

**MINUTES OF THE MEETING OF THE
MONTROSE MANAGEMENT DISTRICT
BOARD OF DIRECTORS**

May 12, 2014

DETERMINE QUORUM; CALL TO ORDER.

The Board of Directors of Montrose Management District held a regular meeting, open to the public, on Monday, May 12, 2014, at 12:00 p.m. at 401 Branard Street, 2nd Floor, Room 106, Houston, Texas 77006, inside the boundaries of the District, and the roll was called of the duly appointed members of the Board, to-wit:

Position 1 - Claude Wynn, <i>Chairman</i>	Position 9 - Kathy Hubbard, <i>Treasurer</i>
Position 2 - Dana Thorpe	Position 10 - Michael Grover
Position 3 - Randy Mitchmore, <i>Vice Chairman</i>	Position 11 - <i>vacant</i>
Position 4 - Cassie Stinson, <i>Secretary</i>	Position 12 - Brad Nagar, <i>Ass't Secretary</i>
Position 5 - Lane Llewellyn	Position 13 - <i>vacant</i>
Position 6 - <i>vacant</i>	Position 14 - <i>vacant</i>
Position 7 - <i>vacant</i>	Position 15 - <i>vacant</i>
Position 8 - Robert Jara	

and all were present with the exception of Director Brad Nagar, thus constituting a quorum. Also present were Bill Calderon, Susan Hill, Linda Clayton, Gretchen Larson, Phillip Wagner and Eoles Whitaker, all with Hawes Hill Calderon, LLP; Clark Lord, Bracewell & Giuliani, Pat Hall, Equi-Tax; Ray Lawrence, Lawrence & Associates, and Felecia Alexander, Municipal Accounts. Others attending the meeting were Dennis C. Beedon, Montrose Business Ambassador; Chris Valdez, Primer Grey; Leah Wolfthal, with CM David Robinson's office; Daphne Scarbrough, Richmond Avenue Coalition; Joseph Le, HCPL, Ray Valdez and Eugene Nosad, both of Avondale Assoc.; Myra Johnson, Behringer Harvard Residential; and Tawny Tidwell. Chairman Wynn called the meeting to order at 12:05 p.m.

APPROVE MINUTES OF MEETING HELD APRIL 14, 2014.

Upon a motion duly made by Director Mitchmore, and being seconded by Director Llewellyn, the Board voted unanimously to approve the Minutes of the April 14, 2014, meeting as presented.

RECEIVE PUBLIC COMMENTS.

Ms. Myra Johnson with Behringer Harvard Residential introduced herself to the Board. She stated the company she worked for was building a new mid-rise apartment complex in the District and they were very active within communities they owned properties.

RECEIVE AND AFFIRM UPDATED BOARD NOMINEE LIST FOR SUBMISSION TO MAYOR, CITY OF HOUSTON.

Mr. Calderon reviewed the Board Nominee List and reported there were no changes to the list with the exception of adding one nominee, Todd Edwards. There was a lengthy discussion

regarding Mr. Edwards and his qualifications. Director Mitchmore stated he would be an asset to the Board. Upon a motion duly made by Director Mitchmore, and being seconded by Director Llewellyn, the Board voted unanimously to affirm the updated Board Nominee List for submission to the Mayor, City of Houston.

RECEIVE AND CONSIDER DISTRICT'S MONTHLY FINANCIAL REPORT, INCLUDING PAY INVOICES.

Ms. Alexander presented the Monthly Financial Report and went over invoices, included in the Board agenda materials. She handed out a Quarterly Investment Report for January through March, 2014, a copy is attached as Exhibit A. Mr. Calderon noted the interest rate variation on the Certificate of Deposits and wanted to know whether there were any better rates available. Ms. Alexander stated she would check with the investment team to provide recommendations on receiving a better return. Chairman Wynn stated he would like recommendations by the next Board meeting. Upon a motion duly made by Director Hubbard, and being seconded by Director Llewellyn, the Board voted unanimously to accept the Monthly Financial Report and approved payment of invoices.

