

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

November 12, 2012

Determine quorum; call to order.

The Board of Directors of the Montrose Management District held a meeting on Monday, November 12, 2012, at 12:00 p.m. Noon at 401 Branard Street, 2nd Floor, Room 106, Houston, TX 77006, inside the boundaries of the District, and open to the public. Chairman Wynn called the meeting to order at 12:00 p.m., and the roll was called of the duly appointed members of the Board, to wit:

Position 1: Claude Wynn, *Chairman*
Position 2: Dana Thorpe
Position 3: Randy Mitchmore, *Vice Chairman*
Position 4: Cassie Stinson, *Secretary*
Position 5: Lane Llewellyn
Position 6: Nebo Bandovic (pending)
Position 7: Vacant
Position 8: Robert Jara

Position 9: Kathy Hubbard, *Treasurer*
Position 10: Michael Grover
Position 11: Bobby Heugel
Position 12: Brad Nagar, *Ass't Secretary*
Position 13: Tammy Manning
Position 14: David Robinson
Position 15: Randall Ellis

and all of the above were present with the exception of Directors Jara and Manning, thus constituting a quorum. Also present at the meeting were Bill Calderon, Susan Hill, Josh Hawes, and Ray Lawrence, all of Hawes Hill Calderon, L.L.P.; Clark Lord, Bracewell & Giuliani, L.L.P.; Patricia Hall, Equi-Tax, Inc.; and Darrell Hawthorne, Municipal Accounts and Consulting, L.P. Others present at the meeting were Officer Victor Becerra, Houston Police Department; Daphne Scarbrough, Richmond Avenue Coalition; Steve Madden; Thad Kudela and Cathleen Lynch, both of Kudela & Weinheimer; Dennis Beedon; and Marie Cortes-Matte.

Approve minutes of meeting held October 8, 2012.

Upon a motion duly made by Director Mitchmore and being seconded by Director Llewellyn, the Board voted unanimously to approve the minutes of its meeting held October 8, 2012 as amended to note that Director Stinson was absent from the meeting.

Receive public comments.

There were no public comments.

Receive District's Monthly Assessment Collection Reports and Billing and Assessment Summaries, Lawsuit and Arbitration Status Details, and Delinquent Assessment Reports.

The Report was postponed until later in the meeting.

Receive and consider Montrose Management District's monthly financial report and pay invoices.

Mr. Hawthorne reviewed the financial statements included in the Board agenda materials. Mr. Calderon said that the invoices presented for payment have been reviewed by the Finance Committee. Upon a motion duly made by Director Hubbard and being seconded by Director Llewellyn, the Board voted unanimously to approve the Montrose Management District's monthly financial report and pay invoices.

Receive Executive Director's Monthly Report on District initiatives.

Mr. Calderon briefed the Board. He said that there are reports on each of the committees' activities included in the Board agenda materials, and he reviewed the highlights.

He reported that the Business and Economic Development Committee met on October 24, 2012 and that it will meet regularly during lunch at Traditions Bank on the fourth Wednesday of each month. He invited Board members to attend the meetings. Mr. Lawrence added that the Committee has established a set of priorities and an Action Plan which is included in the Board agenda materials.

Mr. Calderon said that the Marketing and Business Relations Committee met on October 31, 2012, and it received a positive update on the District's participation at the recent Italian Festival. He then introduced the District's two new Business Ambassadors, Mr. Beedon and Ms. Cortes-Matte. He explained that the Business Ambassador Program will enhance the District's direct outreach to the business community. He said that the Committee heard a presentation at its meeting from The Black Sheep Agency about a proposed comprehensive communications strategy.

He reported that the Recycling and Event Subcommittee met on November 6, 2012.

He said that the Mobility and Visual Improvements Committee has met twice recently, on October 15, 2012 and November 6, 2012. He reported the Committee is finalizing the District's banner signage design and the identification of proposed locations for placements. He asked Mr. Kudela to brief the Board on the signage project. Mr. Kudela presented a mock-up of the signage, a map of proposed locations for a Phase I installation of the signs and a graphic of signs and intersections within the District. He said that 36 potential locations for the branding signage have been identified. He then answered questions from Board members about the signage design, placements and lighting. Upon a motion duly made by Director Hubbard and being seconded by Director Llewellyn, the Board voted unanimously to reaffirm its commitment to the signage plan and to move forward with the program.

