

**MINUTES
NASSAU BAY ECONOMIC DEVELOPMENT CORPORATION
AUGUST 9, 2021
6:00 PM**

MEMBERS OF THE CORPORATION PRESENT: President Bob Warters, Phil Johnson, Matt Prior, Bill Quinn, Cindy Harreld-DeWease, and Brandon Billings

MEMBERS ABSENT: Don Matter (arrived 6:05 p.m.)

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

PRESIDING: President Bob Warters

CALL TO ORDER AND ROLL CALL OF MEMBERS

The meeting was called to order at 6:00 p.m.

A quorum of the EDC was present with six Board Members in attendance.

APPROVAL OF MINUTES

The minutes of the meeting on May 3, 2021 were presented for approval.

It was moved by Board Member Cindy Harreld-DeWease, seconded by Board Member Bill Quinn, that the minutes be approved.

Motion passed 6 – 0.

CITIZENS' REQUEST FOR HEARING BEFORE THE ECONOMIC DEVELOPMENT CORPORATION

Public Hearing was opened at 6:03 p.m.

There being no one wishing to speak, the Public Hearing was immediately closed.

NEW BUSINESS

Election of Board Member Matt Prior to the position of EDC Vice President

Mayor Bob Warters requested nominations for the position of EDC Vice President and offered his recommendation of Board Member Matt Prior for the position.

It was moved by Board Member Phil Johnson, seconded by Board Member Bill Quinn, that Board Member Matt Prior be elected to the position of EDC Vice President.

Motion passed 5 – 0 – 1, Prior abstained.

Approval of an annual funding request of \$15,500 from the Clear Lake Area Chamber of Commerce

Assistant City Manager Mary Chambers noted that the City has been an active member of the Clear Lake Area Chamber of Commerce (CLACC) for many years. The current agreement expires on September 30th, and this agenda item is for a proposed membership commitment of two years at a cost of \$15,500 per year. She highlighted several investment benefits, including tickets to the Annual Chairman's Ball Awards Gala, monthly luncheon tickets, participation in the 2022-23 Leadership Clear Lake program, and sponsorship of the "Epicurean Evening, A Taste of Space" in January 2022.

Mayor Warters commented that the Clear Lake Area Chamber of Commerce provides large benefits to the Clear Lake region, and noted he was in support of the funding request.

It was moved by Board Member Phil Johnson, seconded by Board Member Bill Quinn, to approve the Clear Lake Area Chamber of Commerce funding request.

Motion passed 5 – 0 – 1, Harreld-DeWease abstained.

Approval of orders for payment to reimburse the City for invoices paid on behalf of the EDC

Finance Director Csilla Ludanyi indicated there were only two items included in the orders for payment, which were final expenses for the Nassau Bay Volunteer Fire Department generator project, and the Chick-fil-A tax incentive.

Reimbursements to the City of Nassau Bay for FY21:

- a. Fire Department Generator Project (misc.) – \$136.92
- b. Tax Incentive (May 2021) – \$1,272.92

TOTAL FY21 – \$1,409.84

It was moved by Board Member Bill Quinn, seconded by Board Member Cindy Harreld-DeWease, to approve the FY21 items for reimbursement.

Motion passed 7 – 0.

Approval of the June 2021 Financial Statements

Finance Director Csilla Ludanyi noted that at the time of preparation, the Corporation's financial statements were only available through June 2021. As of the report date, 58% of the sales tax revenue accrual year was complete, although the EDC has received 66% of the budgeted revenue. Ms. Ludanyi indicated approximately \$24,000 of the revenue was received in July, which is included in the year-to-date projected total.

Finance Director Ludanyi continued by detailing the previous one-time sales taxpayer that left Nassau Bay as of January 2021. Without this payer, the regular revenue amounts currently received by the City will be more indicative of future payments. Current sales tax projections are approximately \$250,000, with the addition of McDonald's possibly

increasing overall tax revenue. Ms. Ludanyi continued by overviewing the year-to-date sales tax by industry.

