

MINUTES OF A REGULAR MEETING OF THE TAX INCREMENT REINVESTMENT ZONE NUMBER TWO (TIRZ # 2), ALSO KNOWN AS SHADOW CREEK RANCH, CITY OF PEARLAND TEXAS, HELD ON MONDAY, AUGUST 8, 2016, AT 4:00 P.M., IN THE COUNCIL CHAMBERS, CITY HALL, 3519 LIBERTY DRIVE, PEARLAND, TEXAS.

Vice Chairman Gary Cook called the meeting to order at 4:00 p.m. with the following present:

Vice Chair	Gary Cook
Boardmember	Tommy King
Boardmember	Herb Fain
Boardmember	Mike Pyburn
Boardmember	Ali Hasanali
Boardmember	Larry Loessin

Absent: Boardmembers Phillips, Coleman, and Knight

Others in attendance: Tom Reid Mayor of the City Jon Branson, Deputy City Manager City of Pearland, Claire Bogard retired City Finance Director; Cynthia Pearson, Director of Finance City of Pearland; Rick Overgaard, Assistant Director of Finance City, Maria E. Rodriguez Deputy City Secretary, City Lynne Humphries Allen Boone Humphries Robinson LLP, Taylor Baumgartner LJA Engineering, Allen Crosswell, NewQuest Crosswell.

CALL TO ORDER AND ROLL CALL

PURPOSE OF THE MEETING:

Board Action – Regarding The Approval of the Regular Meeting Minutes of the June 22, 2015, Tax Increment Reinvestment Zone Number 2 (TIRZ No. 2) Board of Directors Meeting. *TIRZ No. 2.*

Boardmember Pyburn made the motion, seconded by Boardmember Hasanali, to approve the Regular Meeting Minutes of June 22, 2015.

Voting "Aye" Boardmembers, King, Fain, Cook, Pyburn, Hasanali and Loessin

Voting "No" None.

Motion Passed 6 to 0, with Boardmembers Phillips, Knight, and Coleman absent.

Board Action – Resolution No. RTIRZ 2016-02 – A Resolution of the Tax Increment Reinvestment Zone No. 2 (TIRZ), accepting the 2015 Annual Financial Report for the Fiscal Year ending September 30, 2015.

Boardmember Pyburn made the motion, seconded by Boardmember King, to approve the Resolution No. RTIRZ 2016-02.

Rick Overgaard stated per State law, the City shall have its records and accounts audited annually and shall have an annual financial statement prepared base on the audit. He provided the Board with an overview of the City's Financial Report for the period ending September 2015 as prepared by the accounting firm of Whitley Penn, L.L.P.

Voting "Aye" Boardmembers, King, Fain, Cook, Pyburn, Hasanali and Loessin

Voting "No" None.

Motion Passed 6 to 0, with Boardmembers Phillips, Knight, and Coleman absent.

Board Action – Resolution No. RTIRZ 2016-03 – A Resolution of the Tax Increment Reinvestment Zone No. 2 (TIRZ), Adopting an Amended Investment Policy, Investment Strategy and Approved Brokers in accordance with Chapter 2256 of the Government Code ("Public Funds Investment Act").

Boardmember Loessin made the motion, seconded by Boardmember Fain, to approve the Resolution No. RTIRZ 2016-03.

Rick Overgaard Assistant Finance Director stated the Public Funds Investment Act requires that the Board review their investment policy, strategy and broker dealers annually. The investment policy contains one proposed change as a result of the State Legislature approving a change to the PFIA this past session. The hours of training that an investment officer is required to attend every two years changed from 10 hours to 8 hours. The initial training when taking office or assuming duties still remains at 10 hours. The Board typically approves the City of Pearland Investment policy and the changes are made to reflect the Tax Increment Reinvestment Zone No. 2 in the document. There are no changes from the policies from the previous year.

Discussion ensued Rick Overgaard noted Section 4.01 of the Investment Broker/Dealers minor change from the top six to seven firms shall be selected to appear on the TIRZ approved list has been changed to up to ten firms shall be selected to appear on the TIRZ approved list.

Voting "Aye" Boardmembers, King, Fain, Cook, Pyburn, Hasanali and Loessin

Voting "No" None.

Motion Passed 6 to 0, with Boardmembers Phillips, Knight, and Coleman absent.

Board Action – Resolution No. RTIRZ 2016-04 – A Resolution of the Tax Increment Reinvestment Zone No. 2 (TIRZ), accepting the Financial Report for the period ending May 31, 2016.

Boardmember Hasanali made the motion, seconded by Boardmember Pyburn, to approve the Resolution No. RTIRZ 2016-04 as presented.

Rick Overgaard Assistant Finance Director provided the Board with a detailed report of the Annual Financial Report for the period ending May 31, 2016.

Voting “Aye” Boardmembers, King, Fain, Cook, Pyburn, Hasanali and Loessin

Voting “No” None.

Motion Passed 6 to 0, with Boardmembers Phillips, Knight, and Coleman absent.

Board Action – Resolution No. RTIRZ 2016-05 – A Resolution of the Tax Increment Reinvestment Zone No. 2 (TIRZ), accepting the Investment Report for the Quarters Ending June 2015, September 2015, December 2015 and March 2016.

Boardmember King made the motion, seconded by Boardmember Pyburn, to approve the Resolution No. RTIRZ 2016-05.

Rick Overgaard Assistant Finance Director provided the Board with a detailed report of the Investment Report for the Quarters Ending June 2015, September 2015, December 2015 and March 2016.

In response to a question from Boardmember Hasanali Rick Overgaard said the EMS payments and the Health Claims shown on the March 31, 2016 report have nothing to do with TIRZ No. 2, it is only part of the City’s report.