RECEIVE EXECUTIVE DIRECTOR'S MONTHLY REPORT ON DISTRICT INITIATIVES.

Mr. Calderon introduced Phillip Wagner and Eoles Whitaker, both with Hawes Hill Calderon. He reported Mr. Wagner would be working with the Montrose Management District as Director of Services.

Mr. Lawrence reported the business retail advisory workshop breakfast held May 6, 2014, went well and they had received a lot of input. Mr. Calderon reported the primary focus was infrastructure and parking issues. Mr. Calderon reported the Marketing Committee was working on the website addressing deficiency issues on website. He reported a searchable database has been added with over 2,000 businesses. He reported the issue of updated photos had been addressed and the website was more user friendly. He reported work would continue on improving the website. A flyer was handed out regarding a special Cultural Mixer scheduled May 23rd, to learn about the Cultural District Designation Application, a copy is attached as Exhibit B. Mr. Calderon reported the State generally takes about 90 days for approval. Ms. Larson reported the recycling event held April 26th went well and the next one was scheduled in October. Mr. Calderon reported the Mobility Committee continues to work on the banner signage. He reported he would have the final budget number in approximately one month. He reported the bridge lighting process continues. Mr. Calderon went over the Public Safety report, included in the Board agenda materials. He reported the final Special Parking Area Application had been submitted three weeks ago and they were waiting for a hearing to be scheduled. No action from the Board was required.

a. CONSIDER AGREEMENTS TO HIRE CONTENT WRITERS FOR THE WEBSITE.

Mr. Calderon reviewed the Agreements, included in the Board agenda materials, and answered questions. He reported the writers will bring additional content to the website and bring more awareness to the District. Ms. Stinson noted that under Claudia Kolker's contract they needed to specify "not to exceed more than one article per week" under the Compensation paragraph. Upon a motion duly made by Director Mitchmore, and being seconded by Director Llewellyn, the Board voted unanimously to approve the Agreements with Mitchell Shields and Amber Ambrose, as presented, and approved the Agreement

with Claudia Kolker with the specification under the Compensation paragraph "not to exceed more than one article per week."

b. CONSIDER APPROVAL OF AGREEMENT WITH SENTRI-FORCE FOR MOBILE CAMERA SERVICES.

Mr. Calderon reviewed the Contract with Senti-Force, included in the Board agenda materials, and answered questions. He reported there would be five mobile units in the District and they would be moved as needed. Upon a motion duly made by Director Llewellyn, and being seconded by Director Hubbard, the Board voted unanimously to approve the Contract with Senti-Force, as presented.

RECEIVE DISTRICT'S MONTHLY ASSESSMENT COLLECTION REPORTS AND BILLING AND ASSESSMENT SUMMARIES, LAWSUIT AND ARBITRATION STATUS DETAILS, AND DELINQUENT ASSESSMENT REPORTS.

Ms. Hall presented the Monthly Assessment Collection Reports, included in the Board agenda materials. She reported 91% collected for the east side with no uncertified properties and 95% collected on the west side with no uncertified properties. She reported HCAD had not released the preliminary numbers for 2014. No action from the Board was required.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS LITIGATION, AND MATTERS RELATED TO THE SAME.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION BY LEGAL COUNSEL RELATED TO ITEM 10 ON THE AGENDA.

An executive session was not called.

ANNOUNCEMENTS.

A draft of the Audit was provided and will be on the Agenda next month for approval.

ADJOURN.

There being no further business to come before the Board, Chairman Wynn adjourned the meeting at 1:05 p.m.

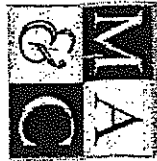
 7/14/14
Asst. Secretary



List of Exhibits:

Exhibit A Quarterly Investment Report, period ending March 31, 2014

Exhibit B Flyer on Special Cultural Mixer scheduled May 23, 2014



MUNICIPAL ACCOUNTS
CONSULTING, L.P.

Montrose Management District

Quarterly Investment Inventory Report

Period Ending March 31, 2014

BOARD OF DIRECTORS
Montrose Management District

Attached is the Quarterly Investment Inventory Report for the
Period ending March 31, 2014.

