

MINUTES OF MEETING OF THE  
BOARD OF COMMISSIONERS

August 1, 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 special session, open to the public, at 7111 Five Forks Drive, Spring, Texas 77379, a meeting place inside the boundaries of the District, on Wednesday, August 1, 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
Kevin Brost	Asst. Treasurer

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Ms. Regina D. Adams and Ms. Monica Garza, attorneys, and Ms. Carla Christensen, paralegal, 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: Messrs. Ruben Gonzales, David Patton, Greg Marwill and Glen Henning and Ms. Linda Mercier, members of the Board of Directors of CCEMS; Mr. Brad England, Executive Director of CCEMS; Mr. Andrew McKinney, attorney for CCEMS; and Mr. Norm Uhl, Public Information Officer for CCEMS.

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.

REVIEW, DISCUSS AND TAKE ANY NECESSARY ACTION IN CONNECTION WITH  
THE DISTRICT'S BUDGET FOR THE FISCAL YEAR ENDING ("FYE") DECEMBER 31,  
2019

Commissioner Ripley first presented to and reviewed with the Board an outline for the conduct of the Board meeting, including a proposed schedule for adoption of the District's budget for FYE December 31, 2019 and adoption of the District's 2018 tax rate at future Board meetings, a copy of which is attached hereto. Commissioner Ripley also presented to and reviewed with the Board a historical summary of the District's certified taxable values and tax collections, a copy of which is attached hereto.

Ms. Adams then stated that, based on Harris County Appraisal District's 2018 preliminary taxable value for the District- which is currently estimated to be \$46,308,794,998 (not including personal property), and the District's 2017 tax rate, which was \$0.03904 per \$100 of assessed valuation- she estimates that the District will collect approximately \$18,079,000 in tax revenue for the 2018 tax year. Ms. Adams next reviewed with the Board the process and procedures for adopting the District's budget and setting the District's 2018 tax rate.

Commissioner Brost entered the meeting at this time.

Mr. England presented to the Board the current month's CCEMS invoice to the District, a copy of which is attached hereto. Mr. England noted that the invoice does not include the CCEMS salary increase, as previously approved by the Board. Mr. England stated that CCEMS will begin invoicing the District quarterly for the salary increase in September 2018. Mr. England then inquired whether the Board is still in agreement to fund the FYE 12/31/18 items/categories listed on the CCEMS invoice in FYE 12/31/19 (health insurance, social security, EMS personnel wages, communication center wages, education wages, medical supplies and vehicle fuel). A discussion ensued regarding the District's anticipated revenues and expenses for 2019.

In response to a question from Commissioner Brost, Mr. England stated that, due to the change in its health insurance provider, CCEMS is anticipating a reduction of approximately \$400,000 in its health insurance costs. Mr. England noted that there are other CCEMS expenses that the District can consider funding with the health insurance cost savings such as the CCEMS: 1) educational supplies (\$160,000 in 2018); 2) maintenance wages (\$410,000 in 2018); 3) AED devices; or 4) body camera device acquisition.

A discussion then ensued regarding the status of CCEMS' preparation of and adoption of its annual budget for FYE December 31, 2019 and the correlation to District's budgeting process. Mr. England then presented to and reviewed with the Board the CCEMS budget for FYE December 31, 2018, a copy of which is attached hereto and noted that a draft CCEMS budget for FYE 12/31/19 has not yet been prepared. Mr. England noted that CCEMS will review and approve its FYE 12/31/19 budget at its September 27<sup>th</sup> Board meeting.

#### REVIEW PROCEDURES AND AUTHORIZE PAYMENT FOR ACQUISITION OF TWO (2) AMBULANCES

Ms. Adams next presented to and reviewed with the Board a memorandum outlining the District's 2016 reimbursement to CCEMS for the purchase of six (6) ambulances, the District's 2018 reimbursement to CCEMS for the purchase of two (2) supervisor vehicles and the pending purchase of two (2) ambulances, as well as the District's current Contract for Providing Emergency Medical Services with CCEMS (the "Operations Contract") and the Lease Agreement for Vehicle Apparatus and Stations with CCEMS (the "Lease Agreement"), a copy of which is attached hereto. An extensive discussion regarding the following matters related to the purchase of vehicles pursuant to the Operations Contract and Lease Agreement ensued regarding: 1) title and ownership; 2) liability; and 3) vehicle insurance.

In response to a question from Commissioner Brost, Ms. Adams affirmed that, pursuant to Section 2.03(O) of the Operations Contract, CCEMS is required to prepare and provide the District with an inventory of all equipment acquired by the District (utilizing District funds) directly or through CCEMS. Mr. England noted that, according to CCEMS' auditor, once the value of District equipment depreciates to \$7,500 or below and has a useful life of less than one (1) year, such District equipment is considered donated to CCEMS. Ms. Adams reiterated that it does not change the contractual obligation of providing an inventory.

A discussion then ensued regarding whether the District should amend the Lease Agreement to include previously purchased equipment, and vehicles and/or the pending ambulance purchase.

In response to a question from Ms. Adams regarding CCEMS' compliance with Section 5.01(F) of the Operations Contract, Mr. England reported that he had previously provided the Board and the District's bookkeeper with copies of the three (3) proposals obtained for the purchase of two (2) ambulances and requested preliminary Board approval at the January 18, 2018 Board meeting. A discussion ensued.

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 authorize reimbursement to CCEMS in the amount of \$377,800 for the District's purchase of two (2) ambulances, which are to be titled in the name of CCEMS, subject to the requirement of Section 5.04 of the Operations Contract that such ambulances shall be owned by the District. It was also noted that such ambulances were incorrectly referred to as "supervisor vehicles" on the meeting agenda.

All meeting attendees, with the exception of all members of the Board present, along with Ms. Adams, Ms. Garza and Ms. Christensen, exited the meeting at this time.

REVIEW, DISCUSS AND TAKE ANY NECESSARY ACTION IN CONNECTION WITH THE DISTRICT'S BUDGET FOR THE FYE DECEMBER 31, 2019 (CONTINUED)

An extensive discussion ensued regarding the District's estimated revenues and expenses for FYE 12/31/19. Ms. Adams reported that she will provide the District's bookkeeper with the proposed budget line items, as discussed, for preparation of the draft FYE December 31, 2019 budget, a copy of which is attached hereto. In response to a question, Ms. Adams reported that the District is required to adopt its annual budget prior to setting its tax rate, but the budget can be, and should be, amended at any time after adoption.

A discussion then ensued regarding alternative payment structure options in connection with the Operations Contract and key provisions of the Operations Contract that need to be addressed in any future Operations Contract.

Ms. Adams recommended that the Board consider engaging The GMS Group, L.L.C. ("GMS"), as discussed the prior year, at the next Board meeting for purposes of advising and assisting the Board in setting the District's 2018 tax rate. The Board agreed to GMS making a presentation at the August 15<sup>th</sup> Board meeting.

There being no further business to come before the Board, the meeting was adjourned at approximately 8:40 p.m.

PASSED, APPROVED AND ADOPTED this 15<sup>th</sup> day of August, 2018.



  
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Secretary, Board of Commissioners