

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

February 13, 2017

DETERMINE QUORUM; CALL TO ORDER.

The Board of Directors of the Montrose Management District held a regular meeting, open to the public, on Monday, February 13, 2017, 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 -	vacant	Position 11 -	Ellyn Wulfe
Position 4 -	Justin Singer	Position 12 -	vacant
Position 5 -	vacant	Position 13 -	vacant
Position 6 -	Robert Jara	Position 14 -	vacant
Position 7 -	Ryan Haley	Position 15 -	vacant
Position 8 -	Stephen L. Madden		

and all were present, with the exception of Directors Wulfe and Singer, thus constituting a quorum. Also present were David Hawes, Josh Hawes, Gretchen Larson, Tony Allender, Linda Clayton and Kristen Gonzales, all with Hawes Hill Calderon, LLP; Clark Lord, Bracewell LLP; Caryn Adams, Municipal Accounts; Pat Hall, Equi-Tax; Barry Abrams, BlankRome; Ray Lawrence, Lawrence & Associates; and Dennis Beedon, Montrose Business Ambassador. Others attending the meeting were Officers Victor Beserra and Leon Laureano, both with Montrose HPD; Eoles Whitaker, Office of State Representative Garnet Coleman; Daphne Scarbrough, Richmond Avenue Coalition; Vicki Cicack, Audobon Place Assoc.; Lee Anne Dixon, Walter P. Moore; Jud Webre, student; and Jim Tucker, resident. Chairman Wynn called the meeting to order at 12:01 p.m.

RECEIVE PUBLIC COMMENTS.

Daphne Scarbrough stated the business community does not support the management district and a lawsuit has been filed against the District. She discussed the petitions for dissolution and wanted to know when the money loaned to the TIRZ was going to be paid back to the management district.

RECEIVE AND ACCEPT RESIGNATION FROM RANDY MITCHMORE, DDS.

The Board acknowledged the resignation from the Board of Directors submitted by Randy Mitchmore, DDS.

APPROVE MINUTES OF REGULAR MEETING HELD NOVEMBER 14, 2016, AND DECEMBER 12, 2016.

Upon a motion duly made by Director Hubbard, and being seconded by Director Grover, the Board voted unanimously to approve the Minutes of the November 14, 2016, and December 12, 2016, Board meetings, as presented.

RECEIVE UPDATE AND RECOMMENDATIONS FROM FINANCE COMMITTEE:

a. Receive Assessment Collection Report.

Mr. Hawes presented the Assessment Collection Report, included in the Board agenda materials. He reported an 80% collection rate of the 2016 assessments as of today. No action from the Board was required.

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

Director Hubbard reported the Finance Committee reviewed the Bookkeeper's Report, Quarterly Investment Report and invoices and was recommending approval of the reports and invoices for payment. Ms. Adams reported several checks were being submitted for consideration that were not included in the Bookkeeper's Report: #5956 payable to Cracked Fox in the amount of \$2,580.00, #5957 payable to Kudela & Weinheimer in the amount of \$995.57, and #5958 payable to Yellowstone Landscape and Maintenance in the amount of \$1,960.66. Upon a motion duly made by Director Madden, and being seconded by Director Wallace, the Board voted unanimously to accept the Bookkeeper's Report and Quarterly Investment Report and approved payment of invoices, as presented.

c. Consider proposal from McCall Gibson Swedlund Barfoot PLLC to prepare FY2016 and FY2017 audits.

Director Hubbard reviewed the proposal from McCall Gibson Swedlund Barfoot PLLC to prepare the FY2016 and FY2017 audits, included in the Board agenda materials. She reported the estimated fee was \$8,500 to \$9,500 for each year and the Finance Committee was recommending for approval. Upon a motion duly made by Director Madden, and being seconded by Director Grover, the Board voted unanimously to approve the proposal from McCall Gibson Swedlund Barfoot PLLC to prepare the FY2016 and FY2017 audits, as presented.

d. Consider proposal from Burton Accounting PLLC to perform pre-audit services.

