

ROSENBERG DEVELOPMENT CORPORATION MEETING MINUTES

On this the 10th day of March 2016, the Rosenberg Development Corporation (RDC) of the City of Rosenberg, Fort Bend County, Texas, met in Regular Session, at the Rosenberg Civic Center, located at 3825 Highway 36 South, Rosenberg, Texas.

PRESENT

Teresa Bailey	Secretary, Rosenberg Development Corporation
Amanda J. Barta*	Director, Rosenberg Development Corporation (<i>arrived at 4:35 p.m.</i>)
Ted Garcia	Treasurer, Rosenberg Development Corporation
Bill Knesek	President, Rosenberg Development Corporation
Lynn Moses	Director, Rosenberg Development Corporation
Jimmie J. Pena	Director, Rosenberg Development Corporation
Allen Scopel	Vice President, Rosenberg Development Corporation

STAFF PRESENT

Jasmine Bowens	Senior Administrative Specialist
Dan Kelleher	Main Street Manager
Jeremy Heath	Assistant Economic Development Director
Randall Malik	Executive Director, Rosenberg Development Corporation
Joyce Vasut	Executive Director of Administrative Services

GUESTS

John Manning	Patillo, Brown and Hill, L.L.P.
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CALL TO ORDER.

President Knesek called the meeting to order at 4:10 p.m.

STATEMENT OF RULES PERTAINING TO AUDIENCE COMMENTS.

Jasmine Bowens, Senior Administrative Specialist, read the statement of rules pertaining to audience comments.

COMMENTS FROM THE AUDIENCE.

There were no comments from the audience.

CONSENT AGENDA

A. CONSIDERATION OF AND ACTION ON THE JOINT CITY COUNCIL AND ROSENBERG DEVELOPMENT CORPORATION MEETING MINUTES FOR FEBRUARY 11, 2016.

Action: Director Scopel moved, seconded by Director Moses, to approve Consent Agenda Item A. The motion carried by a unanimous vote of those present.

B. CONSIDERATION OF AND ACTION ON THE MONTHLY ROSENBERG DEVELOPMENT CORPORATION FINANCIAL REPORTS FOR THE PERIOD ENDING FEBRUARY 29, 2016.

Executive Summary: The February 2016 RDC Financial Reports are attached for your review and consideration. Staff recommends approval.

Key discussion points:

- President Knesek inquired about why the year to date budget expenses were as high as they were for only being midway through this fiscal year.
- Joyce Vasut explained that the high percentages were the result of all of the RDC infrastructure expenses being transferred funds into the RDC Project Fund account.

Action: Director Garcia moved, seconded by Director Moses, to approve Consent Agenda Item B. The motion carried by a unanimous vote of those present.

1. CONSIDERATION OF AND ACTION ON A RECOMMENDATION REGARDING THE DRAFT COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE ROSENBERG DEVELOPMENT CORPORATION, FISCAL YEAR ENDED SEPTEMBER 30, 2015, SUBMITTED BY PATTILLO, BROWN AND HILL, L.L.P.

Executive Summary: Patillo, Brown and Hill, L.L.P., has completed the audit of the Rosenberg Development Corporation's (RDC) financial statements for the fiscal year ended September 30, 2015. The RDC has received an unmodified opinion on the financial statements, which indicates the RDC has presented its financial statements in conformity with Generally Accepted Accounting Principles (GAAP). An unmodified opinion assures that the financial statements are free of material misstatement based upon examination of the supporting documents and disclosures of the figures contained in the RDC's financial statements.

The Comprehensive Annual Financial Report (CAFR) for 2015 was reviewed at the Finance/Audit Committee Meeting (Committee) on March 1, 2016. The Committee recommended one amendment for clarification, and subsequently unanimously recommended the acceptance of the document as revised. Draft minutes for the Committee's recommendation were not yet available at the time this Agenda packet went to print. A letter required by Statement on Accounting Standards No. 114 was presented by the auditors and distributed with the CAFR.

John Manning, with Pattillo, Brown and Hill, L.L.P., will present the RDC Comprehensive Annual Financial Report for 2015, and some of the key financial highlights of the report.

Staff recommends the acceptance of the FY2015 RDC – Comprehensive Annual Financial Report.

Key discussion points:

- Joyce Vasut introduced John Manning of Pattillo, Brown and Hill L.L.P.
- John Manning presented the Comprehensive Annual Financial Report to the Board.
- General discussion included interest earnings, sales tax sources, and contingencies.

