

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

June 13, 2016

DETERMINE QUORUM; CALL TO ORDER.

The Board of Directors of the Montrose Management District held a regular meeting, open to the public, on Monday, June 13, 2016, at 12:00 p.m. at St. Thomas University, 3800 Montrose Blvd., Malloy Hall, Carol Tatkon Boardroom, 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 - | Tammi Wallace | Position 10 - | Michael Grover |
| Position 3 - | Randy Mitchmore, <i>Vice Chairman</i> | Position 11 - | Ellyn Wulfe |
| Position 4 - | vacant | Position 12 - | Brad Nagar, <i>Asst. Secretary</i> |
| Position 5 - | Lane Llewellyn, <i>Secretary</i> | Position 13 - | vacant |
| Position 6 - | Robert Jara | Position 14 - | Todd Edwards |
| Position 7 - | Ryan Haley | Position 15 - | vacant |
| Position 8 - | Stephen L. Madden | | |

and all were present, with the exception of Directors Wallace, Llewellyn, Wulfe and Edwards, thus constituting a quorum. Also present were David Hawes, Josh Hawes, Linda Clayton, Gretchen Larson, Tony Allender and Kristen Gonzales, all with Hawes Hill Calderon, LLP; Clark Lord, Bracewell LLP; Tim Austin, ABHR; Barry Abrams, Blank Rome; Caryn Adams, Municipal Accounts; Dennis Beedon, Montrose Business Ambassador; Brian Toldan, McCall Gibson Swedlund Barfoot PLLC; and Ray Lawrence, Lawrence & Associates. Others attending the meeting were Officer Victor Beserra, Montrose HPD; Tawny Tidwell, Montrose MD social medial strategist; Michael Hardy; Eoles Whitaker, Office of State Representative Garnet Coleman; Daphne Scarborough, Richmond Avenue Coalition; Jim Scarborough, Uptown District resident; Dan Piette, resident. Chairman Wynn called the meeting to order at 12:02 p.m.

RECEIVE PUBLIC COMMENTS.

Daphne Scarborough gave her legal version of the lawsuit; she stated no one wants the District. She discussed chopping down trees. She stated the need of less concrete. She stated we have petitions that want the District dissolved and that there will be ramifications if the District does not recognize those petitions. Dan Piette stated there are projects in the District that are not being communicated to citizens and the need of better outreach to residents, etc. He discussed one item particular is the branding and signage for the District. He stated his neighborhood does not need branding of Montrose. He discussed the esplanades and the first time he learned about the esplanade project was when trees were being cut down. He stated if the District wants support from the neighborhood there is a need for better communication. He stated the neighborhood wants more pedestrian access, sidewalks and bike lanes in the District. Eoles Whitaker introduced himself. He stated he is the Director of Intergovernmental Relations for State Representative Garnet Coleman.

APPROVE MINUTES OF REGULAR MEETING HELD MAY 9, 2016.

Upon a motion duly made by Director Grover, and being seconded by Director Mitchmore, the Board voted unanimously to approve the Minutes of the May 9, 2016, Board meeting, as presented.

RECEIVE UPDATE AND RECOMMENDATIONS FROM NOMINATING COMMITTEE:

- a. Consider nominations and appointment to Board of Directors vacant position 4.
- b. Accept Oath of Office, Sworn Statement and Bond from newly appointed Board Member.

Director Mitchmore reported the Nominating Committee met and interviewed Justin Singer for the vacant unexpired term position 4. He reported the Committee reviewed his application and after interviewing Mr. Singer were recommending his appointment to position 4 of the Board of Directors. Upon a motion duly made by Director Mitchmore, and being seconded by Director Madden, the Board voted unanimously to appoint Justin Singer to position 4 of the Board of Directors.

RECEIVE UPDATE AND RECOMMENDATIONS FROM FINANCE COMMITTEE.

- a. Receive Assessment Collection Report.

Mr. Hawes reviewed the Assessment Collections Reports, included in the Board agenda materials. He reported a 94% collection rate on the 2015 assessments in the east zone and a 95% collection rate in the west zone. He reported 95% collected for the combined zones on the 2015 assessments with no uncertified values. He stated the preliminary values have come out and that the values will be certified in September.

