

**MINUTES OF THE JANUARY 16, 2013 MEETING OF THE
HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**

A Meeting was duly called of the **HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**, which was held on January 16, 2013, at Cypress Creek EMS Education Center, 7111 Five Forks Rd., Spring, Texas 77379.

The Meeting was called to order at 9:00 a.m. by **LYNN LeBOUEF**, President. Those Commissioners present were **LYNN LeBOUEF, FRED GRUNDMEYER, KAREN PLUMMER, ROBERT BERLETH** and **KEVIN BROST**. Also present were **HOWARD KATZ, of COVELER & KATZ, P.C.**, the District's Counsel, **BILL RUSSELL, of MYRTLE CRUZ, INC.**, the District's bookkeeper, and **BRAD ENGLAND**, Executive Director of Cypress Creek EMS ("CCEMS"), and members of the public. Also present was Debbie Gibson of the auditing firm of McCall Gibson Swedlove & Barfoot, the District's auditors.

The Board reviewed the Minutes of the December 20, 2012 regular meeting. After review, Motion was made by Mr. **GRUNDMEYER**, seconded by Mr. **BERLETH** to approve the Minutes. After discussion, the Motion to approve the Minutes was approved by a vote of 5 to 0.

The Board then addressed Financial Matters. The District received a report from **BILL RUSSELL, of MYRTLE CRUZ, INC.**, the District's bookkeeper. (a) 12/31: He noted that following the prior meeting was \$258,035.51 He also noted the receipt of tax revenue since the prior meeting in the amount of \$1,296,917.97, tax penalty and interest of \$1,901.09 and interest of \$113.30. He reported that as of this meeting and prior to the payment of current bills, \$1,552,426.25 was on deposit at the Prosperity Bank operating account, plus demand deposits of \$12,371.53 (Prosperity Bank), plus \$5,204.82 at TexPool, plus CD/investment accounts plus interest as to all said accounts/CDs: \$34,418.50 at Spirit of Texas Bank, \$81,120.97 at Icon Bank, \$24,042.87 at Vista Bank Texas, \$6,085.48 at Compass Bank. He said the report showed all District funds were properly insured and/or secured by pledged securities. He also reported that the tax anticipation loan was fully funded at \$1,200,000.00.

(b) 1/21: He noted that following the prior meeting and December 31, the operating account balance was \$1,552,426.25. He noted that taxes were received in the amount of \$1,296,917.97 and penalty and interest of \$325.91, and interest of \$-0-. He also reported the receipt of E-View reimbursement for the participating fire emergency services districts of \$5,661.00 (ESD 28-Ponderosa VFA), \$56,644.00 (ESD 16-Klein VFD) and \$8,500.00 (ESD 29-Champions FD). He said the report showed all District funds were properly insured and/or secured by pledged securities.

Thereupon, after review, Motion was made by Mr. **GRUNDMEYER**, seconded by Ms. **PLUMMER** to approve the Financial Report as presented. After discussion, the Motion was approved by a vote of 5 to 0.

As part of the Financial Report, the Board then addressed District investments. After review, Motion was made by Mr. **BERLETH**, seconded by Mr. **GRUNDMEYER** to approve and authorize the investment schedule as outlined in the Financial Report: none at this time. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed the engagement of the auditing firm of McCall Gibson Swedlove & Barfoot as District auditor for the 2012 District audit. Debbie Gibson of the auditing firm of McCall Gibson Swedlove & Barfoot discussed the services and said the fee proposed was roughly the same as the prior year with an estimated fee of \$9,700.00-\$10,750.00. After review, Motion was made by Mr. **BERLETH**, seconded by Ms. **PLUMMER** to approve the engagement of the auditing firm of McCall Gibson Swedlove & Barfoot as District auditor for the 2012 District audit. Ms. Gibson said that the timing was tighter under this proposal to ensure delivery of the audit in ample time for meeting the statutory due date. During discussion, Ms. Gibson said the goal promised if to have the report completed by the 40th day after Mr. Russell delivers the records to Ms. Gibson and to have a final report for that meeting. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed the engagement of Coveler & Katz, P.C. to serve as District legal counsel. The Board members expressed appreciation to Counsel for the good job being done. Counsel said there was no adjustment in the rate of \$300/hr for Mr. Katz and \$250/hr or \$200/hr for firm associates. After

