

**MINUTES OF MEETING
BOARD OF DIRECTORS
REGULAR MEETING
THE WOODLANDS TOWNSHIP
DECEMBER 3, 2008**

**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 December 3, 2008, posted to begin at 9:00 a.m. The meeting was held in the Meeting Room at the Township's Office, 10001 Woodloch Forest Dr., Suite 600, The Woodlands, Texas, within the boundaries of the Township. The roll was called of the duly elected and appointed members of the Board of Directors, to wit:

Nelda Luce Blair	Chairman
Lloyd W. Matthews	Vice-Chairman
Bruce Tough	Second Vice-Chairman
Vicki D. Richmond	Treasurer/Assistant Secretary
Alex Sutton III	Secretary
Thomas Campbell	Director
Kemba DeGroot	Director
Peggy S. Hausman	Director
Claude Hunter	Director
Edmund W. Robb III	Director

Robert C. Kinnear

Director

with all of said persons being present thus constituting a quorum. Also present for conducting business and assisting Board members were Don Norrell, Bob Kinnear, Nick Wolda, Steve Sumner, Brian Pate, Mike Page, Robin Fadal, John Powers, Alan Benson, J. R. Moore, Renee Williford, and Kristin Freeman.

Chairman Blair called the meeting to order at 9:00 a.m. She announced that a quorum was present and that sufficient notice of this meeting had been duly posted as required by law. Chairman Blair then requested a motion to adopt the agenda. Secretary Sutton moved to adopt the agenda. The motion was seconded by Director DeGroot and passed unanimously.

Next, Chairman Blair recognized the following public officials attending the meeting: Joel Deretchin, President of The Woodlands Community Associations and The Woodlands Commercial Owners Association and J.R. Moore, Jr., Montgomery County Tax Assessor. The Public Official's Sign in Sheet is attached hereto as Exhibit "A".

Chairman Blair then called on names from the Public Comment Roster. There were no names on the roster.

Next, Chairman Blair asked the Board to consider and act upon adoption of a proclamation recognizing The Woodlands Waterway Arts Festival. Chairman Blair then issued a proclamation recognizing the many contributions made by The Woodlands Waterway Arts Festival to residents and visitors. Additionally, the weekend of April 4-5, 2009 was proclaimed as "The Woodlands Waterway Arts Festival Weekend". Dr. David Gottlieb, Chairman of The Woodlands Waterway Arts Council Board, was then presented the proclamation by Chairman Blair on behalf of the Board of Directors of The Woodlands Township. Director Hunter next moved to adopt the proclamation recognizing The Woodlands Waterway Arts Festival. The motion was seconded by Treasurer Richmond and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "B" and an unofficial copy of the proclamation is attached hereto as Exhibit "C".

The Board was then asked to recognize the accomplishments of The Woodlands High School Cross Country men's and women's programs as Class 5A State Champions. Chairman Blair presented this item. Members of both the men's and women's Cross Country teams were recognized for their accomplishments. Chairman Blair recognized Dan

Green, Head Coach of The Woodlands High School men's Cross Country team, for his thirty-three years of leadership. Chairman Blair then presented a certificate of achievement to Ryan Williams, Assistant Coach of The Woodlands High School men's Cross Country team; Noel Hansen, The Woodlands High School women's Cross Country Head Coach; and Gregg Colschen, Principal of The Woodlands High School. No action was necessary on this item.

Board members were then asked to consider and act upon approval of the minutes of the October 17, 2008, special meeting, October 22, 2008, regular meeting, October 24, 2008, special meeting, October 31, 2008, special meeting, November 7, 2008, special meeting, and November 18, 2008, special meeting of the Board of Directors of The Woodlands Township. Director Campbell moved to approve the above minutes as written. Vice-Chairman Matthews seconded the motion and it passed unanimously. Copies of the minutes are attached hereto as Exhibits "D-I", respectively.

Next, Chairman Blair asked Board members to receive and consider a report from the Community Associations of The Woodlands. John Powers, Co-Interim General Manager of The Woodlands Community

Associations, presented the report. Packets of information containing a written summary of the Community Associations' Board agenda matters, Monthly Reports, and The Woodlands Community Policing Report for October 2008 were distributed to Board members. Following Mr. Powers' presentation, Fire Chief Alan Benson announced the Annual Firefighters' Family Day and Awards presentation in conjunction with the 2nd Annual Chili Cook-Off to be held December 14, 2008 at Rob Fleming Park from 11:00 a.m.-3:00 p.m. Following the presentations, Chairman Blair thanked Mr. Powers and Chief Benson for their reports. The Community Associations' reports are attached collectively hereto as Exhibit "J".