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 Report. She reported that the 2011 assessments are 98% collected to date on both the East and West sides of the District. She said there are no properties with uncertified 2011 property values within the District. She also noted that the District's Top Ten Assessment Payers and the Ten Largest Delinquent Accounts are listed in the Board agenda materials, as well as a status report on delinquent accounts including lawsuit and arbitration details. Ms. Hall said that many lawsuits contesting 2011 property values are being settled by the Harris County Appraisal District, and that new lawsuits contesting the 2012 property values are also being filed. No action was taken.

Receive Marketing and Business Relations committee report;

Mr. Calderon said there are no Board action items from this Committee. No action was taken.

Receive report from the Public Safety Committee.

Mr. Calderon reported that the Committee met last Friday and reviewed the proposed 2013 budget, as well as discussed the mobile security camera program. He asked Officer Becerra to present the Security Patrol Report. Officer Becerra noted that patrol shifts have been increased on Friday and Saturday evenings, and he said that there has been a significant increase in the number of arrests as a result. A total of 105 arrests were made in both of the prior two months. He said the patrol officers also have been busy making field visits to area businesses at which brochures, decals and safety stickers are being distributed, as well as distributing "report cards" on vehicles in parking lots to prevent motor vehicle break-ins.

Director Heugel inquired about crimes that occurred during the recent Montrose Crawl event. Director Becerra commented that the event would have benefitted from additional security patrols. Mr. Hawes then reported that footage from one of the District's mobile surveillance cameras was provided to the Houston Police Department for review in conjunction with a recent homicide.

Mr. Calderon distributed a document titled, "Montrose Management District Profit and Loss Budget vs. Actual Total Zone, December 2012" dated November 12, 2012, hereby attached as Exhibit A. He said the FY 2013 budget will be presented to the Board for consideration at its next meeting. No action was taken.

Receive report from the Mobility and Visual Improvements Committee

- a) Approve resolution supporting the Transportation Enhancement application and authorize the Executive Director to submit to TxDOT/City of Houston for funding of the bridge lighting project.

Mr. Calderon reported on the status of the bridge lighting project, noting that the re-lighting of the six bridges over Highway 59 has been identified as a priority project for the District. He said the application to TxDOT includes an estimate of the projected costs and that an engineering firm would be retained to develop specific engineering schematics if the project is authorized. He explained that the maintenance and operations costs would be separate. Following discussion, and upon a motion duly made by Director Llewellyn and being seconded by Director Stinson, the Board voted unanimously to adopt a resolution supporting the Transportation Enhancement application and to authorize the Executive Director to submit it to TxDOT / City of Houston for funding of the bridge lighting project.

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.

There was no Executive Session.

Reconvene in Open Session and authorize appropriate action by legal counsel related to Item #10 on the agenda.

No action was taken.

Announcements.

There were no announcements.

Adjourn.

There being no further business to come before the Board, Chairman Wynn adjourned the meeting at 12:45 p.m.

Cassie B Stinson

Secretary, Board of Directors
Montrose Management District



List of Exhibits:

Exhibit A: "Montrose Management District Profit and Loss Budget vs. Actual Total Zone, December 2012," dated November 12, 2012