review, Motion was made by Mr. **BERLETH**, seconded by Mr. **BROST**, to approve the engagement of Coveler & Katz, P.C. to serve as District legal counsel in accordance with the terms presented. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed the engagement of Myrtle Cruz, Inc. to serve a District bookkeeper. The Board members expressed appreciation to Mr. Russell for the good job being done. After review, Motion was made by Ms. **PLUMMER**, seconded by Mr. **BERLETH**, to approve the engagement of Myrtle Cruz, Inc. to serve as District bookkeeper. After discussion, the Motion was approved by a vote of 5 to 0.

Without objection, the Board then addressed Agenda Item 6 and received a report from Dr. Ronald Welch, of Municipal Information Systems. Dr. Welch discussed his update and District growth, projected valuation and population trends. He said the value drop seems to be over, noting an increase in District value of \$132 million. Dr. Welch said foreclosures are way down. He discussed the new Exxon development and its effect on growth throughout the area. Mr. **BERLETH** asked about the Exxon effect on the Greenspoint area where there is a current Exxon presence that will re-locate to the new Spring I-45 site. Dr. Welch said there will be some negative effect on the Greenspoint area. Dr. Welch said that Page 17 of the report provided good insight for budget projections, even going out to 2026-7. After review, Motion was made by Mr. **GRUNDMEYER**, seconded by Mr. **BERLETH**, to approve receiving the report from Dr. Welch. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed the 2013 Investment policy. Counsel presented the prior year's policy. He said the policy called for 2-months averaging operating costs to always be liquid with an additional 2-month's average operating costs maturing not more than 60 days hence at any given time. The policy provided further that CD maturity dates be no more than 12-months. Mr. **RUSSELL** said that the policy worked well for the District. He and Counsel noted the permitted collateral list now allows letters of credit as permitted under the statute. After review, Motion was made by Mr. **BROST**, seconded by Ms. **PLUMMER**, to approve the investment policy as outlined. After discussion, the Motion was approved by a vote of 5 to 0.

The Board addressed naming a District Investment Officer. After review, Motion was made by Mr. **GRUNDMEYER**, seconded by Mr. **BERLETH**, to name Kevin Brost as the District Investment officer. After discussion, the Motion was approved by a vote of 5 to 0.

(Mr. Grundmeyer excused himself from the meeting at 9:35 a.m.)

The Board then addressed a possible tax rate election for May 2013. There was extensive and heated debate on the topic. Ms. **PLUMMER** said the District and CCEMS cannot continue to keep up with the growth and provide the needed EMS services at the levels required. Mr. **BERLETH** said he did not see a tax rate as the way to improve service. Mr. **LeBOUEF** said when ESD 11 was formed there was a population of 350,000 and there are now 450,000 residents and Dr. Welch projected 500,000 people would reside in the District within 1-2 years. Mr. **LeBOUEF** and Ms. **PLUMMER** said they could support a 6 cent tax. Ms. **PLUMMER** said that the District can go as high as 10 cents. Mr. **BERLETH** said he could not support a tax rate increase and he did not think the voters would either. Mr. **BROST** said maybe the District should look at a sales tax rather than property tax. Counsel was asked to place the tax rate election on the next agenda.

The Board then addressed the payment of District bills. After review, Motion was made by Mr. **GRUNDMEYER**, seconded by Ms. **PLUMMER**, to approve the payment of District bills as follows:

1.	Myrtle Cruz, Inc. (bookkeeping)	\$	1,837.14
2.	Coveler & Katz, P.C. (legal-December)	\$	2,704.50
3.	<u>Houston Chronicle</u> (Notice of Loc)	\$	275.00
4.	Municipal Information Services (Ann Update)	\$	9,625.00

After discussion, the Motion was approved by a vote of 4 to 0.

The Board then addressed and took no action on revisions to the District 2013 budget or the 2013 CCEMS operating or capital budget.

