

**MINUTES OF SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF
EAST DOWNTOWN MANAGEMENT DISTRICT**

November 13, 2019

The Board of Directors (the “Board”) of the East Downtown Management District (the “District” or “EaDo”) met in special session, open to the public, on November 13, 2019, at 12:00 p.m. at Combined Arms, 2929 McKinney Street, Houston, Texas 77003, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Pos. 1	Bryan Hucke	
Pos. 2	Kevin Hanratty	
Pos. 3	Jeremy Conner	Secretary
Pos. 4	Apurva Sanghavi	Vice-Chairman
Pos. 5	Fred Ghabriel	
Pos. 6	Andre Azizi	Assistant Secretary
Pos. 7	R. David Denenburg	
Pos. 8	Stephanie Macey	
Pos. 9	Shahin Naghavi	Chairman
Pos. 10	Jatin Patel	

and all of said persons were present, with the exception of Director Sanghavi, Azizi, Denenburg, Macey, and Patel thus constituting a quorum.

Also present for all or a portion of the meeting were Jessica Bacorn, the District’s Executive Director; Sergeant Maldonado of Harris County Precinct 6 (“Precinct 6”); Officer Lewis of the Houston Police Department (“HPD”); Jack Roland of Governmental Financial Reporting, LLC; and Joel Cleveland and Olivia Galvan of Jeanne H. McDonald, P.C.

WELCOME

Director Naghavi welcomed everyone to the meeting.

PUBLIC COMMENTS

There were no public comments.

SAFETY AND SECURITY REPORT

a) Report.

Sergeant Maldonado of Precinct 6 reported on District crime statistics. After discussion, no action was necessary.

Deputy Lewis of HPD reported on crime statistics for the District. After discussion, no action was necessary.

b) EEIC Contract.

Ms. Bacorn then presented a letter of intent in connection with the District's Reimbursement Agreement for Security Services with the East End Improvement Corporation ("EEIC"). She noted that the EEIC is proposing that the District add an additional Precinct 6 deputy for a total of two (2) deputies beginning March 1, 2020. She then stated that Harris County and Precinct 6 are proposing a 4.9% fee increase effective March 1, 2020, increasing the District's monthly cost per deputy from \$6,587 to \$6,909. Mr. Cleveland then explained that EEIC is requesting the letter of intent to confirm the number of deputies requested by the District and to confirm that the rate increase is acceptable. Ms. Bacorn then explained that the District's budget is insufficient to fund an additional deputy, and she recommended notifying the EEIC of the District's intent to renew its agreement for one deputy at the increased fee. After discussion, Director Naghavi moved to approve the submission of the letter of intent to EEIC confirming the District's commitment to renew its agreement for one deputy at the rate of \$6,909 per month. Director Hucke seconded the motion, which passed unanimously.

UP ART STUDIO

Ms. Bacorn then introduced Ms. Elia Quiles of UP Art Studio to present her organization's request for the District's participation in public art initiatives. Director Sanghavi then inquired regarding the level of participation UP Art Studio is seeking. In response, Ms. Quiles stated that she would like the District to sponsor mini murals within the District, which are painted on electric traffic control boxes as approved by the City of Houston, at the cost of \$2,500.00 per mural. The Board then inquired about other project initiatives or sponsorship opportunities. In response, Ms. Quiles acknowledged that additional information would need to be gathered with the help of Ms. Bacorn in order to provide a more detailed public art plan for the District. She also stated that the organization is seeking more grant funding. After discussion, no action was taken.

BOOKKEEPER'S REPORT

Mr. Roland presented and reviewed with the Board the Monthly Financial Report dated September 30, 2019 ("Bookkeeper's Report"), a copy of which is attached hereto. After discussion, Director Conner moved to approve the Bookkeeper's Report and the payment of the invoices listed in the report. Director Ghabriel seconded the motion, which passed unanimously.

BUDGET FOR 2020

Ms. Bacorn reviewed with the Board a draft of the budget for fiscal year ending December 31, 2020, as presented. Discussion then ensued regarding potential marketing and beautification opportunities and initiatives. After discussion, Director Ghabriel moved to adopt the budget for

fiscal year ending December 31, 2020, as presented. Director Hanratty seconded the motion, which passed unanimously.

DELINQUENT ASSESSMENT REPORT

The Delinquent Assessment Report, a copy of which is attached hereto, was presented and reviewed. After discussion, Director Naghavi moved to approve the delinquent assessment report. Director Hucke seconded the motion, which passed unanimously.

