

THE WOODLANDS TOWNSHIP

BOARD OF DIRECTORS

WORKSHOP MEETING

MARCH 17, 2011

MINUTES

THE STATE OF TEXAS §

COUNTIES OF HARRIS & MONTGOMERY §

The Board of Directors of The Woodlands Township met in regular session, open to the public, on March 17, 2011, posted to begin at 7:30 a.m. The workshop session was held in a meeting room at the Office of The Woodlands Township, Board Chambers, 10001 Woodloch Forest Drive, Suite 600, The Woodlands, Texas, within the boundaries of The Woodlands Township.

DIRECTORS PRESENT: Chairman Tough, Vice Chairman Lloyd Matthews, Secretary Claude Hunter, Treasurer Ed Robb, Director Nelda Blair, Director Tom Campbell, and Director Peggy Hausman

DIRECTORS ABSENT: None

STAFF/ADVISORS: Don Norrell, President/General Manager, John Powers, Assistant General Manager Community Services, Monique Sharp, Assistant General Manager of Finance & Administration, Fire Chief Alan Benson, Susan Welbes, Director of Human Resources, Nick Wolda, Director of Community Relations/CVB President, Miles McKinney, Legislative Affairs & Transportation Manager, Karen Dempsey, Management Analyst, Mary Connell, Manager of Community Relations, and Bret Strong, Legal Counsel

Call to Order:

Chairman Tough called the workshop session to order at 7:30 a.m. and declared that notice of this meeting was posted 72 hours in advance at the Courthouses of Montgomery and Harris Counties and inside the boundaries of The Woodlands Township at the office building located at 10001 Woodloch Forest Drive, Suite 600, The Woodlands, Texas. As there was a quorum of members present, the Board proceeded to conduct business regarding the following matters.

Consider and act upon adoption of the meeting agenda:

Chairman Tough called for a motion and second to adopt the agenda.

MOTION: Motion by Secretary Hunter; second by Director Campbell

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None
Abstentions: None
Absent: None

ACTION: Motion passed unanimously.

Recognize Public Officials:

Chairman Tough recognized the following public officials:

- Steve Leakey-President, Alden Bridge Village Association
- Ted Stanley-President, College Park Village Association
- Jim Stinson, General Manager of The Woodlands Joint Powers Agency

Public Comment:

- Dave Oseng-requested to speak during agenda item #18 regarding the 2009 taxation issue

The Public Comment Roster is attached hereto as Exhibit "A".

Receive, consider and act upon a proclamation in support of Earth Day:

Chairman Tough informed the Board that this item will be presented at the March 23, 2011 Board of Directors meeting.

POTENTIAL CONSENT AGENDA:

(This agenda consists of non-controversial or "housekeeping" items required by law that will be placed on the Consent Agenda at the next Board Meeting and may be voted on with one motion. Items may be moved from the Consent Agenda to the Regular Agenda by any Board Member making such request.)

Receive, consider and act upon approval of the minutes of the February 17, 2011 Board Workshop and February 23, 2011 Regular Board Meeting of the Board of Directors of The Woodlands Township:

Chairman Tough asked the Board to review the minutes in preparation of the February 23, 2011 regular Board meeting. Director Campbell requested that the notation indicating that Board members arrived late be placed at the bottom of the page rather than next to "Directors Absent". Secretary Hunter noted that Director Hausman's name was omitted from the vote on the item regarding design services for the renovation of Sawmill Park. Corrections to the minutes will be made prior to consideration and action at the March 23, 2011 regular Board meeting under the Consent Agenda.

Receive, consider and act upon a recommendation from the Audit Committee regarding a Request for Qualifications to provide audit services:

Monique Sharp was called on to present this item. Board members were given a handout of an Executive Summary with a recommendation that the Board approve the Audit Committee's recommendation to

select Belt Harris Pechacek, LLLP, subject to the receipt of positive reference checks, to provide professional audit services for The Woodlands Township and its component units for the audit years 2010-2014, subject to an annual performance review by the Audit Committee. Following Board discussion, the decision was made to remove this item from the Consent Agenda and place it on the Regular Agenda for the March 23, 2011 regular Board meeting for further consideration and action.

Receive, consider and act upon an annual survey of prevailing wage rates and scale for construction projects;

Monique Sharp presented a summary of this item with a recommendation that the Board approve the continuation of the existing prevailing wage rate scale adopted by the Board on March 24, 2010 in Resolution 004-10. Board discussion followed. This item will be brought forward to the March 23, 2011 regular Board meeting for consideration and action under the Consent Agenda.