This report and the District's investment portfolio are in compliance with the
investment strategies expressed in the District's investment policy, and the
Public Funds Investment Act.

Mark M. Burton
(Investment Officer)

Ghia Lewis
(Investment Officer)

COMPLIANCE TRAINING

¹HB 675 states the Investment Officer must attend at least one training seminar for (6) six hours
Within twelve months of taking office and requires at least (4) four hours training within each (2)
two year period thereafter.

INVESTMENT OFFICERS

Mark M. Burton

CURRENT TRAINING

- September 13, 2003 (McCall, Gibson 4 Hours)
- October 1, 2005 (McCall, Gibson 4 Hours)
- October 26, 2007 (UNT 10 Hours)
- October 26, 2009 (Texpool Academy 10 Hours)
- November 5, 2011 (Texpool Academy 10 Hours)
- November 5, 2013 (Texpool Academy 10 Hours)
- September 13, 2003 (McCall, Gibson 6 Hours)
- September 23, 2007 (McCall, Gibson 4 Hours)
- October 26, 2009 (Texpool Academy 10 Hours)
- October 25, 2011 (Texpool Academy 10 Hours)
- November 7, 2013 (Texpool Academy 10 Hours)

Ghia Lewis

Montrose Management District

Summary of Money Market Funds

01/01/2014 - 03/31/2014

Date	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance
01/01/2014		218,566.20				
01/02/2014	Assessments		24,556.49			32.92
01/02/2014	Assessments		977.35			
01/02/2014	Assessments		3,222.00			
01/03/2014	To Checking			(9,600.00)		
01/03/2014	Assessments		32,660.61			
01/09/2014	Assessments		27,105.39			
01/13/2014	To Checking			(35,200.00)		
01/15/2014	Assessments		33,999.51			
01/15/2014	Assessments			(10.00)		
01/16/2014	Assessments		11,704.15			
01/16/2014	Assessments		14,751.75			
01/17/2014	Assessments		21,222.83			
01/21/2014	Assessments		18,605.09			
01/22/2014	Assessments		3,395.36			
01/27/2014	Adjustment Settlement		1,416.74			
01/28/2014	Adjustment Settlement		1,512.69			
01/29/2014	Adjustment Settlement		1,824.80			
01/29/2014	Assessments		50,090.51			
01/30/2014	Assessments		1,219.97			
01/31/2014	Adjustment Settlement		828.88			
02/03/2014	Settlement Adjustment		405.32			52.37
02/03/2014	To Checking			(9,600.00)		
02/04/2014	Settlement Adjustment		862.25			
02/04/2014	Settlement Adjustment		1,317.30			

Methods Used For Reporting Market Values

certificates of Deposits: Price Value Plus Accrued Interest
 Municipal/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing
 Svc Fund Investment Pool/AMF Accounts: Balance = Book Value = Current Market

Mountrose Management District
Summary of Money Market Funds
 01/01/2014 - 03/31/2014

Funds: Operating

Financial Institution: COMPASS BANK-PREMIER

Account Number: XXXXX2019 Date Opened: 03/20/2012 Current Interest Rate: 0.15%

Date	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance
02/07/2014	Settlement Adjustment		343.27			
02/10/2014	GB CD# XXXX0143 INT		74.38			
02/10/2014	To Checking			(32,000.00)		
02/18/2014				(10.00)		
02/24/2014	Settlement Adjustment		701.60			
02/26/2014	Settlement Adjustment		470.10			
02/28/2014	Assessments		176,253.38			
03/03/2014					82.52	
03/04/2014	Credit for HICID6 Settmt		368.82			
03/04/2014	Ct for Amex Exp Settmt		504.90			
03/05/2014	To Checking			(9,600.00)		
03/05/2014	ASSESSMENTS		378.55			
03/07/2014	ASSESSMENTS		4,657.26			
03/10/2014	To Checking			(38,400.00)		
03/10/2014	GB CD# XXXX0311 INT		73.97			
03/10/2014	ASSESSMENTS		2,202.70			
03/17/2014	ASSESSMENTS		1,949.88			
03/21/2014	ASSESSMENTS		1,333.65	(10.00)		
03/27/2014	ASSESSMENTS		686.16			
Totals for Account XXXX2019:		\$218,566.20	\$441,677.61	(\$134,430.00)	\$167.81	\$525,981

