

Old Town Spring Improvement District



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Minutes of the Special Board 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 28th day of March, 2016 at 4:00 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
Yvonne Denbina	Position 5-Secretary

All of the above Board members except Kathy Moore were present. Quorum was established. Also in attendance were Kent Clingerman from Harris County Precinct 4, Adam Tabak from Coveler & Katz, Katherine Turner from Municipal Accounts, and Elisabeth Meehan, OTSID Office Administrator.

1. DETERMINATION OF QUORUM: CALL TO ORDER;

The meeting was called to order at 4:00 pm.

2. CONSIDER/DISCUSS ENGAGEMENT OF LEGAL COUNSEL FOR THE DISTRICT, AND TAKE ANY NECESSARY ACTIONS ON SAME;

Pam Golden introduced Adam Tabak from Coveler & Katz, stating the Board had requested they meet with the assigned OTSID representative of the Firm. Clarence Williams asked if it was correct that their Firm handled primarily Fire Departments. Adam Tabak stated that was true, and referred to a conversation with Pam Golden prior to the meeting, that the Open Meeting Act requirements of an Emergency Service District and an Improvement District were the same. Ron Krueger asked if the Firm has worked with any Improvement Districts. Adam Tabak said this would be their first, but they work with Special Purpose Districts like OTSID. Clarence Williams asked if the Firm would handle elections or outsource them. Adam Tabak said they are currently running six ESD elections himself. Adam Tabak stated he'd been told prior to the meeting that Old Town Spring has approximately 45 registered voters and he expects with an election that small it shouldn't be too expensive. Clarence Williams added that Old Town Spring's registered voter list has been declining. Clarence Williams asked how the Firm bills its clients. Adam Tabak stated it's by the hour with no retainer. Clarence Williams asked how flexible Mr. Tabak's time will be in order to attend emergency or special meetings. Adam Tabak stated the Firm is flexible on time and could be reached easily by phone or email as well.

Clarence Williams stated it seemed as if their Firm was stretched thin. Clarence Williams asked if Adam Tabak would be the District's actual representative. Adam Tabak confirmed that he would be. Yvonne Denbina asked Adam Tabak to clarify his Firm's rate. Pam Golden stated the Board received a letter from their Firm at the previous meeting and reiterated their rates: \$300/hr for Tabak, \$350/hr for a partner, and \$275 for a paralegal. Adam Tabak said he could answer any more questions. No more questions were asked. Pam Golden invited Adam Tabak to stay or leave the meeting if wanted. Adam Tabak decided to stay for the conclusion of the meeting to learn more about the Board.

Ron Krueger asked if the Board was ready to engage one of the Firm's at this meeting. Pam Golden stated at the last Board meeting, it was discussed that the Board wanted to meet the person who would be attending the meetings. Ron Krueger stated that the Board also met with Casson Wen and Eric Tonsul from the "Five Guys" Firm and that their rates are pretty similar. Pam Golden stated the Five Guys rates are slightly higher per hour. Pam Golden stated there's been discussion back and forth with regards to what tasks the attorneys had do, and as our training as told, it's important for legal counsel to attend our meetings. She stated from her training that legal counsel was highly recommended to be present at all board meetings. Pam Golden added previous counsel had informed us of that as well to include direction with preparing, filing, and recording the agendas. Pam Golden noted that time and risk of Elisabeth Meehan traveling downtown to file the agenda could be removed if the law firm filed for the District.

Adam Tabak stated their Firm files agendas all the time and preparing it would not take much time. Clarence Williams asked if there's a big deal about agenda wording. Adam Tabak stated he might give guidelines about wording, making sure the Open Meeting Act requirements are met. Clarence Williams stated he's read many of the agendas and believes many of them are written poorly. He added that he's read several county agendas, and there is no wording that says 'consider/discuss and take action'. Clarence Williams added that he has always questioned why the District does its agendas the way it does and two prior attorneys have said it had to be done that way. Adam Tabak stated in working with the District, eventually there will be a template it can just use as a format.

Clarence Williams asked where the Firm's office is and Adam Tabak stated at Gessner and Memorial Mall, but the District isn't charged for mileage. Yvonne Denbina asked if Adam Tabak could guesstimate his fee. Adam Tabak stated it depends on how much we do, if it's just the minutes and agenda and meeting, it might be 4-5 hours a month, a minimum of 4 hours, but the election would have more. Adam Tabak added that 90 percent of the work is agenda, minutes, meetings, he doesn't see the Board paying \$2,000 a month, but can't give the Board a hard number at this time.

Pam Golden stated the Board has now had time to compare both Coveler and Katz and Five Guys and asked if anyone wanted to make a motion. Adam Tabak added that he can leave or the Board can go into an Executive Session. Ron Krueger stated he is ok with either Firm, but Coveler and Katz seems more comfortable with SPDs. Yvonne Denbina added their Firm does elections and the other Firm outsourced elections. A motion was made by Yvonne Denbina to engage the Firm of Coveler & Katz for the District's legal counsel for 2016-2017 beginning

April 1, 2016 through April 1, 2017, then at that time consider renewal of engagement. The motion was seconded by Clarence Williams. The motion carried.