Receive, consider and act upon an amendment to The Woodlands Township's 2010 Budget to Actual and final approval of expenditures in connection therewith;

Monique Sharp presented a summary of this item with a recommendation that the Board approve the budget amendment as presented in order to tie the 2010 budget to 2010 actual revenues and expenditures. Board discussion followed. This item will be brought forward to the March 23, 2011 regular Board meeting for consideration and action under the Consent Agenda.

Receive, consider and act upon approval of annual compensation adjustments;

Susan Welbes presented a summary of this item with a recommendation that the Board approve the April 3, 2011 salary increases which were included in the 2011 Adopted Budget. Board discussion followed. This item will be brought forward to the March 23, 2011 regular Board meeting for consideration and action under the Consent Agenda.

Receive, consider and act upon an Easement Encroachment Agreement with Magellan Pipeline for Alden Bridge Sports Park expansion;

John Powers presented a summary of this item with a recommendation that the Board authorize the President/General Manager to execute the Encroachment Agreement with Magellan Pipeline, LP contingent upon final approval of legal counsel. Following Board discussion, the decision was made to remove this item from the Consent Agenda and place it on the Regular Agenda for the March 23, 2011 regular Board meeting for further consideration and action.

Receive, consider and act upon an easement with CenterPoint Energy Resources Corporation d/b/a CenterPoint Energy Texas Gas Operations, for gas line improvements in the Village of Alden Bridge, Section 82, Restricted Open Space Reserve "D";

John Powers presented a summary of this item with a recommendation that the Board authorize the President/General Manager to execute an easement with CenterPoint Energy Resources Corporation, d/b/a CenterPoint Energy Texas Gas Operations, contingent upon final review and approval of legal counsel. Board discussion followed. This item will be brought forward to the March 23, 2011 regular Board meeting for consideration and action under the Consent Agenda.

Receive, consider and act upon approval of an amended 2011 meeting calendar for The Woodlands Township Board of Directors;

Karen Dempsey presented a summary of this item with a recommendation that the Board amend the 2011 Board meeting schedule to hold the May Board Workshop at 7:30 a.m. on Thursday, May 19

instead of May 12, 2011; hold the regular May Board Meeting at 6 p.m. on Wednesday, May 25 instead of May 18, 2011; and hold the meeting to seat the new Board members and elect officers on Wednesday, June 1 instead of Wednesday, May 25, 2011. Following Board discussion, the decision was made to remove this item from the Consent Agenda and place it on the Regular Agenda for the March 23, 2011 regular Board meeting for further consideration and action.

BRIEFINGS:

Receive a presentation from Waste Management regarding the funding to enhance environmental education;

John Powers was called on to provide a summary of this item as presented in an Executive Summary. Mr. Powers then introduced Ms. Terry Woodson, Waste Management's Director of Governmental Affairs, who presented The Woodlands Township with a check in the amount of \$50,866.75. The funds will be used to supplement existing Environmental Services programs for The Woodlands Township.

A copy of the Executive Summary is attached hereto as Exhibit "B".

Receive an update from the Marriott's General Manager, Fred Domenick, regarding Convention Center activities;

Marriott General Manager, Fred Domenick presented an update on Convention Center activities. Mr. Domenick stated that The Woodlands Waterway Marriott is rated No. 4 in the nation within the Marriott Corporation for catering activities which is just behind Marriott properties in New York City and Washington, D.C.

Receive an update regarding the 2011 Memorial Hermann Ironman Texas Event;

Scott Langen, resident of The Woodlands and race director for the 2011 Memorial Hermann Ironman Texas Event gave an update regarding the event which is scheduled for May 21, 2011. The Board was informed that approximately 2,800 athletes, from all 50 states and more than 25 countries, are expected to participate in this event which is expected to have an economic impact of \$15.9 million through the sale of thousands of hotel room nights, retail shopping, and food and beverage.

POTENTIAL REGULAR AGENDA:

(This agenda consists of items that will be placed on the Regular Agenda at the next Board of Directors' meeting.)

Receive, consider and act upon providing financial or other requested support to Montgomery County and/or the Lone Star Groundwater Conservation District in opposition to the TexCom Gulf, LLC applications for injection well permits in Montgomery County;

Miles McKinney presented a summary of this item with a recommendation that the Board consider financial or other requested support to Montgomery County and/or the Lone Star Groundwater Conservation District in opposition to the TexCom Gulf, LLC applications for injection well permits in Montgomery County. Board discussion followed. This item will be brought forward to the March 23, 2011 regular Board meeting for consideration and action under the Regular Agenda.

