

**MINUTES OF THE NOVEMBER 21, 2013 MEETING OF THE
HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 9**

A meeting was duly called of the **HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 9**, which was held on November 21, 2013, at the administrative offices of the District, 9630 Telge Drive, Houston, Texas 77095.

The meeting was called to order at 7:40 p.m. by **MICHAEL LARRIVEE**, President. Those Commissioners present were **MICHAEL LARRIVEE, SUZANNE DAVIS, KEVIN KYLE, JACK BODMAN, and ROBERT JANUSAITIS**. Also present were **JENNIFER WALLS** and **RODNEY JANCZAK**, President and Interim Fire Chief, respectively, of the **CY-FAIR VOLUNTEER FIRE DEPARTMENT** (the "Department), chief officers and members of the Department, **AMY RAMON**, the District's General Manager, **BILL RUSSELL**, of **MYRTLE CRUZ, INC.**, the District's bookkeeper, **JOE DAVIS**, the District's emergency services consultant, **HOWARD KATZ, of COVELER & KATZ, P.C.**, the District's Counsel, and members of the public. Also present were **RICARDO MARTINEZ** from Joiner Partnership, the District's architects on various construction projects and Dr. Ronald Welch, of Municipal Information Services, a District consultant on District long range planning, including growth, projected valuation and population trends. Also present was Chris Swedlund, CPA, of McCall Gibson Swedlund and Barfoot, CPAs, the District's auditors

The Board first received public comment. A speaker commented on the recent public notice regarding fire department and District information.

The Board then addressed the Minutes of the October 24, 2013 regular meeting. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **DAVIS** to approve the Minutes as presented. After discussion, the Motion to approve the Minutes was approved by a vote of 5 to 0.

The Board next addressed the Minutes of the July 18, 2013 regular meeting. After review, Motion was made by Mr. **BODMAN**, seconded by Mr. **KYLE** to approve the Minutes as presented. After discussion, the Motion to approve the Minutes was approved by a vote of 5 to 0.

The Board then received a Financial Report from **BILL RUSSELL**, of **MYRTLE CRUZ, INC.**, the District's bookkeeper. Mr. **RUSSELL** noted the operating account balance following the prior meeting of \$41,252.93, the receipt of tax revenue in the amount of \$17,607.46, tax penalty and interest in the amount of \$(incl. in taxes received), interest of \$2,478.79 and ambulance reimbursement for the Department emergency medical services of \$580,137.57, refund of publication cost from the Houston Chronicle of \$32,582.26, and Cy-Fair Chamber rental income of \$1,500.00. Mr. **RUSSELL** said that dispatching fees of \$ -0- were also received. He also noted the balance sheet showed total District assets at \$47,579,156.86 (\$20,630,599.78 cash/cash equivalents; \$5,998,755.22 T-bills) short-term liabilities of \$ -0-, long term liabilities of \$4,221,136.00, and equity of \$43,358,020.86. Thereupon, after review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve the Financial Report as presented. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed District investments. The Board reviewed the investment reports. There was discussion about investment instrumentalities. Mr. **KYLE** recommended moving the T-Bills at the end of the year to the Compass Bank money-market account and hold on other investment matters until the next meeting or after the new year. Thereupon, after review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve moving the T-Bills at the end of the year to the Compass Bank money-market account. After discussion, the Motion was approved by a vote of 5 to 0.

The compliance certification was delivered for the District investments showing compliance with the District's investment strategy/policy, and that all banks had returned security pledge agreements for the District's excess deposits.

