

**MINUTES OF THE MEETING OF THE
HOBBY AREA MANAGEMENT DISTRICT
BOARD OF DIRECTORS**

December 10, 2015

DETERMINE QUORUM; CALL TO ORDER.

The Board of Directors of the Hobby Area Management District held a regular meeting on Thursday, December 10, 2015, at 1:00 p.m. in the Doubletree Hilton Hobby, 8181 Airport Blvd., Houston, Texas 77061, inside the boundaries of the District, open to the public, and the roll was called of the duly appointed members of the Board, to-wit:

Position 1 -	Danny Perkins, <i>Chairman</i>	Position 7 -	Marjorie Evans
Position 2 -	Helen Bonsall, <i>Vice-Chair</i>	Position 8 -	Joe Edd Nelson
Position 3 -	Todd Szilagyi	Position 9 -	Darryl Bailey
Position 4 -	Perry J. Miller	Position 10 -	Vic J. Zachary
Position 5 -	Ann Collum	Position 11 -	Alberto Cardenas
Position 6 -	Sue De Haven, <i>Secretary</i>		

and all the above were present, with the exception of Directors Miller, Szilagyi and Bailey, thus constituting a quorum. Also present were David Hawes, Josh Hawes, Gretchen Larson, Linda Clayton, Jerry Lowry, Eoles Whitaker and Tony Allender, all with Hawes Hill Calderon, LLP; Clark Lord, Bracewell & Giuliani; Jack Roland, Roland Fry & Warren; and Jeff Sonnheim, Equi-Tax, Inc. Others attending the meeting were Mario Ramirez, Hobby Business Ambassador; Ann Culver, Scenic Houston; Rhedonda Cox and O'Brien McFadden, both of SEAL Security; and Brian Walker, Signature Flight Support. Chairman Perkins called the meeting to order at 1:10 p.m.

RECEIVE PUBLIC COMMENTS.

There were no public comments.

APPROVE MINUTES OF MEETING HELD OCTOBER 8, 2015.

Upon a motion duly made by Director Collum, and being seconded by Director Cardenas, the Board voted unanimously to approve the Minutes of the October 8, 2015, Board meeting, as presented.

RECEIVE ASSESSMENT COLLECTION REPORT.

Mr. Sonnheim presented the Assessment Collection Report, included in the Board agenda materials. He reported 98% collected on the 2014 assessments and no uncertified values, and 64 unsettled accounts. He reported the total levy for 2015 assessments was at \$1,651,135.61, which included \$51,156,656 in uncertified values. No action from the Board was required.

RECEIVE BOOKKEEPER'S REPORT AND APPROVE INVOICES FOR PAYMENT.

Mr. Roland presented the October 2015 and November 2015 Bookkeeper's Report and went over invoices, included in the Board agenda materials. Staff answered questions regarding various invoices.

Upon a motion duly made by Director DeHaven, and being seconded by Director Evans, the Board voted unanimously to accept the October and November Bookkeeper's Report and approved payment of invoices.

a. Consider contract with Governmental Financial Reporting LLC to provide bookkeeping services.

Mr. Roland reported he had set up a new entity "Governmental Financial Reporting, LLC" to provide bookkeeping services for his governmental entities to separate the governmental clients from his CPA firm of Roland Fry & Warren. He reported the contract was identical to the one the District had with his CPA firm and he was requesting changing the services for the District over to the new entity. Upon a motion duly made by Director DeHaven, and being seconded by Director Zachary, the Board voted unanimously to approve the contract with Governmental Financial Reporting LLC to provide bookkeeping services, as presented.

RECEIVE AND CONSIDER:

- a. Accept Hearing Examiner's Report and Proposal for Decision for public hearing regarding Supplemental Assessment Roll;**
- b. Approve Order Supplementing the Assessment Roll and Levying Assessments Against the Property of the Supplemental Assessment Roll;**
- c. Approve Order Setting the Rate of Assessment for all Properties on the District's Assessment Roll for Year Three of the District's Service Plan; and**
- d. Approve the Amended Information Form.**

Mr. Lord reviewed the documents and answered questions. Upon a motion duly made by Director Cardenas, and being seconded by Director Collum, the Board voted unanimously to (a) accept the Hearing Examiner's Report and Proposal for Decision for public hearing regarding Supplemental Assessment Roll, as presented; (b) approve the Order Supplementing the Assessment Roll and Levying Assessments Against the Property of the Supplemental Assessment Roll, as presented; (c) approve the Order Setting the Rate of Assessment for all Properties on the District's Assessment Roll for Year Three of the District's Service Plan, as presented; and (d) approve the Amended Information Form, as presented.

RECEIVE AND CONSIDER FY2016 PROPOSED BUDGET.