Ms. Ludanyi detailed the Corporation's cash projects, which include cash and investments. The projected year end cash balance for the reserves is expected to be \$325,809. Looking forward to the FY22 Draft Budget, Fiscal Year 2022 will end with \$413,000 in reserves.

Board Member Bill Quinn inquired whether all orders for payments were included within the cash disbursements, including projects such as the sand filter rehabilitation. Finance Director responded yes, but noted she would further review and verify. Ms. Ludanyi continued with the Corporation's investment portfolio, describing total investments to be \$322,571.70 as of June 30, 2021. Ms. Ludanyi ended the discussion by providing additional information on the Corporation's revenue and expense report.

It was moved by Board Member Phil Johnson, seconded by Board Member Matt Prior, to approve the June 2021 Financial Statements.

Motion passed 7 – 0.

Amendment of the Fiscal Year 2021 EDC Budget, pursuant to Section 6.02 of the bylaws

Board Member Bill Quinn inquired whether the amendment was to add expenditures, or to change the total budget amount. Finance Director Csilla Ludanyi indicated the amendment is needed to capture the newly added amounts to several categories within the budget. A proposed amendment sheet reflecting these changes is included in the Corporation's board packet. Overall the new proposed amended budget totals \$736,130.

Overall, Finance Director Ludanyi noted the year-end budget will be decreased. Ms. Ludanyi continued by specifically highlighting these amendments totaling \$95,460:

- 1) Additional \$11,370 allocation to Maintenance Decoration for additional holiday decorations in the Town Square.
- 2) Additional \$27,590 allocation to Capital Expenditures to install new illuminated street signs at the intersections of NASA Parkway with Nassau Bay Drive, Point Lookout Drive, Saturn, and Upper Bay Road.
- 3) Additional \$56,500 allocation to Capital Expenditures for the new Sand Filter upgrades at the sewer plant. The bids came in higher than originally budgeted and the increased cost was split between FEMA and the City, with the City's portion being an additional \$56,500.

Board Member Quinn requested additional details on the increases within the sand filter rehabilitation project. Finance Director Ludanyi noted bids received were higher than anticipated, due to supply chain issues. FEMA and the City will cost share in the project. Overall, with the delays in the project by FEMA, bids received were over \$400,000 than originally budgeted.

It was moved by Board Member Bill Quinn, seconded by Board Member Phil Johnson, to amend the Fiscal Year 2021 EDC Budget.

Motion passed 7 – 0.

Approval of the EDC budget, as amended if required, for Fiscal Year 2022, pursuant to Section 6.02 of the bylaws

Finance Director Csilla Ludanyi began the discussion by indicating the final EDC Budget for Fiscal Year 2022 would be forwarded to City Council. Currently, the FY22 Budget includes a reserve fund of \$413,011, assumes a 14% increase in sales tax based on trends YTD in FY21, includes Clear Lake Area Chamber and BAHEP participation, marketing, funding for palm tree removal and NASA parkway landscape planning, increased administrative expense for contracting, an ongoing CFA incentive, and funding for business retention incentives. She noted that the FY22 budget is significantly smaller than the FY21 Budget, which included a large expenditure transfer to the Water / Sewer Fund.

Ms. Ludanyi indicated the total budget to be \$211,790.00. Board Member Bill Quinn inquired on the reserves, with Finance Director Ludanyi indicating there not be a specific reserve fund as the EDC does not maintain operating expenses. She noted that reserves are typically utilized to fund projects and can function as a savings fund for the EDC.

Board Member Quinn requested details on other types of projects that are not being funded by the EDC. Ms. Ludanyi indicated that currently there were no known proposals.

It was moved by Board Member Don Matter, seconded by Board Member Phil Johnson, to approve the Fiscal Year 2022 EDC Budget.

Motion passed 7 – 0.

ADJOURNMENT

There being no further business, the meeting adjourned at 6:28 p.m.

Minutes approved as submitted and/or corrected this 25th day of October 2021.

CITY OF NASSAU BAY, TEXAS
ECONOMIC DEVELOPMENT CORP.



Robert L. Warters
President

ATTEST:



Sandra V. Ham on behalf of
Cindy Harreld-DeWease, Secretary