

Old Town Spring Improvement District



P.O. Box 1952 * 606 Spring Cypress Rd * Spring, Texas 77373 * (281) 288-8177 * (281) 288-8117 * otsid@sbcglobal.net

Minutes of the Regular Monthly Meeting Of Old Town Spring Improvement District Board of Directors

ESTABLISH QUORUM AND CALL MEETING TO ORDER

The Board of Directors of the Old Town Spring Improvement District (OTSID) held a monthly meeting, open to the public, on the 10th day of August 2015, at 5:00 pm at the OTSID office, 606 Spring Cypress Rd., Spring, TX 77373, inside the boundaries of the District and the roll was called of the duly appointed/elected members of the Board, to-wit:

Pam Golden	Position 1-President
Kathy Moore	Position 2-Financial Officer
Clarence Williams	Position 3-Director
Ron Krueger	Position 4-Vice President
Yvonne Denbina	Position 5-Secretary

All of the above Board members were present. Quorum was established. Also in attendance were Kent Clingerman from Harris County Precinct 4, Julia McCain from McCall, Gibson, Swedlund and Barfoot, Robin Bobbitt from the Law Firm Radcliffe, Bobbitt, Adams, and Polley, PLLC, Ellen Saxe from Saxe Properties, Delores Thompson, LuAnne Schultz from the Spring Historical Society, Earl Schultz, Richard Speer from the Lana Williams Gallery, Keith Willingham and Elisabeth Meehan, OTSID Office Administrator.

1. DETERMINATION OF QUORUM; CALL TO ORDER;

The meeting was called to order at 5:05 pm.

2. APPROVAL OF MINUTES OF MEETING OF JULY 13, 2015

Upon a motion duly made by Yvonne Denbina and seconded by Clarence Williams the Board voted to accept the minutes as presented. The motion carried.

3. PUBLIC COMMENTS;

Pam Golden noted Public Comments was moved to the top of the meeting, as a convenience for visitors. She invited members of the public to make comments.

- Richard Speers commented that the Board approved in July 2015 for 20% of the revenue to go towards the field and asked if any of that went towards the lease of the field. Pam Golden stated that it is on the agenda. Richard Speers also commented that Spring Preservation League should focus on advertising.
- LuAnne Schultz commented on a statement she wished to make. (SEE ATTACHMENT #1). She read, "*This statement is in reference to item 10 and 11 in the June 2015 minutes that will be addressed tonight. The Spring Historical Society had no knowledge they would be discussed by OTSID until the end of the July*

minutes. We are the sole concessionaire of the Harris County property at 403 Main and we have a very explicit contract. This does not mean we would not accept help when offered for items beyond our ability. We are currently addressing the building's exterior upkeep and planning a large display on the grassy east side of the museum parking lot. Schultz suggested these items be removed from the agenda.

- Ellen Saxe asked about the financial state of the tax office. Pam Golden stated the Bookkeeper's Report will address that later in the meeting.

4. REVIEW OF 2014-2015 AUDIT REPORT BY MCCALL GIBSON SWEDLUND AND BARFOOT PLLC, APPROVE AND AUTHORIZE FILING OF SAME;

Julia McCain from McCall, Gibson, Swedlund and Barfoot PLLC brought copies of the draft of the 2014-2015 District audit for the Board's consideration. She stated a basic breakdown of what the draft contains. The first part of the report is the opinion letter and management analysis. The balance sheet begins on page 8. There are some liabilities in accounts payable that McCain pointed out. The operating statement begins on page 10, with the sales tax revenue and the revenue for the hydrants sale. The next section is on financials and notes that the debt has been paid off. On page 20 there is a note that the hydrants system has been removed because of the sale. McCain stated more sales tax revenue was received in the 2014-2015 fiscal year than anticipated and expenses came very close to the budget. There is a supplemental section on expenditures and investments, and the last five years of operating statements. The final two pages of the audit draft concerns Board members and consultants. McCain brought a representation letter for the Board and Kathy Moore as the financial officer. Julia McCain asked if there were any questions. Pam Golden asked if this should reflect the Board members for that fiscal year. Golden stated Directors Todeschini and Wright resigned prior to the closure of the fiscal year, March 31, 2015. Ms. McCain stated yes. Their resignation dates will be forwarded to Ms. McCain for record changes. Ms. McCain suggested that the Board vote could approve the audit tonight subject to pending comments regarding Director term limits. A motion was made by Kathy Moore to approve the audit with notation of resignation dates indicated for Mary Todeschini and Jerry Wright. The motion was seconded by Yvonne Denbina. The motion carried. The current Board Directors signed the letter presented by the auditing Firm regarding the audit. (SEE ATTACHMENT #2)

