MINUTES OF A REGULAR MEETING OF THE DEVELOPMENT AUTHORITY OF PEARLAND, CITY OF PEARLAND TEXAS, HELD ON MONDAY, SEPTEMBER 14, 2015, 4:00 P.M., IN THE FIRST FLOOR CONFERENCE ROOM AT PEARLAND CITY HALL, 3519 LIBERTY DRIVE, PEARLAND, TEXAS.

Mayor Reid called the meeting to order at 4:00 p.m. with the following present:

Chairman	Tom Reid
Secretary	Ed Baker
Boardmember	Tony Carbone
Boardmember	Bill Sloan
Boardmember	Tom Pool

Others in attendance: Claire Bogard, Finance Director; Maria E. Rodriguez Deputy City Secretary; Carrie Ditta Accounting Supervisor; Lynne Humphries Allen Boone Humphries Robinson; John Robuck BOSC Inc.; Drew Pelter Shadow Creek Ranch Development Company.

Board Action – Approval of the Development Authority of Pearland Board of Directors Meeting Minutes for November 10, 2014, Regular Meeting held at 4:00 P.M. *DAP Board of Directors.*

Boardmember Reid made the motion, seconded by Boardmember Sloan, to approve Meeting Minutes for November 10, 2014, Regular Meeting held at 4:00 P.M.

Voting "Aye" Boardmembers Reid, Pool, Sloan, Carbone and Baker.

Voting "No" None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP- 2015-02 – A Resolution of the Development Authority of Pearland (DAP), accepting the 2014 Annual Financial Report for the Fiscal Year ending September 30, 2014.

City of Pearland Director of Finance Claire Bogard provided the Board with a detailed overview of the Annual Financial Report for the fiscal year ending September 30, 2014.

Boardmember Baker made the motion, seconded by Boardmember Pool, to approve Resolution No. RDAP-2015-02.

Voting "Aye" Boardmembers Reid, Pool, Sloan, Carbone and Baker.

Voting "No" None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP- 2015-03 – A Resolution of the Development Authority of Pearland (DAP), accepting the Financial Report for the period ending August 31, 2015.

City of Pearland Director of Finance Claire Bogard stated this item is to accept the Financial Report and provided the Board with the details of the report.

Boardmember Baker made the motion, seconded by Boardmember Sloan, to approve Resolution No. RDAP-2015-03.

Voting "Aye" Boardmembers Reid, Pool, Sloan, Carbone and Baker.

Voting "No" None.

Motion Passed 5 to 0.

Board – Resolution No. RDAP- 2015-04 – A Resolution of the Development Authority of Pearland (DAP), ratifying checks 1126 through 1141 totaling $23,496.93.

City of Pearland Director of Finance Claire Bogard stated this item is for the Board to ratify checks that have been issued to pay for expenses incurred by the Development Authority of Pearland. The invoices were reviewed and approved by the invoice review committee.

Discussion ensued between the Board and City of Pearland Director of Finance Claire Bogard regarding the Wells Fargo Credits to offset fees.

Boardmember Pool made the motion, seconded by Boardmember Carbone, to approve Resolution No. RDAP-2015-04.

Voting "Aye" Boardmembers Reid, Pool, Sloan, Carbone and Baker

Voting "No" None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP- 2015-05 – A Resolution of the Development Authority of Pearland (DAP), accepting the Investment Report for the Quarters ending September 2014, December 2014, March 2015, and June 2015.

City of Pearland Director of Finance Claire Bogard provided the Board with a detailed review of the Investment Report for the quarters ending September 2014, December 2014, March 2015, and June 2015.

Discussion ensued between the Board and City of Pearland Director of Finance Claire Bogard regarding the Investment Report.

Boardmember Reid made the motion, seconded by Boardmember Carbone, to approve Resolution No. RDAP-2015-05.

Voting "Aye" Boardmembers Reid, Pool, Sloan, Carbone and Baker.

Voting "No" None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP- 2015-06 – A Resolution of The Development Authority of Pearland (DAP), Adopting an Amended Investment Policy, Investment Strategy and Approved Brokers in accordance with Chapter 2256 of the Government Code ("Public Funds Investment Act").