Ms. Culver provided an update on Scenic Houston's fundraising for the Broadway project, a copy is attached as Exhibit A, and answered questions.

The proposed FY2016 Budget was handed out, a copy is attached as Exhibit B. Mr. Hawes went over each line item in the proposed FY2016 Budget, and answered questions. He reported under the proposed FY2016 budget he was proposing adding a project management line item to each category and cost allocating the Administration/Management fees for each sub-category instead of lumping them all under Administration. Upon a motion duly made by Director Cardenas, and being seconded by Director Bonsall, the Board voted unanimously to approve the FY2016 Budget.


- a. Consider administrative and project manager contract with Hawes Hill Calderon LLP.**
- b. Consider proposal from Roland Fry & Warren LLC to provide year-end accounting services.**

- c. Consider a proposal from SMC Logistics to expand the current litter abatement program to include right-of-way mowing, including an increase from 3 days a week to 4 days a week, in the amount of \$110,000.
- d. Consider professional services proposals in support of HobbyFest 2016; an agreement with Simpleton's in the amount of \$2,000 for BBQ Cook-off Sanctioning, and a HobbyFest Awareness PR proposal with Amber Ambrose in the amount of \$3,800.
- e. Consider a proposal from SEAL Security for expanding the pilot mobile security camera program to 5 cameras to meet the requests for additional service in the amount of \$76,800.00.

Upon a motion duly made by Director DeHaven, and being seconded by Director Nelson, the Board voted unanimously to (a) approve the contract with Hawes Hill Calderon LLP for administrative and project management, as presented; (b) approve the proposal from Roland Fry & Warren LLC to provide year-end accounting services; (c) approve the proposal from SMC Logistics to expand the current litter abatement program to include right-of-way mowing, including an increase from 3 days a week to 4 days a week in the amount of \$110,000.00, as presented; (d) approve the agreement with Simpleton's in the amount of \$2,000.00 for BBQ Cook-off Sanctioning for HobbyFest 2016, and the proposal with Amber Ambrose in the amount of \$3,800.00 for HobbyFest Awareness PR; and (e) approve the proposal from SEAL Security for expanding the pilot mobile security camera program to 5 cameras in the amount of \$76,800.00, as presented.

ADJOURN.

There being no further business to come before the Board, Chairman Perkins adjourned the meeting at 2:18 p.m.


Secretary

(Seal)

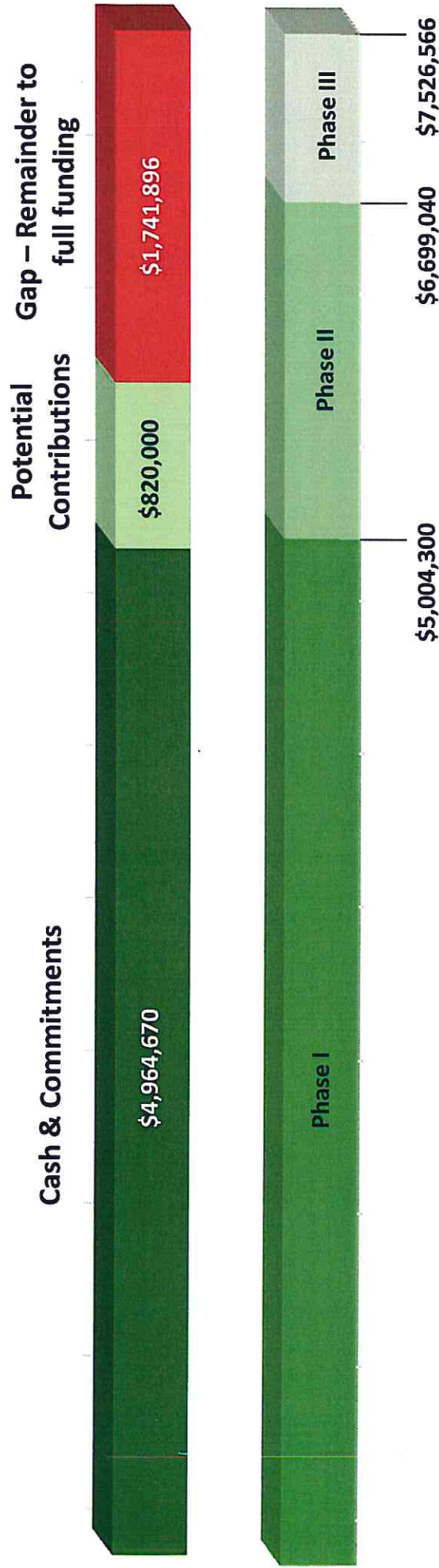


List of Exhibits:

