

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

September 26, 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 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, September 26, 2019, at 6:30 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Karen Plummer	President
Steve Williams	Vice President
Fred Grundmeyer	Secretary
Robert Pinard	Treasurer/Asst. Secretary
Kevin Brost	Asst. Treasurer

All members of the Board were present, except Commissioner Grundmeyer, thus constituting a quorum. Also attending the meeting were: Mr. John Howell of The GMS Group, L.L.C., via telephone conference call; Ms. Kayla Ray and Mr. Bill Russell of Myrtle Cruz, Inc. ("Bookkeeper"), bookkeeper for the District; and Ms. Regina D. Adams and Ms. Monica A. 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: Messrs. Ruben Gonzales and Dave Billings, members 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.

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. Uhl for use by CCEMS.

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

PUBLIC COMMENTS

There were no comments from the public at this time.

APPROVAL OF THE MINUTES

The Board considered approval of the minutes of the regular meeting of August 15, 2019 and the special meeting of August 6, 2019. Upon motion by Commissioner Williams, seconded by Commissioner Brost, after full discussion and the question being put to the Board, the Board voted

unanimously to approve the minutes of the regular meeting of August 15, 2019, as prepared, the minutes of the special meeting of August 6, 2019, as prepared, and the certified agenda for the regular meeting of August 15, 2019, previously distributed to the Board.

APPROVE PROPERTY INSURANCE RENEWAL WITH VFIS (EXPIRES 10/13/2019)

Ms. Adams then stated that the District's insurance coverage with VFIS is up for renewal for the policy term of October 13, 2019 through October 13, 2020. Ms. Adams, on behalf of Mr. Glenn Hastings, w/VFIS presented to and reviewed with the Board the VFIS Property Insurance Renewal Proposal, a copy of which is attached hereto. Ms. Christensen noted that the total premium amount for the upcoming term has decreased by \$2,308, from \$19,331 to \$17,023, since the District no longer owns any traffic preemption devices/controllers.

Upon motion by Commissioner Brost, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to authorize renewal of the District's property insurance with VFIS for the term of October 13, 2019 through October 13, 2020 for a total premium of \$17,023 (includes a \$5,000 property deductible).

APPROVE WORKERS COMPENSATION INSURANCE RENEWAL (EXPIRES NOVEMBER 25, 2019)

Ms. Adams next presented to and reviewed with the Board the District's Workers' Compensation insurance renewal quote from Texas Mutual Insurance Company ("TMI"), a copy of which is attached hereto. Ms. Adams stated that the current Workers' Compensation policy will expire on November 25, 2019. Upon motion by Commissioner Brost, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to approve renewal of the District's Workers' Compensation insurance with TMI for the term of November 26, 2019 through November 25, 2020 for a total premium amount of \$330 (for employee's "Out-of-Network" usage of the Work Well Network).

STATUS OF PROPOSED ADMINISTRATIVE AND OPERATIONAL POLICIES AND PROCEDURES OF THE BOARD AND TAKE ANY NECESSARY ACTIONS ON SAME, INCLUDING APPROVE CONTRACT WITH FIRSTNET/AT&T FOR THE DISTRICT'S PURCHASE OF CELLULAR TELEPHONES FOR COMMISSIONERS

Commissioner Brost then reminded the Board that they had previously approved the cell phone "safety plan" proposal from FirstNet/AT&T ("FirstNet"), including upgrading all Commissioner cell phones to iPhones. Commissioner Brost reported that FirstNet agreed to provide iPhones at no cost. A discussion ensued regarding the push-to-talk feature available for first responders and Commissioners' compliance with the Open Meetings Act while utilizing such feature. Mr. England stated that CCEMS' information technology department will program the push-to-talk feature on the Commissioners' phones. Upon motion by Commissioner Brost, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to authorize RBAP to prepare a written standard operating procedure(s)/protocol in connection with the Commissioners' use of the push-to-talk feature and provide same to the Commissioners and CCEMS.

Commissioner Brost then noted that many other governmental agencies are utilizing a V.IP application on their personal cell phones, which enables them to conduct governmental business on their personal cell phones while utilizing a separate phone number. An extensive discussion ensued.

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 ("GTT") and the Interlocal Agreement (the "ILA") with Harris County (the "County").

