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December 19, 2019

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VIA FIRST CLASS MAIL AND EMAIL

Board of Directors & Executive Director
Cypress Creek Emergency Medical Services
7111 Five Forks Drive
Spring, Texas 77379

Re: Harris County Emergency Services District No. 11 (the "District"); Cypress Creek
Emergency Medical Services ("CCEMS") 2020 Budget

Dear Directors and Mr. England:

Mr. England presented CCEMS' proposed 2020 budget at the District's October 17, 2019 and November 21, 2019 Board of Commissioners (the "Board") meetings. Such draft budget proposed \$16,650,000 in revenue from the District- and proposed to combine two previously separate revenue line items- ambulance service and capital expenditures.

As you are aware, the Board adopted the District's Budget for Fiscal Year Ending ("FYE") December 31, 2020 (the "District Budget") at the District's August 15, 2019 Board meeting, as required by law. As specified in the District Budget, attached hereto, the District has provided for separate expense line items for Ambulance Service (\$15,900,000) and ESD Capital Expenditures (\$780,000), as it has done in fiscal years past, and reconfirmed such structure at its November 21, 2019 Board meeting. Therefore, please bifurcate these two revenue sources on CCEMS' budget.

Section 5.01 of the Contract for Providing Emergency Medical Services (the "Contract"), requires CCEMS to prepare both an operating budget and a capital budget and Section 5.01(D) specifically states, "CCEMS shall not use funds provided in the Operating budget for capital improvements and shall not use funds provided for capital improvements in the Operating Budget". As such, the Board has decided not to amend the District Budget at this time to coincide with CCEMS' proposed 2020 budget. CCEMS still may request approval for capital expenditures from time to time as may be necessary and in accordance with the Contract. As a reminder, pursuant to Section 5.01(F) of the Contract, CCEMS is required to request preliminary approval from the District for all capital expenditures over \$25,000.

CCEMS Board of Directors

December 19, 2019

Page 2

Additionally, the Board has requested a schedule/list of all capital purchases (vehicles, equipment, apparatus, etc.) paid for by the District over the previous four (4) years. A date of purchase, simple description of each item, and serial number/VIN number should suffice.

Sincerely,



Regina D. Adams

General Counsel for the District

RDA/mag
Attachment

cc: Board of Commissioners of the District [via email]
Mr. Bill Russell, Myrtle Cruz, Inc. [via email]
Mr. Joseph Ellis, McCall Gibson Swedlund Barfoot PLLC [via email]
Ms. Monica Garza (firm)
Ms. Carla Christensen (firm)

HARRIS COUNTY ESD 11

PROPOSED BUDGET FOR FISCAL YEAR 2020

	2019	PROPOSED
Revenue :	Budget	Budget 2020
Property Taxes	18,079,000.00	18,982,950.00
Interest earned	30,000.00	150,000.00
Miscellaneous	0.00	0.00
Total Revenues	18,109,000.00	19,132,950.00

Expenses :	Annual Budget	Annual Budget
Bookkeeping Fees	30,000.00	36,000.00
Audit Fees	16,000.00	16,000.00
Commissioner Fees/Expenses	5,000.00	5,000.00
Legal Fees	122,500.00	235,000.00
Basic Services/General	60,000.00	60,000.00
PIA	20,000.00	25,000.00
Election	2,500.00	115,000.00
Extras	30,000.00	25,000.00
Contracts/Special Projects	10,000.00	10,000.00
Election Costs (except Legal)	2,500.00	130,000.00
Professional Consultants	25,000.00	25,000.00
Ambulance Service**	15,012,700.00	15,900,000.00
ESD Capital Expenditures	780,000.00	780,000.00
New EMS Station (Non-Const)	5,000.00	5,000.00
Appraisal District	140,000.00	120,000.00
Legal Notices	15,000.00	15,000.00
Printing/Office Supplies	5,000.00	5,000.00
Insurance & Surety Bonds	20,000.00	20,000.00
Traffic Pre-emption	250,000.00	250,000.00
SAFE-D Membership	1,100.00	1,100.00
Station 511 Payment (ESD 16)	10,000.00	10,000.00
Station Payment (513)	250,000.00	250,000.00
Station 55 Payment (Champions)	65,000.00	65,000.00
Website/PR	40,000.00	25,000.00
Misc Exp	10,000.00	10,000.00
Total Expenditures	16,804,800.00	17,903,100.00

Surplus/(Deficient)	1,304,200.00	1,229,850.00
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