Chairman Blair next asked the Board to receive and act upon the Financial Report as of and for the ten months ended October 31, 2008. Chairman Blair called on Brian Pate, financial consultant, to present the report on behalf of The Woodlands Township. Following Mr. Pate's presentation, Director DeGroot moved to accept the Financial Report as presented. The motion was seconded by Treasurer Richmond and passed unanimously. A copy of the Financial Report for the ten months ended October 31, 2008 is attached hereto as Exhibit "K".

Next, the Board was asked to receive and consider an update on the transition process of The Woodlands Township and The Community Associations of The Woodlands. Chairman Blair called on Don Norrell, President for The Woodlands Township, to present this item. Mr. Norrell provided the Board with a handout and used a PowerPoint presentation to report on a Transition Action Plan. A number of action items and a timeline were discussed by Mr. Norrell. A brief period of discussion followed the presentation. No action was necessary on this item. A copy of Mr. Norrell's PowerPoint presentation is attached hereto as Exhibit "L".

Chairman Blair then asked the Board to consider and act upon adoption of a schedule of regular meeting dates for The Woodlands Township Board of Directors for calendar year 2009. Director Campbell moved to accept the schedule of regular meeting dates as presented. The motion was seconded by Director DeGroot and passed unanimously. A copy of the schedule of regular meeting dates for The Woodlands Township Board of Directors for calendar year 2009 is attached hereto as Exhibit "M".

Board members were next asked to consider and act upon renewal of service agreements with Stout Government Relations Consulting, LLC,

Education for Tomorrow Alliance, South County YMCA, The Friendship Center, and South Montgomery County Woodlands Chamber of Commerce Economic Development Partnership. Chairman Blair called on Steve Sumner, Vice President of Operations and Public Safety for The Woodlands Township, to present this item. Following Mr. Sumner's presentation, Director Hunter moved to renew the service agreements as listed above. The motion was seconded by Secretary Sutton. Chairman Blair then called for discussion. After a discussion period, Director Campbell offered an amendment to the original motion to include a review of contract renewals for 2010 no later than June 2009. The amendment was accepted by Directors Hunter and Sutton. Chairman Blair then called for a vote. The Board unanimously approved the amended motion. A copy of the Executive Summary is attached hereto as Exhibit "N".

Chairman Blair then asked the Board to consider and act upon authorizing the President for The Woodlands Township to execute a Services Agreement between The Woodlands Township and The Woodlands Convention and Visitors Bureau (The Woodlands CVB). Nick Wolda, President of The Woodlands CVB and Vice President of Marketing

& Public Affairs for The Woodlands Township, was called on to present this item. Mr. Wolda referred the Board to the service agreement between the CVB and the Township on pages 49-53 of their Board books and noted that the CVB is required to report their financials quarterly. Following Mr. Wolda's presentation, Treasurer Richmond moved to approve the service agreement with the provision to modify items that the Township is contracting for in light of the current economic situation. Chairman Blair noted that the agreement can be terminated at any time upon thirty days notice. Mike Page, legal counsel for the Township, noted there were two control mechanisms in addition to the reporting requirements. Following discussion, Treasurer Richmond withdrew her motion. Second Vice-Chairman Tough then moved to approve the service agreement between The Woodlands Township and The Woodlands CVB for 2009. The motion was seconded by Director Hunter. The Chairman called for further discussion and then a vote. The motion passed with Directors Blair, Campbell, DeGroot, Hausman, Hunter, Matthews, Robb, Sutton and Tough voting "yes" and Director Richmond voting "no". A copy of the Executive Summary is attached hereto as Exhibit "O".

Next, Chairman Blair asked the Board to consider and act upon renewal of public safety inter-local and service agreements with the Montgomery County Sheriff's Office, the City of Oak Ridge North, the City of Shenandoah, the Constable-Precinct 3, the Justice of the Peace-Precinct 3, Alpha and Omega Mounted Patrol, and Industrial Security Services Corporation. Steve Sumner was called on to present this item. Following Mr. Sumner's comments, Vice-Chairman Matthews moved to approve the above service agreements for 2009. Secretary Sutton seconded the motion. Chairman Blair then called for discussion. Director Campbell noted some concerns in the Sheriff's agreement and Director Hausman requested that letters be sent to the Montgomery County Constable-Precinct 3 and Montgomery County Justice of the Peace-Precinct 3 informing them of potential changes to their 2010 contracts. Director Hunter stated that he would like Don Norrel to have the discretion to enter into early discussions with the Sheriff regarding consolidating law enforcement contracts with The Woodlands Community Associations and The Woodlands Township. Mr. Norrell stated that this was not a decision the Township could make. Following further discussion, Chairman Blair called for a vote on the motion. The

motion was unanimously approved. A copy of the Executive Summary is attached hereto as Exhibit "P".