5. CONSIDER/DISCUSS RENTING THE CORNER OF SPRING SCHOOL ROAD AND PRESTON FOR A PARK AND MOVING THE PRESTON RESTROOM OFF THE STREET, AND TAKE ACTION ON SAME;

Pam Golden stated this was an item on the June 2015 Agenda. Kathy Moore asked if anyone had spoken with Don Bayer. Pam Golden stated no, that it should go to committee if the Board wants to move forward. A motion was made by Kathy Moore to put together a committee to speak to Don Bayer. Clarence Williams expressed concern regarding timing and that the discussion with Don Bayer regarding Preservation Park should take higher priority. Yvonne Denbina asked if the Preservation Park lease discussion should be connected with a possible approach regarding purchasing land. Kathy Moore withdrew her motion. A motion was made by Clarence Williams to move this item to the strategic planning meeting and consider land purchases at that time. The motion was seconded by Kathy Moore. The motion carried.

6. CONSIDER/DISCUSS ESTABLISHING A MONTHLY STREET MARKET TO BE SPONSORED BY THE DISTRICT AND THE HOUSTON NORTHWEST CHAMBER OF COMMERCE, AND TAKE ACTION ON SAME;

Clarence Williams stated this topic was mentioned at the previous Spring Preservation League meeting and received numerous positive comments from shop owners. The monthly street market would involve closing part of Midway/Gentry Streets one weekend each month, making it a pedestrian gathering area. Pam Golden asked if the presentation to the League was premature as it had not been determined what the District's plans included. Kathy Moore stated it would be seen as a revitalization of the town effort. Pam Golden asked how much the District would be involved. Clarence Williams said it would fall on the District to implement it and submit street closure permits. Kathy Moore stated there is a concern regarding timing and that planning should start now for an implementation in January 2016. She stated road closure permits take a minimum of sixty days. Yvonne Denbina agreed that planning it now for January seems more practical and asked who would spearhead it. Clarence Williams said it would be a joint operation, but if the District sponsors it, it would take on most of the work. Pam Golden asked about costs that are as of now are not included in the current budget. Clarence Williams stated that permit fees are the expenses. Pam Golden also asked if fire permits would be required. Kathy Moore stated that it might be a maximum fee of \$250. Kathy Moore stated if the District wants to pursue a collaborative meeting with the League one should be scheduled. Ron Krueger asked if the Houston Northwest Chamber of Commerce should be involved. Clarence Williams stated if they could help with advertising, it would be advantageous. A motion was made by Yvonne Denbina that OTSID begin conferring with SPL to start a collaborative effort beginning August 2015 to implement a monthly street market by January 2016. The motion was seconded by Kathy Moore with a comment that the idea would be presented on Wednesday, August 12 at the Executive Board meeting of the SPL. The motion carried.

