

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

February 21, 2019

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 Thursday, February 21, 2019, at 9:00 a.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, thus constituting a quorum. Also attending the meeting were: Mr. Carter McCormack, cameraman for Dolcefino Consulting ("Dolcefino"); Mr. John Barone, cameraman for KPRC Channel 2 News ("KPRC"); Ms. Kristen Crosby and Ms. Susan Nealy of Koronis Collections ("Koronis"); Mr. Mark Counts of The Counts Company ("Counts Co.") formerly of Counts|Thomson; Ms. Debbie Gibson of McCall Gibson Swedlund Barfoot PLLC ("McCall"), auditors for the District; Mr. Bill Russell of Myrtle Cruz, Inc. ("Bookkeeper"), bookkeeper for the District; Mr. Kerry Johnson of NRG Marketing Group ("NRG"), the District's website service provider and public relations consultant; and Ms. Regina D. Adams, attorney, 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 ("CEEMS") were in attendance at the meeting: Ms. Linda Mercier and Messrs. Dave Billings and Ruben Gonzales, members of the CEEMS Board of Directors; Mr. Brad England, CEEMS Executive Director; Mr. Wren Nealy, CEEMS Assistant Executive Director; Mr. Andrew McKinney, of Litchfield & Cavo LLP, attorney for CEEMS; and Mr. Norm Uhl, CEEMS Public Information Officer. A number of members of the public were also in attendance. 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.

This meeting was video recorded by Mr. Barone for use by Ch. 2, Mr. McCormack for use by Dolcefino and Mr. Uhl for use by CEEMS.

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

All meeting attendees, with the exception of all members of the Board, Ms. Adams and Ms. Christensen exited the meeting at 9:02 a.m.

CONVENE IN EXECUTIVE SESSION

Pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, specifically Section 551.071(2), regarding matters of attorney-client privilege, Commissioner Ripley convened the Board in Executive Session at 9:03 a.m., to consult with the District's attorney regarding matters related to attorney-client privilege. The persons present in the executive session were Commissioners Ripley, Plummer, Grundmeyer, Pinard and Brost, Ms. Adams and Ms. Christensen.

RECONVENE IN OPEN SESSION

Commissioner Ripley then reconvened the meeting in open session at approximately 9:15 a.m.

All other meeting attendees reentered the meeting at this time.

In response to a question from Commissioner Brost, Mr. McKinney stated that CCEMS had issued a cease and desist letter to KPRC in connection with the recent alleged trespass by a KPRC reporter on Mr. England's private property. In response to another question from Commissioner Brost, Mr. McKinney agreed to provide Commissioner Brost with a copy of the cease and desist letter that was issued.

APPROVAL OF THE MINUTES

The Board considered approval of the minutes of the regular meeting of January 16, 2019. 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 minutes of the regular meeting of January 16, 2019, as prepared.

STATUS OF PROPOSED ADMINISTRATIVE AND OPERATIONAL POLICIES AND PROCEDURES OF THE BOARD AND TAKE ANY NECESSARY ACTIONS ON SAME

Commissioner Pinard stated that he has nothing new to report on this matter at this time.

STATUS OF TRANSITION TO NEW INTERSECTION PREEMPTION CONTROLLER DEVICES (THE "PREEMPTION DEVICES")

Commissioner Brost then reminded the Board that the District had previously approved the Preemption Device Agreement by and between the District, ESD Nos. 7, 13, 16, 28 and 29 and Global Traffic Technologies, LLC and the Interlocal Agreement (the "ILA") with Harris County (the "County"). Ms. Adams added that the County has approved the ILA and has provided same to the District for execution. Ms. Adams reminded the Commissioners that they previously approved the ILA with the County, subject to certain revisions. Ms. Adams stated that the requested revisions have been made to the ILA and then presented the ILA for execution.

