

MINUTES OF THE BOARD OF DIRECTORS MEETING
TIRZ 17 Redevelopment Authority/Memorial City Redevelopment Authority
City of Houston, Texas
April 30, 2013

The Board of Directors (the "Board") of the TIRZ 17 Redevelopment Authority/Memorial City Redevelopment Authority (the "Authority") met in regular session, open to the public, on April 30, 2013, in the HEB Community Room, 9710 Katy Freeway, Houston, Texas.

Board members in attendance:

Ann T. Givens, Chair
John Rickel
Bob Tucker
Brad Freels
David A. Hamilton, P.E.
Glenn Airola

Board members not in attendance:

Zachary R. Hodges

Staff in attendance:

Don Huml - Executive Director

Consultants in attendance:

Michelle Lofton - ETI Bookkeeping Services
Raphael Ortega and Muhammad Ali - Lockwood, Andrews & Newnam, Inc. ("LAN")
Trey Lary, Jessica Holoubek, and Susan Hostetler - Allen Boone Humphries Robinson LLP
Mark McGrath - McGrath & Co., PLLC
Chris Swedlund - McCall Gibson Swedlund Barfoot PLLC

City of Houston representatives in attendance:

Council Member Helena Brown
Ralph De Leon, Mary Buzak, and Jack Valinski - City of Houston (the "City")

1. Call Meeting to Order

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

2. New Executive Director Introduction and Briefing

Ms. Givens introduced Don Huml as the Authority's new Executive Director. Mr. Huml reviewed his prior work experience, summarized his work since being hired by the Authority, and discussed his goals as the Authority's Executive Director. He

requested that all inquiries or requests for information relating to the Authority be provided to him in writing.

3. Public Comments

Ms. Virginia Gregory commented regarding acquisition of the Zapata tract, detention/drainage requirements for MetroNational entities, and the status of the W140 detention basin.

Council Member Brown welcomed Mr. Huml and thanked the Board for their service.

Mr. Chuck Davidson welcomed Mr. Huml.

Ms. Lois Meyers commented regarding flooding in the area, Rebuild Houston, and the Authority's 2006 budget.

4. Minutes

The Board reviewed the minutes of the March 15, 2013, meeting. Following discussion, Director Hamilton moved to approve the minutes as submitted. The motion was seconded by Director Tucker and carried unanimously.

5. Financial and Bookkeeping Matters

Ms. Lofton reviewed the financial report for March and presented checks for payment by the Authority. After review and discussion, Director Rickel moved to approve the financial report and payment of the bills presented. The motion was seconded by Director Givens and carried unanimously.

6. Approve Worker's Comp Coverage for Executive Director

Ms. Holoubek reviewed a proposal from Texas Municipal League for worker's comp coverage for the Authority's employee. Following discussion, Director Freels moved to approve worker's comp coverage for the Authority's employee at a cost of \$387. Director Hamilton seconded the motion and it passed unanimously.

7. Engage McGrath & Co., PLLC to Prepare Financial Statement for Fiscal Year End June 30, 2013

Mr. McGrath stated that the City requires that the Authority have a financial statement prepared by an independent public accountant for submission to the Authority's auditor. The Board reviewed a proposal from McGrath & Co., PLLC to prepare the Authority's financial statement. The Board discussed additional reporting

requirements and the classification of expenditures in the financial statement. Following review and discussion, Director Rickel made a motion to engage McGrath & Co., PLLC to prepare the financial statement for the fiscal year ending June 30, 2013, for an estimated fee of \$9,500. Director Airola seconded the motion, which passed unanimously.

8. Engage McCall Gibson Swedlund Barfoot PLLC to Perform Audit for Fiscal Year End June 30, 2013

The Board reviewed a proposal to conduct the Authority's annual audit for the fiscal year ending June 30, 2013. Following review and discussion, Director Rickel made a motion to engage McCall Gibson Swedlund Barfoot PLLC to conduct the Authority's audit for the fiscal year ending June 30, 2013 for an estimated fee of \$8,000-\$9,000. The motion was seconded by Director Hamilton and carried by unanimous vote.

9. Reorganize the Board and Appoint Officers

Director Givens discussed reorganization of the Board and recommended the following offices: Director Freels as Vice Chair, Director Airola as Secretary, and Director Tucker as Assistant Secretary. Following discussion and review, Director Hamilton moved to appoint Director Freels as Vice Chair, Director Airola as Secretary, and Director Tucker as Assistant Secretary. Director Rickel seconded the motion, and it passed unanimously.

