

City of Fair Oaks Ranch Municipal Development District
Regular Meeting Minutes
Wednesday, April 14, 2021 at 4:00 PM
Videoconference Meeting
7286 Dietz Elkhorn, Fair Oaks Ranch, TX 78015



Roll Call - Declaration of a Quorum

Members Present: Al McDavid, Laura Koerner, Mike Lovelace, Roy Elizondo, Nick DiCianni, and Rene Gallegos

Absent: Brad Dutton.

With a quorum present the Municipal Development District Board meeting was called to order at 4:01 PM.

Guest Comments / Presentations

1. No guests spoke.

Presentations

2. **Introduction of the new Board Member representing FORHA, Rene Gallegos**

President McDavid welcomed Mr. Gallegos to the Board and invited him to introduce himself. Mr. Gallegos provided the Board with his background and told the Board that he looked forward to the opportunity to serve.

Consent Agenda

3. **Approval of the January 13, 2021 Regular MDD Board meeting minutes.**

MOTION: Made by Roy Elizondo, seconded by Laura Koerner to approve the consent agenda.

VOTE: 6-0; Motion Passed.

Consideration/Action Items

4. **Consideration and possible action to approve the MDD Audit Report (FY 2019-20).**

Michael Del Toro, Partner of ABIP presented the results of the Fiscal Year 2019-20 audit. The audit resulted in an unmodified opinion, which Mr. Del Toro indicated was the highest level of assurance that can be provided from an audit. At Member Elizondo's request, Mr. Del Toro explained the relationship of the MDD financials to the City as that of a component unit because the MDD was established by the City, the City Council appoints board members and approves the district's budget.

MOTION: Made by Nick DiCianni, seconded by Mike Lovelace to approve the MDD's 2019-2020 Audit Report.

VOTE: 6-0; Motion Passed.

the MDD. Bid packages have been distributed and are due back on April 23, 2021. The current target date for Council approval of award of contract is May 6, 2021. Ms. Van Zandt also informed the Board that high escalations in materials costs is a risk that is being tracked.

9. **Quarterly Financial and Investment Report – Q1 2021.**

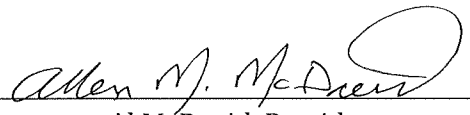
Summer Fleming, the MDD Finance Officer, presented to the MDD Board the Q1 2021 Quarterly Financial and Investment Reports. No action taken.

Adjournment

President McDavid informed the attendees for items for future agendas. The following items were listed: 1) Consideration and possible action on MDD FY2021-22 Budget; 2) Consideration and possible action on MDD Policy updates; 3) Consideration and possible action to adopt updates to the MDD Bylaws (Rules of Operation); 4) Report on Updated MDD Map; 5) Report on Sales Tax Revenue Long-Term Forecast.

The next MDD Board Regular Meeting is planned for July 14, 2021, at 4:00pm.

Al McDavid adjourned the meeting at 5:35pm.


Al McDavid, President

ATTEST


Roy Elizondo, Secretary

5. **Consideration and possible action regarding changes to the MDD Bylaws.**

Secretary Elizondo went through the proposed changes with the Board. The Board agreed that Article I, Section 1.C. adequately defines the terms of Board Members. The Board agreed to the new language in Article II. Section 2. Regarding unexpired terms. The Board agreed to the added language in Article II. Section 4 regarding establishing a quorum as a majority of non-vacant positions. The Board agreed that in Article III. Section 1., that language regarding combining the Treasurer and Secretary roles should be struck. The Board agreed that in Article III. Section 1., language should be added to describe the annual appointment of Board officers. The Board agreed that in Article III. Section 5., to add language clarifying the Treasurer's responsibilities for financial reporting. The Board agreed that, per the MDD Attorney's recommendation, the name of the document be changed from bylaws to Rules of Operation to be consistent with generally accepted practice for taxing authorities, and further agreed that Secretary / Council Member Elizondo would sponsor a change to the reference to bylaws in the relevant City Ordinance to ensure consistency. The Board agreed that Secretary Elizondo will update the document and bring back for consideration and possible action at the Board's July 2021 meeting.

MOTION: No motion taken.

VOTE: No vote taken.

7. **Discussion on the impact of city annexations on the MDD sales tax assessment and collection boundaries.**

The MDD Attorney provided information about the definition of the District's boundaries and the District's authority to collect sales tax within its boundaries. During this discussion it was clarified that: 1) the District's boundaries do not need to be modified as a result of the annexations is 2017; and 2) there are areas within the District's boundaries where the District does not collect sales tax because the State maximum was already allocated at the time the District was established. The Board requested that City staff update the District map to clarify the District Boundaries and status of Sales tax allocations to the District.

6. **Consideration and possible action regarding the appointment of Summer Fleming, City of Fair Oaks Ranch Accounting Manager, as the Investment Officer for the MDD.**

Ms. Buckelew presented the case for designating Summer Fleming, Accounting Manager for City of Fair Oaks Ranch, as the Investment Officer for the MDD.

MOTION: Made by Roy Elizondo, seconded by Mike Lovelace to approve the appointment of Summer Fleming as investment officer for the Fair Oaks Ranch Municipal Development District.

VOTE: 6-0; Motion Passed.

Reports

8. **Update on the Civic Center.**

Carole Vanzant, Assistant City Manager, provided an update on the status of the civic center as provided for in the memorandum of understanding between the City of Fair Oaks Ranch and