

MINUTES
NASSAU BAY ECONOMIC DEVELOPMENT CORPORATION
JANUARY 29, 2018
7:00 PM

MEMBERS OF THE CORPORATION PRESENT: Mark Denman, Jonathan Amdur, Bryce Klug, Cindy Harreld-DeWease, Bill Quinn, and Matt Prior

MEMBERS ABSENT: John Mahon (arrived 7:08pm)

OTHERS PRESENT: City Manager Jason Reynolds, Assistant City Manager Mary Chambers, City Secretary Sandra Ham, Finance Director Csilla Stiles, and Planning Commission Chairman Roscoe Lee

PRESIDING: Vice President Jonathan Amdur

CALL TO ORDER AND ROLL CALL OF MEMBERS

The meeting was called to order at 7:02 p.m.

A quorum of the EDC was present with six board members in attendance.

APPROVAL OF MINUTES

The minutes of the meeting on October 30, 2017 were presented for approval.

It was moved by Bryce Klug, seconded by Bill Quinn, that the minutes be approved.

Motion passed 6 – 0.

CITIZENS' REQUEST FOR HEARING BEFORE EDC

Public Hearing was opened at 7:03 p.m.

There being no one wishing to speak, the public hearing was immediately closed.

NEW BUSINESS

Approval of Orders for Payment to Reimburse the City for Invoices Paid on Behalf of the EDC

Finance Director Stiles discussed the expenditures listed below. The invoice amounts to be reimbursed were:

Reimbursements to the City of Nassau Bay for FY18:

- a. BAHEP 2018 ACC Billing – \$420.00
- b. Sherrariums Landscaping Co – Christmas decorations, installation, take-down, storage – \$11,050.00

- c. Downtown Decorations Inc – Christmas Tree & Lights – \$14,841.38
 - d. BAHEP 2018 Annual Banquet – \$1,300.00
 - e. The HJK Group, Inc (NATEX Architects) – Construction Phase & Fee Adjustment – \$20,430
- TOTAL – \$48,014.38**

Finance Director Stiles noted all items are budgeted items for FY2018, highlighting the architect fees for the Fire Station / EMS Facility. President Mark Denman inquired if these fees shown in Item E by The HJK Group aligned with the original budget, as he believed Mr. Haugen, principal architect of The HJK Group / NATEX Architects, would limit the rate fee as a percentage of the original \$3 million budget, rather than the current increased budget of \$4.1 million. Mrs. Stiles indicated the last two invoices presented for payment maintained the increased rate fee. Mr. Denman requested for the invoice payment to The HJK Group be pulled from the approval of orders for payment and considered separately.

It was moved by Mark Denman, seconded by Cindy Harreld-DeWease, to approve items A through D for reimbursement.

Motion passed 6 – 0.

President Denman continued discussions regarding The HJK Group's fees, and requested to meet with Mr. Haugen to clarify the basis for the rate increase. Finance Director Stiles noted the recent invoice was a percentage based on a \$3.8 million budget, with President Denman resultingly requesting additional information on the factors supporting the increased fees.

Vice President Amdur clarified the agenda item as the City's request for reimbursement for an already paid invoice, and proposed approval of the order for payment for Item E, as it would be a reimbursement to the City, not a payment to The HKJ Group. President Denman agreed, but requested for Mr. Haugen to appear before the EDC before additional payments are paid to The HKJ Group, and proposed for the City to discontinue payments to the firm until such meeting.

Finance Director Stiles indicated when the architect firm was hired, the estimate for the construction of the Fire Station / EMS Facility was at \$3 million. Further into the process, the bids were over the estimate, with the bid proposal for construction accepted at \$4.1 million. She stated the original fees were invoiced at a 6% fee rate of \$3 million, which would provide for a total payment of \$180,000 to the The HJK Group. President Denman inquired whether Mr. Haugen intended to invoice over the initial \$180,000, with Director Bill Quinn echoing similar sentiments regarding the change in invoice amounts.

It was moved by Director Quinn, seconded by Director Matt Prior, to approve the order for payment of Item E, with the contingency of no future payments to be made to The HJK Group until Mr. Haugen appears before the Corporation.

Treasurer Bryce Klug noted should The HJK Group's fee total \$180,000 for the \$4.1 million construction contract, the rate fee would be approximately 4.4%. He remarked the Corporation had previously determined the rate fee of 6% to be below market rate.

Motion passed 7 – 0.

Approval of the January 2018 Financial Statements

Finance Director Stiles presented the Corporation's Financial Statement as of January 22, 2018. She noted the year-to-date figures were inclusive of the meeting's orders for payment. The Corporation's cash position is approximately \$237,000. Vice President Amdur commented on the financial position, noting the position to be exceeding projections. Mrs. Stiles indicated an audit of a local business resulted in uncovering an underpayment of sales tax. The business has since made a lump sum payment to capture this previous underpayment. Finance Director Stiles indicated for April's meeting she will have a better projection of sales tax trends, inclusive of the new economic development within the City.

It was moved by Director Klug, seconded by Director Quinn, to approve the January 2018 Financial Statements.

Motion passed 7 – 0.

Received an Update on the Fire Station/EMS Facility

City Manager Reynolds provided an update on the construction activities of the Fire Station / EMS Facility. He remarked on the installation of an "Earthcam," which allows for an online view of the fire station, and provided photos showing the progression of the building. Mr. Reynolds ended his comments by noting the timeline is delayed approximately two weeks due to the weather. The project is still expected to be completed middle to late June 2018.

Receive an Update on the Economic Development and Tourism Plan

Assistant City Manager Mary Chambers announced the City of Nassau Bay has entered an agreement with independent consultant C. J. Snipes. Mr. Snipes was given twenty (20) Nassau Bay stakeholders to contact to begin plan development. As Mr. Snipes develops his market study, he will conduct three to five community workshops to better understand the community profile, providing final draft reports to the Corporation. In total, the agreement was executed for \$15,000, considerably less than the original proposed budget for the Economic Development and Tourism Plan.

Director John Mahon inquired whether the tourism strategy would be constructed in part with the Bay Area Houston Convention & Visitors Bureau (BAHCVB), and Assistant City Manager Chambers noted the plan would be independent of the BAHCVB, but would encourage BAHCVB as a stakeholder in the development of the plan.

ADJOURNMENT

There being no further business, the meeting adjourned at 7:24 p.m.

Minutes approved as submitted and/or corrected this 30th day of April, A.D., 2018.



CITY OF NASSAU BAY, TEXAS
ECONOMIC DEVELOPMENT CORP.

Mark A. Denman
President

ATTEST:

Cindy Harreld-DeWease
Secretary