7. CONSIDER/DISCUSS PARTNERING WITH THE SPRING HISTORICAL SOCIETY TO MOVE THE VISITOR'S CENTER TO THE SPRING HISTORICAL MUSEUM, AND TAKE ACTION ON SAME;

Pam Golden stated this item was on the June 2015 agenda. LuAnne Schultz presented a statement from the Spring Historical Society (SHS), quoted above under public comments. Kathy Moore asked if the SHS wished to have it removed from the agenda. Schultz stated this is a major decision that would have to be made with the Historical Society and the County. Schultz stated she had a problem with the District presuming such a proposal when it had not been presented to their Board prior. A motion was made Kathy Moore that the item be removed from discussion. Clarence Williams noted that in the lease with the County, it provides that the Museum can sell souvenirs but says nothing about a visitor's center. Clarence Williams made a new motion that the District formulate a written proposal to SHS proposing moving the Visitors Bureau to the Museum. The motion was seconded by Kathy Moore. No discussion followed. The motion carried. Kathy Moore proposed that Elisabeth Meehan draft a proposal letter.

8. CONSIDER/DISCUSS BUILDING A MODERN RESTROOM ADDITION TO THE EAST END OF THE SPRING HISTORICAL MUSEUM, AND TAKE ACTION ON SAME;

Pam Golden stated this property is part of the County and being leased by the SHS. A motion was made by Clarence Williams to send a written proposal to the SHS for their consideration to build a multiple stall, air conditioned restroom on the east end of the Spring Historical Museum building. Clarence Williams explained that the museum restrooms would be removed from the property and a building addition could be added to the East end where the meeting room and porch currently exist. LuAnne Schultz of the SHS reported they have plans for their property. These plans include moving an historic train engine from the Bayer family mill to the East end of the Museum. Clarence Williams asked how they planned to fund this project. Kathy Moore asked if the County had been approached about it. Clarence Williams stated if the SHS supports it, they and the District could work jointly on it. Pam Golden stated the museum restroom is the nicest one in town at the present time. The restroom in the Park is more of a priority for improvements. Pam Golden stated LuAnne and the SHS Board will inform us of their plans if they are interested in approaching the District. They are a collaborative partner and Golden believes they will approach the District when and if they want to collaborate on any future projects. A motion was made by Kathy Moore to strike this item from the table. The motion was seconded by Clarence Williams. The motion carried.

9. CONSIDER/DISCUSS PROPOSED LEASING OF BILLBOARD AT WET 'N' WILD (SPLASH TOWN), AND TAKE ACTION ON SAME;

Clarence Williams stated that public comments in the July meeting were very positive regarding the payment for the billboard. Bill Ash would take care of the actual set up of the billboard. Historically Bill Ash has offered a 10% discount for payment made in full.

- A motion was made by Clarence Williams that OTSID enter into a six month lease with Bill Ash for one half of the billboard located on I-45, in front of Wet-n-Wild (Splash Town), at an expense of no greater than \$2,000.00 per month. The motion was seconded by Ron Krueger. The motion carried.
- A motion was made by Clarence Williams that the annual budget be adjusted in such a manner as to move \$12,000.00 into the marketing/advertising line item budget to cover the monthly rental of the billboard. The motion was seconded by Kathy Moore with an amendment that the \$12,000.00 be moved from the Surplus Fund line item. The motion carried.
- A motion was made by Clarence Williams that the lease on the billboard be paid in full if a 10% discount is negotiated with Bill Ash. Clarence Williams will make the negotiation with Bill Ash. The motion was seconded by Kathy Moore. The motion carried.

10. CONSIDER/DISCUSS ADOPTION OF PROPOSED RESOLUTION REGARDING DEDICATION OF FUNDING FOR PRESERVATION PARK;

Kathy Moore expressed some concern as to whether or not this resolution includes or needs to include the lease on the park and whether or not it is open ended. Clarence Williams stated the League has the legal responsibilities for the Park. Clarence Williams clarified the District is dedicating this 20%, but the items would have to come before the Board for approval. Pam Golden expressed concerned about making third party payments, especially when the Board has no control in the Park. Pam Golden stated this was not based on good business practice. Clarence Williams stated that it is insurance to protect the Park, if the Board plans to buy the