City of Pearland Director of Finance Claire Bogard stated each year the Board is required to approve an Investment Policy, Investment Strategy, and Approved Dealers. According to State Legislation there are just a few changes to the Policy. One is the training hours for a training investment officer is has changed from 10 hours to 2 two required every 2 two years. The initial training hours when taking office, or assuming duties still remains at 10 hours. Another minor change being proposed is increasing the number of approved investment/brokerage firms selected from the top six/seven firms to up to ten firms. The Development Authority of Pearland investment policy states that the City will prepare a request of investments services every two years. The Development Authority of Pearland received eleven completed request for proposals, with five being from new broker/dealers. Staff evaluated and selected the broker/dealers based on several factors, including completeness of proposals, proper registrations, financials, and references. Staff has chosen two new broker/dealers in addition to the six current broker/dealers that submitted proposals. An updated approved broker/dealers list is attached as Exhibit C in the Board's packet. The Board is being asked for consideration and approval of Resolution RDAP 2015-06 of the Development Authority of Pearland, Texas, adopting an amended investment policy, investment strategy and approved Brokers dealers.

Boardmember Sloan made the motion, seconded by Boardmember Pool, to approve Resolution No. RDAP-2015-05.06.

Voting "Aye" Boardmembers Reid, Pool, Sloan, Carbone and Baker.

Voting "No" None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP- 2015-07– A Resolution of the Development Authority of Pearland (DAP),Texas approving a contract with Arbitrage Compliance Specialists, INC. for Arbitrage Compliance Services.

Director of Finance Claire Bogard stated this item is a contract with Arbitrage Compliance Specialist, Inc. to calculate the annual arbitrage. The total amount of the contract is not to exceed, $7,535.00 and covers five bond Series; 2005; 2009; 2012; 2013 and 2014 that have been sold. They do the calculations, provide annual reports, and inform us of the positive and negative arbitrage.

Boardmember Baker made the motion, seconded by Boardmember Carbone, to approve Resolution No. RDAP-2015-07.

Voting "Aye" Boardmembers Reid, Pool, Sloan, Carbone and Baker.

Voting "No" None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP- 2015-08 – A Resolution of the Development Authority of Pearland (DAP), Texas Authorizing a Developer Reimbursement to Shadow Creek Ranch Development Company LTD to reimburse for TIRZ Infrastructure Improvements in the amount of $6,840,000.

Director of Finance Claire Bogard stated this item is to approve a cash reimbursement to the Developer for infrastructure improvements within Tax Increment Reinvestment Zone No. 2 (TIRZ). As of June 2015, there is $153 million approved for infrastructure in actual costs, excluding interest, that have been approved for reimbursement, of which $83 million has been paid through a combination of issuing bonds or using cash on hand, leaving a balance of $69 million yet to be reimbursed, excluding interest cost that accrues on the construction amounts. As of August the balance sheet shows the Cash and Cash Equivalents in the amount of $7.7 million because the money market account with Regions Bank can only be used for debt service. There is $130,000 additional monies coming from the TIRZ No. 2 making the total monies available $7.8 million. The Bonds outstanding do not require a debt service reserve nor do they require a surety policy in place. After retaining $1 million for reserve, there is $6,840,000 available for reimbursement to be paid to the developer reimbursement to Shadow Creek Ranch Development Company LTD. to reimburse for TIRZ infrastructure improvements.

Discussion ensued between the Board and City of Pearland Director of Finance Claire Bogard regarding the $1 million reserve.

Boardmember Carbone requested the total balance calculated in with the interest rates, along with a list of developers awaiting reimbursement.

Boardmember Sloan made the motion, seconded by Boardmember Carbone, to approve Resolution No. RDAP-2015-08.

Voting "Aye" Boardmembers Reid, Pool, Sloan, Carbone and Baker.

Voting "No" None.

Motion Passed 5 to 0.

Board Action – Discussion and Approval to Proceed with Private Placement of Bond Sale – Series 2015 in the estimated amount of $17,905,000.

No action taken by the Board. The item has been postpone to a future meeting.

ADJOURNMENT

Meeting was adjourned at 5:25 p.m.

Minutes approved as submitted and/or corrected this the 12TH day of October 12, A.D., 2015.

Tom Reid

TOM REID
Development Authority of Pearland
Chairman

ATTEST:

Ed Baker

ED BAKER
Development Authority of Pearland
Secretary