

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

September 8, 2014

DETERMINE QUORUM; CALL TO ORDER.

The Board of Directors of Montrose Management District held a regular meeting open to the public, on Monday, September 8, 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 -	Bobby Heugel
Position 4 -	Cassie Stinson, <i>Secretary</i>	Position 12 -	Brad Nagar, <i>Asst Secretary</i>
Position 5 -	Lane Llewellyn	Position 13 -	<i>vacant</i>
Position 6 -	Robert Jara	Position 14 -	<i>vacant</i>
Position 7 -	Ryan Haley	Position 15 -	Randall Ellis
Position 8 -	Stephen L. Madden		

and all the above were present, with the exception of Directors Thorpe, Mitchmore, Madden, Heugel and Nagar, thus constituting a quorum. Also present were Bill Calderon, Susan Hill, Phillip Wagner, Linda Clayton and Marie Cortes, all with Hawes Hill Calderon, LLP; Clark Lord, Bracewell & Giuliani; Pat Hall, Equi-Tax, Inc.; and Felecia Alexander, Municipal Accounts. Others attending the meeting were Dan B. Leverett; Cathleen Lynch, Thad Kudela and Austin Taphorn, all with Kudela & Weinheimer; Victor Beserra, HPD; Dennis Beedon, Montrose Business Ambassador; Eugene Nosad, Avondale Association; Jose Sanchez, Young Invincibles; Tawny Tidwell; and Daphne Scarbrough, Richmond Avenue Coalition. Chairman Wynn called the meeting to order at 12:02 p.m.

APPROVE MINUTES OF MEETING HELD AUGUST 11, 2014.

Upon a motion duly made by Director Llewellyn, and being duly seconded, the Board voted unanimously to approve the Minutes of the August 11, 2014, Board meeting, as presented.

ACCEPT OATHS OF OFFICE, SWORN STATEMENTS, AND BONDS FROM NEWLY APPOINTED BOARD MEMBERS.

Mr. Dan B. Leverett introduced himself and was given the Oath of Office. The Board welcomed him and accepted his Oath of Office, Sworn Statement and Bond for position 13.

RECEIVE PUBLIC COMMENTS.

There were no public comments.

RECEIVE PRESENTATION FROM LOCAL NON-PROFIT, YOUNG INVINCIBLES.

Mr. Jose Sanchez provided an informational Powerpoint presentation on Young Invincibles, a non-profit organization who works with young adults to improve economic opportunities including higher education, healthcare and workforce development. No action from the Board was required.

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 District's Monthly Assessment Collection Reports, included in the Board agenda materials. She reported 97% collected for both the East and West zones with no uncertified properties. She reported the certified numbers for 2014 were in and the East zone was at \$502 million and the West zone was at \$1.1 billion. She went over unsettled accounts and answered questions. No action from the Board was required.

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 reported she was requesting approval of payment of two additional invoices from Primer Grey and Bracewell & Giuliani not included in the agenda materials. She provided a handout of the Quarterly Investment Report, period ending June 30, 2014, a copy is attached as Exhibit A. Upon a motion duly made by Director Llewellyn, and being seconded by Director Grover, the Board voted unanimously to accept the Bookkeeper's Report, and approved payment of invoices, as presented.

RECEIVE EXECUTIVE DIRECTOR'S MONTHLY REPORT ON DISTRICT INITIATIVES.

Mr. Calderon presented his Executive Director's Monthly Report, included in the Board agenda materials. He provided an update on the Committee meetings, Minutes are included in the Board agenda materials. He reported the professional writer's articles were being uploaded to the website weekly and were receiving positive feedback. He reported the Special Parking Area application had been submitted to the City and expected it to go before the Planning Commission within the next month. Director Stinson stated it was important to be notified of the date in order that the Board members and business owners could attend the meeting. Mr. Calderon provided an update on the bridge lighting. Officer Beserra presented the Patrol Summary Report for the month, included in the Board agenda materials. Mr. Calderon reported the Fall Real Estate Forum Luncheon was scheduled for November 19th.

a. Receive update from Kudela & Weinheimer on District branding signage.

