

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 April, 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
Clarence Williams	Position 3-Director
Ron Krueger	Position 4-Vice President

All of the above Board members were present. Quorum was established. Also in attendance were Kent Clingerman from Harris County Precinct 4, Adam Tabak from Coveler and Katz, James Sloan from Sloan Insurance, and Elisabeth Meehan, OTSID Office Administrator.

1. CALL MEETING TO ORDER.

The meeting was called to order at 5:04 pm.

2. ROLL CALL OF BOARD OF DIRECTORS.

All board directors were present. Clarence Williams noted that the office of Secretary was vacated and asked who would be recording the minutes. Pam Golden stated Elisabeth Meehan, Office Administrator would be recording the minutes.

3. TO REVIEW, DISCUSS AND TAKE ACTION TO APPROVE MINUTES FROM THE MONTHLY BOARD MEETING ON MARCH 7, 2016;

Upon a motion duly made by Kathy Moore and seconded by Ron Krueger, the Board voted to accept the minutes for March 7, 2016 as presented. The motion carried.

4. TO REVIEW, DISCUSS AND TAKE ACTION TO APPROVE MINUTES FROM THE SPECIAL BOARD MEETING ON MARCH 28, 2016;

Upon a motion duly made by Ron Krueger and seconded by Kathy Moore, the Board voted to accept the minutes for March 28, 2016 as presented. The motion carried.

5. TO REVIEW, DISCUSS AND TAKE ACTION REGARDING THE REPLACEMENT OF VACANT SEATS IN ACCORDANCE WITH CHAPTER 38.13 OF THE SPECIAL DISTRICT LOCAL LAW CODE, IF APPLICABLE.

Pam Golden stated this item was put on the agenda to discuss any potentially eligible candidates. Clarence Williams asked if this was specifically for Position 5, vacated by Yvonne Denbina. Pam Golden clarified, Position 5 and Position 2 were up for consideration, stating Kathy Moore submitted her resignation to the County Commissioners office. Kathy Moore added that she's told the County she's resigning with the understanding that she'll serve until a new person is appointed. Clarence Williams stated with regards to Position 5 he would like to submit the name of Mike Rogers, who owns property on Keith St and Noble St, including The Social Knitwork. Clarence Williams added that their family has been involved in Old Town Spring for many years and he believes Mike Rogers is a good candidate for the interim elected position.

Pam Golden stated Mike Rogers has not submitted an application or any letter of interest in serving on the Board. Clarence Williams stated Mike Rogers is traveling out of town and while it would be nice to have an application in place, the Board has never made it mandatory. He stated the Board could have him appointed tonight and he can get his oath and bond for the next meeting. Clarence Williams made a motion that the Board accept him as the director for Position 5. Pam Golden stated the Board should meet him first. Adam Tabak suggested the Board could table this until the Board Directors have a chance to meet with him.

Kathy Moore stated she's met Mike Rogers and doesn't have a problem with him. Ron Krueger stated he hasn't met him but he had done work for the church. Clarence Williams emphasized that there's not really a lively pool of candidates for the Board. Pam Golden stated she thought Kathy Moore had previously suggested Charlie Rogers, land owner of The Hat People and Nature's Solution. Pam Golden asked Adam Tabak if from a legal standpoint they can accept a candidate who's not present or stated in writing a willingness to serve or been vetted. Adam Tabak stated it would be preferable if Mr. Mike Rogers had sent a letter expressing an interest in serving on the Board. A motion was made by Kathy Moore that we invite Mike Rogers to serve on the Board pending a letter of acceptance and verification of ownership. Clarence Williams stated the Board has two motions and no second on either.

Clarence Williams added that he doesn't think the current application is very professional. Pam Golden asked if he wants to make a motion for a new application. Kathy Moore stated it's more of a questionnaire than an application. Pam Golden added it's a way to get to know the prospective Board Director and their goals for Old Town Spring. Pam Golden asked Clarence Williams if he wants to remove his motion. Clarence Williams stated if he removed his motion he removes Mike Rogers's names because he's the only one who's vetted him. Kathy Moore removed her motion. Clarence Williams amended his motion, making a motion to appoint Mike Rogers to Position 5 pending him

providing the Board with a letter of willingness to serve and proof of landownership in Old Town Spring. The motion was seconded by Kathy Moore. The motion carried.