Sources of Funds	Dec 11	Actual FY2011		Approved FY2011		Approved FY2011		Proposed FY2012		Proposed by Zone for 2013	Proposed FY 2013 Budget	%
		Uses	Budget	Budget	Total	Budget	Total	Budget	Zone			
14101-1 Assessments	92,146.78	944,078.78	865,825.88	865,825.88	865,825.88	865,825.88	865,825.88	865,825.88	68%	888,245	131,256	68%
14110 Assessments	56,296.16	344,518.58	416,479.20	416,479.20	1,282,305.08	424,772	1,323,676	424,772	32%	424,319	27,000	32%
14121 Assessment Refunds	0.38	9.57	(8,900.00)	(8,900.00)	(69,740.00)	(17,978)	(26,474)	(17,978)		18,272		
14122 Assessment Refunds	0.00	22,465.37	(60,840.00)	(60,840.00)	20,000.00	(8,495)	0	0		8,728		
14310-1 Penalties & Interest	186.51	20,258.11	10,000.00	10,000.00	20,000.00	15,000	25,000	25,000		25,000	25,000	
14310 Penalties & Interest	171.82	10,510.49	10,000.00	10,000.00	750.00	10,000	10,000	10,000		406	600	
14370-1 Interest Earned on Temp. Inv	129.27	312.65	500.00	500.00	255.00	10	110	110		194	100	
14370 Interest Earned on Temp. Inv	999.13	999.13	170.00	170.00	333,338.73	201,973	532,140	532,140	*	121,170	121,170	
14380-1 Interest	0.00	9.60	85.00	85.00	333,338.73	330,167	400,000	400,000		1,886,435		
14380 Interest	7.31	75.68	0.00	0.00	1,566,908.81	1,855,023	1,855,023	1,855,023				
14390-1 Ending FY 2011 Fund Balance		0.00	0.00	0.00								
14390 Ending FY 2011 Fund Balance	27,778.23	333,338.73	333,338.73	333,338.73								
Investment revenues												
Total Sources of Funds	177,715.59	1,676,576.69	1,566,908.81	1,566,908.81	1,566,908.81	1,855,023	1,855,023	1,855,023		400,000	1,886,435	
Uses of Funds												
Business Development												
16124-1 Marketing & Public Rel M	1,012.82	11,141.02	12,153.79	12,153.79	18,000.00	24,541	36,138	36,138		24,541	36,138	
16124 Marketing & Public Rel Mgr	487.18	7,593.88	5,846.21	5,846.21	11,597	11,597	11,597	11,597		11,597	277,400	
16125-1 Marketing & Public Relati	337.61	14,114.61	47,264.74	47,264.74	140,000.00	141,795	208,800	208,800		188,632		
16125 Marketing & Public Relati	162.39	6,789.39	92,735.26	92,735.26	8,000.00	67,005	88,768	88,768		9,792	14,400	
16131-1 Web Site Development	8,096.40	20,613.87	5,401.68	5,401.68	12,000.00	35,313	52,000	52,000		4,608		
16131 Web Site Development	3,894.53	10,165.71	2,598.32	2,598.32	8,149	16,687	12,000	12,000		25,840	38,000	
16135-1 Economic Development St	675.21	7,427.31	8,102.53	8,102.53	0.00	3,851	10,866	10,866		8,160	12,000	
16135 Economic Development Ser	324.79	3,572.69	3,897.47	3,897.47	0.00	5,134	6,000	6,000		4,080	6,000	
16141-1 GIS Services	168.80	0.00	0.00	0.00	1,925	1,925	330,938	330,938		1,920	383,938	
16141 GIS Services	81.20	0.00	0.00	0.00	0.00	27,164	40,000	40,000				
16140-1 Web Site Main./Host/I.T.	168.80	1,856.80	4,051.26	4,051.26	6,000.00	4,075	6,000	6,000		4,080	6,000	
16140 Web Site Main./Host/I.T.	81.20	1,143.20	1,948.74	1,948.74	184,000.00	330,938	330,938	330,938		1,920		
Total Business Development	15,490.93	84,418.48	184,000.00	184,000.00	184,000.00	330,938	330,938	330,938		383,938		
Creation and Petition Services												
16520-1 Dissolution Petitions	0.00	0.00	0.00	0.00	0.00	27,164	40,000	40,000				
16520 Dissolution Petitions	0.00	0.00	0.00	0.00	0.00	12,836						
16590 Hawes Hill Calderon	0.00	66,251.14	66,300.00	66,300.00	66,300.00	0						
16510 Vinson & Elkins	0.00	55,667.81	69,345.13	69,345.13	69,345.13	0						
16515 Equi Tax	0.00	6,770.96	6,771.00	6,771.00	6,771.00	0						
Total HCID 11 Creation Costs	0.00	128,689.91	142,416.13	142,416.13	142,416.13	40,000	40,000	40,000				
Mobility & Transportation												
17001-1 Transportation Inv. Contra	0.00	120,584.79	80,000.00	80,000.00	80,000.00	0	0	0		27,200	40,000	
17001 Transportation Inv. Contra	0.00	0.00	0.00	0.00	0.00	0				12,800	100,000	
17010-1 Engineering Services	0.00	0.00	0.00	0.00	0.00	14,601	21,500	21,500		68,000		
17010 Engineering Services	0.00	0.00	0.00	0.00	0.00	6,899	15,000	15,000		32,000		
17020-1 Bridge Lighting Maint.	0.00	0.00	0.00	0.00	0.00	10,186						
17020 Bridge Lighting Maint.	0.00	0.00	0.00	0.00	0.00	4,814						
17030-1 Mobility Projects	0.00	0.00	0.00	0.00	0.00	67,910	100,000	100,000				
17030 Mobility Projects	0.00	0.00	0.00	0.00	0.00	32,090	136,500	136,500		140,000		
Total Mobility & Transportation	0.00	120,584.79	80,000.00	80,000.00	80,000.00	136,500	136,500	136,500		140,000		

