

Old Town Spring Improvement District

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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 regular meeting, open to the public, on the **8th day of August, 2016** 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
VACANT	Position 2-Director
Clarence Williams	Position 3-Financial Officer
Ron Krueger	Position 4-Vice President
Mike Rogers	Position 5-Secretary

All of the above Board members, except for Mike Rogers, were present. Quorum was established. Also in attendance were Sue Mallott from the Spring Historical Museum, Kent Clingerman from Harris County Precinct 4, Adam Tabak from Coveler and Katz, Ellen and Alan Saxe of Saxe Properties, Noel Eckberg owner of Gypsy Rose, Tom Sellars, CPA representing Weaver, Katherine Turner from Municipal Accounting, and Elisabeth Meehan, OTSID Office Administrator.

1. CALL MEETING TO ORDER.

The meeting was called to order at 5:07 pm.

2. REVIEW AND TAKE ACTION ON MATTERS RELATING TO CALLING AN ELECTION TO BE HELD ON NOVEMBER 8, 2016.

A motion was made by Ron Krueger to postpone item two until legal counsel arrived. The motion was seconded by Clarence Williams. The motion carried. The item was brought up again after item 16. Adam Tabak stated the County will handle the election, but the Board needs to make separate motions for all items.

a. APPROVE AN ORDER CALLING FOR AN ELECTION UNDER TEXAS SPECIAL DISTRICT CODE SECTION 3813.052.

A motion was made by Clarence Williams to call for an election under Texas Special District Code Section 3813.052. The motion was seconded by Ron Krueger. The motion carried.

b. ORDER APPROVING AND APPOINTING AN AGENT FOR THE ELECTION;

A motion was made by Clarence Williams to approve the Harris County Clerk as agent for the election. The motion was seconded by Ron Krueger. The motion carried.

c. ORDER APPOINTING AN EARLY VOTING CLERK AND DEPUTY VOTING CLERK;

A motion was made by Clarence Williams to approve the Harris County Clerk as early voting clerk for the election. The motion was seconded by Ron Krueger. The motion carried.

d. ORDER ESTABLISHING AND DESIGNATING ELECTION PRECINCTS AND POLLING PLACES;

A motion was made by Clarence Williams to establish the District location as polling place and election precinct. The motion was seconded by Ron Krueger. The motion carried.

e. ORDER ESTABLISHING AND DESIGNATING EARLY VOTING POLLING PLACES;

A motion was made by Clarence Williams the County establish and designate early voting polling places. The motion was seconded by Ron Krueger. The motion carried.

f. ORDER ADOPTING FORM OF NOTICE OF DISTRICT ELECTION;

A motion was made by Clarence Williams to adopt a notice of a district election. The motion was seconded by Ron Krueger. The motion carried.

g. ACTION TO APPROVE A CONTRACT WITH HART INTERCIVIC, INC. FOR ELECTION SERVICES.

Clarence Williams asked what the contract with Hart InterCivic would cover. Adam Tabak explained they would run all the voting machines, do error testing, etc., and the minimum cost of service would be around \$1,000. A motion was made by Clarence Williams to approve a contract with Hart InterCivic for election services. The motion was seconded by Ron Krueger. The motion carried.

3. TO RECEIVE PUBLIC COMMENT.

Pam Golden invited comments from the floor. Ellen Saxe stated she would like more information on the curbs project. She asked if the topic was introduced to the landowners before the Board voted on funds. Clarence Williams stated the Board voted to set aside money and it would be done with 100% approval of each landowner. Ellen Saxe asked what the cost would be to landowners. Clarence Williams stated the funds would come from the District and nothing would be done at all without landowner approval. Ellen Saxe asked who would do the work and would the landowner have to pay and get reimbursed. Clarence Williams stated independent contractors would do the work, and they can be paid directly or to the landowner in reimbursement. Pam Golden introduced Sue Mallott, the new director of the Spring Historical Museum.

4. TO REVIEW, DISCUSS AND TAKE ACTION TO APPROVE MINUTES FROM THE MONTHLY BOARD MEETING ON JULY 11, 2016.

Clarence Williams stated he spoke with Elisabeth Meehan earlier today, noting a correction in the minutes: where it previously read “didn’t know what gives the District the right to open, close and maintain the restroom,” the minutes were corrected to read “*didn’t know what gives the District the right to open, close and maintain the Museum restroom.*” The correction was made to a statement under item number 11. A motion was made by Ron Krueger to accept the July 11, 2016 minutes, with the correction made. The motion was seconded by Clarence Williams. The motion carried.

