

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 14th day of December, 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 Clingerman from Harris County Precinct 4, Robin Bobbitt from the Law Firm Radcliffe, Bobbitt, Adams, and Polley, PLLC, Clarence Williams, Gloria Williams, and Elisabeth Meehan, OTSID Office Administrator.

1. DETERMINATION OF QUORUM; CALL TO ORDER;

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

2. REVIEW AND APPROVE MINUTES OF REGULAR MEETING OF NOVEMBER 9, 2015

Upon a motion duly made by Kathy Moore and seconded by Yvonne Denbina, the Board voted to accept the minutes for November 9, 2015 as presented. The motion carried.

3. PUBLIC COMMENTS;

No public comments.

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

Yvonne Denbina and Pam Golden reported that two candidates have been considered and both withdrew. Pam Golden stated that there is an application pending from one property owner. Elisabeth Meehan is updating the list of property owners. Clarence Williams suggested using the interactive map from HCAD to update the property owner list. No motion made.

5. HEAR UPDATE REPORT OF SUBCOMMITTEE 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 presented a new proposal for a restroom/concession stand in Preservation Park. This proposal was distributed to the board members for review. She stated the cost was an increase from a previous proposal as it has a stronger foundation that would allow for portability. Robin Bobbitt reviewed with the Board Texas laws on solicitation of bids for construction and materials. She clarified that bids over \$75,000 requires written specifications that must be written in a matter that allows all bidders to bid on the same specifications and must be received as a sealed bid. She also noted permits with the County would be required for all building and improvements. Kathy Moore stated that if it is not built as a mobile unit the costs will be lowered.

Pam Golden asked if the restroom has a designated location in the Park. Kathy Moore stated it would fit in the location of the concession stand currently in poor condition. The Board discussed various specifics: plumbing, A/C, and decking of the bid presented. Clarence Williams interjected to add the contractor would cover everything but the air conditioning. Pam Golden asked if references could be provided by this contractor. Clarence Williams responded that he is a long-time contractor from The Woodlands. Kathy Moore reported she will go over the information on requirements presented by legal counsel on bids and/or solicitations for building. A motion was made by Kathy Moore that the subcommittee continue research and report on the subject at the next meeting. The motion was seconded by Ron Krueger. The motion carried. (SEE ATTACHMENT #1 AND #2)

6. DISCUSSION ON AND CLARIFICATION OF RESOLUTION REGARDING DEDICATION OF FUNDING FOR PRESERVATION PARK ADOPTED AT THE AUGUST 10, 2015 MEETING;

Pam Golden stated that the Board has had several discussions on this topic and her concern has yet to be covered specifically, as it lacks a contractual agreement between parties. Pam Golden read part of the Resolution and asked for clarification on the Resolution for a lease that is not in the District's name. Kathy Moore asked about the letter the League sent to the District specifying that the League would use the money specifically for the lease. Elisabeth Meehan obtained the letter on file and it was read aloud. Robin Bobbitt expressed concerns that there is no written agreement or contractual arraignment with the Spring Preservation League. Pam Golden stated again that the Resolution is not specific about the definitions of maintenance and repair which is left to interpretation on no specified basis. Kathy Moore stated that the resolution is clear as it stands and to change it would be limiting. Robin Bobbitt asked if the Board considered the lease payment of \$2,300 part of the 20%.

