

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 Special 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 special meeting, open to the public, on the 26th day of August 2015, at 9:00 am 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, Robin Bobbitt and Josh Ellery from the Law Firm Radcliffe, Bobbitt, Adams, and Polley, PLLC, and Elisabeth Meehan, OTSID Office Administrator.

1. DIRECTOR TRAINING WORKSHOP;

The meeting was called to order at 9:00 am by Robin Bobbitt. Pam Golden arrived at 9:25 am. Robin Bobbitt presented a package of materials for each of the Board directors, including: agenda, the District's creation legislation, the 2014 Texas Open Meetings Act (OMA) and 28 pages of the Texas Public Information Act (PIA) handbook and a legislative summary provided by the Firm Radcliffe, Bobbitt, Adams and Polley, PLLC. Bobbitt recommended full sets of both books be kept at the office. Robin Bobbitt began by outlining and discussing the Texas Open Meetings Act. Among the topics discussed were the dates of filing agendas and what constitutes a meeting.

Clarence Williams made a comment that members of multiple organizations are on several different Boards and there has been some confusion about what constitutes a meeting. Robin Bobbitt clarified that a social gathering is not a meeting, but discussion may be questionable if about either Board business or if any polling of Board Directors occurs. Bobbitt stated it is not a violation as long as at Spring Preservation League (SPL) meetings you're not discussing District items. Robin Bobbitt stated similar things happen with MUDs and homeowners associations, there are crossovers between organizations. They are careful when it comes to conflicts of interests. Ron Krueger said there are differences in being a member of the SPL and an officer in the SPL. Kathy Moore clarified there are basic differences in what the SPL does and what the District does and the Board needs to be clear on that. Yvonne Denbina agreed, but also stated the

two organizations have the same ultimate goal. Robin Bobbitt agreed that the District has certain statutory duties and the SPL has certain responsibilities and purpose. Clarence Williams stated there's no prohibition on Board members sitting on both boards. Robin Bobbitt expressed concern that the District agreeing to give money to the SPL, without any written contract or agreement may look bad, and may give the appearance of incestuous dealings.

Robin Bobbitt outlined other principles of the OMA. All meetings have to be posted. The purpose of the Act is for the public to know what actions will take on the item. Items have to be labeled that action will be taken on it. The agenda is very important in how it is worded. The bottom paragraph of each agenda should have a note about executive session is required for every agenda. If something comes up in the meeting that qualifies for executive session, it should be there as good practice. If an item is known that the Board will go into executive session, it needs to be on the agenda. The certificates of posting, a sworn statement must be in the file and agendas must be signed.

Robin Bobbitt outlined the legal requirements for holding an executive session: the purchase of lease or real property; pricing and etc; attorney client privilege; personnel discussion. Executive sessions are closed to the public, but the Board must go out of executive session into an open meeting to make any motion on the items discussed. Bobbitt stated that the Board would rarely go into executive session without an attorney present. Minutes of executive session must be kept, but these are closed to the public and cannot be given out except by court order. The Board can decide who they want in an executive session. If the Board is contemplating buying real estate, it can go into executive session to discuss that purpose.

Robin Bobbitt discussed the topic of discussions over email and social media and stated it can constitute a walking quorum, which is a violation of the Act. "Reply All" in emails can be a violation of OMA. Clarence Williams asked for clarification on emails asking Board members for their thoughts. Robin Bobbitt suggested the language in an email state that it is asking for thoughts that will a) be about an agenda item and b) given at the next meeting. There can be penalties such as fines or incarceration for OMA violations. Board members can be convicted even if they are unaware the situation is illegal. Clarence Williams asked how Board members can protect themselves. Robin Bobbitt suggested that a Director should speak up and if felt necessary, should leave the meeting. The reason for their leaving and the time they leave should be recorded in the minutes. She cautioned that this situation is very rare.

Robin Bobbitt reiterated the memorandum the Firm sent the Board regarding reconvening a recessed meeting. In the memorandum, the Firm confirmed that it is necessary to post an agenda for a recessed meeting, if the meeting is recessed more than 24 hours. Bobbitt also advised that Board recessing meetings rarely occurs. Clarence Williams stated he presented the question regarding reconvening as a "test" to see what Bobbitt's advice would be at the July 2015 Board Meeting. Williams thanked Bobbitt for the memorandum. He stated he wished she would have made the statement then, rather than waiting ten days to reply. Williams stated that Ms. Bobbitt should have been able to quote the memorandum language at the meeting, instead of stating her opinion. Bobbitt stated she disagreed with his approach and tactics, which she found inappropriate. She stated her professional opinions were offered that night and stated recessed meetings rarely occur. She added that Clarence Williams had rejected her professional opinion at

the Board meeting. This resulted in the memorandum the Firm submitted. Yvonne Denbina requested that the Board move back to the agenda.

Robin Bobbitt outlined the rules of the Texas Public Information Act (PIA): the public can get copies of invoices, reimbursements, meeting agendas and minutes. The public cannot receive or have access to minutes of executive sessions or personnel files for health issues. Requests must be specific and responses must be fulfilled and postmarked by ten days of the request. People may request to just see records. Robin Bobbitt advised the Board to update its current public information requests policy, as well as others in the OTSID policy and procedures manual, noting many of its documents are outdated. Each Board director needs to have PIA and OMA training completed and certificates on file in the office.

