

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 regular meeting, open to the public, on the 11th day of January, 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 |
| Kathy Moore | Position 2-Financial Officer |
| 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 Clinger from Harris County Precinct 4, LuAnne Schultz from the Spring Historical Society, Ellen Saxe with Saxe Properties, Sabrina Camacho, Clarence Williams, Gloria Williams, and Elisabeth Meehan, OTSID Office Administrator. Robin Bobbitt from the law firm Radcliffe Bobbitt Adams Polley PLLC.

1. DETERMINATION OF QUORUM; CALL TO ORDER;

The meeting was called to order at 5:10 pm. Pam Golden called the meeting to order and asked for a motion to move agenda item 13b regarding lamp post banners to the top of the agenda to allow the guest speaker to make her presentation. A motion was made by Yvonne Denbina to move the item. The motion was seconded by Kathy Moore. The motion carried.

2. DISCUSS EXPENDITURES ON LAMP POST BANNERS AND ART WORK FOR SAME; AND TAKE ANY NECESSARY ACTIONS ON SAME;

Sabrina Camacho, a graphic designer invited by Yvonne Denbina presented designs for potential lamp post banners. The banner is 18" x 24" inches and cost \$12.00 per banner. There is a total order of 134 banners, allowing for lost or stolen banners for a total cost of \$1,608.00. Kathy Moore asked about the cost of making changes to the artwork. Sabrina Camacho informed the Board that artwork might have additional charges if changes need be made. The banners will be made of outdoor grade vinyl to withstand the weather. Discussion was held and tabled to allow for more time to address the designs presented. No motion was made.

3. REVIEW AND APPROVE MINUTES OF REGULAR MEETING OF DECEMBER 14, 2015

Upon a motion duly made by Yvonne Denbina and seconded by Kathy Moore, the Board voted to accept the minutes for December 14, 2015 as presented. The motion carried.

4. PUBLIC COMMENTS;

Pam Golden asked for public comments from the guests. LuAnne Schultz informed the Board of the installation of a new awning above the East door of the Spring Historical Museum. Gloria Williams commented on conflicts between the League and the tax District. Gloria Williams stated if Old Town Spring doesn't exist, the tax District doesn't exist; and there needs to be more cooperation. Ellen Saxe said she agrees with Gloria Williams, but wonders how much responsibility the tax District should take. Saxe asked if Williams thinks the District should pay for events. Williams said she doesn't think that they should.

Robbin Bobbitt enters at 5:20 pm.

5. HEAR AND REVIEW VISITORS BUREAU QUARTERLY REPORT;

Elisabeth Meehan presented the visitors bureau report for the most recent quarter, October, November and December. Visitor numbers are up compared to the previous quarter. The 2015 annual report has been submitted to TxDot. A motion was made by Kathy Moore to accept the Visitor's Bureau Quarterly Report as presented. The motion was seconded by Ron Krueger. The motion carried.

6. CONSIDER/DISCUSS APPOINTMENT OF NEW DIRECTOR TO FILL UNEXPIRED TERM OF POSITION THREE, AND TAKE ANY NECESSARY ACTIONS ON SAME;

Pam Golden stated an application from Ellen Saxe was received for the Director Position 3 and was before them for their review. Kathy Moore stated Position Three was previously held by Clarence Williams, who stepped down in September 2015 for health reasons. Kathy Moore added because of his experience on the Board and the previous vetting of Clarence Williams, it would be the easiest to offer Clarence Williams his position back on the Board for the rest of his term. Ron Krueger asked Clarence Williams if his health condition would be a problem. Clarence Williams said it would not be a problem. Pam Golden requested legal counsel from Robin Bobbitt to clarify the reappointment requirements for Clarence Williams. Robin Bobbitt stated the bond would still be in effect, but the Oath of Office would need to be signed again. Clarence Williams disagreed, but stated he would sign a new Oath. A motion was made by Kathy Moore to reappoint Clarence Williams to the Board for Director Position Three. The motion was seconded by Yvonne Denbina. The motion carried. Elisabeth Meehan prepared the Oath document; Clarence Williams signed the Oath and joined the Board of Directors. Robin Bobbitt confirmed that Elisabeth Meehan would file the Oath with the State.

