

EAST END DISTRICT
Regular Meeting of the Board of Directors
September 27, 2018

The Board of Directors (the “Board”) of the East End District (the “District” or “EED”) met in regular session, open to the public, at 3211 Harrisburg, Houston, Texas, on Thursday, September 27, 2018, at 3:30 p.m. The roll was called for the members of the Board, to-wit:

Position 1	Ann Taylor	
Position 2	Blanca Blanco	
Position 3	Stephen Quezada	
Position 4	William McConnell	Chair
Position 5	Domenic Laurenzo	
Position 6	Joe Meppelink	Assistant Secretary
Position 7	Erin Dyer	
Position 8	Jose Valdez	
Position 9	Devin Licata	
Position 10	Rodrigo Tejada	Treasurer
Position 11	Taryn Sims	Secretary
Position 12	Dr. John Jacob	
Position 13	Craig Rohden	Vice Chair
Position 14	Marjorie Pena	
Position 15	Susan Sahwani-Garcia	

and all of the above were present except for Blanca Blanco, Stephen Quezada, and Craig Rohden, thereby establishing a quorum.

Also present during all or part of the meeting were Veronica Chapa Gorczynski, Asha John, Dan Joyce, Martin Chavez and Eva Quiroz of the District staff; Guadalupe Gonzalez and Rosyne Wimbish of Coastal Builders; Joel Cleveland and Olivia Galvan from Jeanne H. McDonald PC; Roy Zermeno, Greg East, Jane Bailey, Donna Feil and Carl Sandin of Perdue Brandon Fielder Collins & Mott, LLP (“Perdue Brandon”); Joseph Gonzalez of Gonzalez Consulting; Gloria Zenteno of District H, City of Houston; State Representative Carol Alvarado, District 145; Ron DeVries of TXRX; Crystal Horn of McGrath & Co. PLLC.

At 3:32 p.m. Chair Bill McConnell called the meeting to order.

Item 1. Receive Public Comments in accordance with adopted procedures.

Carol Alvarado presented Martin Chavez with a certificate of recognition for his exemplary work in the East End and throughout the City.

Ron DeVries with TXRX presented a report for the Kaboom Project on the Navigation Esplanade.

Susan Garcia shared information to sponsor Cage Elementary. She explained that they provide a Fine Arts program in the East End. Susan Garcia also shared a statement regarding the lack of diversity in public art in the City of Houston.

Item 2. Assessments. Receive report on collection of assessments and authorize appropriate action; report by Carl Sandin of Perdue Brandon Fielder Collins & Mott LLP.

Carl Sandin of Perdue Brandon presented a report regarding collection of the District's delinquent assessments. He stated that there has been no significant change in delinquent collections following Hurricane Harvey, either for the District or other affected areas around the City of Houston.

After discussion, no action was taken.

Item 3. Appointment of Directors. Declare vacancies, if appropriate; appoint directors if appropriate; and approve a revised District Registration Form.

No action was taken.

Item 4. Appointment of Committee Members. Declare vacancies, if appropriate; and appoint directors to Committees if appropriate.

No action was taken.

Item 5. Minutes. Approve minutes of previous Board meeting(s).

Rodrigo Tejada, Treasurer, moved to approve the minutes of the previous Board meeting held on August 23, 2018. Susan Garcia seconded the motion, which passed unanimously.

Item 6. Financial Reports. Receive and approve the Treasurer's reports on revenues and expenditures, the investment report and the Finance Committee report, and authorize appropriate action.

Director of Finance, Asha John, presented the financial reports for August 2018. Rodrigo Tejada, Treasurer, presented the cash charts for August 2018.

Jose Valdez moved to approve the financial reports for August 2018. Marjorie Pena seconded the motion, which passed unanimously.

Item 7. Flexible Spending Accounts for District Staff. Consider and approve contracting for Flex Spending Account for Medical & Dependent Care for District Staff.

President Veronica Chapa Gorczynski presented to the Board the request to create flexible spending accounts (FSAs), for both medical and dependent care, as a benefit to District staff. She reported that the administrator of the program is First Diversified, and the administration cost for

the year is \$900. She also reported that the District will be saving approximately \$11,000 in health insurance in 2018-2019.

Erin Dyer moved to approve the Flexible Spending Accounts for Medical and Dependent care for staff. Assistant Secretary, Joe Meppelink, seconded the motion, which passed unanimously.

Item 8. Budget for Fiscal Year 2018-2019. Consider and adopt a budget for Fiscal Year 2018-2019 and take appropriate action.