6. TO REVIEW, DISCUSS AND TAKE ACTION TO ADMINISTER STATEMENT OF OFFICER AND OATH OF OFFICE OF DIRECTORS FOR NEW MEMBERS APPOINTED TO THE BOARD, IF APPLICABLE.

No action taken.

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

Kathy Moore stated the Board has a check register of its March paid invoices and invoices paid as of April 8. Kathy Moore added that two checks have not been mailed out yet, for the new banners and the third draw for the restroom/concession stand, but are submitted for payment. Kathy Moore added as a matter of information the District received the deposit for April and it is up compared to March. Kathy Moore stated it puts the Wells Fargo balance at around \$81,000 which is not enough that she recommends moving money into TexPool. A motion was made by Ron Krueger to accept the Bookkeeper's report as presented. The motion was seconded by Clarence Williams. The motion carried. (SEE ATTACHMENT #1)

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

Clarence Williams stated in September of last year Charlie D Electric had submitted 3-4 invoices which were pending and the Board had questions on. One of the invoices included work done for the septic tank installment at the District office. Clarence Williams reported that Charlie D has asked why the invoices hadn't been paid. Pam Golden stated the Board had only approved work for the OTSID office with a not to exceed a certain amount. The remaining invoice amounts were unknown or unauthorized by the Board. Pam Golden stated Clarence Williams indicated he would speak to Charlie regarding those charges. Clarence Williams stated he was to investigate but he resigned shortly after and expected the Board to take over this investigation. Pam Golden stated the District had no outstanding bill to anyone to her knowledge, but requested Elisabeth Meehan to review the records and report back to the board. A motion was made by Ron Krueger to adopt the check registry as presented. The motion was seconded by Kathy Moore. The motion carried. (SEE ATTACHMENT #2)

9. TO REVIEW, DISCUSS AND TAKE ACTION TO RECEIVE AND APPROVE QUARTERLY VISITORS BUREAU REPORT.

Pam Golden stated the Board received the quarterly report for the visitor's bureau. Visitor counts are up from the January report. 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. (SEE ATTACHMENT #3)

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

Kathy Moore stated the District received a record amount of interest, \$62.00 in TexPool, which used to be pennies. Kathy Moore added the balance now is \$223,804.47. A motion was made by Ron Krueger to accept the Investment Officer's report as presented. The motion was seconded by Kathy Moore. The motion carried. (SEE ATTACHMENT #4)

11. TO REVIEW, DISCUSS AND TAKE ACTION REGARDING THE ENGAGEMENT OF AN AUDITOR TO CONDUCT AN ANNUAL AUDIT FOR THE 2015-2016 YEAR.

Pam Golden stated the Board has not heard back from Brooks and Cardiel who indicated interest once the District engaged a bookkeeper. Elisabeth Meehan stated Katherine Turner, Bookkeeper will talk to them regarding their interest and submit other candidates for consideration as well. Pam Golden added that the Board has up to 45 days after the closing of the books to engage an auditor. A motion was made by Kathy Moore to table this item until the May meeting. The motion was seconded by Clarence Williams. The motion carried.

12. TO REVIEW, DISCUSS AND TAKE ACTION ON THE AGREEMENT BETWEEN THE DISTRICT AND SPRING PRESERVATION LEAGUE FOR PAYMENT OF THE LEASE FOR PRESERVATION PARK FOR THE PERIOD APRIL 1, 2016 THROUGH MARCH 31, 2017.