Kathy Moore asked that Elisabeth Meehan continue showing an ongoing description of the 20% of the budget and add that to the bookkeeping report as a means of reporting the dollar amount. Robin Bobbitt asked for clarification on cumulative funds in the last sentence. Robin Bobbitt stated the resolution doesn't have a commitment to pay the lease, especially when the Board has a new Board. Kathy Moore stated that the Board has voted to pay for the lease, but it could be added to the resolution. Robin Bobbitt confirmed that the resolution can be amended. Kathy Moore stated the Board should enter into a legally binding contract with the League. Robin

Bobbitt said it could be documented in a letter of agreement with both the League and the District and it could even be a month-to-month agreement. A motion was made by Kathy Moore to send the resolution to legal counsel for clarification to be presented at the January 2016 meeting. The motion was seconded by Yvonne Denbina. The motion carried. (SEE ATTACHMENT #3)

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

Robin Bobbitt received a copy of the lease which did not specify the billboard and appeared to be a generic agreement for a property lease. Robin Bobbitt's other concern is the inability to change the art work. Clarence Williams stated that Bill Ash will not pay for new printing of art work. If art work is changed, the District would have to pay for the extra changes. Robin Bobbitt made clarifications about the exact location of what the District is paying for, the term "prior art" to "existing art" and change irrelevant lines. Robin Bobbitt will send the Board a red-line copy of the lease to show what changes have been made. No motion was made.

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

Robin Bobbitt has received the current League lease with Don Bayer and legal counsel has created a draft of the lease. Robin Bobbitt stated the District needs to come up with the specific terms they want and they can report those to her. Clarence Williams spoke from the floor to specify Don Bayer intends to keep the current lease with the Spring Preservation League until June 2017. Kathy Moore stated the League would have to rescind the lease and would need to be involved in the discussion. Don Bayer has been informed that the District is paying the lease, but the Spring Preservation League submits a check to Mr. Bayer. Kathy Moore stated it would be a moot point to talk to Don Bayer without the League being involved.

Pam Golden stated the District should move forward with the letter agreement Robin Bobbitt is drafting between the District and the League, as this was a voted board decision to pursue. Robin Bobbitt suggested amending the current lease effecting who is paying the lease and adding an end date for a new lease. Pam Golden stated the District's lease offer would have to start with the current amount being paid. Clarence Williams stated that the League wants the same agreement that they would have their office in the park and the rights to the festivals. Pam Golden stated that the Board has voted to pay the lease for the Spring Preservation League for Preservation Park through March 2016. Pam Golden stated that a firmer version of a lease proposal with Don Bayer should be finalized.

The Board discussed the details of the proposed lease with Don Bayer. Robin Bobbitt asked the Board what they wished to propose the current \$2,300.00 monthly rate and if interested in including an escalation clause. Kathy Moore stated that previous escalations have been 10 percent every two years. The Board's consensus is the terms of the lease drafted by legal counsel would include the following:

- Monthly rental of \$2,300.00
- Right of first refusal for purchase clause
- A five year lease to include a 5% escalation clause annually

- Rights of the Spring Preservation League usage of the land for the Spring Preservation Leagues office.
- Rights of the OTSID usage of the land for maintenance buildings and storage buildings.
- Rights of the Spring Preservation League usage of land for events and festivals to be outlined in a separate contract between all parties.
- Rights of exception for usage of Don Bayer for private events held on the property.
- Rights and agreements for utility improvements and buildings to and on the property.

Robin Bobbitt will send the drafted lease proposal to the Board members for review at the January 2016 meeting. No motion was made.

9. DISCUSS REQUIREMENT TO FILE IRS FORM 940 - EMPLOYER'S ANNUAL FEDERAL UNEMPLOYMENT TAX RETURN: AND TAKE ACTION ON SAME;

The District received a letter in April 2015 stating that it did not need to file an annual 940 form. Robin Bobbitt and the Board received a copy of the letter sent to the District. The letter stated the District is not required to file form 940. Robin Bobbitt stated she is seeking clarification with the Auditors due to conflicting information on the matter. She will report her findings at the January meeting. (SEE ATTACHMENT #4) No motion required.

