reviewed with the Board a Quarterly Investment Report for the reporting period ended March 31, 2013, a copy of which is attached hereto. After review of the Quarterly Investment Report, Director Wetz moved that said Quarterly Investment Report be approved and the District's Investment Officer be authorized to execute same on behalf of the Board and District. Director Floyd seconded said motion, which unanimously carried.

The Board next considered the review of the District Code of Ethics and other Policies. In connection therewith, Director Webb moved that the Board defer the review of the District Code of Ethics and other Policies. Director Ybarra seconded said motion, which unanimously carried.

The Board next considered a report on the status of the EarthQuest project. In that regard, Mr. McCrady noted that the developer should be at the June meeting and stated that the developer is still planning to purchase the land in June.

The Board next considered the status of the proposed Grand Texas project. In that regard, Mr. McCrady stated he had nothing new to report, as the developer is continuing to move forward with the planned closing scheduled for the end of May.

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 building settlement investigation. In that regard, the Board considered the status of the contract with John A. Walker Roofing, Inc., for repair of the roof on the District's office building, the review of a report from Webb Architects in connection with the investigation of the building issues and the status of the contract with Peterson Dean for repair of the District's office building gutter system. In that regard, Mr. McCrady reported that all three (3) contracts are currently on hold pending determination by TxDOT as to what portion of the District's property they will be taking.

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The Board next considered the approval of a proposal for the purchase and installation of District signs throughout the District. In that regard, the Board deferred the approval of same after noting the sample sign will be ready tomorrow.

The Board next recessed to Executive Session at 6:32 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 7:51 p.m.

The Board next considered a report on activities within the Industrial Park. In connection therewith, the Board deferred the review of bids and award of a contract for the construction of extension of sanitary sewer line along Caroline Way.

The Board next considered the approval of a Release of Lien relative to Jan M. Maly. After discussion on the matter, Director Thumann moved that said Release of Lien be approved and that the Chairman be authorized to execute same on behalf of the Board and the District. Director Floyd seconded said motion, which unanimously carried.

The Board next considered the following announcements:

Director Thumann stated that she has a new grandbaby and reported that the trip to Denver was successful for the District.

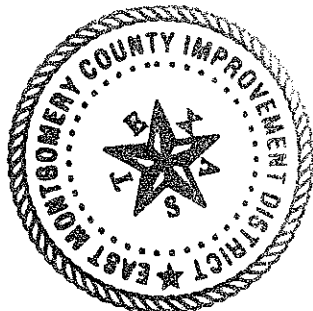
The Board next noted the following:

- a special meeting with Montgomery County Emergency Services District No. 7 is scheduled for May 14, 2013, at 12:00 noon;
- a meeting relative to personnel matters is scheduled for May 30, 2013 at 2:00 p.m.;
- the June Board meeting has been changed to June 4, 2013, at 5:30 p.m.

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

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

(SEAL)



A handwritten signature in cursive script that reads "Brenda Webb".

Secretary, Board of Directors