Director Hubbard reviewed the proposal from Burton Accounting PLLC to prepare the financial statements for the FY2016 audit with fees estimated at \$3,600 to \$3,900 with approximately \$85 to \$250 in expenses, included in the Board agenda materials. She reported the Finance Committee was recommending approval of the proposal. Upon a motion duly made by Director Madden, and being seconded by Director Grover, the Board voted unanimously to approve the proposal from Burton Accounting PLLC to perform pre-audit services, as presented.

e. Receive and consider FY2017 budget.

The proposed FY2017 budget was distributed, a copy is attached as Exhibit A. Mr. Hawes reported the assessments are reduced to what is estimated the collection rate will be for the assessments. He stated the restricted funds are funds for the loan with Prosperity Bank. He reported each Committee has reviewed its respective budget and all Committee budgets are being recommended for approval by the respective committees. Staff answered questions regarding various line items within the budget. After full review and discussion by the Board, and upon a motion duly made by Director Hubbard, and being seconded by Director Grover, the Board voted unanimously to approve the FY2017 budget as presented.

RECEIVE UPDATE AND RECOMMENDATIONS FROM PUBLIC SAFETY COMMITTEE.

The Public Safety Committee met on February 6, 2017, a copy of the Committee Minutes is included in the Board agenda materials. Officer Beserra presented the Patrol Summary Report for January, 2017, and answered questions. Chairman Wynn announced that Director Wallace has agreed to be the Chair to the Public Safety Committee. No action from the Board was required.

RECEIVE UPDATE AND RECOMMENDATIONS FROM MOBILITY AND VISUAL IMPROVEMENTS COMMITTEE:

The Committee met on February 6, a copy of the Committee Minutes is included in the Board agenda materials. Mr. Allender provided an update on the Special Parking Area application, and answered questions. He reported the Planning Commission has approved the application and it has been forwarded to the City for approval by City Council. Mr. J. Hawes provided an update on the bridge lighting project. He reported the bridge lighting ceremony was well attended. He reported the installation of the identification markers is complete, except for one. He reported esplanades are complete and a final walk through is next week.

a. Approve small cell tower location.

Mr. Allender reported he was requesting approval of design for a small cell network pole located at S. Shepherd Drive and Marshall Street. Upon a motion duly made by Director Haley, and being seconded by Director Jara, the Board voted unanimously to approve the design for a small cell network pole located at S. Shepherd Drive and Marshall Street.

b. Approve proposal for design of esplanades on Montrose from W. Dallas to W. Gray.

Mr. J. Hawes reviewed the proposal from Kudela & Weinheimer for design of esplanades on Montrose from W. Dallas to W. Gray, included in the Board agenda materials. He reported the Committee has reviewed the proposal and is recommending approval.

- c. **Approve proposal from Walter P. Moore for on-call services.**

Mr. J. Hawes reviewed the proposal from Walter P. Moore for on-call services, included in the Board agenda materials, and answered questions. He reported the Committee reviewed the proposal and is recommending for approval.

- d. **Approve proposal for landscaping design for ID markers.**

This item was tabled.

- e. **Approve Maintenance Agreement between City of Houston and the Montrose Management District.**

Mr. D. Hawes reviewed the Maintenance Agreement, included in the Board agenda materials, and answered questions. He reported the City requires a Maintenance Agreement and the agreement identifies and maps the locations of improvements the District shall maintain in the City's rights-of-way.

Upon a motion duly made by Director Madden, and being seconded by Director Grover, the Board voted unanimously to (b) approve the proposal with Kudela & Weinheimer for design of four esplanades on Montrose from W. Dallas to W. Gray, as presented; (c) approve the proposal from Walter P. Moore for on-call services, as presented; and (e) approve the Maintenance Agreement between the City of Houston and the District, as presented.

RECEIVE UPDATE AND RECOMMENDATIONS FROM MARKETING AND BUSINESS DEVELOPMENT COMMITTEE:

Ms. Larson reported the January, 2017 Monthly Marketing Report is included in the Board agenda materials for review.

- a. **Consider an agreement with Steel Branding and Marketing for services related to public relations, marketing and branding services.**

Ms. Larson reported the Board previously authorized the Committee to proceed in choosing a vendor and entering into an agreement with the vendor. She reported she was requesting ratification of the Committee's decision to enter into an agreement with Steel Branding for services related to public relations, marketing and branding. Upon a motion duly made by Director Haley, and being seconded by Director Wallace, the Board voted unanimously to ratify and approve an agreement with Steel Branding and Marketing, as presented.