10. CONSIDER BOOKKEEPERS REPORT;

Kathy Moore stated that the Bookkeeper's report reflects payments for the end of November. Kathy Moore added that the December 2015 payment has been received but the next Bookkeeper's report will note a decrease, due to December 2014's extraordinarily large payment. (SEE ATTACHMENT #5)

a. APPROVAL OF PAYMENT OF INVOICES FOR NOVEMBER 2015;

Pam Golden stated that the motion should include check numbers that are being approved. A motion was made by Yvonne Denbina to approve the payments of the checks for November 2015 from 10111 through check 10138 for November 2015 and to accept the Bookkeeper's Report as presented. The motion was seconded by Ron Krueger. The motion carried. (SEE ATTACHMENT #6)

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

Item tabled to January 2016 meeting.

c. CONSIDER EMPLOYEE HOLIDAY/BONUS EXPENDITURE, AND TAKE ACTION ON SAME;

A motion was made by Yvonne Denbina to compensate each of the four employees of the District with a holiday bonus with a \$100 Visa gift card. The motion was seconded by Kathy Moore. The motion carried.

11. INVESTMENT OFFICER'S REPORT;

Kathy Moore reported that the District moved \$50,000 into TexPool from Wells Fargo. It received \$11 in interest in November. A motion was made by Ron Krueger to accept the

Investment Officer's report as presented. The motion was seconded by Yvonne Denbina. (SEE ATTACHMENT #7)

12. ATTORNEY'S REPORT; INCLUDING:

a. REVIEW AND DISCUSS USE OF LEGAL COUNSEL SERVICES AND MOTIONS MADE RELATED TO SAME AT AUGUST 26, 2015 MEETING; Ron Krueger stated the first motion from the August 26th regarding not being able to contact legal in case of an emergency should be discussed. Robin Bobbitt stated the District had violated it on many occasions. Kathy Moore stated that with the flat fee it becomes a moot point. Motions one and two from August 26 read:

- *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.*
- *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.*

A motion was made by Yvonne Denbina to strike the two above motions from the August 26, 2015. The motion was seconded by Ron Krueger. The motion carried.

Pam Golden reported receipt of an invoice for legal services retroactive from July to November 2015. Kathy Moore stated her appreciation in the modesty of the invoice and noted some items have been discounted. Robin Bobbitt stated that the election and extra items would be included as extra payments outside of the flat fee and would be brought to the Board.

Robin Bobbitt added that the December 2015 Agenda did not include the election because anything related to the election or changes to the resolution regarding the election date must be put on the Agenda in four different languages: Chinese, Vietnamese, Spanish and English. It would also appear on a supplemental agenda. Rather than spend more money on a rushed translation fee, legal counsel for the District decided to postpone the item until January 2016 Agenda.

b. REVIEW/DISCUSS DISTRICT GENERAL LIABILITY OBLIGATION

Pam Golden reported she sought legal counsel regarding liability concerns from local businesses regarding the hayride business in town. Josh Ellery from legal stated the District could be named, but would not have liability because it has no part in the operation. This type of activity falls on the liability of the operator.

Robin Bobbitt reported Josh Ellery spoke with FP Mailing Solutions regarding the postal meter contract. He was successful in getting the contract void and returning the meter back to the vendor. Robin Bobbitt has instructions for how to ship the meter back and will forward to Elisabeth Meehan for her to complete.

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

14. CALENDAR UPDATE AND CONFIRM MONTHLY BOARD MEETING ON MONDAY, JANUARY 11, 2016 AT 5:00 P.M.; AND

15. ADJOURN

A motion was made by Ron Krueger to adjourn the meeting. The motion was seconded by Yvonne Denbina. The motion carried. The meeting adjourned at 7:50 pm.

(SEAL)

Yvonne Denbina, Secretary

Kathy Moore, Financial Officer

Prepared by Elisabeth Meehan
OTSID Office Administrator

ATTACHMENTS:

1. Bid for Restroom/Concession Stand
2. Subchapter 1, Sec. 49.273 of the Texas Water Code
3. Board of Directors Resolution on Preservation Park
4. April 2015 letter from the IRS re: 940 annual form
5. Bookkeeper's Report
6. Check Detail
7. Investment Officer's Report