- A. Scenic Houston Fundraising Report, December 7, 2015
- B. Proposed FY2016 Budget

BROADWAY / HOBBY GATEWAY REDEVELOPMENT PROJECT

FUNDRAISING UPDATE



- Phase I** Demolition, site prep, hardscape, trees, ground cover, irrigation, street lighting, 2 yrs. of maintenance
Total cost \$5,004,300 - **Funding deadline: December 31, 2015**
- Phase II** Plantings, site lighting
Total cost \$1,694,740 - **Funding deadline: March 31, 2016**
- Phase III** Additional hardscape enhancements
Total cost \$827,526 - **Funding deadline: June 30, 2016**

December 7, 2015

Ex A

Cash Flow Projection
Broadway Project
 February 2015 thru January 2017
 as of December 7, 2015

Amount	Quarterly												Beyond Jan 2017	
	2015			2016			2017			Jan	120,109			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan			120,109		
Beginning Cash Balance	0	172,553	191,917	847,816	700,283	377,043	519,131	307,655						
Foundations	60,000	-	363,000	21,545	271,545	1,021,545	21,545	21,545						
Corporations	20,000	38,334	355,000	141,500	130,000	38,333	116,500	-						
Non-Profits & Public Entities	-	-	150,000	-	750,000	-	500,000	500,000						
Board Members & Individuals	113,670	1,000	25,000	-	-	-	25,000	-						
Total Committed Contributions	193,670	39,334	893,000	163,045	1,151,545	1,059,878	663,045	521,545						279,608
Expense task or project														
Softscape (landscape and soil)	-	-	-	-	135,250	135,250	135,250	135,250						
Hardscape (paths, curbs, crosswalks, pavers)	-	-	-	-	278,679	278,679	278,679	278,679						
Lighting, Electrical, Site Furniture & Amenities	-	-	-	135,000	225,464	275,464	275,464	125,464						
Street Enhancements and retrofitting	-	-	-	-	550,000	-	-	-						
Professional Design Costs	-	15,681	139,732	157,800	60,975	13,975	13,975	13,975						
Site Prep and Demolition (tree protection)	-	-	-	-	98,857	98,857	98,857	98,857						
Project Management and Administration	21,117	4,289	97,370	17,778	125,560	115,565	72,296	56,867						
Initial Maintenance (2 years)	-	-	-	-	-	-	-	-						
Total Expenses	21,117	19,970	237,102	310,578	1,474,785	917,790	874,521	709,092						280,487

Project Timeline

- Construction design and documentation
- Construction bid
- Construction let
- Project execution

Hobby Area Management District Proposed FY2016 Budget

December 10 2015

Ex B

	FY 2015 Approved Budget	FY 2015 Estimated	FY 2016 Proposed Budget
MAINTENANCE & OPERATIONS BUDGET			
M&O SOURCES OF FUNDS			
4000 · District Assessments	1,475,516.00	1,509,532.61	1,708,785.82
4010 · Penalty & Interest Revenue	20,000.00	35,809.97	36,000.00
4020 · Overpayments	14,000.00	66,178.49	66,000.00
4030 · Assessment Refunds	-24,000.00	(66,526.83)	(66,500.00)
4050 · Grant and Donations	40,000.00	0.00	66,300.00
4060 · Interest Revenue	300.00	500.09	500.00
Total SOURCES OF FUNDS	1,525,816.00	1,545,494.34	1,811,085.82

	FY 2015 Approved Budget	FY 2015 Estimated	FY 2016 Proposed Budget
M&O USES OF FUNDS			
Public Safety			
6010 · Contract Public Safety	202,180.00	202,180.00	202,180.00
6015 · Apartment Life Initiatives	25,000.00	20,000.00	25,000.00
6020 · Mobile Cameras	28,800.00	33,000.00	76,800.00
6025 · Nuisance Abatement Program	50,000.00	50,000.00	52,500.00
6030 · Street Light Outage Survey	2,100.00	2,100.00	2,100.00
6035 · Graffiti Abatement	33,500.00	40,000.00	40,000.00
6036 · Project Management	0.00	0.00	58,502.28
Total Public Safety	341,580.00	347,280.00	457,082.28

**Hobby Area Management District
Proposed FY2016 Budget**

December 10 2015

	FY 2015 Approved Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Mobility, Environ, Urban Design			
6050 · Porter Service	52,500.00	52,500.00	125,000.00
6051 · Project Management	0.00	0.00	17,550.68
Total Mobility, Environ, Urban Design	52,500.00	52,500.00	142,550.68
Business & Economic Development			
6070 · Economic Developmt Programs	162,000.00	13,129.75	118,000.00
6075 · Events, Festivals, Comm. Proj.	37,000.00	13,564.67	27,000.00
6080 · Creative ED Support	71,700.00	35,944.29	83,200.00
6085 · Marketing Mtls & Promo Items	28,000.00	8,222.88	28,000.00
6086 · Project Management	0.00	0.00	35,101.37
Total Business & Economic Development	298,700.00	70,861.59	291,301.37