7. HEAR UPDATED SUBCOMMITTEE REPORT ON PROPOSED CONSTRUCTION OF JOINT CONCESSION STAND AND RESTROOM IN PRESERVATION PARK, REVIEW COST PROPOSALS FOR SAME, AND TAKE ANY NECESSARY ACTIONS ON SAME;

Kathy Moore announced that Drink Booth One was severely damaged by fire a week prior to the meeting and needs to be replaced fairly quickly in order to accommodate upcoming events. Kathy Moore has spoken to the vendor Wiley Anderson with WDA Consulting about lowering the cost of his proposal to stay under the \$75,000 threshold. The final proposal from WDA Consulting is \$73,623.00. Robin Bobbitt expressed concern about WDA Consulting/Wiley Anderson reducing his price to below the \$75,000 threshold. Kathy Moore explained that the price reduction was based on changes made to the design of the restroom; unnecessary and expensive items were removed from the original design. Kathy Moore presented a second proposal from Ken Kinard for \$137,800.00 that costs almost double that of WDA Consulting for the same specifications. A third

proposal came from Spring Creations LLC for \$74,792.00 based on using the same specifications as the other two proposals.

Ron Krueger asked if any of the vendors have references. Clarence Williams stated that references can be received from any vendor. Clarence Williams, Gloria Williams and Ellen Saxe each stated that Wiley Anderson has done work for them, as well as locations in the Woodlands. Pam Golden said the bid specifications had not been voted to go out on behalf of the District. Clarence Williams stated that he presented the specifications on behalf of Kathy Moore. Pam Golden asked where the restroom/concession stand would be located, as well as the intentions for the blacktop area the District had paid to asphalt. Clarence Williams stated that the location of the current restroom plus the memorial garden could fit the restroom. Other locations include where the Zydeco stage is or where the old drink booth was located. Clarence Williams stated the asphalt is on top of a Quadvest right of way and building a restroom on top of it would run a risk of Quadvest using that area for future purposes.

Pam Golden asked if Robin Bobbitt had any comments from a legal standpoint on the proposals presented. Robin Bobbitt asked if WDA Consulting would be using subcontractors for the plumbing and electrical work. Clarence Williams said that there would be on A/C subcontractor. Pam Golden asked if the proposed building could be moved to another location at some point in the future. Kathy Moore clarified that it could be moved, but it is not on wheels like the previous restroom. Robin Bobbitt commented that the restrooms would need to be ADA compliant and that an inspection and a certificate of compliance would likely be required. Robin Bobbitt asked if WDA Consulting is aware of the requirement for payment and performance bonds. Robin Bobbitt further stated that a formal contract will be needed from WDA Consulting and that such contract would need to be reviewed.

Robin Bobbitt informed the Board of new requirements under HB 1295, effective January 1, 2016. The District is required to file with the Texas Ethics Commission for a governmental entity account. The District can use its number for future projects, but each future project needs a new contractor number. Robin Bobbitt explained that this is a new transparency rule put into effect and offered to assist the District in the process of obtaining the documents and number with the Texas Ethics Commission.

Pam Golden asked if the prospective contractors are familiar with ADA compliance rules. Clarence Williams stated the contractors work in commercial real estate and are familiar with the ADA requirements. Pam Golden asked if there's a motion to be made. Robin Bobbitt stated that the Board can only accept the proposal from the lowest bidder, unless there's reason that the bidder can't perform. A motion was made by Kathy Moore that the Board accept the proposal submitted by Wiley Anderson, subject to filing the payment performance bond and obtaining the necessary vendor number with the Texas Ethics Commission and providing references. The motion was seconded by Yvonne Denbina. The motion carried. (SEE ATTACHMENTS #1, #2, #3)