DISCUSS FORENSIC REPORT FOR FISCAL YEAR END ("FYE") DECEMBER 31, 2017 (DISTRICT FUNDING VS. CCEMS EXPENDITURES), FROM HSSK, LLC ("HSSK")

Commissioner Ripley reminded the Board that Mr. Greg Schuelke of HSSK had previously presented to and reviewed with the Board the forensic report for FYE December 31, 2017 (the "Forensic Report") at the December 20, 2018 Board meeting. Ms. Adams then reminded the Commissioners that at the previous Board meeting, the Commissioners agreed to review the Forensic Report and prepare a list of any questions for discussion at the meeting.

Next, Ms. Gibson presented to and reviewed with the Board a memorandum from McCall Gibson, regarding the Forensic Report, a copy of which is attached hereto. An extensive discussion ensued. In response to a question, Ms. Gibson recommended that the Board determine matters and issues in the Forensic Report to further explore with CCEMS.

In response to a question from Commissioner Brost to the Koronis representatives regarding the decrease in Koronis' billing collections for CCEMS from 35% in 2010 to 22% in 2017, Mr. McKinney explained that the CCEMS' costs/expenses for each ambulance call continue to substantially increase while the Medicaid/Medicare reimbursement rates to CCEMS remain about the same. Mr. McKinney went on to state that while the Forensic Report reports that there had been a decrease in billing collections since 2010, it did not attempt to explain the possible reason(s) for such decrease. Ms. Gibson noted that one (1) variable that could possibly explain the decrease in billing collections is the changing demographics (specifically age and income) in the District's population. Ms. Gibson noted that, as more District residents become eligible for Medicare and/or Medicaid, CCEMS' collections will continue to decrease due to the vast difference between CCEMS' expenses and Medicare/Medicaid's reimbursement rates. An extensive discussion ensued.

Mr. McKinney then reported that CCEMS takes all allegations of wrongdoing very seriously and is amenable to paying for an independent audit of the findings in the Forensic Report as well as CCEMS' internal operations and controls by an auditor of the District's choosing. A discussion then ensued and the Commissioners were amenable to Ms. Gibson and Mr. Russell providing independent auditing firm information to CCEMS..

Mr. McKinney next presented to each Commissioner a Public Information Act ("PIA") Request in connection with communications between the Commissioners and media members, HSSK and others regarding District business, a copy of which is attached hereto.

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 (THE "CCEMS REPORT")

Commissioner Ripley next 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 January 2019, copies of which are attached hereto. Mr. England reported that during the month of January there were 2,484 transports, two (2) Life Flight transports, and that 29% of the calls made during the month were "no transports." Mr. England went on to report that during the month of January, CCEMS received 18 mutual aid assists and provided nine (9) mutual aid assists outside of CCEMS boundaries.

At this time, Mr. England presented to and reviewed with the Board the Executive Director's Annual Report, which includes the following items: 1) the Annual Performance Review and Planning Report for the years 2013 through 2018; and 2) the five (5) year Cypress Creek Growth Plan Report, copies of which are attached hereto. In response to a question from Ms. Adams regarding the CCEMS Annual Manpower Report, Mr. England reported that CCEMS is currently somewhat short on staff, but plans to make up such shortage at the conclusion of ongoing education classes.

Mr. England next reviewed with the Board a comparison summary of statistics related to CCEMS dispatch calls, life flight calls, response times and students taught in 2010 versus 2018. Mr. England stated that CCEMS calls increased from 30,342 in 2010 to 41,789 in 2018, while CCEMS response times decreased from eight (8) minutes and 49 seconds in 2010 to eight (8) minutes and 37 seconds in 2018. A discussion ensued.

Mr. England then reported that CCEMS continues to coordinate with the U.S. Army regarding the Clinical Fellowship Program, which recently commenced.

Mr. England also reported that McGraph Consulting Group, Inc. is still in the process of updating CCEMS's Operational Assessment Report but that the related policies should be finalized in the next two (2) months.

