

MINUTES OF SPECIAL WORKSHOP MEETING OF THE

BOARD OF COMMISSIONERS

March 28, 2019

THE STATE OF TEXAS §
COUNTY OF HARRIS §
HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11 §

The Board of Commissioners (the "Board") of Harris County Emergency Services District No. 11 (the "District") met in special workshop session, open to the public, at 7111 Five Forks Drive, Spring, Texas 77379, a meeting place inside the boundaries of the District, on Thursday, March 28, 2019, 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 Commissioners Grundmeyer and Pinard, thus constituting a quorum. Also attending the meeting were: Mr. Carter McCormack, cameraman for Dolcefino Consulting ("Dolcefino"); Mr. Bill Russell of Myrtle Cruz, Inc. ("Bookkeeper"), bookkeeper for the District; and 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: Mr. Brad England, CCEMS Executive Director; Mr. Wren Nealy, CCEMS Assistant Executive Director; Mr. Norm Uhl, CCEMS Public Information Officer; and Mr. Andrew McKinney of Litchfield & Cavo LLP, attorney 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.

This meeting was video recorded by Mr. McCormack for use by Dolcefino and Mr. Uhl for use by CCEMS.

REVIEW SCOPE OF ENGAGEMENT FOR PREPARATION OF INDEPENDENT AUDIT OF CCEMS TO REVIEW HSSK, LLC ("HSSK") REPORT FINDINGS FOR FISCAL YEAR ENDED ("FYE") DECEMBER 31, 2017 AND CONDUCT INTERNAL AUDIT OF FINANCES, CONTROLS POLICIES AND PROCEDURES

Commissioner Ripley reminded the Board that at the previous two (2) Board meetings Mr. McKinney and Mr. England stated that CCEMS was agreeable to funding an independent audit of the findings of the HSSK forensic report for FYE December 31, 2017 (the "Forensic Report") as well as all of CCEMS' finances, controls, policies and procedures by an auditor of the District's choosing. Mr. England next presented to the Board the proposed engagement letter from Mr. Don Ramey, CPA of Houston Financial Forensics, LLC for conducting the independent audit/review of CCEMS' finances, controls, policies and procedures, a copy of which is attached hereto. In response to questions from Commissioner Ripley, Mr. McKinney agreed to coordinate with Mr. Ramey to include the following items in the scope of the engagement letter: 1) review of the entirety of the Forensic Report and 2) review of CCEMS' revenue and profit.

Mr. McCormack entered the meeting at this time.

In response to a question from Commissioner Ripley regarding Mr. Ramey's review of CCEMS' organizational structure, Mr. England reported that the CCEMS Board is currently discussing hiring an internal controller for the organization to provide an additional layer of oversight.

Commissioner Brost then requested that Mr. Ramey specifically audit the three (3) page executive summary of the Forensic Report. An extensive discussion ensued regarding whether Mr. Ramey would have access to HSSK's working documentation and related back-up information used to prepare the Forensic Report. Mr. McKinney stated that he would file a Public Information Act (the "PIA") request with the District for HSSK's working documentation and related communications and back-up information in connection with the Forensic Report, if necessary.

After additional discussion, Mr. McKinney agreed to coordinate with Mr. Ramey to further revise the scope of the engagement, as discussed and requested by the Board.

Mr. Russell entered the meeting at this time.

REVIEW DISTRICT AND CCEMS FYE DECEMBER 31, 2019 BUDGETS

The Board then reviewed the District and CCEMS FYE December 31, 2019 budgets, copies of which are attached hereto. An extensive discussion ensued regarding whether the District should continue to provide funding to CCEMS for future maintenance benefits/wages, fuel costs and the communication center (the "Comm Center"). Commissioner Ripley stated that his opinion expressed in the previous Board meeting has not changed and he believes that the Board should not consider any budget amendments related to CCEMS funding until such time as Mr. Ramey has completed the audit.

Commissioner Brost reminded the Board that, according to the 2018 dispatch call records, the District is paying 84% of the Comm Center wages and health insurance, but only accounts for 47% of the calls dispatched. An extensive discussion ensued regarding how many Comm Center dispatchers are necessary to serve the District and how many dispatchers are required to serve areas outside of the District. In response to a statement from Commissioner Brost, Mr. England stated that the District only pays for the Comm Center wages/benefits for the dispatchers necessary to serve the District and the remaining dispatcher wages/benefits are paid by other entities who contract with CCEMS for dispatching services.

Mr. Nealy exited the meeting at this time.

Commissioner Brost then noted that according to his review of to the CCEMS budget, the District is paying the Comm Center wages/benefits (\$1,676,993) for approximately 33.5 dispatchers and CCEMS otherwise covers the cost of the remaining Comm Center wages/benefits (\$319,428) for approximately 6.5 dispatchers, resulting in a total of 40 dispatchers, but the 2018 Manpower Report shows a total of 37 dispatchers (shortage of three (3) dispatchers).

Mr. Nealy re-entered the meeting at this time.

In response to a question from Mr. McKinney, Commissioner Brost stated that he believes approximately \$738,675 of the \$1,996,421 total Comm Center wages/benefits are spent on calls outside of the District's boundaries. Commissioner Brost added that he wants to ensure that District funds/tax dollars are utilized within the District and for the benefit of the District's taxpayers and are not being used to subsidize other entities that are utilizing the Comm Center. Mr. Nealy then reported that he verified with the Comm Center supervisor that the minimum staffing required at the Comm Center for any given shift is seven (7) dispatchers and one (1) supervisor (plus one (1) additional dispatcher when training is occurring), and that six (6) dispatchers are necessary to dispatch District calls and one (1) dispatcher is necessary to dispatch calls outside of the District.

REVIEW SERVICE AGREEMENT WITH CCEMS (THE "SERVICE AGREEMENT") AND PROPOSED TERMS FOR AMENDMENTS TO SAME

An extensive discussion then ensued regarding amending the current Service Agreement between the District and CCEMS to revise the payment structure (i.e. price per call/incident). Messrs. England and McKinney stated that the CCEMS Board would also be interested in revising the payment structure of the Service Agreement based on a price per call/incident. Further discussion ensued regarding the proposed amount of a price per call/incident with comparisons made to the contractual arrangement of other similarly stated emergency services districts and their service providers. Ms. Adams informed Messrs. England and McKinney that the Board is still in the process of preparing a term sheet to present to CCEMS as guidance for an Amended and Restated Service Agreement. Ms. Adams stated that, upon approval of such term sheet by the Board, she will provide same to CCEMS for review.

All meeting attendees, with the exception of the Commissioners present, Ms. Adams, Ms. Garza and Ms. Christensen exited the meeting at 7:42 p.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 7:43 p.m., to consult with the District's attorney regarding certain matters concerning attorney-client privilege pertaining to the Service Agreement. The persons present in the executive session were Commissioners Ripley, Plummer and Brost, Ms. Adams, Ms. Garza and Ms. Christensen.

RECONVENE IN OPEN SESSION

Commissioner Ripley then reconvened the meeting in open session at approximately 8:50 p.m. at which time no action was taken.

There being no further business to come before the Board, the meeting was adjourned at approximately 8:51 p.m.

PASSED, APPROVED AND ADOPTED this 18th day of April, 2019.




Secretary, Board of Commissioners