Ms. Lynch provided a Powerpoint presentation on the District's branding signage, and answered questions.

b. Authorize advertisement of bidding documents for District branding signage.

Upon a motion duly made by Director Jara, and being seconded by Director Stinson, the Board voted unanimously to authorize advertisement of bidding for District branding signage.

c. Authorize contract with Xenn Creative for website services.

Mr. Calderon reported the Marketing Committee had received three bids for new website service providers. He reported the Committee was recommending hiring Xenn Creative to create a new website and for maintaining the website. He reported the maintenance costs will drop from the previous contract held with Primer Grey. Upon a motion duly made by Director Leverett, and being seconded by Director Jara, the Board voted unanimously to approve the contract with Xenn Creative to create a new website and for maintenance of the same.

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 9 ON THE AGENDA.

An executive session was not called.

ANNOUNCEMENTS.

There were no announcements.

ADJOURN.

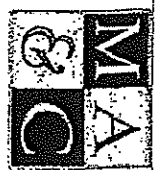
There being no further business to come before the Board, Chairman Wynn adjourned the meeting at 1:10 p.m.



Cassie B. Stinson
Secretary

List of Exhibits:

Exhibit A Quarterly Investment Inventory Report, period ending June 30, 2014



MUNICIPAL ACCOUNTS
& CONSULTING, L.P.

Montrose Management District


Quarterly Investment Inventory Report

Period Ending June 30, 2014

BOARD OF DIRECTORS
Montrose Management District

Attached is the Quarterly Investment Inventory Report for the
Period ending June 30, 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)


Chia Lewis
(Investment Officer)

COMPLIANCE TRAINING

"HB 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)
- Chia Lewis
- September 13, 2003 (McCall, Gibson 4 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)

Montrose Management District
 Summary of Money Market Funds
 04/01/2014 - 06/30/2014

Fund: 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			
04/01/2014		525,981.62							
04/03/2014	To Checking								
04/09/2014	ASSESSMENTS		513.92	(6,400.00)		90.79			
04/10/2014	POB CD# XXXX0889 INT		73.97						
04/14/2014	To Checking			(38,400.00)					
04/15/2014	ASSESSMENTS		614.04	(10.00)					
05/01/2014	ASSESSMENTS								
05/06/2014	ASSESSMENTS								
05/06/2014	To Checking		4,679.13	(9,600.00)		82.24			
05/13/2014	ICON CD# XXXX8932 INT		82.00						
05/13/2014	To Checking			(28,800.00)					
05/13/2014	ASSESSMENTS		920.03						
05/15/2014	ASSESSMENTS			(10.00)					
05/28/2014	ASSESSMENTS		1,958.60						
06/02/2014	ASSESSMENTS								
06/02/2014	ASSESSMENTS								
06/03/2014	Credit for ACH settlement		988.75						
06/03/2014	To Checking		749.98						
06/04/2014	Credit for ACH settlement		1,836.81	(8,000.00)					
06/05/2014	ASSESSMENTS		4,217.81						
06/09/2014	To Checking			(28,800.00)					
06/10/2014	GB CD# XXXX0169 INT		73.97						
06/11/2014	To Checking			(6,400.00)					
06/11/2014	ASSESSMENTS		1,303.74						
06/11/2014	ASSESSMENTS		580.81						

Methods Used For Reporting Market Values
 Certificate of Deposit: Price Value Plus Accrued Interest
 Security/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing
 Public Fund Investment Pool/Anal Accounts: Balance = Book Value = Current Market

Montrose Management District
 Summary of Money Market Funds
 04/01/2014 - 06/30/2014

