

**MINUTES OF THE FEBRUARY 19, 2015 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 February 19, 2015, at Cypress Creek EMS Education Center, 7111 Five Forks Rd., Spring, Texas 77379.

The Meeting was called to order at 9:02 a.m. by **LYNN LEBOUF**, President. Those Commissioners present were **LYNN LEBOUF, FRED GRUNDMEYER, KAREN PLUMMER, 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 Board officers of Cypress Creek EMS ("CCEMS"), and members of the public. Also present were Ricardo Martinez of Joiner Partnership, Inc., District architect on the Station 513/Coventry project, and Andrew McKinney, attorney for CCEMS. Also present was Richard Majeres of Ubernosky & Majeres, District special auditor engaged to review Cypress Creek EMS accounts funded through District payments.

The Board reviewed the Minutes of the January 22, 2015 regular meeting. After review, Motion was made by Mr. **GRUNDMEYER**, seconded by Ms. **PLUMMER** to approve the Minutes. After discussion, the Motion was approved by a vote of 4 to 0.

The Board then addressed Financial Matters. The District received a report from **BILL RUSSELL**, of **MYRTLE CRUZ, INC.**, the District's bookkeeper. He reported that the operating account balance of the District following the prior meeting was \$8,290,677.92. He also noted the receipt of tax revenue since the prior meeting in the amount of \$4,511,213.37, tax penalty and interest of \$3,122.01, and interest of \$1,991.66. Mr. **RUSSELL** reported that as of this meeting and prior to the payment of current bills, \$12,818,245.32 was on deposit at the Prosperity Bank operating account, plus demand deposits of \$212,749.95 (Prosperity Bank), plus \$5,210.42 at TexPool, plus CD/investment accounts plus interest as to all said accounts/CD: \$235,484.71 at Spirit of Texas Bank, \$232,196.33 at Icon Bank, \$224,802.00 at Community Bank (previously Vista

Bank), plus \$1,589,279.02 at Compass Bank. He also said that all District funds were properly insured and/or secured by pledged securities. Thereupon, after review, Motion was made by Ms. **PLUMMER**, seconded by Mr. **GRUNDMEYER** to approve the Financial Report as presented. After discussion, the Motion was approved by a vote of 4 to 0.

As part of the Financial Report, the Board then addressed District investments. Mr. **RUSSELL** suggested the following action: no action at this time.

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

1.	Myrtle Cruz, Inc. (bookkeeping)	\$	1,778.76
2.	Coveler & Katz, P.C. (legal-January):	\$	8,863.05
3.	Joiner Partnership, Inc. (Station 513)	\$	5,128.00

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

Without objection, the Board addressed Agenda Item 8, and the Board received a report from Richard Majeres of Ubernosky & Majeres, District special auditor to review Cypress Creek EMS accounts funded through District payments. Mr. Majeres said he reviewed the funds transferred and the budgeted amounts to be transferred and funded by the District for calendar year 2014. He said he had access to the records and books he requested and spoke with the CCEMS chief accountant and auditor. He said that Mr. England was not present for these meetings or during his records review. Mr. Majeres summarized his report. He said he used the District funding allocation as a starting point: health insurance (\$1,950,000.00); worker's compensation insurance (\$300,000.00); medical supplies (\$750,000.00); wages - EMS staff (\$6,200,000.00); wages - CommCenter (\$1,465,365.00):

Health Insurance (\$1,950,000.00): reviewed the CCEMS general ledger detail and a report from the bank officer at Frost Bank where the account for payment of health insurance is held. Mr. Majeres said the total CCEMS health insurance expenses traced and paid through the account was \$2,191,032.00. Mr. Majeres said this amount exceeded the amount funded by the District and satisfied that review.

Worker's Compensation Insurance (\$300,000.00): reviewed the Texas Mutual Ins. Co. policy and premium records and CCEMS general ledger detail. He said the total CCEMS worker's compensation insurance expenses traced and paid through the CCEMS account and received by Texas Mutual was \$319,856.00. Mr. Majeres said this amount exceeded the amount funded by the District and satisfied that review.

Medical Supplies (\$750,000.00): reviewed the CCEMS general ledger detail. He said he randomly selected invoices totaling \$485,337.49, being about 60% of the total amount of invoices. He said of that sample that 100% of the invoices and amounts traced back to the paid invoice copies and the amounts reflected and he verified the date, vendor name and classification as medical supply expense of all the selected invoices. He said this review satisfied that reconciliation.