Receive, consider and act upon authorization of payments to Municipal Utility District 39 related to the sale of the property at 250 Harper's Landing Blvd., in accordance with the 2007 Agreement in Support of Compromise and Settlement;

Don Norrell presented a summary of this item with a recommendation that the Board authorize the first payment to Municipal Utility District 39 of \$151,923 for 2011 in accordance with the 2007 Agreement in Support of Compromise and Settlement. Board discussion followed. This item will be brought forward to the March 23, 2011 regular Board meeting for consideration and action under the Regular Agenda.

Receive, consider and act upon a recommendation for the selection of architectural and design services for Central Fire Station;

Fire Chief Alan Benson presented a summary of this item with a recommendation that the Board approve the selection of Joiner Partnership, Inc. for architectural and design services for the new Central Fire Station project and authorize and direct staff to enter into contract negotiations with Joiner Partnership, Inc. subject to further Board approval. Board discussion followed. This item will be brought forward to the March 23, 2011 regular Board meeting for consideration and action under the Regular Agenda.

Receive, consider and act upon renovations for the property located at 9012 New Trails;

Don Norrell presented a brief summary of this item and then called on Damon Palermo, Project Manager, to provide additional information. Mr. Palermo presented a preliminary design and renovation plan for the new office facility. Board discussion followed. This item was for information sharing only.

Receive, consider and act upon potential State Trust Fund Grant application regarding the 2011 Memorial Hermann Ironman Texas Event and authorize the President/General Manager to negotiate an agreement with the World Triathlon Corporation based upon final approval of the Board of Directors;

John Powers presented a summary of this item with a recommendation that the Board authorize the President/General Manager to negotiate with the World Triathlon Corporation a Trust Fund Reimbursement Agreement and return to the Board for review and approval. Following Board discussion, the decision was made to remove this item from the Regular Agenda and place it on the Consent Agenda for the March 23, 2011 regular Board meeting.

The Board recessed briefly at 9:50 a.m. and reconvened in Open Session at 10:00 a.m.

Receive, consider and act upon an amendment to the 2011 Capital Projects Budget for the carryover of certain funds included in the 2010 Capital Projects Budget;

Monique Sharp presented a summary of this item with a recommendation that the Board approve an amendment to the 2011 Capital Budget in the amount of \$7,278,058 for the carryover of certain 2010 Capital Projects as presented. Following Board discussion, the decision was made to remove this item from the Regular Agenda and place it on the Consent Agenda for the March 23, 2011 regular Board meeting.

Receive, consider and act upon an amendment to the 2011 Budget for Environmental Services Contracted Services;

Monique Sharp presented a summary of this item with a recommendation that the Board approve a 2011 budget amendment in the amount of \$16,800 for the Environmental Services budget, line item contracted services, to fund the remaining balance on the purchase order issued in 2010 for R.W. Beck related to consulting services for the solid waste contract. Following Board discussion, the decision was made to

remove this item from the Regular Agenda and place it on the Consent Agenda for the March 23, 2011 regular Board meeting.

Receive, consider and act upon adoption of a supplemental election order appointing election officials and establishing compensation for same;

Chairman Tough informed the Board that this item will be discussed at the March 23, 2011 Board of Directors meeting.

Discuss 2009 taxation issue:

Dave Oseng, a resident of The Woodlands Township, requested to address the Board on the matter of 2009 taxation issues under "Public Comment". Following Mr. Oseng's comments, Don Norrell provided information about the impact of changing from a Home Owners' Association to a property tax levy to fund Township services as well as clarification on the taxation issue. Additionally, Monique Sharp made a PowerPoint presentation regarding the taxation issue. Board discussion followed. This item was for information sharing only.

CLOSED MEETING (if applicable);

Recess to Executive Session to discuss matters relating to real property pursuant to §551.072, Texas Government Code; deliberation of economic development negotiations pursuant to §551.087, Texas Government Code; discuss personnel matters pursuant to §551.074, Texas Government Code; and to consult with The Woodlands Township's attorney concerning pending litigation pursuant to §551.071, Texas Government Code;

Chairman Tough informed the Board that it was not necessary to recess to Executive Session.

Receive, consider and act upon approval of proposed commission structure for sublease activity at 10001 Woodloch Forest Drive location;

Chairman Tough informed the Board that this item will be discussed at the March 23, 2011 Board of Directors meeting.

Receive, consider and act upon an agreement with the Woodlands Land Development Company for lease of Lake Woodlands and Lake Woodlands Property Owners Association for covenant administration;

Chairman Tough informed the Board that this item will be discussed at the March 23, 2011 Board of Directors meeting.

Receive, consider and act upon an agreement between the Center for the Performing Arts at The Woodlands and The Woodlands Township relating to funding of cultural education events;

Chairman Tough informed the Board that this item will be discussed at the March 23, 2011 Board of Directors meeting.