	Dec 11	Actual FY2011 Sources and Uses	Approved FY2011 Budget	Approved FY2011 Budget By Total	Proposed FY2012 Budget By Zone	Proposed FY2012 Budget By Total	Proposed by Zone for 2013	%	Proposed FY 2013 Budget
Project Staffing & Admin									
16150-1 · Admin & Management	1,417.94	15,597.34	17,015.31	25,200.00	17,113	25,200	16,977		25,000
16150 · Admin & Management	682.06	9,602.66	8,184.69		8,087		8,023		
16160-1 · Reimbursable Expenses.	385.59	9,288.65	5,064.08	7,500.00		16,000	10,866		16,000
16160 · Reimbursable Expenses	185.47	5,973.47	2,485.92		5,134		5,134		
16170-1 · Reimbursable Mileage.	287.93	2,954.14	1,688.03	2,500.00		5,000	3,395		5,000
16170 · Reimbursable Mileage	138.50	1,705.51	811.97		1,605		1,605		
16180-1 · Postage, Deliveries	51.37	512.46	1,688.03	2,500.00	883	1,300	883		1,300
16180 · Postage, Deliveries	24.71	763.55	811.97		417		417		
16190-1 · Printing & Reproduction	337.16	4,105.22	4,051.26	6,000.00	4,754	7,000	4,754		7,000
16190 · Printing & Reproduction	162.19	2,619.01	1,948.74		2,246		2,246		
16200-1 · Public Notices, Advertising	0.00	3,115.05	810.25	1,200.00	5,433	8,000	5,433		8,000
16200 · Public Notices, Advertising	0.00	5,046.47	389.75		2,567		2,567		
16210-1 · Project Management	2,633.32	28,966.52	31,599.85	46,800.00	31,782	46,800	31,671		46,800
16210 · Project Management	1,266.68	18,833.48	15,200.15		15,018		15,129		
16215-1 · Services Management	2,722.52	29,947.72	32,670.06	48,385.00	54,776	80,660	54,776		80,660
16215 · Services Management	1,309.59	18,437.60	15,714.94		25,884		25,884		
16220-1 · Legal Services.	8,542.36	44,708.90	8,102.53	12,000.00	16,298	24,000	16,298		24,000
16220 · Legal Services	4,109.04	30,398.54	3,897.47		7,702		7,702		
16250-1 · Bookkeeping.	962.17	9,189.62	4,929.04	7,300.00	10,594	15,600	10,594		15,600
16250 · Bookkeeping	462.83	4,930.38	2,370.96		5,006		5,006		
16260-1 · Assess Data Mgmt & Billin	927.97	9,279.70	13,161.26	21,492.08	14,940	22,000	14,940		22,000
16260 · Assess Data Mgmt & Billing	446.37	7,002.74	8,330.82		7,060		7,060		
16270-1 · Office Supplies.	0.00	0.00	2,430.76	3,600.00	2,037	3,000	2,037		3,000
16270 · Office Supplies	0.00	0.00	1,169.24		963		963		
16280-1 · Other.	42.23	258.28	100.00	200.00	407	600	407		600
16280 · Other	28.86	203.55	100.00		193		193		
16290-1 · Office Lease Space.	810.25	5,428.68	9,790.55	14,500.00	10,594	15,600	10,594		15,600
16290 · Office Lease Space	389.75	2,611.32	4,709.45		5,006		5,006		
16291-1 · Office Equipment.	59.09	752.62	5,401.68	8,000.00	1,698	2,500	1,698		2,500
16291 · Office Equipment	28.42	362.03	2,598.32		802		802		
16340-1 · Auditing Fees	0.00	0.00	0.00	11,000.00	7,470	11,000	7,470		11,000
16340 · Auditing Fees	0.00	9,700.00	11,000.00		3,530		3,530		
16530-1 · Insurance & Surety Bond.	0.00	2,223.84	2,363.24	3,500.00	10,186	15,000	10,151		15,000
16530 · Insurance & Surety Bond	0.00	(371.25)	1,136.76		4,814		4,849		
Total Project Staffing & Admin	28,414.37	284,147.80	221,677.08	221,677.08	299,260	299,260	299,060		299,060