The Board then addressed the payment of CCEMS Operations and Capital funding as set forth in the Financial Report. Brad England, Executive Director of CCEMS, noted that Operations funding was due at this meeting in the amount of \$505,542.00. After review, Motion was made by Mr. **BROST**, seconded by Mr. **BERLETH** to approve the payment of CCEMS Operations in

the amount \$505,542.00. After discussion, the Motion was approved by a vote of 4 to 0.

Mr. England also asked for an advance from funds due later in the 2013 budget year of \$700,000.00 for February and March to pay of the interim financing loan CCEMS took out at the end of 2012 to fund its shortfall when the District cut back on its funding. Mr. England confirmed this was not an increase in funding but a timing issue of moving up the payments.

The Board then addressed the payment of CCEMS Capital funding. Mr. England noted that no Capital funding was due at this meeting.

(Mr. Grundmeyer returned to the meeting at 10:14 a.m.)

The Board then received a report from CCEMS. Brad England, Executive Director of CCEMS, presented the report. He said that a full report with the written information as required by the service agreement had been prepared and mailed for the meeting.

Mr. England, referring to the CCEMS report, noted the line graphs showing responses, response times, dispatch times, fire/ems breakdown in dispatched calls and hospital times as well as for EMS billing collections information.

Mr. England reported that the EMS Academy was proceeding and that CCEMS has been working with Lonestar College to be inspected for accreditation in April-June.

Mr. England said that in December, there were 13 mutual aid responses in District territory (Coastal: 1) and CCEMS provided 21 mutual aid responses out of District territory. He reported that CCEMS responded to 363 STEMI calls to date, with a 98% correct call rate. Mr. England said that 8:25 minutes was the average total response time, with 6:50 the average travel time and average scene time was 23:26 minutes and the average transport at 15:34 minutes. Mr. England said that the average dispatch time at 60 seconds was well under the 90 seconds national average but higher than usual and he would check that. He also reported that through December 31, CCEMS responded to 31,625 calls, with the prior month's ALS being 1,419 and BLS being 1,391. Mr. England said there were also 5 life flights in the prior month.

Mr. England reported that Bill Kerry, a supporter of CCEMS, died and had bequeathed CCEMS the Station 58 land.

After review, Motion was made by Ms. **PLUMMER**, seconded by Mr. **GRUNDMEYER** to receive the CCEMS monthly report. During discussion, Mr. **BERLETH** asked about the academy. He said he heard that the accreditation might be with Rice rather than Lonestar. Mr. England said accreditation would be with both institutions with 40-60 hours of college being earned. After discussion, the Motion was approved by a vote of 5 to 0.

The Board addressed E-View matters. The District received information from Kevin Brost that 35 new sites were added. He reported that he and Mr. Berleth had met with HCESD 9/Cy-Fair VFD people about joining the E-View program. Mr. **BERLETH** said he heard the Methodist Hospital might participate in the funding.

There was general discussion about the Exxon campus and the EMS contingent. Mr. **LeBOUEF** reported on a recent meeting with the developer and HCESD No. 7/Spring VFD people. There was discussion about whether there would be 2 sites with one building each for fire and EMS or one site for two buildings for fire and EMS. After review, Motion was made by Mr. **BROST**, seconded by Mr. **BERLETH** to approve for the sites to be received by HCESD No. 11 for the EMS building and HCESD No. 7 for the fire station, and for either way there would be two sites with one building each or 1 site for both buildings. After discussion, the Motion was approved by a vote of 5 to 0.

Counsel discussed commissioner-required 6 hours of CE training. He said January 26 was the date and the location was Ponderosa VFD Station 61.

The Board addressed the McGrath CCEMS review. Mr. **LeBOUEF** and Mr. England both confirmed the study was under way with hopes for a February delivery date. There was discussion about communication with Dr. McGrath. Mr. **LeBOUEF** said that as president he was the point of contract with the McGrath group and for any communications to flow through him as president.

There being no further business brought before the Board nor any further public comment, upon Motion made the meeting adjourned at 10:58 a.m.

Secretary of the Board