ADMINISTRATIVE REPORTS:

Community Services: presented by John Powers

- Watch Talk Wednesday program on March 23-discussion on gun safety in the home

- Good Neighbor Days are planned for the Village of Creekside Park at Jagged Ridge Park, Saturday, March 26 from 10-11:30 a.m. and the Village of College Park in Mason Heights at 2 Ramey Heights Ct. from 4:30-6 p.m.
- VA Community Wide Flea Market-March 26 at the Pavilion Parking Garage
- Spring Concert in the Park Series at Northshore Park is experiencing large attendance
- Clark Condon Associates Amenities Study continuing meetings with user groups
- The Strong Firm is working with Stewart Title and The Woodlands Land Development Company to determine ownership of Grogan's Mill Pedestrian Bridge
- CB&I event to be held May 7 is sold out
- Community Involvement Day is planned for March 26 for the Cobble Hill neighborhood in the Village of Cochran's Crossing
- Commercial Planning and Design Standards have collectively been revised by the Design Review Committees (DSC, DRC and CSC) effective March 1, 2011
- Parks & Recreation Department was recognized by the Texas Recreation and Parks Society at their Annual Institute with a Lone Star Recreation Programming Achievement Award for The Woodlands Waterway Trick or Treat Trail event; Chris Nunes was recognized with a Presidential Award of Honor
- Orvis gave notice that they will not continue their sponsorship of the Riva Row Boat House at the conclusion of the current agreement
- Bids are being solicited for playground equipment replacement for Chandler Creek Park; Wood/Brush Chipper replacement; Northshore Dock replacement; host facility for 2012 Daddy/Daughter Dinner Dance
- 12 Hazard Mitigation Action Plans were submitted to Montgomery County
- Earth Day Green-Up is planned for April 16 followed by a celebration from 11:30 a.m. to 2:30 p.m. at Rob Fleming Park

Community Policing: presented by Marian Leck

- MCSO staffing report: Two new Sgt. positions--Sgt. Aaron Sumrall-District #4 and Ward Hammons from District #2
- Harris County Constable's Office-Deputy Constable Mike Ruby will be introduced at the March 23 regular Board meeting
- Crime Status and Trends report regarding notable arrests and blotter information
- Equipment Status update
- Police-Community Partnership update of programs and activities
- Overtime programs update
- Continued partnership between The Woodlands Township and MCSO; Smith Police Driving School and Skid Car training will be taking place at The Woodlands Emergency Training Center in the near future
- Crime Prevention, Community & Tourism Oriented Policing 40 hour course taking place at The Woodlands Emergency Training Center March 21-25, 2011

The Woodlands Fire Department: Fire Chief Alan Benson

- Update on construction of Fire Stations #8 and Fire Station #7

The Woodlands Convention & Visitors Bureau: presented by Nick Wolda

- Update of events on the Waterway: Live @ Night, Movie Night, Memorial Day week-end, Waterway Nights, RH&B Festival, Labor Day, Trick or Treat Trail, Caroling on the Square
- Upcoming events CVB is participating in: Waterway Arts Festival, Fiesta Universal, Memorial Hermann Ironman Texas
- Update on new restaurant, hotel and commercial business openings

- Updates on Waterway Cruisers

DISCUSS FUTURE AGENDA/ANNOUNCEMENTS:

Consideration of items to be placed on the agenda for next month's meeting:

- Director Matthews asked that discussion of the 2009 tax issue at the regular Board meeting be limited
- Director Campbell asked that an item regarding homestead exemption be placed on the April agenda for discussion and action; ask staff to contact J.R. Moore, Montgomery County Tax Assessor-Collector to prepare an analysis of a 3% homestead exemption and estimate the impact on the 2011 tax rate

Board announcements:

- Director Robb asked if something could be done about the nonworking fountains located at Goose's Acre and the nonworking fountains located at the corner of Lake Robbins and Six Pines; thanked staff for their prompt response on a recent request regarding a service need. John Powers addressed this item and then Chairman Tough asked Mr. Powers to put this item on the April agenda.
- Director Hausman mentioned a concern some residents have about trash being left after concerts at Northshore Park.

Public comment; and

- None

Adjourn

As there was no further business to discuss, Chairman Tough called for a motion and second to adjourn the meeting at 11:10 a.m.

MOTION: Motion by Secretary Hunter; second by Director Campbell

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Abstentions: None

Absent: None

ACTION: Motion passed unanimously.

(SEAL)

Claude Hunter
Secretary, Board of Directors

EXHIBIT OMISSIONS*

EXHIBIT "A"

EXHIBIT "B"

***To view Exhibits, please contact the Records Management Analyst at 281-210-3800.**