5. TO REVIEW, DISCUSS AND TAKE ACTION TO RECEIVE 2015-2016 AUDIT REPORT FROM WEAVER AND AUTHORIZE FILING OF SAME.

Pam Golden introduced Tom Sellars, a CPA representing Weaver, the firm handling the District's 2015-2016 Audit. Tom Sellars handed out a discussion draft of the Audit report to the Board directors. Tom Sellars stated he would discuss the Audit briefly and asked the Board to look first at page 13. Tom Sellars stated page 13 has the balance sheet for the District and under government accounting rules, it lists the District's balance in two formats, modified and accrual basis. Tom Sellars stated the Board can see the District has no debt. Tom Sellars asked the Board to turn to page 15, where the Audit states the District received a revenue of \$352,198 for the Fiscal Year ending March 31, 2016, and it spent \$321,832, which puts the District in the black by \$30,366. Tom Sellars stated the District came out \$36,000 better than its projected budget and that the Board needs to show that its income at the end of the fiscal year includes a two month lag. Clarence Williams asked Tom Sellars for clarification on what the two month lag meant. Tom Sellars stated at the end of the Fiscal Year, there's still two months that would be credited to the District in the new Fiscal Year. Tom Sellars presented a Representatives and Communication letter to be signed by management to Pam Golden. Tom Sellars stated it's his recommendation that the Board accept the Audit so it can be filed with Austin by the August 31 deadline. A motion was made by Clarence Williams to accept the Audit report as submitted for filing and sign the two letters as presented. The motion was seconded by Ron Krueger. The motion carried. Pam Golden signed the letters and Tom Sellars exited the meeting at 5:30 pm. (SEE ATTACHMENT #1)

6. TO REVIEW, DISCUSS AND TAKE ACTION TO RECEIVE AND APPROVE THE DISTRICT'S FINANCIAL REPORT, INCLUDING BOOKKEEPER'S REPORT.

Pam Golden stated the Board did not have a financial officer at the July meeting, so the Board needs to review and approve July's financial reports, including the Bookkeeper and Investment reports. Clarence Williams stated the Bookkeeper's report in July showed a deposit for June of \$21,455.68, which was a decrease from the May deposit. Clarence Williams added the District as of July 1 had an operating balance in its general fund of \$54,820.87 and a TexPool balance of \$223,998.17. A motion was made by Ron Krueger to accept the July 2016 Bookkeeper's report. The motion was seconded by Clarence Williams. The motion carried. (SEE ATTACHMENT #2)

Clarence Williams stated for the August Bookkeeper's report, the District received a sale tax revenue of \$26,585.28 for July and the August 1 general fund balance was \$54,238.43, with \$224,068.33 in TexPool. Clarence Williams added that the safety deposit box at Wells Fargo was closed and the District received back its \$20 deposit. Ellen Saxe asked if the July deposit reflects the Crawfish festival. Clarence Williams stated he believed it could possibly reflect the festival. Katherine Turner stated it would depend, as taxpayers can pay monthly, quarterly and/or yearly. Clarence Williams added it would be difficult to tell where payments comes from and as an example, the Spring Preservation League pays once a year. Katherine Turner stated many pay in January so the District might see a higher March deposit. A motion was made by Ron Krueger to accept the August 2016 Bookkeeper's report. The motion was seconded by Clarence Williams. The motion carried. (SEE ATTACHMENT #3)

7. TO REVIEW, DISCUSS AND TAKE ACTION TO PAY DISTRICT'S BILLS.

Pam Golden stated the Board has the check registry from July to review. A motion was made by Clarence Williams to accept the July bills as paid. The motion was seconded by Ron Krueger. The motion carried. (SEE ATTACHMENT #4)

Pam Golden presented two recent invoices, one from The Texas Network, for several website domains. Pam Golden stated these domains are not used but only held as a safeguard to protect the OTSID website from similar domains at the annual cost of \$150. Clarence Williams stated the purpose was a certain amount of security a previous Board felt was necessary to have. Clarence Williams stated he believed the District's current domain has been established. A motion was made to let the domains reflected in the statement expire without renewing and not pay the pending statement from The Texas Network. The motion was seconded by Ron Krueger. The motion carried.

Pam Golden presented an invoice from Coveler & Katz for legal services for July. Clarence Williams stated in previous budget meetings he questioned if \$5,000 was enough for the election and was told by prior legal counsel that the amount would be enough. Adam Tabak suggested budgeting another \$3,500. Clarence Williams asked Adam Tabak if he could break down the current legal invoice in terms of general work and election related work. Adam Tabak stated his firm didn't use a traditional time system, but that 75% of this invoice was election related work. Adam Tabak stated it is still less expensive for the County to run the election. A motion was made by Clarence Williams to pay the legal invoice as presented for \$5,841.20. The motion was seconded by Ron Krueger. The motion carried.