The Board then addressed administrative bills and commissioner fees as set forth in the Financial Report. After review, Motion was made by Mr. **BODMAN**, seconded by Mr. **KYLE** to approve the payment of District administrative bills and commissioner fees as presented in the Financial Report. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed engagement of a District auditor for the 2013 District auditor. Chris Swedlund, CPA, of McCall Gibson Swedlund and Barfoot, CPAs, the District's auditors, presented a proposal. He discussed the services and said the fee proposed was an estimated fee of \$15,500.00-\$16,500.00. After review, Motion was made by Mr. **KYLE**, seconded by Ms. **DAVIS** to approve the engagement of the auditing firm of McCall Gibson Swedlund & Barfoot as District auditor for the 2013 District audit. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed engagement of a law firm to collect 2013 and prior delinquent taxes. The Board noted that the firm of Linebarger Goggan Blair and Sampson collected the Harris County delinquent taxes and the District taxes were part of the consolidated county tax bill. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve the engagement of the law firm of Linebarger Goggan Blair and Sampson to collect 2013 and prior delinquent taxes at the penalty rate of 20%. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed imposition pursuant to Section 33.07, Texas Tax Code, of a 20% penalty for delinquent 2013 property taxes. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve the imposition pursuant to Section 33.07, Texas Tax Code, of a 20% penalty for delinquent 2013 property taxes. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed imposition pursuant to Section 33.08, Texas Tax Code, of a 20% penalty for delinquent 2013 property taxes. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve the imposition pursuant to Section 33.08, Texas Tax Code, of a 20% penalty for delinquent 2013 property taxes. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed imposition pursuant to Section 33.11, Texas Tax Code, of a 20% penalty for delinquent 2013 business personal property taxes. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN**

to approve the imposition pursuant to Section 33.11, Texas Tax Code, of a 20% penalty for delinquent 2013 business personal property taxes. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed the payment of Department Operations and Capital funding as set forth in the Financial Report. Ms. Ramon noted that Operations funding was due at this meeting in the amount of \$1,506,498.00. After review, Motion was made by Mr. **BODMAN**, seconded by Mr. **KYLE** to approve the payment of Department Operations the amount of \$1,506,498.00. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed the payment of Department Capital funding as set forth in the Financial Report. Ms. Ramon noted that Capital funding was due at this meeting in the amount of \$55,045.19 (previously scheduled budgeted capital funding). After review, Motion was made by Mr. **BODMAN**, seconded by Mr. **KYLE** to approve the payment of Department Capital in the amount of \$55,045.19. After discussion, the Motion was approved by a vote of 5 to 0.

Without objection, the Board held on revisions to the Department 2013 budget.

The Board received a report from Amy Ramon, the District General Manager. On the Motorola contract, she reported that there was a change order requested that after allowing for available credits and offsets the change order resulted in an increase of \$30,043.24. There was discussion about amending the financing agreement or paying for the change order in cash. Ms. Ramon and the Department agreed that the change order was required. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **JANUSAITIS** to approve the change order with payment to be made in cash. After discussion, the Motion was approved by a vote of 5 to 0.

Ms. Ramon reported on the accounting software and purchasing program and reported that the Microsoft operating system is up and running and in time the web-based Microsoft system was expected. Ms. Ramon said the new EMS billing company, EMSMC and its program were working more efficiently than the prior contractor.

the Board then addressed revisions to the Department 2013 budget. Ms. Ramon said that related to the Tri-Bridge contract, there was a Department request to transfer \$100,000.00 from Operations to Dispatch. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

Ms. Ramon also gave an update on the transition team and Department go-forward action plan. During discussion, Mr. **KYLE** commended Ms. Ramon on the report and also asked for recommendations to be made in the report when called for.

The Board then addressed Station No. 7 regarding access/easement matters for adjoining property owner, Walgreens. The property developer presented a proposal for the easement. He said the county has been difficult to obtain approval for the original plan and median cut. He said Walgreens requested approval for a direct left turn lane and the county refused requiring instead a U-turn access. He said this would require more land on the Station 7 site and would prevent equivalent access to the station under the current road configuration. He said Walgreens would propose to build a new road access to the back of the station and also build an additional bay for the station as recompense for the access re-design. After review, Motion was made by Mr. **KYLE**, seconded by Ms. **DAVIS** to approve the concept requested from Walgreens, noting that the approval of the concept was subject to approval by the Department as well as District Counsel and the Department's attorney. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed long range planning of the District and Department, including evaluation of various project costs. Dr. Ronald Welch, of Municipal Information Services, a District consultant on District long range planning, including growth, projected valuation and population trends delivered a report. He said that HCAD residential valuation in the District has dropped over the past years and dropped again in 2013. He said since 2008, the average residential value has dropped \$12,000.00 per residence. Dr. Welch said commercial development and valuation is increasing and growing. Dr. Welch said

the current District population is 411,000. He also reported that at present 20-30 homes per year are lost to flood control, especially along the beltway. Dr. Welch discussed the growth of multi-family developments. He also projected growth along Grand Parkway up to Grant Road.