The Board was then asked to consider and act upon a recommendation from the Executive Committee concerning a contract with the Montgomery County Tax Office for collection of The Woodlands Township's property taxes beginning in 2009 for the 2010 budget year. Chairman Blair called on Don Norrell to present this item. Mr. Norrell referred the Board to an Executive Summary in their meeting books and explained the rationale behind a contract for property tax billings and collections services. Following Mr. Norrell's presentation, Second Vice-Chairman Tough moved that the Board approve a contract with the Montgomery County Tax Office for collection of The Woodlands Township's property taxes beginning in 2009 for the 2010 budget year. The motion was seconded by Director Hunter. Chairman Blair then called for discussion and asked J.R. Moore, Jr., Montgomery County Tax Assessor, to address the Board and answer questions. Mr. Moore did so and then introduced Chief Deputy, Stephanie Burton and Accounting Manager, Susan Dodson from his office. Following Mr. Moore's comments, he requested that the original motion be revised to include

additional conditions. In restating the motion, Second Vice-Chairman Tough moved to authorize the Chairman of the Township to enter into an interlocal agreement with the Montgomery County Tax Assessor for property tax billing and collection functions subject to review by Mr. Page and Mr. Moore to the Harris County collection activities. The revised motion was seconded by Director Hunter and passed with Directors Campbell, DeGroot, Hausman, Hunter, Matthews, Richmond, Robb, Sutton and Tough voting "yes" and Director Blair "abstaining". A copy of the Executive Summary is attached hereto as Exhibit "Q" and the handouts distributed by Mr. Moore are attached hereto as Exhibit "R".

Board members were then asked to receive a report and presentation from the Project Planning and Development Committee regarding a Request for Proposal for architectural services to develop preliminary public facility site recommendations. Chairman Blair called on Director Matthews, Chairman of the Project Planning and Development Committee, to introduce the item. Director Matthews referred the Board to the Executive Summary in their meeting book and then called on Don Norrell to comment on current facilities and future facility needs. Following Mr. Norrell's report, Bob Kinnear, Committee

member, distributed a copy of the Request for Qualifications and Proposals (RFQ&P) to the Board and then reviewed the material found inside the packet. Following the reports, the floor was opened to discussion. As there was no further discussion, Chairman Blair thanked the Committee members for their reports. No action was necessary on this item. A copy of the Executive Summary is attached hereto as Exhibit "S". A copy of the RFQ&P is attached hereto as Exhibit "T".

Next, Chairman Blair asked the Board to consider and act upon a recommendation from the Public Facilities Administration Committee regarding a proposal from Progressive Commercial Aquatics, Inc. for inspection services and 24/7 on-call services at Waterway Square, and authorize the President for The Woodlands Township to execute an agreement in connection therewith. Steve Sumner was called on to present this item. Mr. Sumner referred the Board to the Executive Summary on pages 83-84 of their meeting book and then provided a brief overview of the item. Following Mr. Sumner's presentation, Director Sutton, Chair of the Public Facilities Administration Committee, was called on to provide additional information regarding the proposal. During the presentation, Board members referenced a handout showing

a cost/budget comparison for services at Waterway Square. Director Sutton then moved to approve the proposal from Progressive Commercial Aquatics, Inc. for inspection services and 24/7 on-call services for Waterway Square and authorize the President for The Woodlands Township to execute an agreement in connection therewith. The motion was seconded by Director Campbell. A brief period of discussion followed and then Chairman Blair called for a vote. The motion passed unanimously. The Board then recessed for five minutes. A copy of the Executive Summary is attached hereto as Exhibit "U" and handouts are attached hereto as Exhibit "V".

The Board reconvened and the Chairman announced the need to defer item 18 to the end of the agenda. A motion to defer item 18 to the end of the agenda was made by Director Robb and seconded by Director Hunter. The motion passed unanimously.

Next, the Board was asked to consider and act upon approval and payment of invoices for legal services rendered by The Woodlands Township's legal counsel, Schwartz, Page & Harding, L.L.P. Brian Pate was called on to present this item. Mr. Pate referred the Board to an Executive Summary in their meeting book and copies of invoices

submitted for legal services by the firm Schwartz, Page & Harding, L.L.P. The invoices represented billable hours for the period beginning October 1, 2007 and ending September 30, 2008. Following Mr. Pate's presentation, Vice-Chairman Matthews moved to approve payment of the invoices related to legal services. The motion was seconded by Director Campbell. Chairman Blair then called for discussion. Directors Campbell and Hausman commented that it might be time to think about having legal in-house staff. It was also requested by Director Hausman that Mr. Pate provide Board members with a breakdown of all legal costs for 2008. As there were no further comments, Chairman Blair called for a vote. The motion passed unanimously. A copy of the Executive Summary and related invoices are attached hereto as Exhibits "W" and "X", respectively.