8. CONSIDER PROPOSED CLARIFICATION OF RESOLUTION OF BOARD OF DIRECTORS REGARDING PRESERVATION PARK CONCERNING DEDICATION OF DISTRICT INCOME ADOPTED AT AUGUST 10, 2015 BOARD MEETING, AND TAKE ACTION ON SAME;

Robin Bobbitt presented the revised Resolution, which included revisions to the format and the changes the Board had requested be made. Robin Bobbitt identified and clarified changes she had made per the Board's discussion at the December Board meeting. The Board reviewed the Resolution. Kathy Moore made a motion to adopt the amended Resolution as written. The motion was seconded by Clarence Williams. The motion carried. (SEE ATTACHMENT #2)

9. CONSIDER/DISCUSS PROPOSED LEASE OF BILLBOARD AT WET 'N' WILD (SPLASHTOWN), AND TAKE ANY NECESSARY ACTIONS ON SAME;

Robin Bobbitt presented the revised Billboard lease, along with a red-lined copy noting changes. Ms. Bobbitt explained that additional revisions were made to clarify that replacement art work would be reviewed by the landlord, approval of which would not be unreasonably withheld. The lease will be given to Mr. Ash for his signature. A motion was made by Kathy Moore that the District accept the proposed lease as revised and present same written to Mr. Bill Ash. The motion was seconded by Yvonne Denbina. The motion carried. (SEE ATTACHMENT #3)

10. CONSIDER/DISCUSS PROPOSED LONG-TERM LEASE OF PRESERVATION PARK AND PARAMETERS FOR SAME, AND TAKE ANY NECESSARY ACTIONS ON SAME;

Pam Golden asked if the Directors wanted to hold the discussion of the lease following the Executive Session. A motion was made by Clarence Williams to move the topic following the Executive Session. The motion was seconded by Yvonne Denbina. The motion carried.

The Board resumed discussion of this item after reconvening in regular session from the Executive Session. Robin Bobbitt stated she did not move forward on finalizing the draft lease agreement due to the comments she received at and after the last meeting and based on her understanding that the Board wanted to continue to review/discuss its options. She stated the Board must determine what it wants to do with regard to a proposed lease with Mr. Don Bayer for the Preservation Park. She stated she prepared a draft of the lease with the parameters discussed at the December 2015. Pam Golden read those parameters as bulleted in the December 2015 minutes. Robin Bobbitt will email the draft lease to the Board so they can review it prior to the February meeting. Clarence Williams stated he crunched numbers regarding the proposed rent escalation, and his conclusion was that at some point with an escalation clause is it not economical to pay the lease. Robin Bobbitt stated the alternative is not putting an escalation clause in the lease and that such clause was easily removed.

Robin Bobbitt asked what lease term the District wanted to reflect in the lease. Clarence Williams stated the Spring Preservation League (the "League") is committed to their lease until May 2017 and Don Bayer would not break the lease without the League's permission. Kathy Moore stated that a five year lease is not out of the District's vision. Yvonne Denbina stated the League should have the lease until the end of their term. Pam Golden expressed concern again that the District is still paying another group's lease for 18 months. Ron Krueger asked if the new proposed lease would take effect now or the end of the SPL's current lease. Robin Bobbitt stated the Board needs to resolve when it wants the proposed lease to go into effect and that the letter of agreement with

the League should be entered into now regardless, as discussed in the December 2015 meeting. No motion made.

11. CONSIDER/DISCUSS LAMP POST ELECTRICAL WORK REPAIRS IN DOERING COURT, AND TAKE ANY NECESSARY ACTIONS ON SAME;

Pam Golden stated that a week prior to Christmas, a landowner contacted the District maintenance crew regarding an issue with an electrical box located in Doering Court. Pam Golden stated that there are concerns with the District maintenance crew doing electrical work since they are not bonded and/or licensed to do such work. Clarence Williams suggested contacting Charlie D Electric because he installed the work originally. The property is owned by Sharon Richardson. A motion was made by Ron Krueger that the District contact Charlie D Electric to repair the three lamp posts in Doering Court for an amount not to exceed \$500. The motion was seconded by Kathy Moore. The motion carried.