Mr. Brost presented to and reviewed with the Board correspondence from Mr. Mike Pate regarding the status of installation of the new preemption devices at the County and Texas Department of Transportation ("TxDOT") intersections, a copy of which is attached hereto. Commissioner Brost noted that Econolite, the County's contractor, is three (3) months behind on installation and deployment of the new preemption devices. Commissioner Brost went on to report that TxDOT's contractor, CTC, plans to have all of its preemption devices installed in the next couple of weeks. Commissioner Brost added that GTT recently held two (2) training classes on the new system.

Mr. Howell called in to the meeting at this time.

DISCUSS PROPOSED 2019 TAX RATE, REVIEW FINANCIAL ADVISOR'S TAX RATE
RECOMMENDATION, AUTHORIZE PUBLICATION OF EFFECTIVE TAX RATE
CALCULATION AND ESTABLISH PUBLIC HEARING DATE(S) REGARDING 2019 TAX
RATE

Ms. Adams distributed for Board review and discussion Mr. Howell's tax rate analysis and recommendation for same, a copy of which is attached hereto. Mr. Howell first reviewed the tax rate analysis related to setting the 2019 tax rate.

Mr. Howell reported that the average taxable value of a home in the District increased from \$223,590 in 2018 to \$234,996 in 2019. Mr. Howell then reported that the District's certified taxable value in 2018 was \$48.02 billion and the District's 2019 taxable value is currently \$46.29 billion with approximately \$5.25 billion in value that is still uncertified by the Harris County Appraisal District. Mr. Howell added that the District's tax base grew by approximately \$3.52 billion. Mr. Howell went on to state that: 1) a \$0.03431 total tax rate would result in the average homeowner paying approximately the same in District taxes as in 2018 and would generate approximately \$17,683,374 in tax revenues, which is approximately \$1,299,476 less than the District's Fiscal Year Ending ("FYE") December 31, 2020 budgeted revenues of \$18,982,950; 2) a \$0.03474 total tax rate would result in tax revenues equal to the District's FYE December 31, 2020 budgeted expenditures of \$17,903,100 and the average homeowner would pay approximately \$1.00 more in 2019 taxes than in 2018; and 3) a \$0.03683 total tax rate would result in the average homeowner paying approximately \$5.92 more in District taxes than in 2018 and would generate revenues in the amount of \$18,982,950, which is equal to the District's FYE December 31, 2020 budgeted revenue. Mr. Howell then explained that \$0.037483 per \$100 of assessed valuation is the maximum tax rate that can be set without subjecting the District to a potential rollback tax election. Mr. Howell recommended that the Board consider levying a tax rate between \$0.03431 and \$0.03683.

An extensive discussion ensued regarding the options presented by Mr. Howell and the potential impacts of Senate Bill 2 in connection with the District setting its 2020 tax rate. The Board thanked Mr. Howell for his recommendation and Mr. Howell disconnected his call.

Mr. Russell entered the meeting at this time.

Ms. Adams reported that the Harris County Tax Assessor/Collector (the "TA/C") requires that the District provide the proposed 2019 tax rate no later than October 11th. Ms. Adams stated that the effective tax rate for 2019, as calculated by the TA/C, is \$0.034707. Ms. Adams added that the Board has historically set tax rate at a rate equal to or less than the effective tax rate.

The Board then discussed with Ms. Adams the process of publishing the effective tax rate calculation and setting the 2019 tax rate at a special Board meeting prior to October 11th. It was the consensus of the Board to schedule a special meeting on Tuesday, October 8, 2019 at 9:00 a.m. to consider adoption of the 2019 tax rate.

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: 1) consider adoption of a total 2019 tax rate of \$0.034707 per \$100 assessed valuation at the October 8th special Board meeting; and 2) authorize RBAP to prepare the Notice of Effective Tax Rate for publication in the Houston Chronicle, as required by the Texas Tax Code.

STATUS OF INDEPENDENT AUDIT OF HSSK, LLC ("HSSK") REPORT FOR FISCAL YEAR ENDED ("FYE") DECEMBER 31, 2017 (THE "HSSK FORENSIC REPORT") AND CCEMS FINANCIALS, CONTROLS, POLICIES AND PROCEDURES

Mr. England stated that Houston Financial Forensics, LLC ("HFF") is in the process of conducting the audit of the HSSK Forensic Report and CCEMS finances, controls, policies and procedures, which should take several months to complete. In response to a question, Mr. England stated that HFF anticipates completion of such audit in January or February, 2020.