Date	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance
01/01/2014		263,432.54				
01/02/2014			490.00			
01/02/2014	Settlement Adjustment				40.35	
01/02/2014	ASSESSMENTS		91,309.77			

Methods Used For Reporting Market Value

Calculation of Deposits: Face Value Plus Accrued Interest
 Securities/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing
 Public Fund Investment Pool/ADA Accounts: Balance = Book Value = Current Market

Montrose Management District
Summary of Money Market Funds
 01/01/2014 - 03/31/2014

ind: Operating		Financial Institution: COMPASS BANK-PREMIER		Account Number: XXXX2086		Date Opened: 03/20/2012	Current Interest Rate: 0.15%	Description	
Date	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance			
01/02/2014	ASSESSMENTS		4,133.63						
01/02/2014	ASSESSMENTS	34,937.19							
01/03/2014	To Checking			(20,400.00)					
01/03/2014	Settlement Adjustment		520.33						
01/03/2014	ASSESSMENTS	27,388.89							
01/09/2014	ASSESSMENTS	49,710.47							
01/13/2014	To Checking			(74,800.00)					
01/15/2014	ASSESSMENTS	94,823.81							
01/16/2014	Settlement Adjustment		542.20						
01/16/2014	ASSESSMENTS	1,522.31							
01/17/2014	ASSESSMENTS	9,579.62							
01/21/2014	ASSESSMENTS	20,200.85							
01/21/2014	ASSESSMENTS	2,600.34							
01/21/2014	ASSESSMENTS	16,115.97							
01/21/2014	ASSESSMENTS	6,230.33							
01/23/2014	ASSESSMENTS	133.40							
01/23/2014	Settlement Adjustment		2,024.77						
01/23/2014	ASSESSMENTS	19,568.67							
01/29/2014	ASSESSMENTS	-8,379.61							
01/31/2014	Settlement Adjustment		863.69						
02/03/2014					77.66				
02/03/2014	Settlement Adjustment		1,391.29						
02/04/2014	To Checking			(20,400.00)					
02/04/2014	Settlement Adjustment		390.28						
02/05/2014	Settlement Adjustment		2,382.71						
02/10/2014	To Checking			(68,000.00)					

Methods Used For Reconciling Market Values

Price Value Plus Accrued Interest
 Market Value Quoted by the Seller of the Security and Confirmed in Writing
 Balance = Book Value = Current Market

Montrose Management District
Summary of Money Market Funds
 01/01/2014 - 03/31/2014

Fund: Operating		Financial Institution: COMPASS BANK-PREMIER		Account Number: XXXXX2086		Date Opened: 03/20/2012		Current Interest Rate: 0.15%	
Date	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance			
02/14/2014	Credit for bankcard system		610.90						
02/18/2014									
02/20/2014	Settlement Adjustment		894.25						
02/26/2014	Settlement Adjustment		2,600.21						
02/28/2014	ASSESSMENTS		590,560.17						
03/03/2014									
03/03/2014	Credit for bank card sys							151.75	
03/05/2014	To Checking			(20,400.00)					
03/05/2014	ASSESSMENTS		2,058.97						
03/07/2014	ASSESSMENTS		9,038.62						
03/10/2014	To Checking			(81,600.00)					
03/12/2014	Credit for Amex Exp settlmt		791.43						
03/13/2014	ASSESSMENTS		2,635.04						
03/17/2014	Credit for bank card sys		642.11						
03/17/2014	ASSESSMENTS		416.81						
03/20/2014	GB CD# XXXXX0210 INT		78.50						
03/21/2014	ASSESSMENTS		2,739.84						
03/24/2014	Credit for bank card sys		497.64						
03/27/2014	ASSESSMENTS		3,735.92						
03/31/2014	Credit for bank card sys		1,236.12						
Totals for Account XXXX2086:		\$263,432.54	\$1,054,573.17	(\$285,620.00)	\$269.76	\$1,032,451.47			
Totals for Operating Fund:		\$481,998.74	\$1,496,050.78	(\$426,050.00)	\$437.57	\$1,558.43			