10. Annual Review of Investment Policy and Adopt Resolution Regarding Annual Review of Investment Policy

Ms. Holoubek stated that under the Public Funds Investment Act, the Authority must conduct an annual review of its Investment Policy. She noted there are no recommended changes to the current Investment Policy. Following discussion and review, Director Airola made and Director Rickel seconded a motion to adopt the Resolution Regarding Annual Review of Investment Policy. The motion passed unanimously.

11. Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the Authority May Engage in Investment Transactions

Ms. Holoubek stated that under the Public Funds Investment Act, the Authority must annually review the list of qualified broker/dealers with whom the Authority may engage in investment transactions. She stated the bookkeeper has updated the list of qualified broker/dealers, which also includes the Authority's depository institutions. After discussion, Director Givens moved to adopt the Resolution Establishing the

Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the Authority May Engage in Investment Transactions. The motion was seconded by Director Airola and carried by unanimous vote.

12. Adopt Resolution Appointing Investment Officer

Ms. Holoubek reported that Don Huml has agreed to be appointed as the Authority's Investment Officer and reviewed a Resolution Appointing Investment Officer. Director Freels moved to adopt the Resolution Appointing Investment Officer. Director Givens seconded the motion and it was unanimously approved.

13. Annual Disclosure Statements of Investment Officers and Bookkeeper

The Board then reviewed the disclosures of Ms. Lofton as the Authority's bookkeeper and Mr. Huml as the Authority's investment officer. Following discussion, Director Rickel made and Director Tucker seconded a motion accept the annual disclosure statements of the Authority's investment officer and bookkeeper. The motion passed unanimously.

14. Annual Report Regarding Post-Issuance Compliance Policy

Ms. Holoubek reported on the District's compliance activities during the prior year related to bond financings. She stated that no corrective action is required at this time.

15. Review Series 2008 Arbitrage Report

Ms. Holoubek reviewed the Arbitrage Report of Omnicap Group LLC. The Board noted that no arbitrage is owed on the Authority's Series 2008 Bonds.

16. Regional Drainage Study

The Board discussed LAN's proposal to update the Regional Drainage Study. Following discussion and review, Director Rickel moved to approve LAN's proposal to update the Regional Drainage Study. Director Hamilton seconded the motion, and it passed by unanimous vote.

17. Barryknoll East Improvement Project

Mr. Ali reported on the schedule for the Barryknoll East Improvement Project. He reviewed Change Order No. 1 to the contract with Texas Sterling for a deduct of \$102,683.53. Mr. Ali noted the City has approved the revised construction plans that are the subject of Change Order No. 1. Following review and discussion, Director Rickel moved to approve Change Order No. 1 to deduct \$102,683.53 from the contract with

Texas Sterling subject to final review by Mr. Huml. Director Tucker seconded the motion, and it was approved by unanimous vote.

Mr. Huml stated that Glenn Fuhrman of MetroNational has reported that traffic flow and work at and around the construction site is progressing well.

18. Lumpkin Improvement Project

Mr. Ortega updated the Board regarding the Lumpkin Improvement Project. He reviewed a proposed schedule for the City's review of LAN's Preliminary Engineering Report for the project.

19. W140 Basin and Channel Improvement Projects

Mr. Ortega updated the Board on the W140 basin and channel improvement project. He stated the City is in the process of abandoning a utility easement that bisects the detention basin site, and that he believes mylars for the basin improvement work will be released once all easement issues have been resolved.

20. North Gessner/Witte Project Update

Mr. Ortega reported that the City has determined it will not need the Authority to reserve detention capacity within the Authority's North Gessner/Witte project for the City's project on North Gessner. He stated LAN is reviewing engineering plans for the North Gessner/Witte project with the City.

21. Discussion of Director Tucker's Letter to the Board Regarding Detention and Drainage

Director Tucker reviewed his letters dated February 26, and April 30, 2013 regarding detention and drainage. The Board discussed detention and drainage projects within the Authority and the proposed motions in Director Tucker's February 26, 2013 letter. Following discussion and review, Director Rickel moved to table action regarding the proposed motions in order to allow for drafting formal resolutions as discussed. Director Hamilton seconded the motion, which carried unanimously.

22. Convene in Executive Session Pursuant to Section 551.072, Texas Government Code, to Deliberate the Purchase, Exchange, Lease or Value of Real Property

At 8:55 a.m., Director Givens announced the Board will meet in executive session to deliberate the purchase, exchange, lease or value of real property.

23. Reconvene in Open Session and Authorize Appropriate Action Regarding the Purchase, Exchange, Lease or Value of Real Property

At 9:51 a.m., the Board reconvened in open session. No action was taken.

24. Adjournment

There being no additional matters for the Board's consideration, Director Airola moved to adjourn the meeting. The motion was seconded by Director Hamilton and carried by unanimous vote.

Approved:



A handwritten signature in blue ink, appearing to read "M. Airola", is written over a horizontal line.

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