12. CONSIDER/DISCUSS RECENT PROPERTY DAMAGE AND VANDALISM IN PRESERVATION PARK, AND TAKE ANY NECESSARY ACTIONS ON SAME;

Pam Golden stated this item was put on the agenda to place on record that the District does not insure the vandalized entrance gate or Drink Booth One. Kathy Moore reported that Drink Booth One was insured by the League and the claim was filed on behalf of the League. Kathy Moore stated that no one carried insurance on the entryway. Clarence Williams stated the electricity had been turned off to the damaged area, but some wiring remains exposed and needs attention. Kathy Moore asked if the entrance gate needs to be rebuilt now or down the road. Clarence Williams stated the electrical panel needs to be rebuilt. Ron Krueger asked about security concerns and vandalism in general. Clarence Williams stated the League had discussed hiring someone who would live in an RV on the Preservation Park property with certain restrictions to provide security. It was determined the District maintenance crew will be contacted by Elisabeth Meehan to cover the exposed wires. No motion made.

13. CONSIDER/DISCUSS PROPOSAL FOR IMPLEMENTATION OF LOCATION FEES FOR PROFESSIONAL PHOTOGRAPHERS UTILIZING OLD TOWN SPRING FOR LOCATION PHOTOGRAPHY, AND TAKE ANY NECESSARY ACTIONS ON SAME;

Yvonne Denbina stated that many people have come out to take photos with the shop owner's buildings in the background and don't ask permission to take such photos. Yvonne Denbina proposed instituting a fee for non-Old Town Spring photographers, and require photographers to obtain authorization and/or permits from the District to conduct commercial photography in Old Town Spring. Clarence Williams asked how the permits would work. Robin Bobbitt stated the District has no authority to enforce restrictions on private property. Pam Golden expressed concern that it would be difficult to enforce, because professional and non-professional photographers alike come to Old Town Spring. Robin Bobbitt stated that the enforcement is up to the landowner and shop owner, not the District.

Pam Golden stated that she understands there have been complaints, but doesn't want a negative backlash for not letting photographers take pictures. Yvonne Denbina wanted to voice that there is concern from shop owners that photographers are trespassing on their property. Clarence Williams stated that as a property owner, he has had concerns about photos taken on his property because of liability; especially at the Wishing Well. Robin Bobbitt suggested that shop owners

place “No Trespassing” signs on their property. Pam Golden asked if the League should be involved. Kathy Moore stated that it could be more of a League issue than a District issue. A motion was made by Kathy Moore to defer the matter to the League. The motion was seconded by Yvonne Denbina. The motion carried.

14. CONSIDER BOOKKEEPER'S REPORT;
(SEE ATTACHMENT #4)

Kathy Moore presented the bookkeeper's report. The report now has two additional lines reflecting the 20% balance for Preservation Park. A motion was made by Clarence Williams to accept the bookkeeper's report as presented. The motion was seconded by Ron Krueger. The motion carried.

a. APPROVAL OF PAYMENT OF INVOICES - DECEMBER 2015;

A motion was made by Kathy Moore to approve the payment of invoices for December 2015. The motion was seconded by Yvonne Denbina. The motion carried. (SEE ATTACHMENT #5)

b. 2015-2016 BUDGET AMENDMENTS;

Kathy Moore reported no budget amendments need to be made at this time.

c. ESTABLISH 2016-2017 BUDGET COMMITTEE;

Kathy Moore and Ron Krueger will serve as the 2016-2017 budget committee along with Robin Bobbitt and Elisabeth Meehan.