At 10:53 a.m., the Board recessed to Executive Session to discuss matters relating to real property pursuant to §551.072, Texas Government Code; to discuss personnel matters pursuant to §551.074, Texas Government Code; and to consult with The Woodlands Township's attorney concerning threats of pending litigation pursuant to §551.071, Texas Government Code.

The Board reconvened in Public Session at 11:20 a.m. Chairman Blair announced that it would be necessary to take action at this time on personnel matters.

The Board was next asked to consider and act upon an amendment to extend the consulting agreement with Jefferson Wells as it relates to personnel needs in the Finance Department. Don Norrell was called on to present this item. Mr. Norrell referred the Board to a handout outlining a proposal to extend the Jefferson Wells contract for consulting services through March 2009. Following Mr. Norrell's presentation, Director Hunter moved to approve the extension of the agreement with Jefferson Wells for Brian Pate's services through March 31, 2009 at a total cost not-to-exceed \$57,960. The motion was seconded by Director Campbell and passed unanimously. A copy of a handout related to items 22-24 is attached hereto as Exhibit "Y".

Chairman Blair then asked the Board to consider and act upon creating a new position in the Finance Department. Don Norrell was called on to present this item. Mr. Norrell referred the Board to the above referenced handout regarding a new full time Manager of Financial Services position. Following Mr. Norrell's comments, Director Hunter

moved to authorize the creation of a Manager of Financial Services position within the Township compensation plan Grade 5. The motion was seconded by Vice-Chairman Matthews and passed unanimously.

Next, the Board was asked to consider and act upon a contract with The Woodlands Community Services Corporation in regards to personnel needs in the Finance Department. Mr. Norrell presented this item related to a contract between The Woodlands Community Service Corporation (WCSC) and The Woodlands Township (TWT) for the equal sharing of Monique Sharp's time beginning December 15, 2008 through the end of 2009. Following Mr. Norrell's presentation, Director Hunter moved to approve a letter of agreement between WCSC and TWT for the equal sharing of the Finance Director position at a cost of \$7,460 per month. The motion was seconded by Director Campbell and passed unanimously.

Board members were informed by the Chairman that no Administrative Reports would be given at today's meeting.

Chairman Blair next referred the Board to item 18 and asked the Board to consider and act upon a recommendation from the Committee on Governance and Nominations regarding a contract with HillCo

Partners, LLC for assistance during the 2009 legislative process. The Chairman called on Don Norrell to present this item. Mr. Norrell referred the Board to a handout from the Committee on Governance and Nominations and then discussed the Committee's recommendation to contract with HillCo Partners, LLC for legislative assistance in the 2009 legislative session. Following Mr. Norrell's presentation, Director Robb moved to approve the recommendation from the Committee on Governance & Nominations regarding a contract with HillCo Partners, LLC for assistance during the 2009 legislative process. The motion was seconded by Director Hunter and passed unanimously. A copy of the handout is attached hereto as Exhibit "Z".

The Board was then asked to consider items to be placed on the agenda for the next meeting. Director Campbell asked that the Board begin discussion of a homestead exemption and age and disability deductions related to property tax assessments.

Chairman Blair next asked if there were any Board announcements. The Chairman recognized Bob Kinnear for his willingness to step in as interim President prior to and following the hiring of Don Norrell as President for The Woodlands Township.

Chairman Blair informed the Board that Mr. Kinnear will resume his position on the Board of Directors for The Woodlands Township beginning in January 2009.

As there were no further matters to come before the Board, Chairman Blair called for a motion to adjourn. Director Hunter moved to adjourn the meeting. The motion was seconded by Treasurer Richmond and passed unanimously. The meeting was adjourned at 11:28 a.m.

Sutton III
(SEAL)
Board of Directors

Alex
Secretary,

EXHIBIT OMISSIONS*

EXHIBIT "A"	EXHIBIT "N"
EXHIBIT "B"	EXHIBIT "O"
EXHIBIT "C"	EXHIBIT "P"
EXHIBIT "D"	EXHIBIT "Q"
EXHIBIT "E"	EXHIBIT "R"
EXHIBIT "F"	EXHIBIT "S"
EXHIBIT "G"	EXHIBIT "T"
EXHIBIT "H"	EXHIBIT "U"
EXHIBIT "I"	EXHIBIT "V"
EXHIBIT "J"	EXHIBIT "W"
EXHIBIT "K"	EXHIBIT "X"

EXHIBIT "L"

EXHIBIT "Y"

EXHIBIT "M"

EXHIBIT "Z"

***To view Exhibits, please contact the Records Management Officer at 281-363-2447**