



To: H-GAC Corporation for Regional Excellence Board of Directors
From: Chuck Wemple
Subject: Annual Meeting – February 18, 2020
Date: February 13, 2020

I am writing to provide notice of the H-GAC Corporation for Regional Excellence (Corporation) annual meeting. The Corporation is a 501 (c)(3) non-profit that receives tax exempt contributions and disburses them for projects benefitting the H-GAC region.

A brief annual business meeting will be held at 11:00 a.m., Tuesday, February 18, 2020, or upon adjournment of the H-GAC Board meeting.

Enclosed are:

- Meeting agenda
- Minutes of the Corporation's February 19, 2019 meeting
- Financial Statements for 2019
- Status report

Please do not hesitate to contact me with any questions about the Corporation or this meeting.

CW/mig

Enclosures

A G E N D A
H-GAC CORPORATION FOR REGIONAL EXCELLENCE
BOARD OF DIRECTORS MEETING
February 18, 2020 11:00 a.m.
Immediately Upon Adjournment of the Board Meeting
3555 Timmons Lane, 2nd Floor
Conference Room D
Houston, Texas 77027

1. Call to Order
2. Appointment of Directors
3. Approve Minutes of February 19, 2019 meeting
4. Status Report
Report on corporation activities
5. Approve Financial Reports
Request approval of financial reports for 2019 year-to-date
6. Election of Officers
7. Miscellaneous Business
8. Adjourn

MEETING MINUTES
H-GAC Corporation for Regional Excellence
3555 Timmons Lane, 2nd Floor, Conference Room D
Houston, Texas
Tuesday, February 19, 2019

ATTENDANCE ROSTER

The following members of the Corporation for Regional Excellence of the Houston- Galveston Area Council attended all or a portion of the February 19, 2019 committee meeting:

Chambers County Commissioner Gary Nelson, Chair
Brazoria County Commissioner Stacy Adams
City of Waller Councilmember Nancy Arnold
Chuck Wemple, President
Nancy Haussler, Secretary/Treasurer

H-GAC Staff:
Rick Guerrero
Cynthia Jones

Not in attendance:
City of Missouri City Council Member Floyd Emery
Wharton County Judge Phillip Spenrath

1. CALL TO ORDER

Committee Chair, Chambers County Commissioner Gary Nelson called the meeting to order at 10:50 a.m. on Tuesday, February 19, 2019 in H-GAC's Conference Room D at 3555 Timmons Lane in Houston.

2. APPOINTMENT OF DIRECTORS

Chair Nelson acknowledged the H-GAC Board approved the appointment of Wharton County Judge Phillip Spenrath as a member of the Corporation for Regional Excellence and requested acceptance by the Corporation Board. City of Waller Councilmember Nancy Arnold made the motion to have Judge Spenrath replace Matagorda County Judge Nate McDonald on the Board and Brazoria County Commissioner Stacy Adams seconded the motion. Chair Nelson called for a vote, which resulted in unanimous approval.

3. APPROVAL OF MINUTES FROM APRIL 17, 2018 MEETING

After a cursory overview of the April 17, 2018 minutes, Chair Nelson called for approval of the minutes. Commissioner Adams made a motion to approve the minutes. Councilmember Arnold seconded the motion. Chair Nelson called for a vote, which resulted in unanimous approval.

4. STATUS REPORT

Corporation President Chuck Wemple gave a snapshot of the 2018 activities. Mr. Wemple stated that the longstanding programs that are linked to the Corporation for Regional Excellence will remain in place. The programs will continue to receive funds for the clean air programs to help improve clean air technology and replace vehicles across the metropolitan planning portion of the region. In community and environmental planning, specifically in the water quality program, sponsor donations will run through the Corporation for Regional Excellence and will be used to offset the costs of workshops. Mr. Wemple also related information mentioned at a previous Board meeting that DOW Chemical was contributing to the septic tank replacement program and the Corporation would work as a mechanism to receive those funds. In Workforce, like the other programs, Mr. Wemple stated that sponsorship donations assisted with the Red, White, and You program for unemployed veterans within the community. In addition, sponsorships are received for Texas Municipal League meetings hosted by H-GAC. Mr. Wemple anticipates these donations continuing to grow and move forward in 2019.

Mr. Wemple also stated that H-GAC is getting more inquiries from member governments regarding the use of this fund and its availability for those members who do not have a 501(c)(3). Councilmember Arnold related her experience with her own city council's lack of knowledge regarding the role of the Corporation. Commissioner Adams then asked for clarification on projects that could receive funds through the Corporation and suggested that this could be a Board Spotlight Topic. Mr. Wemple agreed and explained that even larger cities and counties have made use of the Corporation to receive donations for community projects. He reminded those present that the Corporation for Regional Excellence serves as a 501(c)(3) corporation created by H-GAC to receive monetary contributions in support of the various programs and services that H-GAC conducts, as well as, serving local governments by giving them a vehicle to collect contributions from businesses and other interests in their communities for use in individual local government activities. H-GAC can maintain accounts for individual local governments at their request. Commissioner Adams questioned if the Corporation was subject to an audit and Mr. Wemple and Mrs. Haussler both affirmed audits were completed. Commissioner Adams then questioned the status of the funds as to being restricted or unrestricted. Mr. Wemple responded that almost all contributions were restricted, but sometimes there will be a small excess that will be converted to unrestricted funds, but the distribution of funds is usually determined by the donor. Commissioner Adams again suggested this be a Spotlight topic and Councilmember Arnold agreed this would be beneficial for new members who may not know about the Corporation. Intergovernmental Relations Director Rick Guerrero advised those present that an informational sheet is included in most member communications. There being no other questions, and this being an information item only, Chair Nelson moved to the approval of the financial statements.