Mr. England reminded the Board that the sign at Station No. 511 was damaged in a single vehicle accident a couple of months ago. Mr. England reported that the sign is in the process of being replaced. Ms. Adams explained that LaW Construction & Consulting ("LaW") is currently experiencing issues with the County in connection with obtaining the necessary sign construction permit, which is on Harris County Emergency Services District No. 16 property that is leased to the District. Ms. Adams stated that her office is now communicating with the County regarding the documentation being requested in connection with the original sign construction permit.

DISCUSS INVESTIGATION OF CCEMS MAINTENANCE FACILITY AND EMPLOYEES RELATED THERETO.

Mr. McKinney then reported that KPRC's investigative reporter, Mr. Joel Eisenbaum, recently conducted a investigation at the CCEMS maintenance facility and such investigation was aired on KPRC during its 10:00 p.m. broadcast on Monday, February 11th. Mr. McKinney went on to explain that, upon being made aware of the allegations against certain CCEMS employees performing work on privately-owned vehicles at the CCEMS maintenance garage, CCEMS began its own internal investigation and determined that: 1) the CCEMS maintenance facility manager was performing work, during business hours on privately-owned vehicles at the CCEMS maintenance facility; and 2) CCEMS appears to also have other internal control issues within its organization. Mr. McKinney reported that CCEMS has terminated the employment of the maintenance facility manager and has turned the matter over to law enforcement to open a criminal investigation. Mr. McKinney stated that all CCEMS employees have been instructed by the CCEMS Board to cooperate with law enforcement or their employment with CCEMS will be subject to termination.

Mr. McKinney next presented a check to the District in the amount of \$38,317.59, which is the amount CCEMS calculated is owed to the District in connection with the District's payment of CCEMS' maintenance wages, and benefits from January 1, 2019 to present, the time frame on which the District paid CCEMS for such services.

Mr. McKinney then stated that he would share additional details related to the criminal internal investigation in Executive Session, but only if a "draconian" non-disclosure agreement is executed by Commissioners to ensure that the criminal investigation by law enforcement is not impeded.

Mr. McKinney then reiterated that CCEMS is agreeable to funding an independent audit of the Forensic Report's findings as well as all of CCEMS' internal operations and controls by an auditor of the District's choosing.

In response to a question from Commissioner Brost, Mr. McKinney stated that CCEMS was first contacted by KPRC on January 3rd for information related to CCEMS' fleet of ambulances. Mr. McKinney went on to report that CCEMS did not become aware of the allegations against the CCEMS maintenance facility manager until January 25th when KPRC began airing "teasers" in connection with its investigation.

A discussion ensued regarding whether the District should continue to provide funding to CCEMS for future maintenance benefits and wages and Mr. England offered to remove same from the CCEMS budget outlining District funding. It was the consensus of the Board to further discuss and take necessary action regarding its Fiscal Year End December 1, 2019 budget on such matter at the March 21st Board meeting.

Upon motion by Commissioner Pinard, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the CCEMS Operations and Financial Report and authorize the CCEMS Operations payment in the amount of \$1,287,058.33 for the month of February.

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 \$7,258,342.70 in 2018 property tax revenue, \$1,314.65 in investment interest and \$15,000 refund from Smyser, Kaplan & Veselka for legal fee retainer. Mr. Russell further reported that all such revenue had been deposited into the District's Operating Account.

Upon motion by Commissioner Brost, seconded by Commissioner Grundmeyer, 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 January 2019 investment report.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Adams then reviewed with the Board the Tax Assessor/Collector Report for the month of January 2019, a copy of which is attached hereto. Ms. Adam noted that 83.87% of the District's 2018 taxes had been collected as of January 31, 2019.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION FOR 2019 TAX YEAR

Ms. Adams then explained that pursuant to the Texas Property Tax Code, as amended, the District is authorized to grant exemptions relative to the District's property tax levy. The Board next considered approval of tax exemptions for the 2019 tax year, including homestead exemptions, exemptions for residents 65 years of age and older, and exemptions for disabled residents. Ms. Adams explained that in 2018, the Board did not grant a general residential homestead tax exemption, but granted an exemption of \$50,000 for residents 65 years of age and older and for disabled residents.