land in the future. He stated that if anything is mentioned at a meeting, it is public knowledge and the Board does not have control of gossip. Pam Golden asked why the District cannot go to Don Bayer about the lease. Ron Krueger stated that the Resolution further defines the July 2015 discussion. Clarence Williams stated the current Preservation Park lease, between Don Bayer and the Spring Preservation League expires May 31, 2017. He stated renegotiating a lease with Don Bayer at the current time is not feasible. The District has made payments to the Spring Preservation League going towards the lease in the past. Pam Golden stated she would like to ask legal counsel, who is present, to review the resolution. Clarence Williams stated he would object to that. He added that it's not a legal opinion, but a matter of personal preference, because the resolution is based on common sense. Robin Bobbitt stated it's not a matter of personal preference; it has been voted for 20% of funds to be dedicated for Preservation Park. Bobbitt stated this meant it could be used for lease payments, but there's no contractual relationship with the third party. Ms. Bobbitt asked the District why it would not clarify that it must be used first for the League and the lease. Clarence Williams stated the motion to repair and maintain the park can be defined to include lease payments. This Resolution further defines the item passed at the July 2015 meeting. Robin Bobbitt asked Clarence Williams why the Board would dedicate funds for maintenance and repair if it should already be doing that in the first place. Clarence Williams stated the lease payment would be the only money transferred to the League. Kathy Moore stated there would have to be a separate agreement with the League, but that the Board can clarify this in the future. Clarence Williams stated the resolution clarified when it started, after July 2015. Kathy Moore stated to lease or not lease should be clarified in a different motion. Clarence Williams said in the meantime Preservation Park needs to be protected.

- Clarence Williams made a motion that the "Resolution of Board of Directors – Preservation Park" be approved and implemented. (SEE ATTACHMENT #3) The motion was seconded by Kathy Moore. The motion carried.
- A motion was made by Clarence Williams that OTSID reimburse SPL the sum of \$2,300.00 per month commencing August 2015 and each month thereafter through the end of the fiscal year March 31, 2016, to keep current the lease on Preservation Park expiring May 31, 2017. The motion was seconded by Kathy Moore. The motion carried.

11. CONSIDER/DISCUSS POSSIBLE OPTIONS FOR PURCHASING LAND FOR PARKING PURPOSES, AND TAKE ACTION ON SAME;

Yvonne Denbina moved that this item be placed under a committee or presented at the strategic planning session. Pam Golden stated discussions of acquisition of property are done in closed sessions. Clarence Williams stated that Board Directors should email their availability dates for the strategic planning meeting. A motion was made by Yvonne Denbina to table this item until the Board reconvenes the existing strategic planning meeting and to take action on creating a committee as soon as possible. The motion was seconded by Clarence Williams. The motion carried.

12. CONSIDER/DISCUSS AUTHORIZING ATTENDANCE AT CONFERENCE OF THE TEXAS ASSOCIATION OF CONVENTION AND VISITOR BUREAUS CONFERENCE TO BE HELD IN THE WOODLANDS, TX ON AUGUST 3-6,2015, AND TAKE ACTION ON SAME;

Elisabeth Meehan reported on her attendance at the conference. She reported it as a positive experience for learning how to more effectively run a Visitors Bureau. Conference sessions included marketing and social media, operating a Visitors Bureau on a small budget, social media, and leadership, and management of Boards.

13. REPORT ON MEETING WITH JAMES SLOAN INSURANCE;

Pam Golden reported that in the Board Director's packets there is a breakdown of the insurance premiums and what is covered. It is for the District's review, and will help the Board look at current costs for each building.

14. SCHEDULE AND APPROVE DATE FOR BOARD TRAINING SESSION TO BE PROVIDED BY DISTRICT'S ATTORNEY;

The Board scheduled this training session for Wednesday August 26, 2015 at 9 am at the OTSID District Office.