Clarence Williams stated the previous OTSID attorney drafted a letter that indicated payment of the lease by the District to the League was never sent to the League. Pam Golden stated the District has a signed copy of the letter, (signed by Pam Golden and Yvonne Denbina) (SEE ATTACHMENT #5) however was a signed copy from the League was never obtained. Pam Golden stated all the District has from the League is a letter in August 2015 that confirms each month's contribution would be used exclusively for the next month's lease payment to Mr. Don Bayer. (i.e., September payment for October rent). Pam Golden stated there is not really any letter of agreement between the League and the District. Adam Tabak stated the referenced letter from the District to the League is more of a guarantee of payment. Pam Golden conferred. Pam Golden asked if the Board wanted to take a minute and review the letter so that a current document could be signed for the 2016-2017 year.

Clarence Williams proposed that the District update this letter to carry through to the end of the 2016-2017 fiscal year. Pam Golden stated one thing she doesn't see is any financial reimbursement or evidence that the League has a financial need for the lease payment. Pam Golden asked if they could have a letter agreement or see the League's financial statement. Clarence Williams stated it is pending in the League that they're working on a fee schedule for people to hold events in the field. Clarence Williams added there are three new buildings out in the field that are also available to rent. Adam Tabak stated the letter is just a guarantee of payment, but he can draft a joint operations agreement if that's what the District wants. Clarence Williams stated that would be good to have.

Adam Tabak asked if the District can work directly with the owner of the land. Pam Golden stated Clarence Williams has previously reported that the owner, Don Bayer only wants to work with the current lease holder, the Spring Preservation League, and doesn't want to break their current lease. Clarence Williams stated the District needs a joint operating agreement with the Spring Preservation League and announced that Don Bayer has extended the lease with the Spring Preservation League from ending in 2017 to ending in 2020 and frozen the rent amount at its current amount for \$2,300 a month. Pam Golden stated she wanted to repeat what Clarence Williams has stated. Pam Golden questioned Clarence's knowledge of the discussion the District had with Mr. Bayer and the potential interest of leasing with him following the 2017 lease with the Spring Preservation League. Clarence Williams stated as a Board, the District voted to postpone discussion of the topic until January 2017.

Pam Golden stated Clarence Williams is being manipulative with the facts. Pam Golden questioned Clarence Williams's comment that the District hasn't taken any action on working with the Spring Preservation League. Pam Golden added the District has voted to pay the lease as well as the maintenance, the utilities and the manpower. Pam Golden took issue with Clarence Williams saying the Board has never done anything and never told the Board until this moment that Mr. Bayer and the Spring Preservation League renewed and froze the lease. Clarence Williams stated he believed the Spring Preservation League did good business down there. Pam Golden asked the fellow Board members if they were willing to let Clarence Williams state the District doesn't work with the League and asked if they had prior knowledge that the lease with Mr. Bayer had been extended. Ron Krueger stated he was not aware the lease was extended for an extra three years. Kathy Moore stated she was also not aware of the lease extension. Ron Krueger stated a joint operating agreement would be good, especially one that showed financial reports from both the League and the District. Clarence Williams stated the Board alleges it's not getting anything out of the lease, but it has a new restroom/concession stand and several maintenance sheds that are on the property and the District was getting free rent on them.

Adam Tabak asked if the District gets any reimbursement for the field now that they are paying the lease. Pam Golden stated the District gets no money back. Clarence Williams stated we have the buildings there. Adam Tabak asked, hypothetically, if someone wants to put on a festival, who they would contact. Clarence Williams informed him they would contact the League. Ron Krueger stated the Board took the lease as a marketing tool, the parking lot and Preservation Park are kept in Old Town Spring's hands and it assists Old Town Spring financially, whether or not the District receives anything tangible. Clarence Williams added it's not about what we get out as a District, it's what Old Town Spring gets. Kathy Moore stated the District maintenance does the maintenance in the Park and in town and the League runs the festivals. Clarence Williams stated the original intent of the District and its creation was to take over utility bills and other payments originally paid by the League and previous Boards have had no qualms with it. Pam Golden stated

the District has spent over 30% of its income in 2015-2016 on Preservation Park, and less on other items such as payroll. Pam Golden stated she's aware District maintenance has its office on Preservation Park, but no listed liability agreements, fee schedules, etc. are identified with responsibility.

