

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

October 17, 2018

THE STATE OF TEXAS

COUNTY OF HARRIS

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11

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The Board of Commissioners (the "Board") of Harris County Emergency Services District No. 11 (the "District") met in regular session, open to the public, at 7111 Five Forks Drive, Spring, Texas 77379, a meeting place inside the boundaries of the District, on Wednesday, October 17, 2018, at 6:30 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Tommy Ripley	President
Karen Plummer	Vice President
Fred Grundmeyer	Secretary
Robert Pinard	Treasurer/Asst. Secretary
Kevin Brost	Asst. Treasurer

All members of the Board were present, except Commissioner Pinard, thus constituting a quorum. Also attending the meeting were: Mr. Ron Welch of Municipal Information Services ("MIS"); Mr. Bill Russell of Myrtle Cruz, Inc. ("Bookkeeper"), bookkeeper for the District; and Ms. Regina D. Adams and Ms. Monica Garza, attorneys, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorneys for the District; In addition, the following representatives of Cypress Creek Emergency Medical Services ("CCEMS") were in attendance at the meeting: Mr. Dave Billings, member of the CCEMS Board of Directors; Mr. Brad England, CCEMS Executive Director; Mr. Wren Nealy, CCEMS Assistant Executive Director; and Mr. Norm Uhl, CCEMS Public Information Officer. A sign-in sheet is attached hereto.

WHEREUPON, the meeting was called to order by the President and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

After a 30-second moment of silence for prayer and reflection, the Board conducted the Pledge of Allegiance to the United States' Flag.

APPROVAL OF THE MINUTES

The Board considered approval of the minutes of the regular meeting of September 19, 2018. Upon motion by Commissioner Grundmeyer, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of September 19, 2018, as prepared.

ADOPTION OF ORDER SETTING RATE AND LEVYING TAX FOR 2018 ("TAX RATE ORDER")

Ms. Adams then explained that the Notice of Effective Tax Rate for the proposed 2018 tax rate had been published in the Houston Chronicle, the Affidavit of Publication for which is attached hereto as an exhibit.

Ms. Adams next presented for the Board's approval and adoption a Tax Rate Order regarding the levy of a total tax rate of \$0.03606 per \$100 of assessed valuation for operations and maintenance purposes, a copy of which is attached hereto.

Upon motion by Commissioner Brost, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Tax Rate Order, thereby levying a total ad valorem tax rate of \$0.03606 per \$100 assessed valuation for operations and maintenance purposes for the District's Fiscal Year End December 31, 2019.

Commissioner Brost noted that the District's tax rate decreased from the previous year, but tax revenues will increase due to the increase in property values.

STATUS OF FORENSIC AUDIT REPORT FOR FYE DECEMBER 31, 2017 (DISTRICT FUNDING VS. CCEMS EXPENDITURES), INCLUDING PRESENTATION OF AUDIT REPORT FROM HSSK

Ms. Adams reminded the Commissioners that they had previously authorized HSSK, LLC ("HSSK") and Counts|Thomson to conduct financial and legal forensic audits, respectively, for the District's benefit and that Counts|Thomson previously presented to and reviewed with the Board its legal opinion in connection with CCEMS' litigation history.

Mr. England then reported that HSSK is still in the process of reviewing CCEMS records and contracts in connection with preparation of the forensic audit. Ms. Adams stated that Mr. Gregory Schuelke of HSSK informed her office that the forensic audit should be complete in the next few weeks and will be presented to the Board at the November meeting.

A discussion ensued regarding the scope of HSSK's forensic audit. Commissioner Ripley requested a status update on the scope of the forensic audit from the forensic audit committee (Commissioners Brost and Pinard) in an effort to monitor the associated expenditures to HSSK. In response to a question, Ms. Adams stated that her office will provide a copy of the engagement letter between the District and HSSK to all Commissioners and noted that the scope of the engagement was to be established by the committee.

Commissioner Brost reported that he and Commissioner Pinard will continue to coordinate with HSSK in connection with the preparation of the forensic audit.

Mr. Welch entered the meeting at this time.

DISCUSS WORKER'S COMPENSATION INSURANCE RENEWAL (EXPIRES NOVEMBER 25, 2018)

Ms. Adams stated that VFIS has not yet received the District's Workers' Compensation insurance renewal quote from Texas Mutual Insurance Company ("TMI"). This item was tabled until the next November meeting.