Fund: Operating		Financial Institution: COMPASS BANK-PREMIER		Account Number: XXXX2019		Date Opened: 03/20/2012		Current Interest Rate: 0.35%	
Date	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance			
06/16/2014	ASSESSMENTS		1,793.49	(10.00)					
06/17/2014	ASSESSMENTS		3,451.63						
06/18/2014	ASSESSMENTS		5,175.00						
06/23/2014	ASSESSMENTS		3,421.17						
06/27/2014	ASSESSMENTS								
Total for Account XXXX2019:		\$325,981.62	\$32,435.45	(\$126,430.00)	\$251.31	\$432,238.38			
04/01/2014		1,032,445.47							
04/01/2014	ASSESSMENTS			(13,600.00)		178.28			
04/03/2014	ASSESSMENTS								
04/09/2014	POB CD# XXXX0897 INT		1,318.13						
04/10/2014	ASSESSMENTS		73.97						
04/11/2014	To Checking		580.79						
04/14/2014	ASSESSMENTS								
04/15/2014	ASSESSMENTS								
04/25/2014	ASSESSMENTS		16,880.96						
05/01/2014	Credit for ACH Settlement					161.31			
05/02/2014	Credit for Amex Exp settlement		238.17						
05/05/2014	To Checking		665.08						
05/06/2014	ICON CD XXXX7935 INTEREST		78.93	(20,400.00)					
05/07/2014	ASSESSMENTS		864.35						
05/13/2014	To Checking								
05/15/2014	ASSESSMENTS								
06/02/2014	Credit for ACH Settlement					153.45			
06/03/2014	ASSESSMENTS		2,880.87						

Methods Used For Reporting Market Values

Categories 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/ Mutual Accounts:	Balance = Book Value = Current Market

Montrose Management District
 Summary of Money Market Funds
 04/01/2014 - 06/30/2014

Fund: Operating		Financial Institution: COMPASS BANK-PREMIER		Account Number: XXXX2086		Date Opened: 03/20/2012		Current Interest Rate: 0.15%	
Date	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance			
06/03/2014									
06/05/2014	To Checking		1,623.46	(17,000.00)					
06/09/2014	To Checking			(61,200.00)					
06/11/2014				(13,600.00)					
06/16/2014	ASSESSMENTS			(10.00)					
06/16/2014	ASSESSMENTS		1,591.46						
06/18/2014	ASSESSMENTS		2,249.61						
06/23/2014	ASSESSMENTS		2,199.02						
06/25/2014	ASSESSMENTS		371.20						
Totals for Account XXXX2086:		\$1,032,445.67	\$31,616.09	(\$268,630.00)	\$493.04	\$795,924.51			
Totals for Operating Fund:		\$1,558,627.09	\$64,031.45	(\$395,060.00)	\$744.35	\$1,228,162.89			

Method Used For Reporting Market Value

Certificate of Deposit: Price 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/RAI Accounts: Balance = Book Value = Current Market

Montrose Management District
Summary of Certificates of Deposit with Money Market
 04/01/2014 - 06/30/2014

