

MINUTES OF MEETING OF THE  
BOARD OF COMMISSIONERS

July 26, 2022

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 the at the District's Administration Building, 18334 Stuebner Airline Road, Spring, Texas 77379, a meeting place inside the boundaries of the District, on Tuesday, July 26, 2022, at 5:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Karen Plummer	President
Steve Williams	Vice President
Dorothy Dalton	Secretary
Robert Pinard	Treasurer/Asst. Secretary
Zach Dunlap	Asst. Treasurer

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: the following District employees: Mr. Douglas Hooten, Chief Executive Officer ("CEO"); Mr. Rob Farmer, Chief Administrative Officer ("CAO"); Mr. Dave Snavely, Chief Financial Officer ("CFO"); Mr. Dan Wang, Financial Controller; Ms. Shirley Ware, Executive Assistant; Ms. Katie Conn, Compliance Manager; Mr. Jordan Anderson, Clinical Practice Manager; Mr. Jerry Thomas, Community Engagement Manager; Ms. Brandi King, Human Resources Manager; and Mr. Steven Ray, First Responder Organization Coordinator. District consultants in attendance were: Mr. Ricardo Martinez of Martinez Architects ("MA"); Mr. Rene Aviles of J.E. Dunn Construction Co. ("J.E. Dunn"); Ms. Regina D. Adams and Ms. Monica A. Garza, attorneys, and Ms. Carla Christensen, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), general counsel for the District; Mr. Brian Trachtenberg of Greathouse Holloway McFadden Trachtenberg, PLLC ("Greathouse"), special counsel to the District; and Mr. Zach Karrenbrock of 62 Digital, LLC ("62 Digital"), the District's communications coordinator. Also in attendance were numerous members of the public. A copy of the 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.

This meeting was video recorded by 62 Digital for use by the District. The meeting was also streamed live by 62 Digital on the District's website.

The Board held a 30-second moment of silence for prayer and reflection.

**PUBLIC COMMENTS**

There were no public comments at this time.

## **APPROVAL OF THE MINUTES**

The Board considered approval of the minutes of the regular meeting of June 16, 2022 and the special meetings of June 16, 2022 and June 28, 2022. Upon motion by Commissioner Williams, seconded by Commissioner Dalton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of June 16, 2022 and the special meetings of June 16, 2022 and June 28, 2022, as presented, and the certified agendas for same.

## **ADMINISTRATION, DISPATCH AND LOGISTICS FACILITIES CONSTRUCTION/ DEVELOPMENT REPORT, INCLUDING:**

### **STATUS OF COMPLETION OF CONSTRUCTION OF PHASE I REDEVELOPMENT OF DISTRICT ADMINISTRATION PROPERTY ("PHASE I PROJECT")**

Mr. Martinez reported that MA has continued to coordinate with the District's Construction Committee and J.E. Dunn representatives in connection with completion of the Phase I Project. Mr. Martinez noted that there is one (1) remaining punch list item to be completed and the District continues to retain \$1,077,023 in connection with Phase I Project costs. Mr. Martinez reported that he met with representatives of J.E. Dunn onsite earlier in the day. A discussion ensued. In response to a question, Mr. Aviles stated that J.E. Dunn anticipated completion of the remaining punch list item within the following two (2) weeks. In response to a question, Mr. Martinez stated that the Phase I Project warranty started when the project was declared "substantially complete" on March 17, 2022.

### **STATUS OF CONSTRUCTION OF THE PHASE II REDEVELOPMENT OF THE DISTRICT ADMINISTRATION PROPERTY (THE "PHASE II PROJECT") FROM J.E. DUNN AND TAKE NECESSARY ACTION ON SAME**

Mr. Martinez next presented to and reviewed with the Board the design and construction status report and photographs for the Phase II Project, copies of which are attached hereto. Mr. Martinez then reported that MA had reviewed and released the shop drawings for the ambulance wash bay. Mr. Martinez then reported that MA was coordinating the design for Conference Room 105, the Lobby and landscaping.

Mr. Martinez next updated the Board on the Phase II Project construction schedule.

### **APPROVE CONSTRUCTION PAY APPLICATIONS ("PA") AND/OR CHANGE ORDERS ("CO"), INCLUDING SUBMISSION OF FINAL PA AND STATUS OF PREPARATION OF AUDIT OF PHASE I EXPENDITURES ("PHASE I AUDIT"), IF NECESSARY**

The Board then reviewed PA No. 15 from J.E. Dunn in the amount of \$768,132.00, of which \$19,624.00 was for the Phase I Project and \$787,756.00 was for the Phase II Project, a copy of which is attached hereto. Mr. Martinez stated that there would be at least one (1) more PA for the Phase I Project. Mr. Martinez noted that the total cumulative construction contract sum for Phase I and II Projects was \$31,226,981.00, of which approximately \$21,784,533.00 was for the Phase I Project and \$2,791,768.00 was for the Phase II Project. A discussion ensued.

