

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 4

December 8, 2017

The Board of Directors (the "Board") of Harris County Improvement District No. 4 d/b/a The Energy Corridor District (the "District") met in regular session, open to the public, on the 8th day of December, 2017, at the Wyndham Hotel, 14703 Park Row, Houston, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

David W. Hightower	President
Robert Halick	Vice President
Steve West	Secretary
Brandon Kerr	Assistant Secretary
D. Bruce Fincher	Director
Peter Elgohary	Director
Peter D. Johnston	Director
Tom Halaska	Director
Peter Lee	Director

and all of the above were present except Directors Halaska and Lee, thus constituting a quorum.

Also present at the meeting were Clark Martinson, Executive Director for the District; Kelly Rector, TDM Program Manager for the District; Fabiana Demarie, Urban Planner for the District; Robert Rayburn, Landscape Architect for the District; Rachael Weaver, Community Relations Coordinator for the District; Peter Eccles, Active Transportation Coordinator for the District; Michelle Lofton of ETI Bookkeeping Services; Pat Hall of Equi-Tax, Inc.; Scott Saenger of Jones|Carter; Sergeant Phillip Bennett of Harris County Constable Precinct 5; Les Lee of eSiteful; Margarita Dunlap of METRO; and Jessica Holoubek and Kristen Hogan of Allen Boone Humphries Robinson LLP ("ABHR").

ESTABLISH A QUORUM AND CALL THE MEETING TO ORDER

Having established that a quorum of the Board was present, Director Hightower called the meeting to order.

MINUTES

The Board first considered the minutes of the November 10, 2017, regular meeting. Following discussion and review, Director Fincher moved to approve the minutes as submitted. The motion was seconded by Director Elgohary and passed unanimously.

ASSESSMENT AND COLLECTION MATTERS AND STATUS OF HARRIS COUNTY APPRAISAL DISTRICT LAWSUITS

Ms. Hall reviewed the assessment collector's report for November, a copy of which is attached. She also reviewed a chart regarding the status of District assessment payers' lawsuits against the Harris County Appraisal District, a copy of which is attached. Ms. Hall reported that Spring Branch Independent School District has requested a reappraisal of the property within its boundaries. Following discussion and review, Director West moved to accept the assessment collector's report. The motion was seconded by Director Kerr and passed by unanimous vote.

RESOLUTION CHANGING POSTING PLACE FOR NOTICE OF BOARD OF DIRECTORS MEETINGS

The Board discussed the current location for posting District meeting notices at METRO Bus Stop #8934, 15115 Memorial Drive, due to accessibility issues at the District office from Hurricane Harvey. Mr. Martinson said the office is anticipated to be accessible by January 2018. The Board considered changing the posting place to the District office. After review and discussion, Director Halick moved to adopt a Resolution Changing Posting Place for Notice of Board of Directors Meetings to change the posting place to the District office at 777 North Eldridge Parkway, Suite 270. Director Elgohary seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Lofton reviewed the November cash management, capital funds and investment report, a copy of which is attached, and reviewed the bills presented for payment from the District's accounts. Following review and discussion, Director West moved to approve the bookkeeper's report and payment of the bills presented in the report. Director Elgohary seconded the motion, which was approved by unanimous vote.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted an annual review of the District's Investment Policy and considered adoption of an Amended Investment Policy. Ms. Holoubek reviewed a Resolution Regarding Annual Review of Investment Policy and Adoption of Amended Investment Policy with the Board. Following review and discussion, Director Fincher moved to adopt a Resolution Regarding Annual Review of Investment Policy and Adoption of Amended Investment Policy and direct that it be filed appropriately and retained in the District's official records. Director West seconded the motion, which passed by unanimous vote.

ADMINISTRATIVE

ENGAGE AUDITORS FOR FISCAL YEAR ENDING DECEMBER 31, 2017

Mr. Martinson reviewed an engagement proposal from McGrath & Co., PLLC to perform year-end accounting work for the District. The Board next considered authorizing McCall Gibson Swedlund Barfoot PLLC to proceed with preparation of the District's audit for the fiscal year ending December 31, 2017, pursuant to its existing engagement letter with the District for preparation of annual audits and reimbursement reports. Mr. Martinson noted the total estimated cost associated with the year-end auditing work is \$22,500. After review and discussion, Director Fincher moved to (1) approve the proposal from McGrath & Co., PLLC for year-end accounting work and (2) authorize McCall Gibson Swedlund Barfoot PLLC to proceed with conduct of the District's audit for the fiscal year ending December 31, 2017. Director West seconded the motion, which passed unanimously.

AUTHORIZE PREPARATION AND FILING OF ANNUAL REPORT WITH CITY OF HOUSTON AS REQUIRED BY ECONOMIC DEVELOPMENT AGREEMENT

Mr. Martinson discussed the annual report that must be prepared and sent to the City of Houston (the "City") in accordance with the Economic Development Agreement between the District and the City. He requested authorization for District staff to prepare and file the report. Upon a motion made by Director West and seconded by Director Johnston, the Board voted unanimously to authorize preparation and filing of the annual report with the City as required pursuant to the Economic Development Agreement.

ECD PUBLIC SAFETY AND SECURITY PROGRAM

Sergeant Bennett reported on November patrols and activity. He also reported on officer personnel changes within the District.