15. REVIEW BOOKKEEPER'S REPORT, INCLUDING:

Kathy Moore reported the July 2015 income is down in comparison to July 2014. The District is at 95% of what was budgeted for this time of the year. August 2015 sales tax revenue numbers have not been received at the time of this meeting. A motion was made by Yvonne Denbina to accept the Bookkeeper's report. The motion was seconded by Clarence Williams. The motion carried. (SEE ATTACHMENT #4)

A. APPROVAL OF PAYMENT OF INVOICES - JUNE 2015 AND JULY 2015;

A motion was made by Clarence Williams to approve payments of the invoices. The motion was seconded by Yvonne Denbina. The motion carried. Clarence Williams stated recent invoices received by Charlie D Electric had not been approved or paid as of this meeting. He pointed out Charlie D Electric submitted a higher invoice than expected and stated he would speak to him. The Board previously approved payment for the electrical upgrades in Preservation Park for \$21,000. (SEE ATTACHMENT #5)

B. APPROVE REPLACEMENT OF OFFICE VACUUM CLEANER;

Clarence Williams recommends this type of expenditure does not warrant a place on the agenda for review. A motion was made by Clarence Williams to allocate no more than \$150 from the office supplies line item to purchase a vacuum cleaner and necessary supplies. The motion was seconded by Kathy Moore. The motion carried.

c. DISCUSS AND AUTHORIZE TRAVEL FOR BOARD MEMBERS AND/OR STAFF TO ATTEND THE TEXAS TRAVEL INDUSTRY ASSOCIATION CONFERENCE TO BE HELD IN SAN ANTONIO, TX, SEPTEMBER 20-23,2015;

Pam Golden presented this conference dates, noting the early bird deadline for the conference fee is approaching. The District recently joined the TTIA and this is their annual conference. Kathy Moore stated the budget didn't allow for more director travel. Discussion was held and determined that attendance at the conference was not warranted. No motion was made.

D. INVESTMENT OFFICER'S REPORT:

Kathy Moore reported that the District made \$6.65 in interest in July in the TexPool account. A motion was made by Yvonne Denbina to accept Investment Officer's report for August 2015. The motion was seconded by Clarence Williams. The motion carried. (SEE ATTACHMENT #6)

16. ATTORNEY'S REPORT;

Robin Bobbitt stated all District records have been received from Smith, Murdaugh, Little and Bonham, LLP. Ms. Bobbitt indicated there were not many records transferred. She reported that she and a paralegal, Josh Ellery visited the District office and reviewed some OTSID records extensively. They found a 2004 Resolution from a previous Board regarding the date change of the election to May. Ms. Bobbitt reminded the Board to be cautious in "replying all" to emails could be a violation of the Open Meetings Act. Ms. Bobbitt also stated that a meeting was illegal if not posted 72 hours in advance. Ms. Bobbitt directed the Board on several items of change, some meeting provisions of minutes available to the public, noted bookkeeping budget suggestions, action item lists and changes to agenda language. Pam Golden stated the District now has copies of the meeting minutes available for attendees.

17. CONSIDER/DISCUSS ITEMS FOR CONSIDERATION ON FUTURE AGENDAS;

Pam Golden asked for items for consideration. The items include

- The proposal letter request to the Spring Historical Society regarding the Visitors Bureau
- The report back from SPL regarding the monthly street market.

18. CALENDAR UPDATE; CONFIRM MONTHLY BOARD MEETING ON MONDAY, SEPTEMBER 14, 2015, AT 5:00 P.M.; AND

19. ADJOURN

The Board meeting adjourned at 7:28 pm.

(SEAL)

Yvonne Denbina, Secretary

Kathy Moore, Financial Officer

Prepared by Elisabeth Meehan
OTSID Office Administrator

ATTACHMENTS:

1. Letter from LuAnne Schultz and the Spring Historical Society
2. 2014-2015 OTSID Audit Draft from McCall, Gibson, Swedlund and Barfoot
3. 2015 Resolution Regarding Preservation Park
4. Bookkeeper's Report

5. Check Detail
6. Investment Officer's Report