MINUTES

The Board then considered the minutes of its meeting held on September 11, 2019. After discussion, Director Conner moved to approve the minutes of the September 11, 2019, meeting as presented. Director Ghabriel seconded the motion, which passed unanimously.

SUPPLEMENT TO THE ASSESSMENT ROLL

Mr. Cleveland reported on the October 30, 2019, public hearing to supplement the District's assessment roll. He then presented and reviewed with the Board the Hearing Examiners' Report from the hearing. He stated that the hearing examiners unanimously recommend that the Board adopt the supplement to the assessment roll to add new accounts and new value to the District's roll, all in accordance with the District's Service Plan. Action was taken below.

Mr. Cleveland also presented to the Board the Order Accepting Hearing Examiners' Report; Amending the Assessment Roll; Levying Assessments for the Remainder of the Ten-Year Period; Specifying the Method of Payment and the Amount of the Annual Installments of Assessments; Providing Penalties and Interest on Delinquent Assessments; and Authorizing Collection of Assessments (the "Order"). He stated that the Order conforms to the findings and recommendations of the Hearing Examiners, as outlined in their report. Action was taken below.

After discussion, Director Hucke moved that the Board accept the Hearing Examiners' Report and adopt the Order. Director Hanratty seconded the motion, which passed unanimously.

AUDIT

Mr. Cleveland reminded the Board that the District has an evergreen contract with McCall Gibson Swedlund and Barfoot ("MGSB") to prepare the District's annual audit reports, requiring that MGSB notify the Board in advance of the annual cost for the audit. He then reported that the audit fee for fiscal year ending December 31, 2019, will be between \$8,250 – \$9,250. No action was necessary.

INSURANCE

Ms. Bacorn reported that the District's insurance policies with Texas Municipal League ("TML") and Sig McDonald & Wessendorff ("Sig") are up for renewal. She then presented the proposal through Sig for the District's Director Bonds and Public Employee Blanket Crime policy

and noted that the quoted annual premium of \$1,016.00 is the same as the previous years' premium. She also reported that she is awaiting the proposal for the District's TML policies but expects a slight increase from the previous years' premium. Ms. Bacorn then requested authority to renew the District's TML and SIG policies. After discussion, Director Conner moved to approve renewal of the District's insurance policies with Sig and authorize Ms. Bacorn to renew the District's TML policies. Director Ghabriel seconded the motion, which passed unanimously.

RESOLUTION(S)

This item was tabled.

RIGHT-OF-WAY MAINTENANCE

Ms. Bacorn then reported that Flores Quality Services ("FQS") has requested that the Board consider a three percent fee increase in order to offset increases in the costs of materials, equipment, and insurance. Mr. Cleveland then reviewed with the Board the Eighth Amendment to the Maintenance Service Agreement with FQS with the requested effective date of January 1, 2020. After discussion, Director Ghabriel moved to approve the Eighth Amendment to the Maintenance Service Agreement with FQS. Director Hanratty seconded the motion, which passed unanimously.

LAND USE REPORT

Ms. Bacorn then provided an update on the Board's request to obtain a proposal from Community Development Strategies Market Research ("CDS") to update the District's Land Use and Demographics Report ("Land Use Report"). She then reviewed the proposal and costs in the amount of \$10,500.00. Discussion ensued regarding alternative marketing data and information materials that could be prepared for use by developers and District constituents. After discussion, Director Naghavi moved to reject the proposal. Director Hucke seconded the motion, which passed unanimously.

Discussion then ensued regarding getting a proposal for a gap analysis only. Ms. Bacorn said she would look into the possibility and report back to the Board.

SCENIC HOUSTON

Ms. Bacorn provided an update on the fundraising efforts of Scenic Houston for the Pease Street beautification project. She also reported that Scenic Houston would like the District to be the "project owner" and that further discussions are required to fully understand the scope of the request. After discussion, no action was necessary.

WEBSITE

Ms. Bacorn then reported that she is still obtaining proposals in connection with updating the District's website.

DISTRICT PROGRAMS AND PROJECTS REPORT

Ms. Bacorn reported on the District’s programs and projects. After discussion, no action was necessary.

EXECUTIVE SESSION

The Board did not convene in Executive Session.

ADJOURNMENT

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

Secretary/Assistant Secretary, Board of Directors

(SEAL)

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