

MINUTES OF A SPECIAL MEETING OF THE DEVELOPMENT AUTHORITY OF PEARLAND, CITY OF PEARLAND TEXAS, HELD ON MONDAY, SEPTEMBER 26, 2016, 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: Cynthia Pearson, City Finance Director Rick Overgaard, Assistant Finance Director Maria E. Rodriguez, Deputy City Secretary, Lynne Humphries, Allen Boone Humphries and Robinson LLP, John Robuck BOSC, Inc. Rick Witte, Andrews Kurth LLP, Gary Cook, Shadow Creek Ranch Development Company Ltd, Drew Pelter Shadow Creek Ranch Development Company Ltd.

NEW BUSINESS:

Board Action – Approval of the Development Authority of Pearland Board of Directors Meeting Minutes for September 21, 2015, Special Meeting held at 4:00 P.M.

Boardmember Carbone made the motion, seconded by Boardmember Pool, to approve the Meeting Minutes for September 21, 2015, Special Meeting held at 4:00 P.M.

Voting “Aye” Boardmembers Reid, Baker, Carbone, Sloan, and Pool.

Voting “No” None.

Motion Passed 5 to 0.

Board Action – Approval of the Development Authority of Pearland Board of Directors Meeting Minutes for October 12, 2015, Special Meeting held at 4:00 P.M.

Boardmember Carbone made the motion, seconded by Boardmember Baker, to approve the Meeting Minutes for October 2, 2015, Special Meeting held at 4:00 P.M.

Voting “Aye” Boardmembers Reid, Baker, Carbone, Sloan, and Pool.

Voting “No” None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP- 2016-01 – A Resolution of the Development Authority of Pearland (DAP), accepting the 2015 Annual Financial Report for the Fiscal Year ending September 30, 2015.

Boardmember Pool made the motion, seconded by Boardmember Carbone, to approve Resolution No. RDAP-2016-01.

Rick Overgaard stated the item is for the Fiscal Year ending September 30, 2015. Since a blended component unit, the Authority's liability for debt issued is included in the city-wide financials, versus shown in the fund statement. As such, we have prepared a balance sheet at 9/30/2015 showing the true Net Position of the Pearland Development Authority. In the Board's packet is the auditor's opinion, which is unqualified or clean, as well as the statements pertaining to the Development Authority.

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

Voting "No" None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP-2016-02 – A Resolution of the Development Authority of Pearland (DAP), accepting The Investment Report for the Quarters ending September 2015, December 2015, March 2016, and June 2016.

Boardmember Sloan made the motion, seconded by Boardmember Carbone, to approve Resolution No. RDAP-2016-02.

Rick Overgaard provided the Board with an overview of the Investment Portfolio Reports for the quarters ending September 30, 2015, December 31, 2015, March 31, 2016, and June 30, 2016.

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

Voting "No" None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP-2016-03– A Resolution of the Development Authority of Pearland (DAP), accepting the Financial Report for the period ending August 31, 2016.

Boardmember Baker made the motion, seconded by Boardmember Carbone, to approve Resolution No. RDAP-2016-03.

Rick Overgaard provided a brief overview of the Financial Report for the Period Ending August 31, 2016.

Boardmember Carbone stated that the Balance Sheet shows the Net Change column from the prior year and requested staff to remove it from the report. In addition he would like the Budget related columns to be removed from the Income Statement since the Board does not budget for the Development Authority of Pearland.

Voting “Aye” Boardmembers Reid, Baker, Carbone, Sloan, and Pool.

Voting “No” None.

Motion Passed 5 to 0.

Board Action – Resolution RDAP-2016-04 – A Resolution of the Development Authority of Pearland (DAP), Ratifying Checks 1142 through 1157 totaling \$620,338.03.

Boardmember Carbone made the motion, seconded by Boardmember Pool, to approve Resolution No. RDAP-2016-04.

Rick Overgaard stated the Board last approved checks on September 14, 2015, through 1141. Since September 2015 the invoice committee has reviewed and approved the 16 checks listed in Exhibit “A” in the Boards packet for payments totaling \$620,338.00, from November 2015 through July 2016.

Voting “Aye” Boardmembers Reid, Baker, Carbone, Sloan, and Pool.

Voting “No” None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP-2016-05–A Resolution of the Development Authority of Pearland (DAP), Texas Approving a Contract with Arbitrage Compliance Specialists, Inc. for Arbitrage Compliance Services.

Boardmember Pool made the motion, seconded by Boardmember Carbone, to approve Resolution No. RDAP-2016-05.

Rick Overgaard stated attached is the annual contract with Arbitrage Compliance Specialists, Inc., the Development Authority has issued tax-exempt bonds and is planning on issuing additional tax-exempt bonds in the future. IRS regulations state that an entity cannot earn more interest on the bonds than it is paying. The contract is to bring current all rebate reports through 9/30/17. The total amount of the contract, not to exceed, is \$6,160.00.

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

Voting "No" None.

Motion Passed 5 to 0.

Board Discussion and Approval – To Proceed with Private Placement Bond Sale – for Series 2016 Bonds.

John Robuck, BOSC INC., the financial advisor for the Development Authority of Pearland provided the Board with an estimated overview of the current market value. He stated it is a great time to sell bonds to generate reimbursements for Developers. The Principal Amount of the Bonds is estimated in the amount of \$11,910,000, using a 2.75 percent, less expenses, totaling the proceeds for Developer Reimbursement in the preliminary amount of \$11,722,500. Based on the boards direction, bid forms and term sheets will be prepared and distributed with competitive bids due on Friday October 7, 2016. Approval of the bond sale with the Development Authority of Pearland and City Council would be on Monday, October 10th with bond closing on November 15, 2016. He further stated with the Private Placement there is no Reserve Fund Requirement saving the Board money.

Boardmember Sloan made the motion, seconded by Boardmember Carbone, to approve Resolution No. RDAP-20016-05.

Discussion ensued John Robuck, and the Boardmember Carbone regarding clarification of whether or not the interest rates of 2.4 percent showing in the minutes of October 12, 2015 should be 2.74 percent.

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

Voting "No" None.

Motion Passed 5 to 0.

Consideration and Possible Action – Resolution No. RDAP-2016-06 – 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 \$11,722,500.

Boardmember Baker made the motion, seconded by Boardmember Carbone, to approve Resolution No. RDAP-2016-06.

Lynne Humphries stated this item needs be placed on the October 10, 2016, meeting agenda. At that time the Board will know exactly what the interest rate is and the cash reimbursement from the release of the suspense funds.

Boardmember Carbone made a motion seconded by Boardmember Sloan to Table Resolution No. RDAP-2016-06 to October 10, 2016.

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

Voting "No" None.

Motion Passed 5 to 0.

Discussion ensued between Lynne Humphries, John Robuck and the Board regarding the approximate amount of revenue to be made from the TIRZ No. 2, and the expiration of the TIRZ No. 2 to be discussed at the next Board meeting.

ADJOURNMENT

Meeting was adjourned at 4:49 p.m.

Minutes approved as submitted and/or corrected this the 10th day of October A.D., 2016.



TOM REID
CHAIR

ATTEST:



ED BAKER
SECRETARY