5. APPROVAL OF FINANCIAL STATEMENTS

Chair Nelson then called on Secretary/Treasurer Nancy Haussler to provide a financial report for the Corporation for Regional Excellence. Mrs. Haussler presented the financial statement for the end of the year 2018. Chair Nelson questioned the negative amount displayed on the financial reports. Mrs. Haussler noted the negative number was a result of revenues being received in the prior year that were dispensed in 2018 and because

they were restricted, the timing affected the report. Mrs. Haussler referred to the second page of the report, noting the majority was Clean Air Initiatives. After a brief question and answer period and clarification of the deficit, Commissioner Adams moved to approve the financial statements. Councilmember Arnold seconded the motion. Chair Nelson called for a vote, which resulted in unanimous approval.

6. ELECTION OF OFFICERS

Chair Nelson called upon volunteers to serve as officers on the Corporation Board. Councilmember Arnold made a motion for City of Missouri City Council Member Floyd Emery to serve as Chair, Commissioner Stacy Adams to serve as Vice Chair, H-GAC Executive Director Chuck Wemple to serve as President and H-GAC CFO Nancy Haussler to serve as Secretary/Treasurer. Councilmember Nancy Arnold seconded the motion. Chair Nelson called for a vote, which resulted in unanimous approval.

7. MISCELLANEOUS BUSINESS

Chair Nelson then called upon President Wemple to discuss any other business. President Wemple stated that everyone should work to inform other members of the purpose of the Corporation and H-GAC will present it as a Spotlight. President Wemple noted there were no other items to discuss.

8. ADJOURNMENT

There being no further business, Chair Nelson called for a motion to adjourn the meeting. Commissioner Adams made a motion and seconded by Chair Nelson. Chair Nelson called for a vote, which was unanimous, and the meeting was adjourned at 11:06 a.m.

**CORPORATION FOR REGIONAL EXCELLENCE
BALANCE SHEET AS OF 12/31/2019**

ASSETS

Cash	\$	<u>248,284</u>
Total Assets	\$	<u>248,284</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Payable to Corp. for Texas Regionalism	\$	180,193
Payable to H-GAC	\$	<u>1,592</u>
Total Liabilities	\$	181,785

Total fund balance		<u>66,499</u>
Total liabilities and fund balance	\$	<u>248,284</u>

CORPORATION FOR REGIONAL EXCELLENCE
INCOME STATEMENT 1/1/2019 through 12/31/2019

REVENUE

Clean Air Initiatives	29,762.64
Workforce	2,000.00
C&E Water Resources	16,962.50
Interest Income	1,963.00
Total REVENUE	50,688.14

EXPENSE

Program Expenses	
Clean Air Initiatives	11,826.05
Total Program Expenses	11,826.05
Other Expense	
Bank Fee	1,537.10
Total EXPENSE	13,363.15

NET INCOME	37,324.99
-------------------	------------------

H-GAC Corporation for Regional Excellence
Status Report
February 2020

Background

The Corporation was formed as a 501(c)(3) non-profit corporation to support charitable and educational activities promoting regional cooperation and quality of life improvements in the H-GAC region. It receives contributions and makes grants to H-GAC and other public and private non-profit organizations serving the region. The Corporation also serves as a repository for tax exempt contributions that support local government projects. For the most part, the Corporation receives contributions from sponsors to support specific programs and events and the Corporation in turn makes payments to support those programs and events.

2019 Activities

Clean Air Programs-The Corporation supported H-GAC clean air initiatives that encourage use of cleaner vehicles, commute alternatives, and measures that reduce vehicle trips and congestion.

C&E Water-The Community and Environmental Department has been instrumental in working with local communities to address septic system improvement. During the year, the Corporation received contributions for this effort. Additionally, the department has continued to assist local governments in the region on planning and developing sustainable communities. From time to time, the department will receive donations and sponsor events to support these efforts. Since these activities are no longer sponsored by a grant, the Regional Excellence Corporation becomes the custodian of the funds received for these workshops.

Workforce Programs- The Human Services department at H-GAC collaborates with groups around our region to enhance the employment of citizens in our region. During 2019, the program sponsored a Red, White, and You program for the unemployed veterans in our communities. Sponsorship donations for this worthy cause were received and deployed on the annual conference highlighting these efforts.

Other Income-The Corporation also receives donations and sponsorships for a variety of workshops and meetings. Examples include Texas Municipal League workshops and other intergovernmental workshops not funded by grants. These donations are earmarked for the program for which they were received and are used to further the grant programs or local initiative of H-GAC.

2020 Outlook

H-GAC anticipates continuing to receive and disburse funds for transportation initiatives and other programs similar to those conducted this year.