Mr. **KYLE** requested to re-open District Financial Matters and investments. He said in light of the projections by Dr. Welch and the sensitivity of the District revenue to property valuation, he asked about the District policy of maintaining a one year property tax reserve at all times. There was discussion about when that policy began. Mr. **RUSSELL** said there was currently a reserve of about \$20 million. He said the 2013 tax levy was about \$16 million. There was discussion about sales tax revenue and the uncertainty about the amount expected. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve a District policy of maintaining the equivalent of a one year property tax reserve at all times. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed the Bridgeland development and the prospect of building facilities there for the fire and EMS service. The consensus was to move forward with the projects and obtain a letter of intent from the developer regarding these matters.

The Board then received a report from Ricardo Martinez from Joiner Partnership, the District's architects on various construction projects regarding Phase 2 of the long range planning. He said the contractor Durotech was ready to proceed to obtain bids to determine the Guaranteed Maximum Price and he requested approval. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to approve for the contractor to proceed to obtain bids to determine the Guaranteed Maximum Price for Phase 2. After discussion, the Motion was approved by a vote of 5 to 0.

Without objection, the Board held on Item 21 (Receive a report from the Department).

The Board then addressed a proposed amendment to the District-Department service agreement regarding the Department's response on task

force findings and implementation of the task force action plan and go forward process by the Department. The Board reviewed the contract amendment. Ms. Walls said that the Department board approved the contract amendment. After review, Motion was made by Mr. **KYLE**, seconded by Ms. **DAVIS** to approve the proposed amendment to the District-Department service agreement. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed the Department's proposed 2014 budget and District approval of appropriation of funding thereunder to extend the current District-Department service agreement into the year 2014. Ms. **DAVIS** asked who prepared the budget. Ms. Ramon said the Department and she consulted. Mr. **KYLE** asked Ms. Ramon if she was comfortable with the proposed Department budget. She said she was. Mr. **BODMAN** said the budget looked good to him. There was some discussion about possible cost increases in light of the ACA health insurance law and its affect on volunteer fire departments. After review, Motion was made by Mr. **BODMAN**, seconded by Ms. **DAVIS** to approve the Department's proposed 2014 budget and District approval of appropriation of funding thereunder. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed action on District Department CFO and related resources. Ms. **DAVIS** said this is important especially to assist with the interim committee. The Board discussed engaging such a consultant or creating such a position. Ms. **DAVIS** said that perhaps a workshop was needed to create the details. Mr. **KYLE** said he was not looking to hire a CFO, but said he feels that such a consultant is necessary. Mr. **JANUSAITIS** said that a part of this process should be what is known as a "gap analysis". After review, Motion was made by Mr. **KYLE**, seconded by Mr. **JANUSAITIS** to approve allocating \$20,000.00 for development of a District service plan and operations analysis for review in January, including a financial analysis. Mr. **KYLE** said his intent was to identify a commissioner to develop a contract and process with the consultant for this review. Mr. **KYLE** said he would like to offer his services in the task. Mr. **LARRIVEE** said that he would designate Mr. Kyle as a committee of one to

develop the plan and identify the consultant and report back for January workshop. After discussion, the Motion was approved by a vote of 5 to 0.

The District then considered quarterly re-allocations. Ms. Ramon said there were none.

The District then considered Department 30-day requests. Ms. Walls said there were none this month.

The Board then received the monthly report from the Cy-Fair Volunteer Fire Department.

The Board received written reports from the Department.

The Department presented the EMS billing report.

Ms. Walls delivered the status change report.

Ms. Walls said that the monthly TexFir reports were filed with the State Fire Marshall's office.