Commissioner Pinard reported that he recently spoke with Mr. Greg Schuelke of HSSK regarding the invoice from HSSK in the amount of \$7,020.00 in connection with its provision of responsive information related to the April 30, 2019 Public Information Act ("PIA") request submitted by Mr. Andrew McKinney of McKinney Taylor, P.C. Attorney for CCEMS. A discussion ensued. Upon motion by Commissioner Williams, seconded by Commissioner Brost, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Commissioner Pinard to contact Mr. Schuelke and, on behalf of the District, offer to pay HSSK one-half (1/2) of the original bill.

APPROVE RECONCILIATION AUDIT REPORT (DISTRICT FUNDING VS. CCEMS EXPENDITURES) FOR FYE DECEMBER 31, 2018

Ms. Adams next reminded the Board that the District's special auditor, Mr. Mark C. Eyring, CPA, previously distributed and reviewed with the Board the draft Reconciliation Audit for FYE December 31, 2018, a copy of which is attached hereto. Ms. Adams noted that the Board previously agreed to review the draft Reconciliation Audit and contact Mr. Eyring with any questions or comments on the draft Reconciliation Audit. Commissioner Brost stated that he still intends to contact Mr. Eyring to discuss his questions in connection with the draft Reconciliation Audit.

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 Plummer next recognized Mr. England, who presented to and reviewed with the Board the Executive Director's Report and the CCEMS Operations and Financial Reports, including the operations statistics for the month of August 2019, copies of which are attached hereto. Mr. England reported that during the month of August there were 2,669 transports, nine (9) Life Flight transports and that 25% of the calls made during the month were "no transports." Mr. England went on to report that during the month of August, CCEMS received 21 mutual aid assists and provided 19 mutual aid assists outside of CCEMS' boundaries.

Mr. England then reported that McGraph Consulting Group, Inc. ("McGraph") has provided a draft of the updated Operational Assessment Report/Handbook to CCEMS for review. Mr. England stated that McGraph continues to work on the Handbook policies/procedures/job descriptions and plans to be complete with the Handbook by the end of the year.

Mr. England next reported that CCEMS received 28 applications for the CCEMS Controller position and is in the process of interviewing the top two (2) candidates. Mr. England noted that CCEMS plans to hire a CCEMS Controller by November 1st.

Mr. England went on to report that CCEMS is making minor repairs to all of its stations.

Mr. England then reminded the Board that body cameras have been deployed for both CCEMS supervisors and emergency medical services staff. Mr. England stated that CCEMS is currently meeting with local hospital CEOs and legal representatives regarding HIPPA concerns pertaining to same.

Mr. England next reported that the CCEMS paramedic class ends October 19th and a tactical class will be held on Saturday, September 28th.

In response to a question from Commissioner Brost, Mr. England stated that he will provide the Commissioners with the detailed call report for the month of August as soon as possible after the meeting.

Mr. England then reported that CCEMS' draft budget for FYE December 31, 2020 is ready for review by the District's budget committee. Upon motion by Commissioner Pinard, seconded by Commissioner Brost, after full discussion and the question being put to the Board, the Board voted unanimously to appoint Commissioners Plummer and Williams to the budget committee to review the proposed CCEMS budget for FYE December 31, 2020.

Upon motion by Commissioner Pinard, seconded by Commissioner Brost, 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 \$1,251,058.33 for the month of August.

STATUS OF INVESTIGATION OF CCEMS MAINTENANCE FACILITY AND EMPLOYEES RELATED THERETO

Mr. England next reported that he has nothing new to report in connection with the status of CCEMS' investigation of its maintenance facility employees.

Mr. England then reported on the status of criminal and civil litigation which CCEMS is involved.

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 quarterly 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 \$50,538.03 in 2018 property tax revenue and \$77.27 in investment interest. 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 Williams, 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, with the exception of check #1343, and authorize payment of the September 25th loan payment to Trustmark Bank.