Asha John, Director of Finance, presented the Annual Budget for the fiscal year 2018-2019 (i.e., fiscal year ending September 30, 2019) for review and adoption.

Dr. John Jacob moved to approve the budget for the 2018-2019 fiscal year. Secretary Taryn Sims seconded the motion, which passed unanimously.

Item 9. Renewal of Contract with McGrath & Co. PLLC for accounting services. Consider and approve renewal of contract with McGrath and Co. for monthly accounting and audit preparation services.

Crystal Horn of McGrath & Co. PLLC explained the accounting services provided by the firm to the District and EEIC, which started in 2011. In addition, she presented the proposal from McGrath & Co. PLLC including modest fee increases, and she explained that the fees have not increased since 2013. She then noted that the fee for monthly financial statement preparation is increasing from \$2,500/month to \$2,600/month, and the audit preparation fee is increasing from \$11,000/year to \$11,500/year.

Asha John, Director of Finance, recommended renewing the contract McGrath & Co. PLLC as presented.

Erin Dyer moved to approve the contract for accounting services with McGrath & Co. PLLC. Ann Taylor seconded the motion, which passed unanimously.

Item 10. Renewal of Contract with McCall Gibson Swedlund Barfoot PLLC for audit services. Consider and approve renewal of contract for audit services for EED, EEIC and the single audit required due to the federal grants expended by EED.

Director of Finance, Asha John, explained that in order to get competitive rates for services, she obtained two bids for audit services – one from the District's current audit firm, McCall Gibson Swedlund Barfoot PLLC ("McCall"), and the other from Blazek & Vetterling, a CPA firm that focuses on non-profit and governmental audits. She then reported that McCall's proposed costs of services came in lower than those of Blazek & Vetterling, and she suggested that the Board approve the McCall contract to perform the District's and EEIC's audit for fiscal year ending September 30, 2018.

Jose Valdez moved to approve the McCall contract for audit services as presented. Marjorie Pena seconded the motion, which passed unanimously.

Item 11. Public Hearing. Consider list of certified and uncertified values for 2018 prepared by Equi-Tax, determine and take action on calling a public hearing to supplement the assessment roll with new value.

Asha John, Director of Finance, and Joel Cleveland, Attorney, explained that the District's Service Plan permits the District to levy assessments on properties in the District based on current property values as established by the Harris County Appraisal District. They explained, however, that the Service Plan provides that no assessment payer may be assessed an amount in any year that is more than twice what he or she was assessed in the first year of the Service Plan, unless he or she is invited to a public hearing held by the District on the advisability of supplementing the District's assessment roll to add the additional value and, in essence, increase the limit. In response to a question from the Board, Mr. Cleveland confirmed that the most common example of this issue is when a property is developed or significantly redeveloped, resulting in a very large increase in appraised value.

Asha John then reported that, according to Equi-Tax, the District could collect approximately \$63,000 in additional assessments for 2018 if the Board elects to hold a public hearing to supplement the District's assessment roll to add value due to significant property re-evaluations, development or redevelopment (as described above) as well as to add any properties that were annexed into the District, lost their exemptions, or were otherwise omitted from the District's rolls. She also reported that the cost of conducting a public hearing has been approximately \$6,400 in the past. Discussion then ensued regarding the advisability and procedures related to the public hearing.

Jose Valdez moved to authorize the District's staff and consultants to take all actions necessary to call a public hearing on the advisability of supplementing the District's assessment roll as discussed. Treasurer Rodrigo Tejada seconded the motion, which passed unanimously.

Asha John then requested volunteers from the Board to serve as hearing examiners for the public hearing. Ann Taylor and Joe Meppelink volunteered, along with Chair William McConnell. Susan Garcia volunteered to serve as a substitute, if needed.

Item 12. Runnels Roundabout Resolution. Consider and adopt a resolution approving the Advance Funding Agreement for the Runnels roundabout project as required by the Texas Department of Transportation.

District President Veronica Chapa Gorczynski explained that the Texas Department of Transportation is requiring a formal resolution to approve the Advanced Funding Agreement for the Roundabout project. She also explained that the total local funding match is \$606,000, not \$779,000 as shown on the Resolution. In response to a question from the Board, Ms. Gorczynski stated that \$150,000 of the local funding match will come from the District and \$456,000 will come from TIRZ 23.

Assistant Secretary Joe Meppelink moved to adopt the Resolution to include the correction in the local match amount and pending final approval by District staff and the District's attorney. Treasurer Rodrigo Tejada seconded the motion, which passed unanimously.