PRESENTATION FROM MIS (RON WELCH) REGARDING THE ANNUAL COMPREHENSIVE REVIEW REPORT UPDATE AND TAKE ANY NECESSARY ACTIONS ON SAME

Commissioner Ripley then recognized Mr. Welch, who presented to and reviewed with the Board a draft of the updated Annual Comprehensive Review Report for October 2018, a copy of which can be found in the District's files. Mr. Welch explained that he has reviewed the District's assessed valuation trends, population projections and property account verifications. Mr. Welch noted that the District's certified taxable value for the 2017 tax year was \$46.58 billion which increased to an estimated \$47.77 billion in 2018. Mr. Welch went on to state that the District's population is expected to increase from 542,891 in 2017 to 573,772 in 2022. Mr. Welch then answered various questions from the Board. A discussion ensued.

Upon motion by Commissioner Brost, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously to accept the updated Annual Comprehensive Review Report for October 2018.

STATUS OF PROPOSED ADMINISTRATIVE AND OPERATIONAL POLICIES AND PROCEDURES OF THE BOARD, INCLUDING REGULAR MEETING DATE AND TIME, VENDOR/CONTRACTOR INVOICING/PAYMENT REQUIREMENTS AND COMMISSIONER CONFERENCE ATTENDANCE AND EXPENSE REIMBURSEMENT, AND TAKE ANY NECESSARY ACTIONS ON SAME

Ms. Adams then reminded the Board that it will need to reschedule the November Board meeting due to Thanksgiving. After some discussion, it was the consensus of the Board to set the next meeting date for Tuesday, November 20th at 9:00 a.m.

Mr. Welch exited the meeting at this time.

In response to a previous inquiry from Commissioner Pinard regarding his attendance at an educational conference in Boston, Massachusetts in October 2018, the Board reiterated its agreement to consider such matter upon receipt of additional details regarding the conference purpose and registration cost.

STATUS OF TRANSITION TO NEW INTERSECTION PREEMPTION CONTROLLER DEVICES (MASTER SALE OF GOODS AND SERVICES AGREEMENT (THE "PREEMPTION DEVICE AGREEMENT")), INCLUDING INTERLOCAL AGREEMENT WITH HARRIS COUNTY (THE "COUNTY") ("ILA"), AND TAKE ANY NECESSARY ACTION ON SAME

Commissioner Brost then reminded the Board that they had previously approved the Preemption Device Agreement by and between the District, ESD Nos. 7, 13, 16, 28 and 29 (the "ESDs") and Global Traffic Technologies, LLC.

Ms. Adams noted that, earlier in the day, her office received the draft ILA between the County and the ESDs in connection with the deployment of the preemption controller devices. A discussion ensued. Ms. Adams confirmed with the Board that her office will provide the Board with a copy of the draft ILA for review but will also proceed with sending revisions to same to the County, due to time constraints beyond the District's control.

REVIEW AND TAKE ANY NECESSARY ACTIONS ON MONTHLY OPERATIONS AND FINANCIAL REPORT FROM CCEMS, INCLUDING CONSIDERATION OF MONTHLY OPERATIONS FUNDING REQUESTS AND CAPITAL FUNDING REQUESTS

Commissioner Ripley then recognized Mr. England, who presented to and reviewed with the Board the Executive Director's Report, the monthly CCEMS Operations and Financial Reports, including the operations statistics for the month of September 2018, and the 2018 CCEMS budget comparison, copies of which are attached hereto. Mr. England reported that during the month of September there were 2,254 transports, one (1) Life Flight transport, and that 21% of the calls made during the month were "no transports." Mr. England went on to report that during the month of September, CCEMS received seven (7) mutual aid assists and provided 19 mutual aid assists outside of CCEMS's boundaries.

Mr. England then reported that the four (4) new ambulances (two (2) of which were funded by the District) are now in operation.

Mr. England then reported that CCEMS continues to coordinate with the U.S. Army regarding the Clinical Fellowship Program (the "Fellowship"), which will resume in the near future. Mr. England noted that the physician should arrive in about 60 days.

Mr. England then reported that CCEMS is in the process of finalizing its budget for FYE December 31, 2019 and plans to review same with the District budget committee and will provide same to the Commissioners at the November Board meeting. Mr. England also reported that McGraph Consulting Group, Inc. is in the process of updating CCEMS's Operational Assessment Report.

Mr. England then reminded the Board that lightning struck the generator at the Champions Station and CCEMS paid for the necessary repairs, which were \$5,831.21. Mr. England stated that CCEMS paid for the repairs directly and no insurance claim was filed related to the damaged generator.