15. INVESTMENT OFFICERS REPORT;
(SEE ATTACHMENT #6)

Kathy Moore reported that TexPool received an increase of \$27 for December, which is an increase over December 2014, when the interest was \$1. Kathy Moore stated that the District's Wells Fargo balance was over \$100,000 and the Board should consider moving more monies into TexPool. A motion was made by Kathy Moore to move \$50,000 into TexPool from Wells Fargo. The motion was seconded by Clarence Williams. The motion carried.

16. ATTORNEY'S REPORT, INCLUDING:

a. UPDATE ON FILING REQUIREMENT/APPLICABILITY OF FORM 940 - EMPLOYER'S ANNUAL FEDERAL UNEMPLOYMENT TAX RETURN, AND TAKE ACTION ON SAME;

Robin Bobbitt confirmed it is her understanding from an IRS representative that the District does not have to file an annual Form 940.

b. REPORT ON MISCELLANEOUS MATTERS;

Robin Bobbitt presented a Resolution for adopting a new uniform election date that was placed in a supplemental agenda. Clarence Williams asked what the Board should do when terms expire before the election date. Robin Bobbitt stated that the election date change results in the terms of office being held over. Robin Bobbitt also advised changing and clarifying some of the creation legislation of the District at the next opportunity would strongly be advised.

Robin Bobbitt stated by moving the election to November. Harris County would have the responsibility for conducting the District's election. Clarence Williams stated the every Board member should be aware of the legislation and the term limits. Yvonne Denbina

expressed concern with the Spanish translation in the Resolution, in the translation it refers to OTSID as a MUD district, not an Improvement District. Ron Krueger pointed out a grammatical error in Section 1. Robin Bobbitt said she will make the corrections, and will add the supplemental agenda for next month's meeting. The agenda/election topic will be deferred to the February meeting.

17. CONVENE IN EXECUTIVE SESSION, PURSUANT TO SECTION 55L.072 OF THE TEXAS OPEN MEETINGS ACT, AS AMENDED TO DELIBERATE ON MATTERS RELATED TO REAL PROPERTY;

The Board convened into Executive Session at 7:40 pm. It was then determined that there was not a need for an Executive Session.

18. RECONVENE IN OPEN SESSION AND TAKE ANY NECESSARY ACTIONS REGARDING PURCHASE OF REAL PROPERTY;

The Board reconvened back in regular session at 7:42 pm. No motion made.

19. CONSIDER/DISCUSS ITEMS FOR INCLUSION ON FUTURE MEETING AGENDAS;

- Posting Supplemental Agenda Election
- Consideration of Agreement Letter with the SPL regarding the Preservation Park Lease Payment
- Consideration for the 2016-2017 Budget
- Consideration of Capital expenditures for the construction of restroom/concession stand in Preservation Park
- Consideration of funding a flag pole/security light at the point of the Little Red School House on Gentry Street
- Consideration of funding for replacement/rebuilding of the entryway to Preservation Park
- Consideration of Draft Lease between Mr. Don Bayer and OTSID for Preservation Park
- Consider and Discuss Landscaping opportunities with Talley Landscaping Architecture
- Consider and Discuss Financial Auditor engagement letter
- Consideration of funding installation of street lights along Border St. and Preston

20. CALENDAR UPDATE AND CONFIRM MONTHLY BOARD MEETING ON MONDAY, FEBRUARY 8, 2016 AT 5:00 P.M.; AND

21. ADJOURN.

A motion was made by Kathy Moore to adjourn the meeting. The motion was seconded by Yvonne Denbina. The motion carried. The meeting adjourned at 8:10 pm.

(SEAL)

Yvonne Denbina, Secretary

Kathy Moore, Financial Officer

Prepared by Elisabeth Meehan
OTSID Office Administrator

ATTACHMENTS:

1. Wiley Anderson proposal for restroom/concession stand in Preservation Park
2. Ken Kinard proposal for restroom/concession stand in Preservation Park
3. Spring Creations proposal for restroom/concession stand in Preservation Park
4. Revised Preservation Park resolution
5. Billboard lease
6. Bookkeeper's Report
7. Check Detail
8. Investment Officer's Report