8. TO REVIEW, DISCUSS AND TAKE ACTION TO RECEIVE AND APPROVE INVESTMENT OFFICER'S REPORT.

Clarence Williams stated the Board has received Investment reports for July and August. He reported in the July report the Board received \$66.92 in interest with a balance of \$223,998.17 as of June 30. Clarence Williams stated he requested Elisabeth Meehan distribute literature in the August packets about TexPool. He stated that TexPool has no insurance and wanted the Board to be aware of that. Pam Golden stated she was aware of it and had spoken with the auditor regarding this issue. Pam Golden added the auditor assured her TexPool is used by various large districts, schools and fire departments and the auditor considers TexPool to be very safe. Katherine Turner spoke from the floor and stated TexPool is approved by the state of Texas, who reviews their financial information and backs them. Clarence Williams added he wanted to make the District aware TexPool was uninsured and the interest rate is only .03%. Katherine Turner stated the interest rates for most public funds are not very high and that TexPool's interest rates are generally higher than a regular bank. Adam Tabak stated he agrees with Katherine Turner that it's generally safe. Katherine Turner stated the District would not make more interest in a money market account. A motion was made by Clarence Williams to accept the Investment report for July 2016. The motion was seconded by Ron Krueger. The motion carried.

Clarence Williams presented the August Investment report, which shows in TexPool an end of July balance of \$224,068.33 with interest earned in July being \$70.16. A motion was made by Clarence Williams to accept the Investment report for August 2016. The motion was seconded by Ron Krueger. The motion carried.

Elisabeth Meehan presented a resolution to change and update TexPool viewers and accessors to the Board. Adam Tabak asked if this needed to be posted on the next agenda. A motion was made by Ron Krueger to add Clarence Williams and Mike Rogers as TexPool viewers and to sign the resolution and confirm signing at the next meeting. The motion was seconded by Clarence Williams. The motion carried.

9. TO REVIEW, DISCUSS AND TAKE ACTION REGARDING RENEWAL OF THE BLACKBOARD CONNECT COMMUNICATIONS SYSTEM.

Pam Golden stated the time for renewal of the BlackBoard Connect account is approaching and Blackboard is the best way to reach the majority of people in the District. Elisabeth Meehan stated the District budgeted \$600 this Fiscal Year to cover renewal. A motion was made by Clarence Williams to continue using BlackBoard and renew it for the period expiring November 2, 2017. The motion was seconded by Ron Krueger. The motion carried.

10. TO REVIEW, DISCUSS AND TAKE ACTION REGARDING THE DISTRICT'S TRACTOR AND THE GOLF CART.

Pam Golden stated she asked Elisabeth Meehan to give Board Directors the original invoice for the tractor in 2004, when it was purchased for the amount of \$18,000. Pam Golden added that a week after major work was done on the tractor by Lansdowne Moody, the tractor has not started. Pam Golden stated she had learned Clarence Williams had worked on the tractor. Clarence Williams stated there have been two major repairs in 2016 and 2015, with a cost of \$5,000 for a 12 year old tractor. He believes it is operator error, and that if maintenance doesn't use it correctly, it will not work. Clarence Williams reported rather than having Lansdowne charge hourly to diagnose, he had a mechanic look at the tractor. This mechanic estimated repairs of approximately \$1,500. Clarence Williams stated the total cost of repairs and labor for this mechanic to repair within a week would be approximately \$500. Clarence Williams reported that Lansdowne Moody estimated a new tractor of the same model would cost about \$27,000.

Clarence Williams stated the golf cart is just old and in need of repair and thinks a normal maintenance service would do. Pam Golden expressed that the tractor is used for maintenance of the Park only, but the golf cart is used throughout the District and asked if the District had money to buy a new one. Clarence Williams stated he hadn't priced one, but a new one would need a workers bed and he agreed a new golf cart is more important than a new tractor. Adam Tabak thought \$8,000 to \$10,000 would be a plausible price range for a golf cart. Pam Golden asked if the Board is putting to bed replacing the tractor outright. Ron Krueger suggested approving repair expenses of the tractor for up to \$600 and researching replacing the golf cart, with allocation up to \$10,000. Item tabled until September meeting.

11. TO REVIEW, DISCUSS AND TAKE ACTION REGARDING THE REPAIR OR REPLACEMENT OF THE ENTRANCE OF PRESERVATION PARK.

Clarence Williams asked Ron Krueger if he had seen the entrance of the Park. Ron Krueger stated he had. Clarence Williams stated Mike Rogers had interest and comments on this discussion and since Mike Rogers is not in attendance, this issue be tabled. Item tabled until September meeting.