The Board decided to grant the same exemptions for the 2019 tax year as were granted for the 2018 tax year. Upon motion by Commissioner Plummer, seconded by Commissioner Brost, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution Concerning Exemptions from Taxation for the 2019 Tax Year reflecting an exemption of \$50,000 for residents 65 years of age and older and for disabled residents, a copy of which is attached hereto.

DISTRICT COMMUNICATIONS REPORT

STATUS OF PUBLIC RELATIONS ("PR") ACTIVITIES FROM NRG AND TAKE NECESSARY ACTION ON SAME

Mr. Johnson then reported that he will coordinate with the District's PR committee regarding the release of an official District statement in connection with the actions being taken as a result of the KPRC investigation.

Ms. Adams next reported that she recently responded to a request for response from the Community Impact Newspaper regarding Senate Bill 2, proposed tax legislation that would affect the tax revenue increase cap for local governments and an election requirement to implement more than a 5% tax revenue increase if passed.

COMMISSIONER'S MONTHLY FACILITIES INSPECTION/TOUR REPORT

It was noted that no facility inspections were conducted after the January Board meeting and no facility inspections/tours would be conducted after the February Board meeting.

STATUS OF DISTRICT CONSTRUCTION, REPAIR, IMPROVEMENT, OR RENOVATION PROJECTS, AND TAKE ANY NECESSARY ACTIONS ON SAME, INCLUDING STATION NO. 511 SIGN REPLACEMENT

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

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

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

ATTORNEY'S REPORT

REVIEW OF RECENT PIA REQUESTS AND STATUS OF RESPONSES TO SAME

Ms. Adams next reported that there had been no PIA requests to the District received since the January Board meeting other than the PIA request that the District received from Mr. McKinney earlier in the meeting.

STATUS OF PREPARATION OF DISTRICT PIA POLICY

Commissioner Pinard stated there was nothing to report on this matter at this time.

PUBLIC COMMENTS AND MISCELLANEOUS MATTERS

There were no comments from the public at this time.

CONFIRM MARCH REGULAR MEETING DATE AND MEETING ADJOURNMENT

Ms. Adams then reminded the Board that the next regular meeting is scheduled for Thursday, March 21, 2019, at 9:00 a.m.

In response to a question from Mr. McKinney, a brief discussion ensued amongst the Commissioners regarding Mr. McKinney's earlier request for the Board to sign a non-disclosure agreement prior to him sharing additional details related to the criminal investigation.

All meeting attendees, with the exception of all members of the Board, Ms. Adams and Ms. Christensen exited the meeting at 10:26 a.m.

CONVENE IN EXECUTIVE SESSION

Pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, specifically Section 551.071(2), regarding matters of attorney-client privilege, Commissioner Ripley convened the Board in Executive Session at 10:27 a.m., to consult with the District's attorney regarding certain matters concerning attorney-client privilege. The persons present in the executive session at various times throughout, were Commissioners Ripley, Plummer, Grundmeyer, Pinard and Brost, Mr. Counts, Ms. Adams and Ms. Christensen.

RECONVENE IN OPEN SESSION

Commissioner Ripley then reconvened the meeting in open session at approximately 12:27 p.m.

Ms. Adams and Ms. Christensen re-entered the meeting at 12:29 p.m.

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 Counts Legal Fee Report and RBAP response memorandum, as discussed in Executive Session.

There being no further business to come before the Board, the meeting was adjourned at approximately 12:29 p.m.

PASSED, APPROVED AND ADOPTED this 21st day of March, 2019.



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Secretary, Board of Commissioners