Ms. Adams reminded the Board that it previously authorized the engagement of the District's Auditor to conduct the Phase I Project Audit after receipt of the District's final PA for same. Ms. Adams went on to explain that once the Phase I Project outstanding punch list item was addressed and the final PA is presented to the District, the District's auditor would then proceed with preparation of the Phase I Project Audit. In response to a question, Ms. Adams noted that the Board would consider approval of the final PA after the Phase I Project Audit was approved.

Upon motion by Commissioner Williams, seconded by Commissioner Pinard, after full discussion and the question being put to the Board, the Board voted unanimously to accept the MA Report and approve PA No. 15 in connection with the Phase I and Phase II Projects.

### **STATUS OF CLOSING OF THE REAL ESTATE IMPROVEMENT AND EMERGENCY SERVICES EQUIPMENT LOAN**

Ms. Adams reported that the Series 2022-A Real Estate Improvement and Emergency Services Equipment Loan was scheduled to close on Friday, July 29<sup>th</sup>.

### **CEO REPORT**

Mr. Hooten then reported on various service matters, including the status of the District's operations, ambulance fleet, communications, District staffing and hospital wall times during June 2022.

### **REVIEW PROPOSALS FOR DEBT COLLECTION SERVICES AND TAKE ANY NECESSARY ACTIONS ON SAME**

Mr. Hooten then presented to and reviewed with the Board an executive summary regarding the District's request for proposals from debt collection service agencies for the collection of outstanding patient accounts and also provided the three (3) proposals received (BC Services, Inc. ("BC Services"), Grant Mercantile Agency, Inc. ("GMA") and Merchants and Professional Collection Bureau), copies of which are attached hereto. An extensive discussion ensued and Mr. Hooten recommended accepting both BC Services and GMA's proposals.

Upon motion by Commissioner Williams, seconded by Commissioner Dalton, after full discussion and the question being put to the Board, the Board voted unanimously to accept the proposals from BC Services and GMA and authorize obtaining contracts from same. Mr. Hooten stated that the District would request service agreements from BC Services and GMA for RBAP's review.

### **REVIEW PROPOSALS FOR CLEANING SERVICES FOR DISTRICT FACILITIES AND TAKE ANY NECESSARY ACTIONS ON SAME**

Mr. Hooten next presented to and reviewed with the Board an executive summary regarding proposals for cleaning services and also provided the three (3) proposals received (Spark Clean ("Spark"), Sleek & Clean and Prestige Janitorial Services), copies of which are attached hereto. Mr. Hooten recommended accepting the Spark proposal although Spark was not the low bidder. Mr. Hooten added that the low bidder was given notice of the CEO's recommendation and met with District staff to review same. A discussion ensued.

Upon motion by Commissioner Pinard, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to accept Spark's proposal for cleaning services for District facilities. Mr. Hooten stated that the District would request the service agreement from Spark for RBAP's review.

#### REVIEW AND APPROVE COMMERCIAL CREDIT APPLICATION AND RELATED CREDIT AGREEMENT WITH BEASLEY TIRE

Mr. Hooten next requested the Board consider authorizing an application for a line of credit from Beasley Tire for Maintenance Department purchases, a copy of which is attached hereto. Ms. Adams noted that her office is in the process of reviewing the credit application and any related agreements with Beasley Tire. A discussion ensued.

Upon motion by Commissioner Pinard, seconded by Commissioner Dalton, after full discussion and the question being put to the Board, the Board voted unanimously to authorize an application for a line of credit from Beasley Tire for Maintenance Department purchases and authorized the CEO to execute the necessary agreement and addendum with Beasley Tire for same, subject to the review of same by RBAP.

#### RESIGNATION OF DAVE SNAVELY

Mr. Hooten then reported that the District's CFO, Mr. Snavely, had submitted his resignation and his last day with the District would be Friday, July 29<sup>th</sup>. Mr. Hooten then presented Mr. Snavely with a plaque thanking him for his dedicated service to the District.

#### CAO REPORT

Mr. Farmer next presented to and reviewed with the Board the monthly Administration Report, a copy of which is attached hereto. Mr. Farmer stated that the District then-currently had 266 employees with a 1.57% turnover rate.

Mr. Farmer then reviewed with the Board: 1) IT updates; 2) fleet incidents; and 3) risk and safety report. Mr. Farmer also reported that, to-date, the District's fleet had driven a total of 1,074,483 miles since September 2021.