Wages:

(a) EMS staff (\$6,200,000.00): reviewed the CCEMS 2014 Form W-3. He said total compensation reported on the W-3 was \$9,636,774.90. He said he traced that same amount to the CCEMS general ledger detail and as reported in the CCEMS accounting software. He received an employee summary grouping the EMS staff. He said the amount of compensation for this grouping was \$6,336,707.22 for EMS staff. He said the summary showed 150 classified as EMS staff. He said he then traced every 10th employee for independent verification of compensation paid and TDH EMS classification. He said he had a 100% successful match rate on the compensation and EMS certification verification.

(b) Communications staff (\$1,465,365.00): He received an employee summary grouping the communications staff. He said the amount of compensation for this grouping was \$1,442,624.32 for communications staff. He said the summary showed 39 classified as EMS staff. He said he then traced each employee for independent verification of compensation and dispatcher status by identifying the dispatch summary showing the various dispatchers, and matching the dispatch reports with the employees and the hours worked and calls handled during the month of December 2014. He said he had a 100% successful match rate.

Mr. Majeres said the summary showed the District paid through these accounts a total for 2014 of \$10,665,365.00 and that CCEMS expenses in these accounts were an actual of \$10,980,425.00. He said expenses in these accounts were \$315,060.00 over District funds received. Counsel said that for wages paid for the CommCenter staff was about \$22,000.00 over the actual expense total and should that amount be refunded. Ms. **PLUMMER** said that overage should not matter because over all District funding was \$300,000.00 under CCEMS actual expenses for these accounts.

The Board thank Mr. Majeres for the report.

Andrew McKinney, attorney for CCEMS, reported on a supplement to a financial report he and CCEMS delivered at the November and December meetings to address questions on differences between some of the financial reports and CCEMS 2014 budget.

The Board held on revisions to the 2015 District budget regarding revenue and expenses related to the E-View program for new equipment installations.

The Board held on review of the 2015 Investment Policy.

The Board held on review of the District five-year plan.

The Board then addressed the Cypress Creek EMS line budget regarding medical supplies. Counsel said he reviewed the purchasing process that CCEMS follows to check on bidding procedures. Counsel said that while he believes CCEMS seems to be trying to price medical supplies and medicines monthly to get the best prices, Counsel said he believes because the total cost for the category exceeds \$50,000.00 that annual or periodic bidding should be used. Mr. McKinney said he disagreed and said bidding by CCEMS is not required. Counsel said that the service agreement and state law require such bidding. Mr. McKinney said that may be for apparatus and ambulances but not for individual medical supplies. Counsel said that reading the statute medical supplies seems more like the same or a similar type of item or service which would trigger competitive bidding. Mr. McKinney said that does not seem the intent and he can file a declaratory judgment lawsuit to answer the question. Mr. **BROST** said why is everything a fight. Mr. McKinney said it is not a fight, he just disagrees. Brad England, Executive Director of CCEMS said he was

worried about having to buy supplies at a higher price because of being locked into a bid price whereas now he can believe he can get the best price. Counsel said bidding is to protect the public funds for the price and the process. He said CCEMS already has its supply list that he saw and it is just a question of sending that list out to the vendors for them to provide price quotes. He said nothing prevents CCEMS from still testing the market for prices. Counsel said he is trying to assist the process but if he believes bidding is required and the cost exceeds \$50,000.00 he will recommend not funding until bidding is satisfied. Mr. England said he does not agree but he has already solicited bidding from the various medical supplies vendors to satisfy Counsel. Counsel said that is good and he can recommend funding medical supplies.

The Board then addressed the payment of CCEMS Operations and Capital funding as set forth in the Financial Report. Mr. Russell noted that Operations funding was due at this meeting in the amount of \$893,805.42. Counsel recommended that the allocation for medical supplies this month be paid plus the amount of \$14,923.42 withheld from the prior month for medical supplies. After review, Motion was made Ms. **PLUMMER**, seconded by Mr. **GRUNDMEYER** to pay \$893,805.42, plus the amount of \$14,923.42 withheld from the prior month for medical supplies. After discussion, the Motion was approved by a vote of 4 to 0.

The Board then addressed the payment of CCEMS Capital funding. Mr. England said that if autoloaders for the new Stryker stretchers are to be purchased, now is the time. The Board discussed the matter. Mr. **LEBOUEF** asked for a motion. There was no motion made to approve the purchase.

The Board addressed the District five-year plan. Mr. **BROST** said it seems that CCEMS station 52 was in most need of renovations followed by Station 53. He asked Mr. England who agreed and said that Stations 56, 55, 57 would follow.