12. TO REVIEW, DISCUSS AND TAKE ACTION REGARDING SEAL COATING AND RE-STRIPING THE PRESERVATION PARK PARKING LOT.

Pam Golden stated it's been several years since the Preservation Park parking lot was painted and that the stripes for parking spots are very faded. Clarence Williams stated he's spoken to a few people who might be able to restripe and seal coat the parking lot and suggested the Board seek three bids for it. Adam Tabak asked what Clarence Williams estimated the cost would be, whether it was lower than the threshold for seeking bids. Clarence Williams stated it would be lower, but it would be a good idea to seek bids anyway. A motion was made by Clarence Williams to solicit three bids regarding seal coating and restriping of the Preservation Park parking lot. The motion was seconded by Ron Krueger. The motion carried.

13. TO REVIEW, DISCUSS AND TAKE ACTION REGARDING CURB-CUTS AND ADA COMPLIANT STREET RAMPS IN OLD TOWN SPRING.

Clarence Williams stated this is a project he's been working on as discussed at the July meeting. He reported he's met with three different contractors and has been walking them around town, explaining that each landowner's property constitutes a separate project. Clarence Williams stated after meeting with contractors, he will start working with landowners. Pam Golden asked the District's Bookkeeper if she had any comments on the project of reimbursing individual landowners. Clarence Williams stated he doesn't believe the District would be dealing with any more than 20 individual landowners, because each property may contain two to three curbs. Pam Golden stated she believes there should be a written document with a time frame for completion and amount of reimbursement allowed. Katherine Turner stated she had a few questions, since a government entity can't do work on private property. Clarence Williams stated the District would be paying landowners for them paying contractors. Katherine Turner asked if there are any easements on the properties. Adam Tabak asked if any landowners wanted to do the project.

Clarence Williams stated if he was going to do it, which he has on his own property, he would find a contractor, pull a permit and put the ramp in. Clarence Williams added that if the project is something the District wants to take on, in terms of getting their own permits and contractors, he would want no part of it, and it would be far too complicated. Adam Tabak offered to look into whether or not the District could reimburse landowners and would report back this week. Katherine Turner stated she understands why Clarence Williams wants the project to happen and sees it as for the good of the town. Clarence Williams stated it will make the town more inviting and usable, as well as safer for pedestrians.

Ellen Saxe asked from the floor if something can be done about the sidewalks. Clarence Williams stated the District could not repair the sidewalks now, but that his game plan is to work on the ramps first and this would allow discussion of repairing the sidewalks later. Clarence Williams stated he wants to get the landowners approval and he is spending a lot of his time on this project. Pam Golden stated we're only addressing the District's fiduciary responsibility for the proposed project. Alan Saxe asked if the County would do anything to repair the ramps. Adam Tabak stated the County would only tear out the ramps if permits weren't obtained. Adam Tabak stated property owners need to be on board before anything is done. Clarence Williams stated he wants to do this through the District but if it needs to be done, he will do it himself. Item tabled until September meeting.

14. TO REVIEW, DISCUSS AND TAKE ACTION REGARDING THE DISTRICT'S CURRENT INSURANCE POLICY AND PROPOSED CHANGES TO THE POLICY.

Pam Golden asked the Board members to compare a letter they were given from Keith Willingham to the current policy price. Adam Tabak stated VFIS would only cover the policy if they could cover all liability. Adam Tabak volunteered to talk to VFIS and see if they could be flexible. Elisabeth Meehan reported Farmers Insurance would only give a proposal if current property insurer is informed of a possible change. Item tabled until September meeting.

15. EXECUTIVE SESSION, PURSUANT TO CHAPTER 551 OF THE TEXAS GOVERNMENT CODE, TO DISCUSS LEGAL MATTERS DETERMINED BY DISTRICT COUNSEL WHICH PURSUANT TO THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS REQUIRES PRIVATE CONSULTATION WITH THE DISTRICT.

Executive session not held.

16. TO DISCUSS ANY ITEMS TO BE PLACED ON THE AGENDA FOR THE NEXT MEETING TO TAKE PLACE ON SEPTEMBER 12, 2016.

- TexPool resolution changing representatives for the account and signing resolution
- A motion to approve repairs to the tractor
- Proposals for the cost of a new golf/utility cart
- Proposals for a new entrance to Preservation Park
- Proposals for re-striping and seal coating the Preservation Park parking lot.
- Project update on curb-cuts and ADA compliant street ramps in Old Town Spring.
- The District's property insurance and its property insurance broker
- Report on District 2016 Election of Board of Directors
- Contractual agreements regarding Preston restroom and Museum restroom

17. ADJOURNMENT.

A motion was made by Ron Krueger to adjourn. The motion was seconded by Clarence Williams. The meeting adjourned at 6:27 pm.

(SEAL)

Mike Rogers, Secretary

Prepared by Elisabeth Meehan
OTSID Office Administrator

ATTACHMENTS:

1. 2015-2016 Audit Discussion Draft
2. July Bookkeeper's Report
3. August Bookkeeper's Report
4. July check detail
5. July Investment Officer's Report
6. August Investment Officer's Report