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
Funds Operating															
Certificates of Deposit															
GREEN BANK	XXXXX0143	02/10/14	07/09/14	50,000.00	0.00	0.00	0.00	0.00	50,000.00	0.20%	13.70	0.00	0.00	0.00	38.36
GREEN BANK	XXXXX0169	12/12/13	06/09/14	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.30%	45.21	0.00	0.00	0.00	0.00
GREEN BANK	XXXXX0169	06/10/14	12/08/14	0.00	0.00	50,000.00	0.00	0.00	50,000.00	0.30%	0.00	0.00	0.00	0.00	8.22
GREEN BANK	XXXXX0210	03/20/14	09/16/14	50,000.00	0.00	0.00	0.00	0.00	50,000.00	0.30%	4.93	0.00	0.00	0.00	41.92
GREEN BANK	XXXXX0311	03/10/14	08/07/14	50,000.00	0.00	0.00	0.00	0.00	50,000.00	0.20%	6.03	0.00	0.00	0.00	30.68
ICON BANK	XXXXX0632	11/06/13	05/11/14	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.32%	64.00	0.00	0.00	0.00	21.48
ICON BANK	XXXXX732	05/12/14	11/08/14	0.00	0.00	50,000.00	0.00	0.00	50,000.00	0.32%	0.00	0.00	0.00	0.00	0.00
ICON BANK	XXXXX7935	11/06/13	05/04/14	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.32%	64.00	0.00	0.00	0.00	24.55
ICON BANK	XXXXX5338	05/05/14	11/01/14	0.00	0.00	50,000.00	0.00	0.00	50,000.00	0.32%	0.00	0.00	0.00	0.00	0.00
POST OAK BANK	XXXXX0889	10/12/13	04/09/14	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.30%	70.27	0.00	0.00	0.00	0.00
POST OAK BANK	XXXXX0889	04/10/14	10/07/14	0.00	0.00	50,000.00	0.00	0.00	50,000.00	0.30%	0.00	0.00	0.00	0.00	33.29
POST OAK BANK	XXXXX0897	10/12/13	04/09/14	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.30%	70.27	0.00	0.00	0.00	0.00
POST OAK BANK	XXXXX0897	04/10/14	10/07/14	0.00	0.00	50,000.00	0.00	0.00	50,000.00	0.30%	0.00	0.00	0.00	0.00	33.29
Totals for Operating Funds:				400,000.00	0.00	250,000.00	0.00	250,000.00	400,000.00	N/A	338.41	382.84	0.00	382.84	\$231.79
Beginning Balance:				\$400,000.00											
Plus Principal From Cash:				\$0.00											
Less Principal Withdrawn:				\$0.00											
Plus Interest Reinvested:				\$0.00											
Fixed Balance:				\$100,000.00											
MM Balance:				\$1,228,162.89											
Total Balance:				\$1,628,162.89											
Totals for District:				400,000.00	0.00	250,000.00	0.00	250,000.00	400,000.00	N/A	338.41	382.84	0.00	382.84	\$231.79

Methods Used For Reporting Market Value

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

Montrose Management District
 Detail of Pledged Securities
 04/01/2014 - 06/30/2014

Financial Institution: COMPASS BANK-PREMIER

Security: FHLMC Par Value: 550,000.00 Maturity Date: 10/01/2042 Pledged: 02/26/2014 Released: Amount Released:

Date	Value
04/30/2014	474,641.53
05/31/2014	468,634.51
06/30/2014	463,747.33

Security: FHLMC Par Value: 525,000.00 Maturity Date: 01/01/2043 Pledged: 02/04/2014 Released: Amount Released:

Date	Value
04/30/2014	415,681.21
05/31/2014	412,023.59
06/30/2014	406,501.19

Security: FHLMC Par Value: 175,000.00 Maturity Date: 08/01/2042 Pledged: 01/30/2014 Released: Amount Released:

Date	Value
04/30/2014	159,892.91
05/31/2014	161,015.63
06/30/2014	161,015.63

Security: FHLMC Par Value: 450,000.00 Maturity Date: 03/01/2043 Pledged: 02/10/2014 Released: Amount Released:

Date	Value
04/30/2014	386,423.93
05/31/2014	380,476.93
06/30/2014	374,591.35

Security: FNMA Par Value: 400,000.00 Maturity Date: 03/01/2035 Pledged: 01/30/2013 Released: Amount Released:

Date	Value
04/30/2014	145,000.18
05/31/2014	142,078.86
06/30/2014	139,316.86

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

Date	Value
04/30/2014	88,678.92
05/31/2014	86,779.54

Methods Used For Reporting Market Values

Confidence of Deposit: Face Value Plus Accrued Interest
 Securities/Other Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing
 Public Fund Investment Pool/DAI Accounts: Balance = Book Value = Current Market

Montrose Management District
 Detail of Pledged Securities
 04/01/2014 - 06/30/2014

Financial Institution: COMPASS BANK-PREMIER

Security: FNMA	Par Value:	425,000.00	Maturity Date:	02/01/2039	Pledged:	01/31/2013	Released:	Amount Released:
CUSIP: 31419ATX3	Date	Value						
	06/30/2014	82,913.73						

Methods Used For Reporting Market Value

Certificate of Depositor: 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/AMT Accounts: Balance = Book Value = Current Market