The Board then received a report from CCEMS. Brad England, Executive Director of CCEMS, presented the report.

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 said there was a recent TDH inspection and the report was clean. Counsel asked if this was in response to a complaint and Mr. England said yes.

Mr. England said that in January there were 4 mutual aid responses in District territory and CCEMS provided 20 mutual aid responses to out of District territory. He reported that CCEMS has responded to a chronologic total of 479 STEMI calls, with a 98% correct call rate. Mr. England said that 8 minutes 20 seconds was the average total response time, with 6 minutes 56 seconds the average travel time and average scene time was 23 minutes 34 seconds, and the average transport was 16 minutes 16 seconds. Mr. England said that the average dispatch time at 48 seconds was well under the 90 seconds national average. He also reported that for the prior month end CCEMS responded to 3,008 calls, with the prior month's ALS being 1,390 and BLS being 525. Mr. England said there were also 3 life flights.

Mr. England referred to Dr. Welch's report and said that population was growing and already CCEMS responded to 500 more calls YTD than last year at this time.

Mr. **BROST** asked about the absence of the CCEMS board minutes for December. Mr. England said there was a lack of a quorum for that month's meeting.

After review, Motion was made by Mr. **GRUNDMEYER**, seconded by Mr. **BROST** to receive the CCEMS monthly report. After discussion, the Motion was approved by a vote of 4 to 0.

The Board received a report from Ricardo Martinez of Joiner Partnership, Inc. District architect on the Station 513/Coventry project. He addressed the work progress and said utility work and road work were underway. There was discussion about the Grand Parkway. Mr. Martinez said it appeared to be on schedule for a November 2015 completion date. Mr. Martinez said there was a Pay App to the contractor Brookstone in the amount of \$____, as certified due by the architect. After review, Motion was made by Mr. **BROST**, seconded by MS.

PLUMMER to approve the Pay App. After discussion, the Motion was approved by a vote of 4 to 0.

The Board then addressed E-Views. Mr. **BROST**, Klein VFD Administrator Rich Jones, and Ponderosa VFD Chief Fred Windisch said there is now additional information following a meeting earlier this month of the stakeholders. They said that the group has selected the 2015 intersections to be brought under the E-View program. Klein VFD Administrator Jones said he would notify the stakeholders and CommCenter of the new intersections. He said the additional cost was about \$196,000, bringing the total for the District as the lead agency to an E-View expense of \$420,000.00, and E-View revenue of \$220,760.00.

After review, Motion was made by Mr. **BROST**, seconded by Mr. **GRUNDMEYER** to approve the E-View program amendment and the District budget to line item E-View as follows: E-View expense of \$420,000.00, and E-View revenue of \$220,760.00. After discussion, the Motion was approved by a vote of 4 to 0.

The Board then took up the held agenda item on review of the 2015 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. After review, Motion was made by Mr. **BROST**, seconded by Mr. **GRUNDMEYER**, to approve the 2015 Investment Policy and strategy as outlined. After discussion, the Motion was approved by a vote of 4 to 0.

The Board addressed naming a District Investment Officer. After review, Motion was made by Mr. **GRUNDMEYER**, seconded by Ms. **PLUMMER**, to name Kevin Brost as the District Investment officer. After discussion, the Motion was approved by a vote of 4 to 0.

The Board addressed current diversification. Counsel and Mr. **BROST** recommended authorizing investment in a CDARS-type program. Counsel said that this program enabled the District to invest funds over FDIC coverage at a single bank and that after the deposit those excess funds are transferred into CDs at other participating banks so that no bank would have over \$240,000.00. Counsel said he was okay with a CDARS-type program as long as the initial

depository bank pledged collateral for the period prior to moving the deposits to the other participating banks.

After review, Motion was made by Mr. **BROST**, seconded by Mr. **GRUNDMEYER** to approve and authorize investment in a CDARS-type program. After discussion, the Motion was approved by a vote of 4 to 0.

The Board next addressed creation of a position of District office manager and budget manager. Counsel presented the job descriptions for review at a later time.

The Board received public comment. Chief Fred Windisch reported that long-time PVFA member a former fire chief John O’Gorman died just yesterday and arrangements were pending.

Wayne Dolcefino said that all the CCEMS financial review performed by the District should go deeper.

The Board addressed the District website. The Board received a proposed program enhancement from its IT consultant Glenn Brooks of WebWize. He said he would put together a proposal, cost estimate and program outline.

There being no further business brought before the Board nor any further public comment, upon Motion made the meeting adjourned at 11:00 a.m.

Secretary of the Board