3. CONSIDER/DISCUSS ALLOCATION OF FUNDS TO RUN ELECTRIC, WATER, AND SEWER TO NEW RESTROOM IN PRESERVATION PARK, AND TAKE ANY NECESSARY ACTIONS ON SAME;

Clarence Williams stated it's in the contract with WDA Consulting that the District will cover the costs of the water, sewer and electric hookups for the restroom/concession stand in Preservation Park. Clarence Williams added the electrical work is ready to be hooked up and with the Board's approval, he has an electrician who was laid off from the oil business doing work in the Park and his hourly rate is less than Charlie D Electric and could complete the work quickly. Clarence Williams stated a district employee would need to rent a bucket lift for one day allowing the electrician to perform the connections. Clarence Williams presented an estimate from Four Corners to connect the sewer from the building to the current lines in the Park for \$2,875, this estimate includes repairing the asphalt that will be removed during the work.

Pam Golden asked if a permit from Quadvest was needed to connect to the sewer/water lines. Clarence Williams stated the lines were previously in place from the existing restroom and a permit was not required. Pam Golden asked if a permit was needed for the electric work. Clarence Williams answered Reliant had already approved it and it's a matter of reconnecting. Ron Krueger asked if a motion for sewer, water and electric hookups needed to be considered separately. Clarence Williams estimated the costs would be \$1,000 for electrical, \$300 for water and \$2,875 for the sewer. Pam Golden asked about the cost of the lift rental. Clarence Williams stated it's included in the cost of the electric hookup. Pam Golden stated she had concern about an electrician who was not working for a company perform the work asking Mr. Williams if he was insured. She noted it is a risk to the District and the Board if he was injured while working on the site.

Clarence Williams stated the Board could ask Charlie D Electric, which would cost more and take longer to complete. Adam Tabak offered comment that the District ask the electrician for a certificate of insurance and have the District be added as additional insurers. Pam Golden stated the District doesn't own the property nor has insurance coverage for the grounds or a lease agreement. Adam Tabak stated he saw those issues as red flags. Clarence Williams stated that the League (SPL) would pay for the electric hookup to get the job done. Adam Tabak suggested the District reimburse the League (SPL) up to a certain amount and this would have the least amount of liability for the District.

Pam Golden asked when the next draw for WDA Consulting would be made. Clarence Williams stated it might be the end of this week; the interior walls are being put up. He added that he believed the checks are ready. Pam Golden stated this was a concern of hers having heard that written checks were post-dated to reflect the end of the fiscal year and seems like a bad business practice. Clarence Williams stated the final check hasn't been written and won't be until all the Board members do a final walkthrough of the premises upon completion. Katherine Turner, OTSID bookkeeper stated checks do not have to be signed by the end of the fiscal year if the expenditure was Board approved during that year. She stated the auditor will adjust expenses sometimes as far out as two months to allow all checks written in the closing year to clear.

A motion was made by Clarence Williams that the District reimburse the Spring Preservation League for up to \$1,000 for the electrical connection to the restroom and concession stand. The motion was seconded by Yvonne Denbina. The motion carried.

A motion was made by Clarence Williams to approve \$2,875 payment for Four Corners Plumbing and HVAC to do the sewer hookup and repair the asphalt. The motion was seconded by Yvonne Denbina. The motion carried. (SEE ATTACHMENT #1)

A motion was made by Clarence Williams to allocate up to \$300 for District maintenance to purchase plumbing supplies for the water connection. The motion was seconded by Yvonne Denbina. The motion carried.

4. CONSIDER/DISCUSS REPLACEMENT OF SECURITY FLOOD LIGHTS IN PRESERVATION PARK WITH LED LIGHTING THROUGH AN ENERGY SAVING PROGRAM WITH RELIANT, AND TAKE ANY NECESSARY ACTIONS ON SAME; Clarence Williams stated he had been informed by a contractor that Reliant has a program that replaces light bulbs with LED lights. Preservation Park has 30 floodlights and it could save money on electricity. Clarence Williams stated it is his recommendation that Pam Golden and Elisabeth Meehan research and see if that program is still available. Pam Golden stated Elisabeth Meehan will follow through and see if the promotion is still available and can report back to the Board.

5. CONSIDER/DISCUSS ADOPTION OF THE 2016-2017 OTSID ANNUAL BUDGET, AND TAKE ANY NECESSARY ACTIONS ON SAME; Elisabeth Meehan presented the 2016-2017 Budget, reflecting the revisions the Board requested at the previous meeting. Pam Golden noted the 20% Resolution and asked how the Board wanted to account for that. Ron Krueger ask for clarification of the 20% asking if it was a minimum up to 20%. Katherine Turner asked if it was a maximum of 20%. Clarence Williams stated it was a minimum of 20%. Katherine Turner stated from the floor she had read the Excel file and the Board had so far only subtracted the lease, whereas it should include every Preservation Park expense. Clarence Williams stated other organizations have shown income as split into two different accounts in QuickBooks. Katherine Turner stated it should be clear and that she can show Elisabeth Meehan how to set it up in QuickBooks with revenue split 80/20, and have a P&L for Preservation Park separate from the rest if needed. Katherine Turner recommended the surplus fund be named a contingency fund that the Board can build off of if needed and have the budget zeroed out. A motion was made by Clarence Williams that the Board accept the 2016-2017 Annual Budget as submitted, with the addition of changing the surplus fund to a contingency fund. The motion was seconded by Ron Krueger. The motion carried. (SEE ATTACHMENT #2)

6. ADJOURN

A motion was made by Yvonne Denbina to adjourn the meeting. The motion was seconded by Clarence Williams. The meeting adjourned at 5:20 pm.

(SEAL)

Kathy Moore, Financial Officer

Prepared by Elisabeth Meehan
OTSID Office Administrator

ATTACHMENTS:

1. Four Corners Plumbing and HVAC invoice
2. 2016-2017 OTSID Annual Budget