Action: Director Garcia moved, seconded by Director Scopel, to accept the Fiscal Year 2015 RDC Comprehensive Annual Financial Report as presented. The motion carried by a unanimous vote of those present.

2. **CONSIDERATION OF AND ACTION ON RESOLUTION NO. RDC-101, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ROSENBERG DEVELOPMENT CORPORATION AMENDING THE FISCAL YEAR 2015-16 ANNUAL BUDGET IN THE AMOUNT OF \$80,000 FOR PROFESSIONAL SERVICES - LEGAL.**

Executive Summary: The budget for Professional Services - Legal for FY2015-2016 is \$40,000. Invoices received through February 29, 2016, total \$43,496.09. Payments were made to the following:

• Denton Navarro Rocha Bernal Hyde & Zech, P.C.:	\$ 36,932.69
• <u>Jeanne M. McDonald, Attorney:</u>	<u>\$ 6,563.40</u>
Total	\$ 43,496.09

Denton Navarro Rocha Bernal Hyde and Zech, P.C., provides services for general legal matters and litigation services regarding Imperial Arts. Jeanne McDonald provides legal services for development and performance agreements.

This budget amendment would provide the additional funds for the Professional Services - Legal line item. Staff recommends approval of Resolution No. RDC-101.

Key discussion points:

- Joyce Vasut discussed the amendment for the Fiscal Year 2015-16 annual budget for the Professional Services – Legal, explaining that the request to make a budget adjustment in the amount of \$80,000 is necessary due to receiving invoices totaling \$43,496.09 through February 29, 2016.

Action: Director Pena moved, seconded by Director Moses, to approve Resolution No. RDC-101, a Resolution to amend the Fiscal Year 2015-16 annual budget in the amount of \$80,000, for Professional Services- Legal. The motion carried by a unanimous vote of those present.

3. **REVIEW AND DISCUSS FORT BEND TRANSIT BUS ROUTE, AND TAKE ACTION AS NECESSARY.**

Executive Summary: At the February RDC Meeting, President Bill Knesek requested an agenda item to discuss the Fort Bend Transit – Richmond/Rosenberg Bus Route.

Key discussion points:

- President Knesek suggested providing a more user friendly link to locate the Fort Bend Transit website and bus routes. He also mentioned that the current bus-route is confusing and difficult to navigate. Mr. Knesek suggested that staff work with Fort Bend Transit on implementing a looped bus route.
- Director Bailey pointed out the need to collaborate with Richmond on the changes to the bus route.
- Randall Malik stated he would attempt to have Richmond at the next RDC Meeting.
- **Director Barta arrived at the meeting at 4:35 p.m.**
- The consensus was to have staff coordinate a meeting with Fort Bend Transit to discuss potential route improvements.

No action was taken

4. **REVIEW AND DISCUSS ROSENBERG MULTIMODAL HUB STUDY, AND TAKE ACTION AS NECESSARY.**

Executive Summary: The Port of Freeport, Fort Bend County and Brazoria County have recently partnered on a study assessing the feasibility of developing a new rail connection from Port Freeport along the State Highway 36A Corridor to serve the inland markets of Texas and Middle America. One of the primary findings of the study was identifying Rosenberg as an ideal location for a multimodal hub.

The author of the study, Dr. Alexander Medcalf, has indicated an interest in conducting a Rosenberg Multimodal Hub Study. The purpose of the study would be to build upon the results of the initial SH 36A Rail Development Study and begin to identify the steps necessary to implement the Rosenberg Multimodal Hub.

This agenda item provides the Board the opportunity to discuss if they would be interested in pursuing the feasibility of a multimodal hub study.

Key discussion points:

- Randall Malik gave an overview of the item and mentioned that the purpose of the item is simply to see if the Board would like to invite Dr. Alexander Medcalf to a future meeting to further discuss the details for a multimodal hub study.
- President Knesek inquired about the potential cost of the study.
- Randall Malik replied that it would be about \$70,000.
- Director Pena noted that he took a tour at Port Freeport, and he feels it would also be beneficial for the rest of the Board.
- Director Scopel suggested a partnership with other surrounding cities to possibly fund the hub. He also stated that a meeting with Dr. Alexander Medcalf would answer the Board's questions.
- The general consensus was to invite Dr. Alexander Medcalf to a future meeting.

No action was taken.

