

MINUTES OF THE BOARD OF DIRECTORS MEETING
Harris County Municipal Management District No. 1

February 19, 2020

The Board of Directors (the "Board") of Harris County Municipal Management District No. 1 (Memorial Management District) (the "District") met in regular session, open to the public, on the 19th day of February, 2020, at 920 Memorial City Way, Suite 170, Houston, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

Ben Gillis	President/Director
Dan Moody, III	Secretary/Director
Steven Goss	Director
Glenn Airola	Director
Perry Hicks	Director
Charles DeLacey	Director
Ben Pisklak	Director
C. Beau Harrison	Director
Augustus L. Campbell	Director
Kirk Guilanshah	Director
Robert Williamson	Director

and all of the above were present, except Directors Hicks, Pisklak and Harrison, thus constituting a quorum.

Also present at the meeting were Marlene Gafrick of MetroNational Corporation; Suzy Hartgrove and Nick Scherf of MyHart Communications; Pat Hall of Equi-Tax, Inc.; Pat Walters, Executive Director for the District; Andria Rondon, Project Manager of the District; Sergeant Chris Sheffield of Harris County Precinct 5 Constable's Office; Margarita Dunlap of METRO; Muhammad Ali of Gauge Engineering, LLC; Jennifer Day of McCall Gibson Swedlund Barfoot PLLC ("McCall"); and Jessica Holoubek and Nikole Cales of Allen Boone Humphries Robinson LLP.

1. Call meeting to order, take attendance and verify quorum is present

Having established that a quorum of the Board was present, Director Gillis called the meeting to order.

2. Public Comments

There were no public comments.

3. Minutes of January 15, 2020, Meeting

The Board reviewed the minutes of the January 15, 2020, regular meeting. After review and discussion, Director Guilanshah moved to approve the minutes. The motion was seconded by Director DeLacey, which was approved unanimously.

4. Financial Report and Bookkeeping Matters

Ms. Hall reviewed the financial reports for January with the Board. Following review and discussion, Director Goss, moved to approve the financial report and payment of the invoices listed in the report. Director Moody seconded the motion, which passed unanimously.

Ms. Holoubek discussed the disbursement to Goldstone Exterior Services, LLC ("Goldstone") and stated the District received a letter from the United States Internal Revenue Service ("IRS") notifying the District the IRS has placed a levy on Goldstone's funds. She stated the District's bookkeeper must hold the District's check to Goldstone until further instruction is received from the IRS. Mr. Hall stated he discussed the matter with Goldstone, and he expects the issue to be resolved shortly. He stated he does not believe there is any reason to terminate or otherwise modify the District's contract with Goldstone at this time.

5. Assessment and Collections Matters

Ms. Hall reviewed the assessment collector's report for January with the Board. Following review and discussion, Director Campbell, moved to approve the assessment collector's report. Director Williamson seconded the motion, which passed unanimously.

6. Audit for Fiscal Period Ended November 30, 2019

Ms. Day reviewed the draft audit for the fiscal period ended November 30, 2019, and the related management letter regarding internal controls. Following review and discussion, Director Moody moved to approve the audit, subject to final review. Director Campbell seconded the motion, and it carried unanimously.

Director Gillis discussed the material weaknesses noted. Ms. Day explained the nature of the material weaknesses. Discussion ensued regarding engaging a second auditor to prepare the statements. It was noted many governmental entities engage only one auditor and have similar material weaknesses noted. The Board concurred not to engage a second auditor at this time.

7. District Insurance

The Board deferred this item.

8. Holiday Lighting Call for Projects

Mr. Walters reported that two property owners answered the District's call for Holiday Décor reimbursement. He stated that Moody Rambin has submitted qualifying costs in the amount of \$12,074.30 and MetroNational has submitted qualifying costs in the amount of \$36,272.00. He stated that per the District's policy, they will be reimbursed 60% of installation and removal costs, which totals \$24,173.15.

Following review and discussion, Director Campbell moved to approve reimbursements for Moody Rambin in the amount of \$12,074.30 and MetroNational in the amount of \$36,272.00 for Holiday Décor reimbursement. Director Williamson seconded the motion, Directors Moody and Goss abstained and the motion passed by majority vote.

