

TREASURE ISLAND MUNICIPAL UTILITY DISTRICT

146 FATHOM DRIVE, FREEPORT, TEXAS 77541

Board of Directors Quarterly Meeting Minutes

August 8, 2015, at 10:00 AM

Directors present: Mark Fuqua, Blake Blackwelder, and Gary Willett.

Directors absent: Debi Screnci Quorum present? Yes

1. Mark called the meeting to order at 10:03 am.

2. 2014-15 Fiscal Year audit presented by Kaysie Stewart of Kennemer, Masters, & Lunsford, LLC. Audit was clean with no issues needing to be immediately addressed by the Board. Motion to accept the audit made by Blake and seconded by Gary. Motion approved with all ayes.

3. The meeting minutes from May 16th, 2015, were reviewed. A motion to approve the minutes as written was made by Blake and seconded by Gary. The motion was approved with all ayes.

4. Discussed budget and new tax rate. FY 2015-16 Budget was amended to allow for a proposed lower tax rate. After discussion, the line item, Current Tax Revenue, was reduced \$62,000, from \$391,750 to \$329,750. To balance the Budget, Operating Expenditures were reduced by \$62,000 and the Operating Expenditure line items in the Budget that are reduced: Road Maintenance, from \$100,000 to \$75,000, Canal-Dredging, from \$65,000 to \$35,000, and Beach Restoration-Erosion Control, from \$50,000 to \$43,000. A motion to amend the FY 2015/16 Budget as discussed was made by Gary and seconded by Blake. Motion approved with all ayes. To meet our budgeted needs from current tax revenue, a tax rate of \$0.518997 per \$100 of value was proposed. A motion to approve the proposed tax rate was made by Blake and seconded by Gary. Motion approved with all ayes. A motion was made by Gary and seconded by Blake to schedule a meeting to discuss the proposed new tax rate for Sunday, September 6th, at 10 am. Motion approved with all ayes. A motion was made by Gary and seconded by Blake to schedule a meeting to adopt a new tax rate for Sunday, September 6th, at 10:05 am. Motion approved with all ayes.

5. Project List reviewed.

Don will schedule fire truck training for a Saturday in November. Don will send out an announcement and post the announcement on the website.

An update was given by Mark on a new water contract with the City of Galveston.

Mark gave an update on the permitting for the extension of the rock protection for erosion control project. Permitting process is ongoing.

The Quarterly Investment Report was presented. A motion was made by Gary and seconded by Blake to accept the Investment Report. The motion was approved with all ayes.

Discussed having "Designated" funds for accounting purposes. Our 4 Designated Funds and the balances in those funds at the beginning of this 15/16 FY would be; Designated Disaster Recovery & Emergency Fund-\$300,000, Designated Canal-Dredging Fund-\$25,000, Designated Beach Restoration & Erosion Control Fund-\$86,109, and Designated Contingency Fund-\$25,000. Amounts that are budgeted each FY for these funds are not moved into the fund until the end of the FY. Motion to designate the 4 funds as discussed made by Gary and seconded by Blake. Motion approved with all ayes.

Gary gave an update on the canal bulkheads. The bulkheads are stable and at this time, no action is required.

Jim gave update on the installation of new stand pipes. 12 have been installed and remaining installation is ongoing.

Velasco is working on resolving drainage issues in Treasure Island. Drainage on parts of Jolly Roger has been greatly improved.

7. A motion to adjourn the meeting was made by Gary and seconded by Blake. The motion was approved with all ayes. Mark adjourned the meeting at 10:55 am.

_____ Date: _____

Mark Fuqua, President, TIMUD Board of Directors