RECEIVE UPDATE FROM BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE.

Mr. Lawrence reported the Committee met on January 25, 2017, a copy of the Committee Minutes is included in the Board agenda materials. The Committee discussed activities for 2017, including marketing

of the Special Parking Area; promoting businesses in the District; Quarterly Meetings or Business Mixers and Breakfast meetings. He reported on several new restaurant openings in the District. No action from the Board was required.

RECEIVE EXECUTIVE DIRECTOR’S MONTHLY REPORT.

Mr. D. Hawes reported the Mayor is expected to make an announcement in the coming weeks on an initiative for the homeless and aggressive panhandlers.

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.

An executive session was called at 12:33 p.m.

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

The Board reconvened in open session at 1:18 p.m. No action was taken.

ANNOUNCEMENTS.

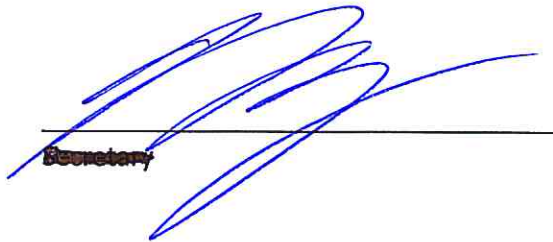
There were no announcements.

ADJOURN

There being no further business to come before the Board, Chairman Wynn adjourned the meeting at 1:18 p.m.

(Seal)




Secretary

List of Exhibits:

- A. Proposed FY2017 Budget

Ex. A

Montrose Management District Budget for Fiscal Year End December 2017

	<u>FY 2016</u> <u>Approved Budget</u>	<u>FY 2016</u> <u>Actual</u>	<u>FY 2017</u> <u>Proposed Budget</u>	
Source of Funds				
14110 · Assessments	2,121,643	2,098,216	2,378,660	
14111 · PY Assessments	8,000	(8,722)	(9,000)	
14112 · Assessment Refunds	(70,000)	(56,520)	(57,000)	
14120 · Collection Fees	0	87,353	85,000	
14310 · Penalties & Interest	30,000	28,774	25,000	
14330 · Miscellaneous Income	40	4,544	5,000	
14370 · Interest Earned on Temp. Invest	3,400	6,317	5,500	
14380 · Interest	135	79	80	
14390 · Prior Year Ending Fund Balance	780,943	1,604,072	609,322	
14391 · Restricted Funds			(352,594)	
Total Source of Funds	2,874,161	3,764,113	2,689,969	
Use of Funds				
Business Development				
16125 · Marketing & Community Engagement				
16125-2 · Total Projects/Programs	13,000	936	30,000	
16125-3 · Total Marketing Materials & Adv	75,000	28,172	77,900	
16125-4 · Total Vendor Support of Project	213,000	158,434	214,200	
Total 16125 · Marketing & Engagement	301,000	187,542	322,100	
16135 · Economic Development Services	50,000	2,550	20,000	
16136 · Real Estate Consulting	15,000	15,000	15,000	
16138 · Real Estate Forum	6,115	9,096	10,000	
16140 · Web Site Main./Host/I.T.	6,000	4,200	7,200	
16141 · GIS Services	2,000	2,385	2,500	
Total Business Development	380,115	220,773	376,800	
District Administration				
16160 · Reimbursable Expenses	5,000	6,350	6,400	
16170 · Reimbursable Mileage	8,000	6,966	7,000	
16180 · Postage, Deliveries	2,000	1,762	1,750	
16190 · Printing & Reproduction	9,250	7,504	7,500	
16200 · Public Notices, Advertising	600	1,085	1,100	
16220 · Legal Services	60,000	0		
16220-2 · Legal Services - General	0	32,705	32,750	
16220-3 · Legal Services - Collections	0	18,095	19,000	
16220-4 · Legal Services - Litigation	0	156,378	150,000	
16250 · Bookkeeping	20,220	18,642	20,220	
16260 · Assess Data Mgmt & Billing Svcs	24,500	26,986	30,000	
16270 · Office Furniture & Supplies	4,000	1,243	2,500	
16280 · Other	550	2,190	2,200	
16290 · Office Lease Space	14,400	14,400	14,400	
16291 · Office Equipment	2,500	2,945	3,000	
16340 · Auditing Fees	13,000	13,270	13,500	
16530 · Insurance & Surety Bond	10,000	8,767	9,000	
16550 · Bank Service Charges	0	556	600	
16610 · Board Meeting Room	0	2,225	2,250	
Total Project Staffing & Admin	174,020	322,069	323,170	7%
District and Project Management				
16150 · Staff Admin & Project Management	331,616	331,616	351,513	
Total District and Project Management	331,616	331,616	351,513	13%