5. **CONSIDERATION OF AND ACTION ON PROPOSED AMENDMENTS TO THE ROSENBERG DEVELOPMENT CORPORATION BYLAWS.**

Executive Summary: At the February 11, 2016 Joint City Council and RDC Board Meeting, the Board tabled the proposed amendments to the RDC bylaws. The Board requested additional time to review the memorandum from Scott M. Tschirhart regarding the oversight structure of the RDC Executive Director.

Currently, the RDC bylaws and RDC/City Administrative Service Agreement indicate that the RDC Executive Director is to be an employee of the City of Rosenberg. Further, Resolution No. RDC-82 designates the Economic Development Director of the City of Rosenberg as the Executive Director of the RDC.

Key discussion points:

- President Knesek stated that after reviewing the memo from the City Attorney, he would like to drop the request for amendment proposing the RDC Executive Director be an RDC employee. However, he requests for staff to look at ways to amend the City/RDC Administrative Services Agreement to reflect that 100% of the time and costs of economic salaries be towards the RDC.
- Director Pena agreed with President Knesek, but expressed that the change would likely be controversial.

- President Kneseck stated that the only outstanding item remaining for discussion is the number of City Council members on the RDC Board.
- Director Barta stated the number of City Council members on the RDC Board should be no more than two (2).
- Director Garcia agreed with Director Barta that the number of Council members serving as RDC Directors should be limited to two (2).
- Director Pena and Director Moses stated that the language should remain unchanged with no more than three (3) City Council members serving as Directors.
- Director Bailey stated the limitation should be no more than two (2) City Council members, and a City employee.

Action: Director Garcia moved, seconded by Director Barta, to revise Section 3.03 of the Rosenberg Development Corporation Bylaws to reflect the limitation of the number of City Council members on the RDC Board to be no more than two (2) City Council members, effective June 2016, when the committees are reappointed. The motion carried by a vote of 4-3. **Ayes:** Directors Barta, Bailey, Garcia, and Scopel. **Nays:** President Kneseck and Directors Pena and Moses.

Action: Director Garcia moved, seconded by Director Moses, to approve the Rosenberg Development Corporation Bylaws as revised, and authorize submittal to City Council with a recommendation of approval. The motion carried by a unanimous vote.

6. **HOLD EXECUTIVE SESSION TO RECEIVE LEGAL ADVICE FROM THE CITY ATTORNEY CONCERNING PENDING LITIGATION, NAMELY DISPUTE WITH IMPERIAL PERFORMING ARTS, INC., PURSUANT TO SECTION 551.071 OF THE TEXAS GOVERNMENT CODE; TO DELIBERATE THE POTENTIAL PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.072; AND REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS PURSUANT TO SECTION 551.087 OF THE TEXAS GOVERNMENT CODE.**

Regular Session was adjourned for Executive Session at approximately 5:18 p.m.

7. **ADJOURN EXECUTIVE SESSION, RECONVENE REGULAR SESSION, AND TAKE ACTION AS NECESSARY AS A RESULT OF EXECUTIVE SESSION.**

Executive Session: The Executive Session was adjourned and the RDC Board reconvened Regular Session at approximately 5:30 p.m.

8. **CONSIDERATION OF AND ACTION ON A REPORT FROM THE ROSENBERG DEVELOPMENT CORPORATION EXECUTIVE DIRECTOR REGARDING THE PREVIOUS MONTH'S ECONOMIC DEVELOPMENT ACTIVITIES AND CONTACTS, WHICH INCLUDES UPDATES ON THE FOLLOWING (RANDALL MALIK, EXECUTIVE DIRECTOR):**
 - a. **ECONOMIC INDICATORS;**
 - b. **BUSINESS RETENTION VISITS;**
 - c. **NEW AND EXPANDED BUSINESSES; AND,**
 - d. **RDC PROJECTS.**

Executive Session: This item has been included to provide the Executive Director the opportunity to update the Board on the previous month's activities, contacts and projects.

No action was taken.

9. **REVIEW AND DISCUSS REQUESTS FOR FUTURE AGENDA ITEMS, AND TAKE ACTION AS NECESSARY.**

Executive Summary: This item provides the RDC Board the opportunity to request future Agenda items.

Key discussion points:

- Director Pena suggested that a representative from RDC attend conventions for marketing purposes.

No action was taken.

10. **ANNOUNCEMENTS.**

- No announcements

11. **ADJOURNMENT.**

Action: Director Garcia moved, seconded by Director Moses, to adjourn the Regular Meeting of the Rosenberg Development Corporation. The motion passed by a unanimous vote. The meeting adjourned at 6:18 p.m.



Jasmine Bowens
Senior Administrative Specialist