Kathy Moore stated she would like to see a utility fee schedule with events that if electricity and water go over a certain amount, the League would reimburse the District. Clarence Williams stated in February there was a Big Top Vintage Market in Preservation Park which brought in thousands of people, packed the shops and benefited the paid parking lots. Clarence Williams added the League received \$3,000 from the Big Top people, but yet the District wants utilities reimbursed, \$200 or more, when the District benefited from the sales. Kathy Moore stated it seems possible that a flat fee could be instituted based on use, if utilities go over a certain amount. Clarence Williams stated the League is working on something similar to a fee schedule, but he stated anything from the League is resisted strongly from some in this office. He added if the District doesn't want to pay bills, the League doesn't care if the District is involved; a third party individual would in and take things over and that would change things for this Board.

Adam Tabak stated if the District wants a joint operating agreement, he can draft one, but he needs to know what each side wants. Clarence Williams stated the League has wanted one for two years. Ron Krueger stated the agreement should say something about liability and who insures what. Clarence Williams stated the District has no liability for the park. Adam Tabak stated it would not be too much trouble to add the District as additional liability Clarence Williams stated the District has employees who frequently work in the field. Kathy Moore stated we do have Worker's Comp. Adam Tabak stated Worker's Comp wouldn't only be for the workers injured on the job, not liability for the field. Adam Tabak asked why the District can't be added as an additional insurer for the League's policy. Clarence Williams stated that isn't a big deal.

Adam Tabak offered that the District can always table this discussion until a proposed fee agreement is made. He can also work on a joint operating agreement. Adam Tabak asked why the District doesn't directly have an agreement with the Bayer's. Ron Krueger stated he believes Mr. Bayer prefers working with the League. Kathy Moore stated this item should be tabled until a joint operating agreement can be written to discuss. A motion was made by Kathy Moore to update the letter agreement with the League to guarantee payment for the Lease of Preservation Park through March 31, 2017. The motion was seconded by Ron Krueger. The motion carried.

13. TO REVIEW, DISCUSS AND TAKE ACTION REGARDING INSURANCE COVERING THE REAL PROPERTY AND IMPROVEMENTS OWNED BY THE DISTRICT IN PRESERVATION PARK.

Pam Golden stated in the March 11 meeting Clarence Williams asked to add coverage of properties which he sent by email to the Board. James Sloan stated he walked through Preservation Park with the list and photos provided and emailed the broker. Clarence

Williams stated the League has a policy that insures the actual land for two million. James Sloan pointed out that the District insures the District office, the three existing restrooms, the maintenance barn and the supplies in the maintenance barn. Kathy Moore stated the shipping containers were not on the policy but they were purchased within the last three years. Clarence Williams stated Drink 1 was burned down in December and Token 4 was torn down recently. Clarence Williams added the District never insured the buildings, including Drink 1. He reported the League insured Drink 1 because they had an insurable interest. James Sloan stated he can ask the broker how much it would cost, but he wanted to see if the Board was ok with the reflected costs itemized on the emailed list. Kathy Moore pointed out that the restroom/concession stand will need to be measured and insured once completed. She asked if the token booths needed to be insured. Adam Tabak advised that it would be better to insure now to prevent the possibility of them being damaged. James Sloan stated \$20,000 seems costly for the Zydeco stage. Clarence Williams stated this is an estimate made based on the cost of repairing the damaged entry way and it's much lower than the entry way bids. Clarence Williams added the League wanted to know if Drink Booth 3 could be torn down. Pam Golden stated the Board never voted to tear down Token 4. Clarence Williams stated there was no vote; a District director took it upon himself to tear down Token 4 as it posed a hazard. Clarence Williams added the League paid \$1,000 to add new locks to the property to prevent theft.

Pam Golden asked if the Board needed to make a motion to move forward. James Sloan asked the Board to clarify, it has liability and property coverage on the museum restroom, but doesn't own the property or the land, if it can remove the coverage. Pam Golden stated she spoke to Ella from the County regarding this. James Sloan asked if the District has insurable interest in that restroom. Clarence Williams stated the District just cleans it and provides restroom supplies. James Sloan asked if the new restroom will replace the old Preservation Park restroom on the policy. Pam Golden clarified that Board hasn't voted or discussed what it will do with the current Preservation Park restroom. A motion was made by Kathy Moore that once James Sloan receives the Board's feedback on the value of the listed uninsured buildings he'll move forward on adjusting the policy. The motion was seconded by Ron Krueger. The motion carried.