Item 13. Harrisburg Garage Grant Request Resolution. Consider and adopt a resolution committing to fund the match for the HGAC TIP Harrisburg Garage and authorize appropriate action.

District President Veronica Chapa Gorczynski explained that the Houston-Galveston Area Council has issued the 2018 Transportation Improvement Program (“TIP”) Call for Projects, requesting applications for projects to be considered for federal grant funding via the Federal Transit Administration. She then presented for Board approval a resolution in support of the District’s application for TIP funding for the Harrisburg public parking garage project (the “TIP Resolution – Harrisburg Garage”).

Dr. John Jacob moved to approve the TIP Resolution - Harrisburg Garage, as presented. Ann Taylor seconded the motion, which passed unanimously.

Item 14. Sidewalk Grant Request Resolution. Consider and adopt a resolution committing to fund the match for the HGAC TIP Sidewalk Grant Request and authorize appropriate action.

District President Veronica Chapa Gorczynski presented for Board approval a resolution in support of the District’s application for TIP grant funding for sidewalk improvement in the District (the “TIP Resolution – Sidewalks”), and she pointed out the required local match in the amount of \$779,000.

Joe Meppelink moved to approve the TIP Resolution – Sidewalks, as presented. Rodrigo Tejeda seconded the motion, which passed unanimously.

Item 15. President’s Report – District Overview. Receive the President’s report on the following District programs and authorize appropriate action:

a. Security and Public Safety:

1. Graffiti abatement program

Martin Chavez, Director of Operations and Constituent Affairs, gave the monthly graffiti report for the District. Mr. Chavez explained that there were a large number of graffiti sites abated in August 2018.

2. Law Enforcement Coordination Team meeting

Martin Chavez, Director of Operations and Constituent Affairs, gave an update from the monthly LECT meeting for the District. Mr. Chavez spoke of the jail diversion center in the District which assists individuals with mental health issues and helps keep them out of the criminal justice system. Guadalupe Plaza Park was also discussed due to the homeless issue at the park; they are coordinating with law enforcement for extra security.

b. Visual and Infrastructure Improvements:

1. Right of way clean-up, litter pick-up, tire removal, dump site clean-up, and street lamp repair

Martin Chavez provided a report for services provided in August 2018. He reported that the District has received the Bobcat, which was previously approved by the Board. He noted that it will be used for illegal dumping and street sweeping operations and will save many man-hours.

Martin Chavez reported that the Texas Conservation Corp has been sending out individuals for clean-up efforts.

2. Houston Galveston Area Council – Transportation Improvement Program Update

Guadalupe Gonzalez, Construction Manager at Coastal Builders, presented a report regarding the TIP Sidewalk project.

c. Marketing & Perception. Receive report on marketing activities

Dan Joyce, Director of Marketing & Communications, reported on analytics regarding the District's social media platforms. He also explained that the new website should be completed shortly, noting that testing was in progress.

Mr. Joyce also stated that he would like to do headshots for the new website for District staff and any interested Board members.

d. East End Improvement Corporation. Receive report on EEIC and East End Street Fest.

Asha John, Acting Executive Director, gave a report on the EEIC and the recent fundraising efforts for the East End Street Fest for 2018.

Item 16 Executive Session, if Necessary. Convene executive session to discuss: (a) pending or contemplated litigation or to consult with the attorney in accordance with Section 551.071 of the Texas Government Code; (b) acquisition of real property in accordance with Section 551.072 of the Texas Government Code; (c) personnel matters in accordance with Section 551.074 of the Texas Government Code; (d) to receive information from or question employees in accordance with Section 551.075 of the Texas Government Code; employees ; (e) deployment of security personnel or devices or a security audit in accordance with Section 551.076 of the Texas Government Code; or (f) economic development negotiations or offers of financial incentives for economic development in accordance with Section 551.087 of the Texas Government Code.

Item 17 Reconvene in Open Session. Reconvene in public session to consider authorizing District staff and consultants to take any action necessary with respect to (a) pending or contemplated litigation or attorney advice; (b) acquisition of real property; (c) personnel matters;

(d) receiving information from or questioning employees; (e) economic development negotiations or offers of financial incentives; (f) deployment of security personnel or devices or a security audit; and (g) any other matters relative to any of these matters which was discussed in Executive Session.

Item 18. Adjourn.

There being no further business, the meeting was then adjourned at 4:50 pm.




East End District