ANNUAL REVIEW OF DISTRICT INVESTMENT POLICY, AMEND AS NECESSARY

Ms. Adams then reviewed with the Board the Order Regarding Annual Review of Rules, Policies, and Code of Ethics for the Investment of District Funds and Review of Investments (the "Investment Policy"). Ms. Adams reported that the District is required to review its Investment Policy annually. Ms. Adams then reported that the authorized broker list, which is required pursuant to the Investment Policy, has been updated. Upon motion by Commissioner Williams, seconded by Commissioner Brost, and after full discussion and with all Directors present voting aye, the Board adopted the Order Regarding the Annual Review of the Investment Policy and approved the amendments to the authorized broker list, a copy of which is attached hereto.

TAX ASSESSOR/COLLECTOR'S REPORT

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

DISTRICT COMMUNICATIONS REPORT

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

There was no report from NRG Marketing Group at this time.

Commissioner Pinard requested authorization to coordinate with Brand Ranch Media to obtain a proposal for management of the District's website, PR and marketing activities. A discussion ensued.

Upon motion by Commissioner Plummer, seconded by Commissioner Williams, and after full discussion and with all Directors present voting aye, the Board voted to authorize Commissioners Pinard and Brost to coordinate with Brand Ranch Media to obtain a proposal for management of the District's website, PR and marketing activities.

COMMISSIONER'S MONTHLY FACILITIES INSPECTION/TOUR REPORT

It was noted that no facility inspections were conducted after the August Board meeting and no facility inspections/tours would be conducted after the September Board meeting. Commissioner Pinard requested that this item be removed from future agendas.

STATUS OF DISTRICT CONSTRUCTION, REPAIR, IMPROVEMENT OR RENOVATION PROJECTS, AND TAKE ANY NECESSARY ACTIONS ON SAME, INCLUDING POTENTIAL LATENT STATION NO. 513 ELEVATION/CONSTRUCTION MATTERS

There was nothing to report on this matter.

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

There was no discussion on this matter at this time.

ATTORNEY'S REPORT

REVIEW RECENT PIA REQUESTS, IF ANY, AND STATUS OF RESPONSES TO SAME

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

Ms. Adams further noted that in regards to Dolcefino Consulting's ("Dolcefino") June 6, 2019 PIA request, the District received a ruling from Texas Attorney General on August 26, 2019 regarding whether certain requested information is subject to required disclosure. Ms Adams added that the District subsequently provided Dolcefino with the remaining appropriately redacted responsive information.

REVIEW TERM SHEETS FOR PROPOSED AMENDMENT TO SERVICE AGREEMENT WITH CCEMS.

Ms. Adams reported that her office previously provided Mr. McKinney with the District's proposed term sheet in connection with amending the Service Contract with CCEMS in April. Ms. Adams added that Mr. McKinney, stated at the August meeting that he had reviewed the District's proposed term sheet with the CCEMS Board of Directors and subsequent to such review, provided the District's attorney with CCEMS' term sheet in July. Commissioner Plummer reported that she and Commissioner Brost were disallowed from meeting with the former CCEMS Board President, Greg Marwill, to further discuss the proposed terms in connection with amending the Service Contract between the District and CCEMS. Commissioner Plummer noted that Mr. Marwill is no longer on the CCEMS Board.

CONFIRM OCTOBER REGULAR MEETING DATE

Ms. Adams then reminded the Board that the next regular meeting is scheduled for Thursday, October 17, 2019, at 9:00 a.m.

All meeting attendees, with the exception of all members of the Board, Ms. Adams, Ms. Garza and Ms. Christensen exited the meeting at 7:53 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 Plummer convened the Board in Executive Session at 8:04 p.m., to consult with the District's attorney regarding certain matters concerning attorney-client privilege. The persons present in the executive session were Commissioners Plummer, Pinard, Brost, Williams and Ms. Adams, Ms. Garza and Ms. Christensen.

RECONVENE IN OPEN SESSION

Commissioner Plummer then reconvened the meeting in open session at approximately 8:35 p.m.

Upon motion by Commissioner Pinard, seconded by Commissioner Williams, and after full discussion and with all Directors present voting aye, the Board authorized Commissioner Plummer to resend the District's original term sheet as outlined in Executive Session.

It was the consensus of the Board to consider authorizing the Champions Fire Department as the District's new regular meeting location at the special meeting on October 8th.

There being no further business to come before the Board, the meeting was adjourned at approximately 8:39 p.m.

PASSED, APPROVED AND ADOPTED this 17th day of October, 2019.



Frederick M. Sweeps
Secretary, Board of Commissioners