	Dec 11	Actual FY2011 Sources and Uses	Approved FY2011 Budget	Approved FY2011 Budget By Total	Proposed FY2012 Budget By Zone	Proposed FY2012 Budget By Total	Proposed by Zone for 2013	%	Proposed FY 2013 Budget
Security and Public Safety									
15415-1 · Vehicle Maint. & Operatio	478.29	4,854.33	2,700.84	4,000.00	6,791	10,000	6,800		10,000
15415 · Vehicle Maint. & Operations	230.07	3,046.61	1,299.16		3,209		3,200		
15420-1 · Contract Public Safety Serv	25,454.09	144,179.18	120,000.00	220,000.00	237,684	350,000	251,600		370,000
15420 · Contract Public Safety Serv	11,998.37	117,302.26	100,000.00		112,316		118,400		
15425-1 · Mobile Camera Program.	1,063.46	7,120.14	18,000.00	36,000.00	26,485	39,000	26,485		39,000
15425 · Mobile Camera Program	511.54	9,299.86	18,000.00		12,515		12,515		
15430-1 · Cell Phone.	0.00	0.00	837.26	1,240.00	842	1,240	1,224		1,800
15430 · Cell Phone	0.00	85.36	402.74		398		576		
15450-1 · Public Safety Insurance.	0.00	0.00	2,700.84	4,000.00	2,037	3,000			
15450 · Public Safety Insurance	245.54	722.98	1,299.16		963				
16100-1 · Store Front Equipment.	0.00	0.00	1,012.82	1,500.00	1,630	2,400	668		1,000
16100 · Store Front Equipment	0.00	0.00	487.18		770		332		0
16101-1 · Public Safety Training.	0.00	0.00	6,752.11	10,000.00	3,395	5,000			
16101 · Public Safety Training	0.00	0.00	3,247.89		1,605				
16102-1 · Public Safety Equipment.	0.00	0.00	6,752.11	10,000.00	6,791	10,000	3,400		5,000
16102 · Public Safety Equipment	0.00	0.00	3,247.89		3,209		1,600		0
16103-1 · Vehicle and Equipment.	0.00	24,948.23	40,000.00	40,000.00	0	0	40,800		60,000
16103 · Vehicle and Equipment	3,457.08	32,194.04	40,000.00	75,000.00	40,746	60,000	19,200		19,200
16110-1 · Graffiti Abatement.	1,662.92	26,365.96	35,000.00	0.00	11,460	16,875	34,000		50,000
16110 · Graffiti Abatement	1,662.92	0.00	0.00		5,415		16,000		0
16115 · Nuisance Abatement	0.00	0.00	1,228.88	1,820.00	1,236	1,820			
16115 · Nuisance Abatement	0.00	0.00	591.12		584				
16111 · Light Outage Survey	0.00	0.00							
16111 · Light Outage Survey	50,221.36	370,118.95	403,560.00	403,560.00	499,335	499,335	536,800		536,800
Total Security and Public Safety									
Visual Improvements & Cultural									
16212-1 · Identification Design & In	711.00	20,551.93	25,000.00	125,000.00	247,409	364,320	247,738		364,320
16212 · Identification Design & Inst	342.00	11,991.81	100,000.00		116,911		116,582		
16213 · Landscape Maintenance		0.00	0.00	0.00	15,000	15,000	15,000		15,000
16216-1 · Holiday Design & Install		0.00	0.00	0.00	40,746	60,000	40,800		60,000
16216 · Holiday Design & Install	342.00	0.00			19,254		19,200		
Total Visual Improvements & Cultur	1,395.00	32,543.74	125,000.00	125,000.00	439,320	439,320	439,320		439,320
Total Uses of Funds	95,521.66	1,020,503.67	1,156,653.21	1,156,653.21	1,745,353	1,745,353	1,799,118		1,799,118
Planned Reserves	82,193.93	656,073.02	410,255.60	410,255.60	109,670	109,670	87,316		87,317

* 2012 Assessments collected before December 31 are backed out.