- b. Receive and consider monthly financial report and approve invoices for payment.

Director Hubbard reported the Finance Committee met and reviewed the monthly financial report and went over invoices, included in the Board agenda materials. She reported the Finance Committee was recommending the monthly financial report and invoices be approved. Upon a motion duly made by Director Mitchmore, and being seconded by Director Grover, the Board voted unanimously to accept the monthly financial report and approve invoices for payment, as presented.

RECEIVE AND APPROVE FY2015 FINANCIAL REPORT AND AUDIT FROM MCCALL GIBSON SWEDLUND BARFOOT PLLC.

Mr. Toldan reviewed the FY2015 Financial Report and Audit, included in the Board agenda materials, and answered questions. He reported an unmodified opinion which is a clean opinion. He went over the Statement of Net Position and Governmental Funds Balance Sheet on pages 8-9; Statement of Activities, Fund Revenues, Expenditures and Changes in Fund Balances on pages 11-12; and 5-year history Comparative Schedule of Revenues and Expenditures on pages 36-37. Mr. Hawes requested on page 11 the administrative expenses be listed separately from the legal fees and requested the BlankRome legal expenses for the lawsuit be separate from the general legal expenses. Director Mitchmore asked if the auditor feels the District has adequate control over expenditures and free of fraud. Mr. Toldan answered yes and nothing needs to be brought to the District's attention. Upon a motion duly made by Director Hubbard, and being seconded by Director Mitchmore, the Board voted unanimously to approve the

FY2015 Financial Report and Audit as amended with changes to page 11 separating the legal expenses from the administrative expenses.

RECEIVE UPDATE AND RECOMMENDATIONS FROM PUBLIC SAFETY COMMITTEE.

Mr. J. Hawes reported the Public Safety Committee met on May 25, a copy of the Committee Minutes is included in the Board agenda materials. He provided an overview of the Committee meeting and answered questions. Officer Beserra presented the Patrol Summary Report for May 2016, included in the Board agenda materials. He discussed visibility and public safety initiatives in the District.

a. Consider purchase of new tires for the patrol vehicles.

Mr. J. Hawes reported the Committee considered and were recommending purchasing new tires for the 2014 Jeep Grand Cherokee patrol vehicle, a copy of the invoice is included in the Board agenda materials. Upon a motion duly made by Director Nagar, and being seconded by Director Hubbard, the Board voted unanimously to approve purchasing new tires for the patrol vehicle in the amount of \$635.84, as presented.

RECEIVE UPDATE FROM MOBILITY AND VISUAL IMPROVEMENTS COMMITTEE.

Mr. Allender reported the Mobility and Visual Improvements Committee met on June 6, a copy of the Committee Minutes is included in the Board agenda materials. He reported staff continues coordination with the consultant on the Special Parking Application. He stated they were asking for another small delay because additional information is being requested. He reported the contractor for the identification markers was using the wrong technology and staff is looking into the situation. He reported the esplanade project is on hold due to issues brought forward by Mr. Hilder. He stated staff has a meeting this Wednesday to discuss the issues with Mr. Hilder. He reported a date to begin construction on the bridge lighting project has not been set by TxDOT. There was general discussion regarding the esplanades and the disconnect with the community. No action from the Board was required.

RECEIVE UPDATE FROM MARKETING AND BUSINESS DEVELOPMENT COMMITTEE.

Ms. Larson reported the Marketing and Business Development Committee meets quarterly and its next meeting is scheduled for next Wednesday. She reported the Recycling Event at HEB was held on May 21. Director Madden stated the Committee will be focusing on building relationships in the District. No action from the Board was required.

RECEIVE UPDATE FROM BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE.

Mr. Lawrence reported the Business and Economic Development Committee met on May 25, a copy of the Committee Minutes is included in the Board agenda materials. He reported the Retail Advisory breakfast meeting was held on May 4 and the Professional Advisory breakfast meeting was held on May 24. He reported the Committee will be reviewing questions, concerns and information the advisory groups provided. No action from the Board was required.