Montrose Management District Budget for Fiscal Year End December 2017

Security and Public Safety			
15415 · Vehicle Lease	11,500	15,585	22,560
15416 · Vehicle Maintenance	2,500	0	0
15417 · Vehicle Maint. & Operations	7,200	8,842	9,000
15420 · Contract Public Safety Services	375,400	378,176	380,000
15421 · Payroll Expenses	26,712	31,170	32,000
15425 · Mobile Camera Program	35,000	27,000	30,000
15430 · Cell Phone	2,000	966	1,000
16102 · Public Safety Equipment	1,600	0	1,500
16110 · Graffiti Abatement	65,000	64,640	65,000
16115 · Nuisance Abatement	62,000	60,833	65,000
16116 · Street Lights	2,800	2,800	2,800
16118 · Security Donation	1,000	0	0
Total Security and Public Safety	<u>592,712</u>	<u>590,012</u>	<u>608,860</u>
Visual Improvements & Cultural			
16202 · Street Sweeping	92,000	81,696	0
16203 · Litter abatement	0	0	105,000
16204 · Water Expense	0	0	10,000
16205 · Utility Expense	0	0	16,000
16213 · Landscape Maintenance	25,000	24,075	35,000
Total Visual Improvements & Cultural	<u>117,000</u>	<u>105,771</u>	<u>166,000</u>
16580 · Transfer to Capital Budget	1,134,300	1,134,300	666,325
Total Use of Funds	<u>2,729,763</u>	<u>2,704,540</u>	<u>2,492,667</u>
	144,398	1,059,573	197,301
 Other Source of Funds			
Capital Improvements			
15401 · Transfer from General Fund	1,134,300	1,134,300	666,325
15402 · Tradition Bank Loan	1,557,802	0	350,000
Total Capital Improvements	<u>2,692,102</u>	<u>1,134,300</u>	<u>1,016,325</u>
Total Other Source of Funds	<u>2,692,102</u>	<u>1,134,300</u>	<u>1,016,325</u>
Other Use of Funds			
Capital Improvement			
Mobility & Transportaion - CPF			
17002 · Bridge Lighting Eng Services	40,800	53,978	0
17003 · SPA Related Desig/Update Services	15,000	51,407	105,000
17004 · Bike Pathway Eng Services	59,000	0	59,000
17005 · General Engineering Services	30,000	0	30,000
17006 · Bike Rack Installation Project	55,000	3,580	15,000
17007 · Bike & Pedestrian Path Imp Proj	500,000	0	0
17008 · Bridge Lighting Install Project	750,000	793,843	50,000
17009 · B Cycle Station Project	0	0	5,000
Total Mobility & Transportaion - CPF	<u>1,449,800</u>	<u>902,808</u>	<u>264,000</u>
Visual Improve & Cultural - CPF			
17100 · Bagby/Elgin Design Services	0	0	50,000
17101 · Identity Marker Design Services	11,700	4,565	1,600
17102 · Esplanade Design Services	45,000	26,563	52,710
17103 · Identity Marker Installation	425,000	474,718	184,265
17104 · Esplanade Installation	555,000	455,371	463,750
Total Visual Improve & Cultural - CPF	<u>1,036,700</u>	<u>961,217</u>	<u>752,325</u>
Total Capital Improvement	<u>2,486,500</u>	<u>1,864,025</u>	<u>1,016,325</u>
Total Other Use of Funds	<u>2,486,500</u>	<u>1,864,025</u>	<u>1,016,325</u>
Net Other Use of Funds	<u>205,602</u>	<u>(729,725)</u>	<u>0</u>
Planned Reserves	<u>350,000</u>	<u>329,848</u>	<u>197,301</u>