14. TO REVIEW, DISCUSS AND TAKE ACTION REGARDING THE RENEWAL OF THE DISTRICT'S MEMBERSHIP IN TEXAS ASSOCIATION OF WATER BOARD DIRECTORS.

Pam Golden stated it costs \$580 to renew the Board's membership in the Association of Water Board Directors. Kathy Moore asked what benefit the District gets from membership. Pam Golden stated she attended their conference last year and received applicable information for Special Purpose Districts. Ron Krueger asked if they had an upcoming meeting. Pam Golden indicated that was in the next topic for discussion. Clarence Williams questioned how beneficial it was to send only one director to a conference. Pam Golden stated she believed it was very beneficial. Pam Golden advised the cost of the conference doubles for non-members. A motion was made by Clarence Williams not to approve renewal of membership with the understanding that one director

could attend as a non-member for less than the cost of membership plus conference attendance. The motion was seconded by Kathy Moore. The motion carried.

15. TO REVIEW, DISCUSS AND TAKE ACTION TO AUTHORIZE DIRECTORS AND/OR STAFF TO ATTEND THE TEXAS ASSOCIATION OF WATER BOARD DIRECTORS' CONFERENCE IN FT. WORTH, TX, JUNE 23 - 26, 2016, AND AUTHORIZE REIMBURSEMENTS FOR SAME.

Pam Golden stated it's a large conference, with early preparation for attendance needed. Ron Krueger stated he would have difficulty attending with his schedule. He asked if Elisabeth Meehan can attend as a staff member. Pam Golden said she could that the registration deadline is May 11 for a rate of \$810.00 for non-members. Item was tabled to May 9 meeting.

16. TO REVIEW, DISCUSS AND TAKE ACTION TO RECEIVE REPORT ON THE STATUS OF RESTROOM/CONCESSION BUILDING PROJECT AND THE EXPENDITURES PRESENTED.

Clarence Williams stated the restroom/concession stand is substantially completed and the plumbing is functional, the partitions between the toilets are being built offsite as he anticipated no activity this week due to rain. They will return to install the partitions and complete wrapping the deck. Clarence Williams added that Pam Golden wanted a final walk through before the final 10% retainer is written. Pam Golden stated that requirement is per the contract. Clarence Williams report Mr. Anderson prewired outside electric lines and added shelving for the concession stand at their own expense. WDA Consulting also decided an electric water heater wasn't as cost effective and changed it to on and off electric system. Additionally, the initial contract specified using vinyl tile and that has been upgraded to laminate flooring, which he explained is three times better than proposed. Pam Golden asked about the ADA handicap ramp. Clarence Williams stated that's being installed following ADA requirements. Kathy Moore added that she would like to thank Clarence Williams for taking the lead on the project and doing all the leg work to get it completed.

17. 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.

No need for Executive Session at this meeting. No action taken.

18. TO DISCUSS ANY ITEMS TO BE PLACED ON THE AGENDA FOR THE NEXT MEETING TO TAKE PLACE ON MAY 9, 2016.

19. TO RECEIVE PUBLIC COMMENT.

No public comments from the floor. Clarence Williams stated it was moved to the front

of the meeting in 2014. Adam Tabak stated he would move it back to the top for the next meeting.

20. ADJOURNMENT.

A motion was made by Kathy Moore to adjourn. The motion was seconded by Clarence Williams. The meeting adjourned at 6:34 pm.

(SEAL)

Kathy Moore, Financial Officer

Prepared by Elisabeth Meehan
OTSID Office Administrator

ATTACHMENTS:

1. Bookkeeper's Report.
2. Check Detail.
3. Quarterly Visitor's Bureau Report.
4. Investment Officer's Report.
5. Letter from the District to the League regarding payment of the Lease of Preservation Park