RECEIVE EXECUTIVE DIRECTOR'S MONTHLY REPORT.

Mr. Hawes reported the Executive Director's Monthly Report is included in the Board agenda materials for review. Mr. J. Hawes answered questions regarding the lower Westheimer planning project. 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.

The Board convened in Executive Session at 12:49 p.m.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION BY LEGAL COUNSEL RELATED TO EXECUTIVE SESSION.

The Board reconvened in Open Session at 1:33 p.m. Action was taken on the following:

ADOPT RESOLUTION ESTABLISHING PROTOCOLS AND PROCEDURES FOR THE ADMINISTRATION OF DISSOLUTION PETITIONS.

Upon a motion duly made by Director Hubbard, and being seconded by Director Grover, the Board voted unanimously to adopt a Resolution Establishing Protocols and Procedures for the Administration of Dissolution of Petitions, a copy is attached as Exhibit A.

ANNOUNCEMENTS.

There were no announcements.

ADJOURN.

There being no further business to come before the Board, Chair Wynn adjourned the meeting at 1:35 p.m.

(Seal)



Randy Atkinson
Secretary VICE-CHAIR

List of Exhibits:

- A. Resolution Establishing Protocols and Procedures for the Administration of Dissolution Petitions.

RESOLUTION ESTABLISHING PROTOCOLS AND PROCEDURES FOR THE
ADMINISTRATION OF DISSOLUTION PETITIONS

WHEREAS, the Board of Directors (the "Board") of Montrose Management District (the "District") received a petition on _____ (the "Petition"), requesting that the Board dissolve the District, pursuant to section 375.262, Subchapter M, Chapter 375 of the Local Government Code (the "Code") and the District's enabling acts, found in Chapters 3843 and 3878, Subtitle C, Title 4, of the Special District Local Laws Code; and

WHEREAS, the Code and the District's enabling act require that the Board dissolve the District upon receipt of a written petition filed with the Board by the owners of 75 percent or more of the assessed value of the property in the district based on the most recent certified county property tax rolls; and

WHEREAS, the District desires to set forth protocols and procedures by which it will administer the review of and response to the Petition, including: 1) verifying the legal authority of the Petition; 2) validating the signature authority of the Petition signers, and 3) responding to and implementing the request of the Petition; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MONTROSE MANAGEMENT DISTRICT THAT:

Section 1: The District hereby officially finds and determines that the facts and recitations contained in the recitals to this Resolution are true and correct and such recitals are hereby approved and adopted as a part of this Resolution, including the terms defined therein.

Section 2: The District hereby directs its officers, consultants and attorney to act diligently and without delay to take all actions necessary to:

a) verify the legal authority of the Petition, including verifying the ownership status of the signers of the Petition, and establishing what portion of the assessed value of property in the District is represented by the Petition;

b) validate the signature authority of the signers of the Petition, including verification of the legal authority of the signers to sign the Petition on behalf of the property owner of each parcel of property referenced in the Petition;

c) engage third party consultants necessary to conduct the verification and validation as described above;

d) respond to or implement the request in the Petition, based on the conclusions and findings of items a and b of this Section, including presenting to the Board of the District the conclusions, findings and recommendations for responding to the Petition in accordance with all applicable laws.

Section 3: The District further proposes that in an effort to maintain openness and transparency with the public, the District hold a meeting to publicly address its findings as soon as an outcome is known.

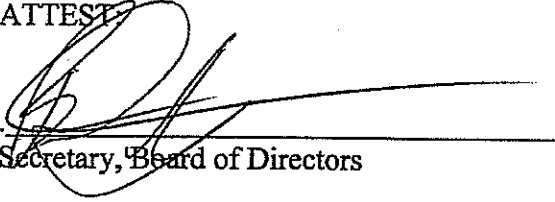
Section 4: The District authorizes delivery of this Resolution to the Board of Directors of Montrose Management District on this date. All officers of the District are authorized to sign any documents and take necessary actions to carry out this Resolution.

[Execution Page Follows]

PASSED AND APPROVED this 13th day of June, 2016.


Chairman, Board of Directors

ATTEST


Asst Secretary, Board of Directors

(SEAL)

