



**Port O'Connor Improvement District  
P.O. Box 375  
Port O'Connor, Texas 77982**

**MINUTES  
Special Meeting of Board of Directors  
Thursday, August 23, 2018**

The Board of Directors of the Port O'Connor Improvement District held their regular meeting on Thursday, August 23, 2018, at 1:00 p.m. at the District Office, 39 Denman Drive, Port O'Connor, Texas.

A. CALL TO ORDER. President Brown called the meeting to order of the Board of Directors of the Port O'Connor Improvement District (POCID), on Thursday, August 23, 2018, at 1:00 p.m. at the District Office, 39 Denman Drive, Port O'Connor, Texas, announcing that a quorum was present and welcomed citizens and guests.

DIRECTORS PRESENT: Leon Brown, Marshall Bradford, David Randolph,  
Maria Denney, Erny McDonough

DIRECTORS ABSENT: None

OTHERS PRESENT BY PHONE:

Dorothy Palumbo, General Counsel, Of Counsel, Bojorquez Law Firm, P.C.  
Andre Ayala, Financial Advisor, Hilltop Securities  
Carol Morrison, Municipal Accounts  
Kaye Townley, Municipal Accounts

B. ITEMS FOR CONSIDERATION AND TAKE APPROPRIATE ACTION IF NEEDED:

1. Consider FY 2018/2019 POCID proposed budget and tax rate  
DISCUSSION: Hilltop Securities August 15, 2018 Memorandum was attached to the Board packet. Andre Ayala, POCID Financial Advisor of Hilltop Securities explained the options available to the District in setting the proposed tax rate. The recommendation to set the proposed tax rate at \$0.53 per \$100.00 was based on the present financial status of the District, existing tax base, financial pro formas, proposed potential issuance of additional bonds in fiscal year 2019, and a potential early prepayment of Series 2013 Bonds.

The recommended tax split is \$0.2841 for unlimited tax bonds debt service (down from last year's \$.030) and a maintenance and operation's tax rate of \$0.2459 (up from last year's \$0.23). The recommended maintenance and operations, (M&O) tax rate represents the M&O rollback estimate for Tax Year 2018.

The Budget was discussed line by line and budget items were adjusted.

MOTION: Leon Brown

SECOND: Marshall Bradford

To approve the proposed budget with the changes as discussed and that the proposed property tax rate be increased by the adoption of a tax rate of \$0.53 per \$100 of appraised value, which is effectively a 44% increase by which the proposed rate exceeds the effective tax rate) percent increase in the tax rate and authorize publication of notices for 2 public hearings for proposed tax rate and one public hearing for the proposed budget and authorize distribution of the proposed budget to wholesale customers.

APPROVED: 5-0

2. Consider FY 2018/2019 Defined Area 1 proposed budget and tax rate.

DISCUSSION: The recommended M&O tax rate for POCID Defined Area #1 for Tax Year 2018/2019 is \$0.47 per \$100.00. This is in line with the taxation plan for Defined Area #1, February 11, 2008 that outlined that Defined Area #1 tax rate would be \$1 minus the POCID tax rate. The Defined Area #1 M&O Tax Levy for Tax year 2018/2019 will be \$56,421.07 based on a Tax Year 2018 net Taxable Value of \$12,004,482.

The HOA President Jay Bonano had emailed comments that the budget in general was ok but would like to work on some of the details of the line items.

MOTION: Leon Brown

SECOND: Marshall Bradford

To approve the proposed budget for Defined Area 1 and to set the proposed tax rate at \$0.47 per \$100.00 according to the taxation plan and authorize publication of notices and sending the proposed budget to Defined Area 1 HOA President.

APPROVED: 5-0

C. EXECUTIVE SESSION The Board did not go into executive session.

The Port O'Connor Improvement District may consider in Executive Session any of the identified items posted on the agenda pursuant to the following exceptions:

Texas Government Code Ann. § 551.071: Consultation with Attorney

Texas Government Code Ann. § 551.072: Real Property

Texas Government Code Ann. § 551.074: Personnel Matters

1. Consultation with General Counsel pursuant to Texas Government Code Section 551.071, Consultation with Attorney, on pending or contemplated litigation; or a settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Texas Government Code Chapter 551 for the purpose of receiving legal advice concerning status of pending projects, including but not limited to:

D. ACTION AS A RESULT OF EXECUTIVE SESSION

E. ITEMS FROM BOARD MEMBERS (Note: Board members may request specific factual information, recitation of existing policy, or placement of items on the Agenda for discussion at a later meeting.)

The Board discussed the budget and tax rate calendar. No items for placement on future agendas.

E. ADJOURN.

MOTION:

SECOND:

To adjourn the meeting.

Motion Approved: 5-0

President Brown adjourned the meeting at 4:07 p.m.

Minutes APPROVED by the Board of Directors on the 6<sup>th</sup> day of September, 2018.

ATTEST:

  
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Maria Denney, Secretary

  
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President, Leon Brown

\*\*\* Any item on this agenda may be discussed in executive session if authorized by Texas law, regardless or whether that item is listed under "Executive Session" in this agenda, and regardless of any past or current practice of the District's board. Executive sessions described generally herein may include consideration of any item otherwise listed on the agenda plus any subject specified in the executive session notice. Executive sessions may be held at 39 Denman Drive, Port O'Connor, and Texas.