Hobby Area Management District Proposed FY2016 Budget

December 10 2015

	FY 2015 Approved Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Administration			
6110 · Administration & Management	111,504.00	111,504.00	17,550.68
6115 · Meeting Expense	5,000.00	5,000.00	15,000.00
6120 · Reimbursable Expenses	8,000.00	6,000.00	6,000.00
6125 · Postage	100.00	200.00	280.00
6130 · Office Supplies	1,400.00	5,400.00	5,600.00
6135 · Public Notices, Advertising	1,200.00	150.00	150.00
6140 · Legal Services	30,000.00	46,000.00	45,000.00
6145 · Audit Services	3,000.00	6,050.00	6,500.00
6150 · Bookkeeping	7,200.00	7,200.00	7,200.00
6155 · Assessment Billing	22,500.00	22,500.00	22,500.00
6160 · Assessmt Database Mgmt	3,600.00	3,600.00	3,600.00
6165 · Office Equipment	3,000.00	0.00	3,000.00
6170 · Insurance	1,500.00	1,400.00	1,500.00
6175 · Other	700.00	500.00	250.00
Total Administration	198,704.00	215,504.00	134,130.68

Hobby Area Management District Proposed FY2016 Budget

December 10 2015

	FY 2015 Approved Budget	FY 2015 Estimated	FY 2016 Proposed Budget
Community Development Fund			
Hobby Fest			
6205 · Project Management	0.00	0.00	11,700.46
6210 · Committee Support and Supplies	4,000.00	0.00	4,000.00
6220 · Marketing and Promotional Items	16,000.00	23,000.00	32,000.00
6230 · Creative Services	5,000.00	9,000.00	11,500.00
Total Hobby Fest	25,000.00	32,000.00	59,200.46
6250 · Other Community Projects	15,000.00	0.00	15,000.00
Total Community Development Fund	40,000.00	32,000.00	74,200.46
M&O TOTAL USES OF FUNDS	931,484.00	718,145.59	1,099,265.46
M&O EXCESS SOURCES OVER USES	594,332.00	827,348.75	711,820.36
BALANCES AND TRANSFERS			
7000 · Prior Year fund Balance	428,278.00	428,278.00	649,594.75
7001 · General Fund Planned Reserves	594,332.00	827,348.75	711,820.36
7002 · Lighting Reimbursement	134,678.00	0.00	134,678.00
7003 · Broadway Hardscape Reimbursement	0.00	0.00	557,432.00
	1,157,288.00	1,255,626.75	2,053,525.11
7005 · General Fund Transfer to Capital Budget	-709,782.00	-606,032.00	(1,220,855.92)
TOTAL BALANCES	447,506.00	649,594.75	832,669.19

Hobby Area Management District Proposed FY2016 Budget

December 10 2015

	FY 2015 Approved Budget	FY 2015 Estimated	FY 2016 Proposed Budget
CAPITAL IMPROVEMENTS BUDGET			
CAPITAL SOURCES OF FUNDS			
8001 · Transfer from General Fund	709,782.00	606,032.00	1,220,855.92
TOTAL SOURCES OF FUNDS	709,782.00	606,032.00	1,220,855.92
CAPITAL USES OF FUNDS			
Design and Engineering Services			
8011 · General Engineering Services	0.00	0.00	60,000.00
8051 · Esplanade Design	0.00	0.00	37,500.00
8061 · Metro Engineering Design	0.00	0.00	22,500.00
8071 · Signage and Identity Design	0.00	0.00	45,000.00
Total Design and Engineering	0.00	0.00	165,000.00
Mobility, Environ, Urban Design			
8020 · Broadway Blvd. Hardscape	557,432.00	557,432.00	-
8030 · Livable Centers Grant Match	53,750.00	0.00	53,750.00
8040 · CIP/Project Management	48,600.00	48,600.00	152,105.92
8050 · Esplanade Enhancement	0.00	0.00	250,000.00
8060 · METRO Bus Shelter Enhancement	0.00	0.00	150,000.00
8070 · Signage and Identity Install	0.00	0.00	300,000.00
Total Mobility, Environ, Urban Design	659,782.00	606,032.00	905,855.92
8090 · Fund Reserve - District Office	50,000.00	0.00	150,000.00
Total Capital Projects	709,782.00	606,032.00	1,220,855.92
			2,320,121.38