9. 2020 Utility Burial Call Agreement

Mr. Walters presented and reviewed a Reimbursement Agreement between Moody Rambin Interests and the District to reimburse for burial of utility lines from Towne Centre Two and west of Bendwood Elementary School in the approximate amount of \$360,000. Mr. Walters stated the project total is approximately \$600,000, of which the District will reimburse 60% of the costs. After review and discussion, Director Williamson moved to approve the Reimbursement Agreement and direct that it be filed appropriately and retained in the District's official records. Director Guilanshah seconded the motion, Director Moody abstained, and the motion passed by majority vote.

10. Engineering Services Cost Proposal

Mr. Walters presented and reviewed the Engineering Services Cost Proposal and Level of Effort from Gauge Engineering, LLC (the "Proposal") for paver removal along the crosswalk at Gessner Road and Interstate Highway 10 Frontage Road, in an amount not to exceed \$36,000.00. After review and discussion, Director Moody moved to approve the Proposal as presented for an amount not to exceed \$36,000.00. Director Goss seconded the motion, which passed unanimously.

11. Discussed Revised Construction Plans for Memorial Drive and Authorize Appropriate Board Action and Notice, if Appropriate

Director Moody discussed the revised construction plans for Memorial Drive and the impact to area businesses. Mr. Walters noted the project had a 95% plan approval before changes to the median cuts were made. Discussion ensued regarding the lack of access or impeded access to several property owners if the changes were made. Discussion ensued. After review and discussion, Director Williamson moved to express the Board's support for the previously approved, original design plan for two median openings and authorize Mr. Walters, the necessary District consultants and

directors to act on behalf of the District to take the necessary steps to promote restoration of the original design and construction plans for Memorial Drive. Director Campbell seconded the motion, Directors Guilanshah and Moody abstained, and the motion passed by majority vote. The Board concurred to maintain the medians in the District along Memorial Drive, if the original plans were implemented. The Board requested Mr. Walters bring the matter to the attention of the TIRZ 17 Board of Directors, since they are partially funding the project.

12. Review of District Maintenance

Mr. Walters updated the Board on maintenance in the District. He presented and reviewed a proposal from Berkley Services to paint awnings, power wash certain areas and clean handrails in an amount not to exceed \$5,000.

Mr. Walters presented and reviewed a proposal from LMC to add soil, geo mats and hydro seeding on the slopes of the channel in the amount of \$2,990.

After review and discussion, Director Williamson moved to approve the proposals from Berkley Services and LMC, as recommended. Director Guilanshah seconded the motion, which passed unanimously.

13. Constable's Patrol

Sergeant Sheffield reviewed the report on February patrols and activity in the District.

Mr. Walters presented and reviewed the Law Enforcement Agreement with the Harris County Constables (the "Agreement") in the amount of \$310,944.00, for additional law enforcement services in the District, effective March 1, 2020 through February 28, 2021.

After review and discussion, Director Moody moved to approve the Agreement in the amount of \$310,944.00, as presented. Director Williamson seconded the motion, which passed unanimously.

14. Community Relations Update and Contract Services

Ms. Hartgrove introduced Mr. Scherf reviewed website activity and statistics and updated the Board regarding community relations efforts for the District.

15. Executive Session Pursuant to Section 551.074, Texas Government Code

At 10:34 a.m., Director Gillis announced that the Board would convene in executive session pursuant to Section 551.074, Texas Government Code, to discuss employment matters. All the attendees left the meeting except the Board members, Mr.

Walters, Ms. Holoubek and Ms. Cales.

16. Reconvene in Open Session

At 10:42 a.m., Director Gillis announced that the Board would reconvene in open session. Upon reconvening in open session, Director Campbell moved to authorize execution of an employment letter extending an offer to the selected candidate for the Project Manager position. Director Moody seconded the motion, which passed by unanimous vote.

17. Executive Director's Report

Mr. Walters updated the Board on development in the District and surrounding areas.

The Board concurred to schedule its next meeting on March 25, 2020.

18. Adjourn

There being no further business to come before the Board, the meeting was adjourned.

Approved:

/s/ Dan Moody _____

Secretary

Harris County Municipal Management District No. 1