RESOLUTION ENDORSING THE WHA'S 'COMPREHENSIVE FLOOD PROTECTION PLAN FOR A BETTER HOUSTON'

Director Hightower discussed the "Comprehensive Flood Protection Plan for a Better Houston" developed by the West Houston Association, together with several other organizations, which outlines plans for use of federal, state, and local funds for comprehensive flood protection in and around the Houston area, including the Energy Corridor. The Board considered adopting a resolution supporting the Plan. After review and discussion, Director Elgohary moved to adopt a Resolution Supporting Comprehensive Flood Protection Plan. Director West seconded the motion, which passed unanimously.

ECD PROJECT MANAGEMENT

HARRIS COUNTY/TCEQ LIP PROJECT GRANT UPDATE

Mr. Rayburn updated the Board on the status of preparing construction documents and obtaining plan approvals for the Local Initiative Project grant project.

IH 10 INTERSECTIONS ENHANCEMENT UPDATE

Mr. Rayburn gave an update on construction of the Texas Department of Transportation's ("TxDOT") IH-10 intersections enhancement project. He discussed final punch list items being addressed by the contractor. Mr. Rayburn added that funding reconciliation among the District and TxDOT will occur following acceptance of the project.

ECD SIDEWALKS DESIGN, ADVERTISE, BID AND CONSTRUCTION UPDATE

Mr. Rayburn reported that the bid opening for the 2016-2017 sidewalk improvements on Memorial Dr. and Dairy Ashford Road was held on November 30, 2017. He discussed the timeline for evaluating the bids and bidder qualifications and he requested authorization to award the contract to the lowest responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. After discussion, Director Kerr moved to authorize award of the contract for the 2016-2017 sidewalk improvements to the lowest responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project, based on staff recommendation following evaluation of the bids and bidder qualifications, in an initial contract amount not to exceed \$250,000. Director Fincher seconded the motion, which passed unanimously.

Mr. Rayburn then discussed the 2017-2018 sidewalk project, noting that the construction plans are approximately 50% complete.

In response to a question from Director Kerr, Ms. Demarie provided an update on the City of Houston's Memorial Drive reconstruction project.

ECD COMMUNICATIONS UPDATE

JINGLE ALL THE 5K AND SUNDAY STREETS RECAPS

Ms. Weaver reported on the 5k Jingle Bell Fun Run and Cigna Sunday Streets events that were held on December 3, 2017.

DECEMBER 12 HOLIDAY PARTY

Ms. Weaver reported that the District's holiday party is scheduled for December 12, 2017, at 4:00 p.m. at Rouge Wine Bar. She stated that Memorial Assistance Ministries will be onsite accepting donations for Hurricane Harvey flood recovery in the Energy Corridor.

DECEMBER 16 FARMERS AND ARTISTS MARKET

Ms. Weaver reported on plans for the Farmers and Artists Market on December 16, 2017, from 10:00 a.m. to 3:00 p.m.

PARK ROW COMPLETION PROJECT

Mr. Martinson reviewed the monthly expenses for Phase II of the Park Row Completion Project totaling \$10,441.81, which were reflected in the bookkeeper's report. After review and discussion, Director Kerr moved to approve payment of the monthly expenses for Phase II of the Park Row Completion Project. Director Fincher seconded the motion, which passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

TRANSITION ACTIVE TRANSPORTATION COORDINATOR FROM PART-TIME TO FTE

Mr. Martinson discussed a proposal to transition the District's Transition Active Transportation Coordinator from part-time to a full-time employee, subject to Board action following review of the compensation committee's recommendations.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A DISTRICT EMPLOYEE

At 9:12 a.m., Director Hightower announced that the Board would meet in executive session pursuant to Section 551.074, Texas Government Code, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of District employees. All attendees left the meeting except the Board members, Ms. Holoubek, and Ms. Hogan.

RECONVENE IN OPEN SESSION AND RECEIVE REPORT FROM COMPENSATION COMMITTEE REGARDING EVALUATION OF DISTRICT EMPLOYEES

At 9:44 a.m., Director Hightower announced that the Board would reconvene in open session. Mr. Martinson, Ms. Rector, Ms. Demarie, Mr. Rayburn, Ms. Weaver, Mr. Lee, Mr. Eccles, and Ms. Dunlap reentered the meeting.

REPORT FROM COMPENSATION COMMITTEE REGARDING EVALUATION OF DISTRICT EMPLOYEES AND AUTHORIZE APPROPRIATE ACTION

Upon reconvening in executive session, Director Elgohary moved to accept the recommendations of the compensation committee for staff salaries and bonuses, authorize Director Hightower to execute the employment letter for Mr. Martinson, and authorize Mr. Martinson to execute employment letters for the other District employees. Director Halick seconded the motion, and it carried unanimously.

2017 FORECAST AND 2018 BUDGETS

Mr. Martinson reviewed a 2017 budget reconciliation summary. He next reviewed a 2018 budget summary.

APPROVE 2018 BUDGET

Mr. Martinson reviewed the District's proposed budget for the fiscal year ending December 31, 2018, noting incorporation of the compensation committee's recommendations that were accepted by the Board. After review and discussion, Director Halick moved to adopt the 2018 budget as presented. Director West seconded the motion, which passed unanimously.

NEXT MEETING

The Board discussed next month's meeting date and concurred to hold the next regular Board meeting on January 12, 2018, subject to confirming a quorum.

ADJOURN

There being no further business to come before the Board, Director Kerr moved to adjourn the meeting. Director Halick seconded the motion, which passed unanimously.



Secretary, Board of Directors



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