#### COMPLIANCE REPORT

Mr. Farmer noted that the Compliance Manager's Report was included in the CAO's Report.

#### COMMUNITY OUTREACH AND COMMUNICATIONS REPORT AND STATUS OF CREATION OF NEW WEBSITE

Mr. Farmer noted that the Community Outreach Report was included in the CAO's Report.

Mr. Farmer further noted that RBAP reviewed the new website for statutorily required content and the recommended changes were being addressed prior to the new website going live. Mr. Farmer stated that the new website should go live within the following two (2) weeks.

Upon motion by Commissioner Williams, seconded by Commissioner Dalton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the CAO's Report.

REVIEW AND APPROVE PARTNERSHIP SERVICE AGREEMENT WITH BURNETT SPECIALISTS ("BURNETT") FOR TEMPORARY STAFFING SERVICES AND BUSINESS ASSOCIATE AGREEMENT ("BAA") RELATED TO SAME

Mr. Hooten then presented to and reviewed with the Board the proposed Partnership Service Agreement and Conditions with Burnett (the "Burnett Agreement") in connection with providing the District with temporary staffing services. A discussion ensued. Ms. Adams noted that RBAP reviewed and commented on the Burnett Agreement and prepared the related BAA. In response to a question, Mr. Hooten noted that the District intends to temporarily hire two (2) persons for four (4) weeks for a total cost of approximately \$11,000.00.

Upon motion by Commissioner Williams, seconded by Commissioner Pinard, after full discussion and the question being put to the Board, the Board voted unanimously to approve, and authorize the CEO to execute, the Burnett Agreement and BAA, copies of which are attached hereto.

AUTHORIZE TERMINATION OF SUBSCRIBER AGREEMENT WITH CARCO GROUP, INC. D/B/A INTELICORP RECORDS ("INTELICORP")

Mr. Hooten next recommended that the Board consider terminating its Subscriber Agreement with Intellicorp for employment screening services and consider approving a Subscriber Agreement with ADP Screening and Selection Services, Inc. ("ADP"). A discussion ensued. In response to a question, Mr. Hooten recommended terminating the Intellicorp Subscriber Agreement after 12 weeks with ADP.

Upon motion by Commissioner Williams, seconded by Commissioner Pinard, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the termination of the Subscriber Agreement with Intellicorp in 12 weeks.

REVIEW AND APPROVE ADP SCREENING AND SELECTION SERVICES, INC. ("ADP") CLIENT AGREEMENT FOR ACCESS TO EMPLOYMENT REFERENCE CHECK REPORTS

Mr. Hooten then presented to and reviewed with the Board the proposed ADP Master Services Agreement (the "ADP Agreement") in connection with providing the District with screening and selection services for employment reference reports. A discussion ensued. Ms. Adams noted that RBAP reviewed and commented on the ADP Agreement and prepared the related addendum to same.

Upon motion by Commissioner Williams, seconded by Commissioner Dalton, after full discussion and the question being put to the Board, the Board voted unanimously to approve, and

authorize the CEO to execute, the ADP Agreement and related addendum, copies of which are attached hereto.

### **CHIEF CLINICAL OFFICER/OFFICE OF THE MEDICAL DIRECTOR REPORT**

Mr. Anderson next presented to and reviewed with the Board the District's Clinical Operations Report for June 2022, including response times, patient treatments, statistics and related technology, a copy of which is attached hereto.

Upon motion by Commissioner Pinard, seconded by Commissioner Dalton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the CCO's Report.

### **COO REPORT**

The President then recognized Mr. Hooten, who presented to and reviewed with the Board the June 2022 Operations Report in the absence of the Chief Operating Officer ("COO"), a copy of which is attached hereto. A discussion ensued.

Mr. Hooten reported that in the previous month, the District: 1) operated its ambulances at 13,974 unit hours with 124 lost unit hours; 2) received 4,912 calls, which resulted in approximately 62% transports to hospitals; and 3) provided mutual aid 49 times and requested mutual aid six (6) times. Mr. Hooten noted that the average wall times during the month for the respective hospitals were between 40 minutes and 53 minutes.

Upon motion by Commissioner Williams, seconded by Commissioner Dalton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the COO's Report.

### **CFO REPORT**

### **APPROVE PAYMENT OF BILLS AND ISSUANCE OF CHECKS, AND REVIEW INVESTMENT REPORT**

Mr. Snavely next presented to and reviewed with the Board a summary of activity, profit and loss statement, a budget comparison, statement of cash flows, the debt service payment schedule, a list of checks and related invoices being presented for payment and the Investment Report, copies of which are attached hereto. A discussion ensued.

In response to a question from Commissioner Dalton, Mr. Hooten stated that he will share the results of the EMS Survey that is provided to patients at random upon his receipt of same.