Discussion ensued between Boardmembers and Lynne Humphries Allen Boone Humphries Robinson LLP, regarding a possible option to do a Depository Pledge Agreement with the bank in order to invest all or portions of the Alvin Independent School District suspense fund for under one year, and the Financing and Cash Reimbursements to be placed on the next TIRZ No. 2 meeting agenda for discussion.

Voting “Aye” Boardmembers, King, Fain, Cook, Pyburn, Hasanali and Loessin

Voting “No” None.

Motion Passed 6 to 0, with Boardmembers Phillips, Knight, and Coleman absent.

Board Action – Resolution No. RTIRZ 2016-06 – A Resolution of the Tax Increment Reinvestment Zone No. 2 (TIRZ), Ratifying Invoices that were paid from June 2015 through May 2016 and approving invoices for payment.

Boardmember Fain made the motion, seconded by Boardmember Hasanali, to approve the Resolution No. RTIRZ 2016-06.

Rick Overgaard Assistant Finance Director provided the Board with a detailed report stating since the last meeting the invoice committee has reviewed and approved for payment invoices totaling \$22,386.46. At this time the Board also has four invoices pending payment approval totaling \$5,740.97 bringing the total operating expenses for FY2016 to date will total \$28,127.43.

Discussion ensued between the Board and Lynne Humphries regarding placing an item for consideration at the next TIRZ No. 2 agenda meeting to appoint a new Invoice Committee.

Voting “Aye” Boardmembers, King, Fain, Cook, Pyburn, Hasanali and Loessin

Voting “No” None.

Motion Passed 6 to 0, with Boardmembers Phillips, Knight, and Coleman absent.

Board Action – Resolution No. RTIRZ 2016-07 – A Resolution of the Tax Increment Reinvestment Zone No. 2 (TIRZ), approving the 2015 Annual Report.

Boardmember Pyburn made the motion, seconded by Boardmember King, to approve the Resolution No. RTIRZ 2016-07 subject to table “E” amendment to include all debt service.

Claire Bogard reviewed the Pearland Tax Increment Reinvestment Zone 2015 Annual Report as required by State law. She stated the Report is in the same format and style as seen in the past. Ms. Bogard stated that after the Board’s approval this evening the Report is being presented to Council, and then to Brazoria County, the Alvin Independent School District, and Fort Bend County. Mrs. Bogard stated Table E will be corrected and replaced in the 2015 Annual Report. The Board is being asked to approve the Report contingent upon Staff correcting and replacing Table E to reflect the total debt outstanding, and to also include the interest.

Discussion ensued Consultant Claire Bogard and Boardmember Hasanali regarding the drop in revenue to the City of Pearland in Table C and the timing of Tax Payments.

Discussion ensued Boardmembers and Lynne Humphries Allen Boone Humphries Robinson LLP regarding development in the District.

Voting "Aye" Boardmembers, King, Fain, Cook, Pyburn, Hasanali and Loessin

Voting "No" None.

Motion Passed 6 to 0, with Boardmembers Phillips, Knight, and Coleman absent.

Board Action – To discuss and take necessary action regarding acceptance of Engineering Report and approval of Letter Financing Agreement for Roadway to Serve Reserve at Shadow Creek.

Boardmember Pyburn made the motion, seconded by Boardmember Fain, to approve and accept the Engineering Report and approval of Letter Financing Agreement for Roadway to Serve Reserve at Shadow Creek.

Lynne Humphries Allen Boone Humphries Robinson LLP stated James Ross could not attend this meeting but Taylor Baumgartner LJA Engineering Inc., is attending on his behalf. This is a Letter of Finance Agreement for CCAC Reserve Holdings, Inc., which is developing commercial property between Shadow Creek Proper and 288 for roadways that serve Reserve at Shadow Creek. She stated this is the same Letter of Finance Agreement format that the TIRZ No. 2, has used in the past, but there is no third-party agreement because this is the developer's first and only project. There is a report from the Engineering firm establishing the Budget for this project.

Taylor Baumgartner LJA Engineering Inc., stated it is a collector street. Which matches the City of Pearland standards and requirements. The street is 36 feet wide it will be good for traffic, and it will have a center turn lane and a connection onto 288 and it does fit within the TIRZ budget and Project and Financing Plan.

Allen Crosswell, NewQuest Crosswell stated he purchased these 45 acres in the TIRZ several years ago. Currently in this area there is a medical office building being planned. The traffic that will be generated will need a collector street to run through the middle and divide the property properly. Discussions with TxDot are underway for the curb cut to allow for more circulation.

By building this road it will provide relief on Business Center Drive, help economically, and help with traffic circulation.

Voting "Aye" Boardmembers, King, Fain, Cook, Pyburn, Hasanali and Loessin

Voting "No" None.

Motion Passed 6 to 0, with Boardmembers Phillips, Knight, and Coleman absent.

Tom Reid, Chairman of the Development Board, and the Mayor of the City entered the meeting and reminded everyone that the City Council will be renewing expiring terms of all Boards and Commissions in November 2016. He reminded the Boardmembers to check with their appointing authority to see if they will be getting reappointed to the TIRZ No. 2, Board. The Board asked Lynne Humphries to provide them with information on terms.

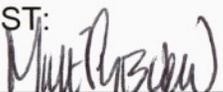
ADJOURNMENT

Meeting was adjourned at 5:00 p.m.

Minutes approved as submitted and/or corrected this the 26th day of September, A.D., 2016.



GARYCOOK
VICE CHAIR

ATTEST:


MIKE PYBURN
SECRETARY