Robin Bobbitt covered the Board election and dates for elections. Bobbitt and Josh Ellery visited the District office to research its files, primarily looking for documents regarding the date of Board elections. For a May election, the election calendar, which the Firm will send, starts in January. Election items need to appear on the agenda in December and January. Discussion was held about potential difficulties in making Board Director appointments due to changing demographics. Bobbitt advised the Board to research any legislative changes to the statutory code the District operates under. Williams agreed with this recommendation.

Robin Bobbitt gave general advice to the Board. Each Board member is individually liable for activities on the Board. The Board must make decisions as a Board not as individuals, telling someone to do something requiring payment is acting out of bounds. Directors cannot use information gained on this Board for personal benefit. If there's a personal conflict, the Board director should recuse themselves. Each person is responsible for abiding by the district's legislation. She added that it is her advice that Board members be careful in their role as Directors.

2. DISCUSS USAGE OF LEGAL COUNSEL AND TAKE ACTION ON SAME;

Ron Krueger stated the Board has benefited from legal counsel. Yvonne Denbina expressed concern about not having a clear picture on what the Firm's fees are. Clarence Williams stated the Board needed to make procedures and guidelines outside the attorney's presence. Yvonne Denbina brought up the flat rate fee mentioned at a previous meeting. Robin Bobbitt states she would not be opposed to giving the Board a flat monthly fee. Bobbitt stated it would be more cost efficient for the Firm to file agendas. Bobbitt stated she has not charged for any services to date. She would also like to look at the minutes every month and prepare all future resolutions. There have been some resolutions in the past that have lacked the correct legal terminology. Her attendance at meetings could be figured into the flat rate. Pam Golden stated she spoke with a past District president and the current president of another Improvement District, both confirmed the importance of having an attorney present at every meeting. Robin Bobbitt will present a proposal of a flat fee rate based on what services the Board wants to have provided and it will be on the September 2015 agenda. She clarified that the election will not be part of the flat fee. Clarence Williams stated he would like internal procedures in place.

Pam Golden, Kent Clingerman, Josh Ellery and Robin Bobbitt left the meeting at 12:00 pm. Ron Krueger acted as President Pro Tem for the remainder of the meeting, calling for votes on all stated motions.

Clarence Williams stated the Board has retained Bobbitt's Firm to give us legal advice as a special purpose district and the Board should make a decision on their qualifications. Any invoices for legal services we have a right to review and approve it. There may have been things that we object to. He asked that the office provide the Board a copy each legal invoice for review before payment. Kathy Moore stated the Board should be informed of any contact with legal and the purpose thereof.

- A motion was made by Clarence Williams that no future matter, that is not already approved, is referred to, or services requested from legal counsel without prior Board approval, unless there is an emergency situation that must be resolved within 72 hours. Kathy Moore added the phrase "that is not already approved" to the motion. The motion was seconded by Kathy Moore. The motion carried.
- A motion was made by Clarence Williams that no matter involving litigation is referred to legal counsel without first determining as a Board, that counsel is experience and knowledgeable in the area of law pertinent to the matter being litigated. The motion was seconded by Kathy Moore. The motion carried.
- A motion was made by Clarence Williams that no invoice for legal services is paid unless and until the invoice has received a line item review and approval by the Board before payment. Clarence Williams stated Elisabeth Meehan would forward the invoice to the Board prior to the meeting and the payment. The motion was seconded by Kathy Moore. The motion carried.
- A motion was made by Clarence Williams that the office of the Vice President is charged with the responsibility to coordinate and provide general supervision of all legal matters for the District. Ron Krueger asked if that means to be the point of contact, whether in initial matters and follow up with phone calls. Ron Krueger stated he didn't want to give the impression that Pam Golden didn't already do that. Clarence Williams clarified Ron Krueger, as vice president, is a back up to Pam Golden as Robin Bobbitt's point of contact. Clarence Williams stated that we need more communications from the office and from Elisabeth Meehan. The motion was seconded by Kathy Moore. The motion carried.
- Kathy Moore state the District has a policy and procedures manual and asked if these motions should be added to that. A motion was made by Kathy Moore that all items approved in this meeting be included in the OTSID policy and procedures manual. The motion was seconded by Yvonne Denbina. The motion carried.

3. DISCUSS PROPOSED STRATEGIC PLANNING SESSION SCHEDULED FOR MONDAY, AUGUST 31, 2015, INCLUDING REQUIREMENT UNDER PROVISIONS OF TEXAS OPEN MEETINGS ACT TO POST NOTICE OF SUCH MEETING AND TAKE ACTION ON SAME;

This item was discussed prior to item two. Before leaving the meeting, Pam Golden stated she could not attend the August 31 meeting. The rest of the Board agreed not to hold the meeting until all Board members could be present. The planning session was cancelled and a future date will be announced.

4. CALENDAR UPDATE; CONFIRM MONTHLY BOARD MEETING ON MONDAY, SEPTEMBER 14, 2015 AT 5:00 PM; AND

5. ADJOURN.

The meeting adjourned at 1:00 pm.

(SEAL)

Yvonne Denbina, Secretary

Kathy Moore, Financial Officer

Prepared by Elisabeth Meehan
OTSID Office Administrator