Method Used For Resolving Market Values: _____
 Certificate of Deposit: _____
 Securities/Direct Government Obligations: _____
 Public Fund Investment Pool/AS4 Account: _____
 Face Value Plus Accrued Interest
 Market Value Quoted by the Seller of the Security and Confirmed in Writing
 Balance = Book Value = Current Market

Montrose Management District

Summary of Certificates of Deposit with Money Market
01/01/2014 - 03/31/2014

Financial Institution	Investment Number	Issue Date	Maturity Date	Beginning Balance	Principal From Cash	Principal From Investment	Principal Withdrawn	Principal Reinvested	Ending Balance	Interest Rate	Beg. Acc. Interest	Interest Earned	Interest Reinvested	Interest Withdrawn	Accrued Interest
Operating Certificates of Deposit															
GREEN BANK	XXXX0143	08/13/13	02/09/14	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.30%	57.95	74.38	0.00	74.38	0.00
GREEN BANK	XXXX0143	02/10/14	07/10/14	0.00	0.00	50,000.00	0.00	0.00	50,000.00	0.20%	0.00	0.00	0.00	0.00	13.42
GREEN BANK	XXXX0169	12/12/13	06/10/14	50,000.00	0.00	0.00	0.00	0.00	50,000.00	0.30%	8.22	0.00	0.00	0.00	44.79
GREEN BANK	XXXX0210	09/10/13	03/19/14	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.30%	46.44	78.50	0.00	78.50	0.00
GREEN BANK	XXXX0210	03/20/14	09/16/14	0.00	0.00	50,000.00	0.00	0.00	50,000.00	0.30%	0.00	0.00	0.00	0.00	4.52
GREEN BANK	XXXX0311	09/10/13	03/09/14	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.30%	46.44	73.97	0.00	73.97	0.00
Rolled over FROM CD XXXX0287															
GREEN BANK	XXXX0311	03/10/14	08/07/14	0.00	0.00	50,000.00	0.00	0.00	50,000.00	0.20%	0.00	0.00	0.00	0.00	5.75
CON BANK	XXXX8032	11/06/13	05/12/14	50,000.00	0.00	0.00	0.00	0.00	50,000.00	0.32%	24.55	0.00	0.00	0.00	63.56
CON BANK	XXXX7935	11/06/13	05/05/14	50,000.00	0.00	0.00	0.00	0.00	50,000.00	0.32%	24.55	0.00	0.00	0.00	63.56
POST OAK BANK	XXXX0889	10/12/13	04/09/14	50,000.00	0.00	0.00	0.00	0.00	50,000.00	0.30%	33.29	0.00	0.00	0.00	69.86
POST OAK BANK	XXXX0897	10/12/13	04/09/14	50,000.00	0.00	0.00	0.00	0.00	50,000.00	0.30%	33.29	0.00	0.00	0.00	69.86
Totals for Operating Funds:				400,000.00	0.00	150,000.00	0.00	150,000.00	400,000.00	N/A	274.73	226.85	0.00	226.85	\$335.32
Beginning Balance:				\$400,000.00											
Plus Principal From Cash:				\$0.00											
Less Principal Withdrawn:				\$0.00											
Plus Interest Reinvested:				\$0.00											
Fixed Balance:				\$400,000.00											
MM Balance:				\$1,538,437.09											
Total Balance:				\$1,938,437.09											
Totals for District:				400,000.00	0.00	150,000.00	0.00	150,000.00	400,000.00	N/A	274.73	226.85	0.00	226.85	\$335.32