Commissioner Plummer stated that she had a conflict of interest in connection with the JINCO invoice(s) and payment of same and would be abstaining from any discussion or action on such matter.

A discussion ensued regarding the reimbursement request by former Commissioner Kevin Brost for miscellaneous expenses totaling \$8,744.60 in 2021.

Upon motion by Commissioner Williams, seconded by Commissioner Pinard, after full discussion and the question being put to the Board, the Board voted unanimously to approve payment of the bills as submitted, including payment of former Commissioner Brost's expense reimbursement request, with the exception of the JINCO payment expense which would each be considered separately, and approve the Investment Report.

Upon motion by Commissioner Dalton, seconded by Commissioner Pinard, after full discussion and the question being put to the Board, the Board voted three (3) votes in favor with one (1) abstention by Commissioner Plummer, to authorize payment of the JINCO landscaping invoices.

AMEND BUDGET FOR FISCAL YEAR ENDING ("FYE") DECEMBER 31, 2022, IF NECESSARY

Mr. Hooten stated that it is not necessary to amend the District's 2022 Budget at the time.

REVIEW DRAFT BUDGET FOR FYE DECEMBER 31, 2023 (THE "2023 BUDGET")

Mr. Snavelly next presented to the Board the proposed 2023 Budget, a copy of which is attached hereto. Mr. Hooten also reviewed with the Board the process and calculation of gross versus net patient revenue and related collection percentages. An extensive discussion ensued.

Mr. Hooten then presented to and reviewed with the Board the summary of the capital expenditures paid from the District's operating fund to be reimbursed by the \$8,500,000 loan, including Phase I and II Projects architect fees and change orders and capital emergency services start-up equipment, copies of which are attached hereto. Further discussion ensued.

In response to a question, Ms. Adams then reminded the Board that the District is required to adopt its 2023 Budget prior to setting the 2022 tax rate. Ms. Adams went on to review the Truth in Taxation/tax rate setting process. Ms. Adams stated that the District's financial advisor's 2022 tax rate analysis and recommendation would be presented at the August 23<sup>rd</sup> Board meeting since the estimated 2022 certified value for the District was just released by the Harris County Appraisal District.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Adams then reviewed with the Board the Tax Assessor/Collector's Report for June 2022, a copy of which is attached hereto. A discussion ensued.

Ms. Adams went on to report that the District's 2022 certified estimated taxable value was \$66,513,603,592, not including personal property, which is an increase from the District's 2021 taxable value of \$56,107,768,245.

**ATTORNEY'S REPORT, INCLUDING:**

**STATUS OF CYPRESS CREEK EMERGENCY MEDICAL SERVICES ("CCEMS") VS. THE DISTRICT, ET AL, (THE "CCEMS LITIGATION") AND RELATED LEGAL MATTERS AND TAKE NECESSARY ACTION ON SAME**

Mr. Trachtenberg then reported on CCEMS Litigation and CCEMS' bankruptcy proceedings, including recent bankruptcy hearings and the sale of property by CCEMS. Mr. Trachtenberg then reviewed the two (2) outstanding offers for the purchase of CCEMS assets. A discussion ensued. Mr. Trachtenberg reported that there is a hearing scheduled for the following day in connection with the offers to purchase CCEMS assets. Mr. Trachtenberg reminded the Board that the District has an outstanding unsecured claim of \$2.5 million in CCEMS' bankruptcy case.

Commissioner Dunlap entered the meeting at 7:17 p.m.

In response to a question, Mr. Trachtenberg stated that the District has not yet received CCEMS' Federal Emergency Management Agency (FEMA) receivables in the approximate amount of \$380,000.

**REVIEW RECENT PUBLIC INFORMATION ACT ("PIA") REQUESTS AND RESPONSES TO SAME**

Ms. Garza then reported on the status of outstanding and recent PIA request(s) received.

**REVIEW VARIOUS DISTRICT PERSONNEL MATTERS**

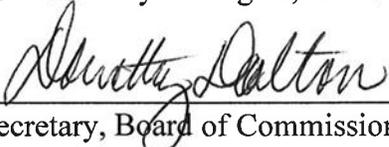
There were no District personnel matters to be discussed.

**REVIEW DRAFT 2023 BUDGET (-CONTINUED-)**

Messrs. Snavelly and Hooten and Ms. Adams then addressed several 2023 Budget-related questions from Commissioner Dunlap. An extensive discussion ensued.

There being no further business to come before the Board, the meeting was adjourned at 7:41 p.m.

PASSED, APPROVED AND ADOPTED this 23<sup>rd</sup> day of August, 2022.

  
Secretary, Board of Commissioners