Upon motion by Commissioner Plummer, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the CCEMS Operations and Financial Report, authorize the CCEMS Operations payment in the amount of \$1,213,560.00 for the month of October and authorize reimbursement to CCEMS for the generator repairs.

REVIEW AND TAKE ANY NECESSARY ACTIONS ON FINANCIAL MATTERS, INCLUDING FINANCIAL REPORT FROM DISTRICT TREASURER AND BOOKKEEPER

Mr. Russell then presented to and reviewed with the Board the Bookkeeper's Report, including the revenues and expenses of the District, the budget comparison, the investment report and the checks being presented for payment at the meeting, copies of which are attached hereto.

Mr. Russell reported that during the prior month, the District received \$23,865.90 in 2017 property tax revenue, \$7,311.38 in penalties, \$3.60 in Public Information Act ("PIA") revenue and \$878.82 in investment interest. Mr. Russell further reported that all such revenue had been deposited into the District's Operating Account.

Mr. Russell noted that CCEMS submitted an invoice in the amount of \$568,604.11 for the additional payroll authorized by the Board at the April meeting.

Upon motion by Commissioner Brost, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, authorize payment of the checks reflected therein and approve the September 2018 investment report.

AMEND DISTRICT BUDGET FOR FYE DECEMBER 31, 2019, IF NECESSARY

The Board agreed to table action on this item, pending receipt of the finalized CCEMS budget for FYE December 31, 2019.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Adams then reviewed with the Board the Tax Assessor/Collector Report for the month of September 2018, a copy of which is attached hereto.

DISTRICT COMMUNICATIONS REPORT

There was no District communication report at this time.

COMMISSIONER'S MONTHLY FACILITIES INSPECTION/TOUR REPORT

Commissioner Ripley reported that no facility inspections were conducted after the September Board meeting and no facility inspections/tours would be conducted after the October Board meeting.

Mr. England reminded the Board that the sign at Station No. 511 was damaged in a single vehicle accident earlier in the month. Mr. England reported that an insurance claim has been filed with the vehicle owner's insurance.

STATUS OF DISTRICT CONSTRUCTION, REPAIR, IMPROVEMENT, OR RENOVATION PROJECTS, AND TAKE ANY NECESSARY ACTIONS ON SAME

There was no report on any District construction, repair or renovation projects at this time.

REVIEW BOARD GOALS FOR 2018/2019 AND TAKE ANY NECESSARY ACTIONS ON SAME

There was no report on the Board's goals at this time.

ATTORNEY'S REPORT

UPDATE/REVIEW OF RECENT PIA REQUESTS AND STATUS OF RESPONSES TO SAME

Ms. Adams next reported that there had been no PIA requests received since the September Board meeting.

In connection with a previous PIA request received from Mr. Zach Karrenbrock of *Spring Happenings* on May 17, 2018 for digital copies of Commissioner Plummer's emails dated from 01/01/2018 through 05/17/2018, Ms. Adams reported that her office received questions from the Texas Attorney General (the "AG") in connection with Mr. Karrenbrock's cost complaint associated therewith. Ms. Adams noted that her office responded to the AG's questions on October 4, 2018.

STATUS OF PREPARATION OF DISTRICT PIA POLICY

Ms. Adams next reminded the Board that she had previously reviewed with the Board a draft outline of a proposed District PIA policy and is awaiting feed back from Commissioner Pinard.

REVIEW OPEN MEETINGS ACT COMPLIANCE AND LEGAL MATTERS REGARDING SAME

Ms. Adams next presented to and reviewed with the Board an article prepared by the General Counsel of the Texas Municipal League and the Travis County, Texas Attorney's office regarding the Open Meetings Act and compliance/legal matters in connection with same, a copy of which is attached hereto. An extensive discussion ensued after which Ms. Adams addressed numerous questions from the Board.

PUBLIC COMMENTS AND MISCELLANEOUS MATTERS

There were no comments from the public at this time.

CONFIRM NEXT REGULAR MEETING DATE AND MEETING ADJOURNMENT

Ms. Adams then reminded the Board that the next regular meeting is scheduled for Tuesday, November 20, 2018, at 9:00 a.m.

There being no further business to come before the Board, the meeting was adjourned at approximately 7:35 p.m.

PASSED, APPROVED AND ADOPTED this 20th day of November, 2018.



Secretary, Board of Commissioners