Amount Used For Reporting Market Values

Price Value Plus Accrued Interest	
Market Value Quoted by the Seller of the Security and Confirmed in Writing	
Balance = Book Value = Current Market	

Montrose Management District
 Detail of Pledged Securities
 01/01/2014 - 03/31/2014

Financial Institution: COMPASS BANK-PREMIER

Security:	Par Value:	Maturity Date:	Pledged:	Released:	Amount Released:
Security: FHLMC CUSIP: 3128PAA55	Date				
	02/28/2014				
	03/31/2014				
Par Value:	550,000.00	10/01/2042	Pledged: 02/26/2014	Released:	Amount Released:
Security: FHLMC CUSIP: 3128S5U9	Date				
	02/28/2014				
	03/31/2014				
Par Value:	575,000.00	09/01/2038	Pledged: 02/04/2013	Released: 02/26/2014	Amount Released: 575,00
Security: FHLMC CUSIP: 31300L5H4	Date				
	02/28/2014				
	03/31/2014				
Par Value:	525,000.00	01/01/2043	Pledged: 02/04/2014	Released:	Amount Released:
Security: FHLMC CUSIP: 31300L2C2	Date				
	01/31/2014				
	02/28/2014				
03/31/2014					
Par Value:	175,000.00	08/01/2042	Pledged: 01/30/2014	Released:	Amount Released:
Security: FHLMC CUSIP: 31326FHUR2	Date				
	02/28/2014				
	03/31/2014				
Par Value:	450,000.00	03/01/2043	Pledged: 02/10/2014	Released:	Amount Released:
Security: FNMA CUSIP: 31385SS73	Date				
	02/28/2014				
	03/31/2014				
Par Value:	1,650,000.00	11/01/2033	Pledged: 01/23/2014	Released: 02/26/2014	Amount Released: 1,650,00
Security: FNMA CUSIP: 3138EGQ56	Date				
	01/31/2014				
	02/28/2014				
03/31/2014					
Par Value:	400,000.00	03/01/2035	Pledged: 01/30/2013	Released:	Amount Released:

Methods Used For Reposting Market Value

Certificate of Deposit: Par Value Plus Accrued Interest
 Securities/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing
 Public Fund Investment Pool/504 Accounts: Balance = Book Value = Current Market

Montrose Management District
Detail of Pledged Securities

01/01/2014 - 03/31/2014

Financial Institution: COMPASS BANK-PREMIER

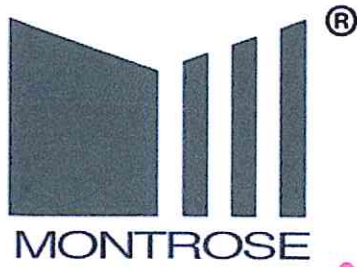
Security: FNMA
 CUSIP: 31419ATX5

Par Value: 425,000.00 Maturity Date: 02/01/2039 Pledged: 01/31/2013 Released: Amount Released:

Date	Value
01/31/2014	95,506.60
02/28/2014	95,275.56
03/31/2014	91,770.25

Methods Used For Reporting Market Values

Price Value Plus Accrued Interest
 Market Value Quoted by the Seller of the Security and Confirmed in Writing
 Balance = Book Value = Current Market



COME NETWORK WITH MONTROSE BUSINESSES,
& ARTISTS. VIEW ART & HEAR SPOKEN WORD.
ENJOY WINE & CHEESE & LEARN ABOUT OUR...

CULTURAL DISTRICT DESIGNATION APPLICATION

special CULTURAL MIXER

Meet Artists:

SEBASTIEN BOILEAU
CEO /ARTIST - EYEFUL ART

WILLIAM M^CELRATH
PRESIDENT /WRITER - ART-N-WORDS



FOR MORE INFO: MCORTES@MONTROSEDISTRICT.ORG

COME LEARN NEXT STEPS

& more

MontroseDistrict.org
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[@MontroseHTX](https://twitter.com/MontroseHTX)



FRIDAY
May 23²⁰¹⁴
6pm – 8pm
@ARTLEAGUE
HOUSTON
1953 Montrose