Ms. Walls delivered the over-time report and the accident/injury log.

Ms. Walls said that the Department employee count was 259 (115 full-time, 144 part-time), and the active volunteer membership was 385, with 8 new members.

The Board then reviewed the Department's Purchase Requisition Report.

The Board reviewed page 1, emergency requests. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve page 1. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then reviewed budgeted capital expenditures and non-budgeted capital expenditures on page 2 of the report. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve page 2. After discussion, the Motion was approved by a vote of 5 to 0.

The Board next reviewed the Within Budget purchase requests as set forth on pages 3-4 of the report. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve the Within Budget purchase requests as set forth on the top part of the report on page 3. After discussion, the Motion was approved by a vote of 5 to 0.

Ms. Walls noted the LOSAP report.

The Department delivered an IT report. IT coordinator Corgiat requested approval to move the internet vendor agreement to Comcast. Mr. **JANUSAITIS** said that was okay but having a diversity of vendors was also a good concept, especially for redundancy. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **KYLE** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

IT coordinator Corgiat and the Department requested approval to purchase the Purchasing System software. IT coordinator Corgiat said the cost was \$24,684.00, plus \$1,500.00 licensing fee. Mr. **JANUSAITIS** asked if the first year maintenance is included in the pricing. IT coordinator Corgiat said yes. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **KYLE** to approve the request. Mr. **JANUSAITIS** said he was comfortable with the proposal and plan. After discussion, the Motion was approved by a vote of 5 to 0.

IT coordinator Corgiat requested approval for Tribridge to do the system installation. He said this was a budgeted item. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

IT coordinator Corgiat requested approval for purchase and installation of a new wireless system to replace Linksys. He said the expected cost for the Department project was \$6,056.25. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

Interim Fire Chief Janczak requested approval to send 10 members to Dallas for leadership training. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **KYLE** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

Interim Fire Chief Janczak requested approval of up to \$4,883.00 for travel to Chicago for the Motorola inspection meeting. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **KYLE** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

Interim Fire Chief Janczak requested approval to hire an additional full-time radio tech for up to 40/hr/wk. Interim Fire Chief Janczak said the net increase was 20/hr/wk. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

Interim Fire Chief Janczak requested approval to hire an additional hourly employee for hazmat duties. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **KYLE** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

Ms. Walls requested approval to purchase and install new scheduling software. She said this was in the budget. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **JANUSAITIS** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

Ms. Walls requested approval to engage and commence a Department-wide operations audit with McGrath & Co. She said the cost was \$43,000.00 and is in the 2014 budget. Ms. Walls said she was requesting approval now to keep on time with the timeline under the go-forward action plan. After review, Motion was made by Mr. **KYLE**, seconded by Ms. **DAVIS** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

Ms. Walls requested approval to commence the fire chief search. She requested approval to expend up to \$20,000.00 for the process. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed the lease with Cy-Fair Chamber of Commerce regarding a brochure and signage. After review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve an expenditure of up to \$3,000.00 by Ms. Davis in the effort. After discussion, the Motion was approved by a vote of 5 to 0.

The Board reviewed College matters. Ms. **DAVIS** said things were starting to pick up. She said there was discussion and concerns regarding the maintenance of the burn building. She said the building had a 20-year life expectancy and is 10 years into its use. Ms. **DAVIS** said plans are needed for the

upkeep and ultimate replacement of the burn building. Assistant Chief-Facilities Scott Mullins said the Department is handling the fire field, but the burn building was a College facility. Ms. **DAVIS** said she was working with the College and Department on this.

The Board then addressed the District meetings, agenda and length of meetings. Mr. **KYLE** said this matter was addressed at the prior meetings.

Counsel said he was informed about the Cy-fair Chamber not being on the agenda. He requested that the Board reconsider the prior action and rescind it pending a future meeting when the item can be addressed. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to review and rescind any action or discussion regarding the Chamber of Commerce lease and related matters. After discussion, the Motion was approved by a vote of 5 to 0.

There being no further business brought before the Board nor any further public comment, upon Motion made the meeting adjourned at 10:45 p.m.

Secretary of the Board