

**MINUTES OF THE NOVEMBER 20, 2014 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 20, 2014, at the administrative offices of the District, 9630 Telge Drive, Houston, Texas 77095.

The meeting was called to order at 7:33 p.m. by **BETTY BOREN AVERY**, Vice President. Those Commissioners present were **SUZANNE DAVIS**, **ROBERT JANUSAITIS**, **BETTY BOREN AVERY**, and **SCOTT DeBOER**. Also present were **DAVID MANLEY**, and **AMY RAMON**, President and Fire Chief, respectively, of the **CY-FAIR VOLUNTEER FIRE DEPARTMENT** (the "Department), chief officers and members of the Department, **BILL RUSSELL**, of **MYRTLE CRUZ, INC.**, the District's bookkeeper, **HOWARD KATZ**, of **COVELER & KATZ, P.C.**, the District's Counsel, and members of the public. Also present was Ricardo Martinez from Joiner Partnership, the District's architects on various District construction projects.

The Board received public comment. A resident and local engineer spoke about his interest in the Bridgeland Development for a fire station. Ms. Avery spoke about a recent news article concerning Station 2 and a burn event at the College. She also said she heard some in the Department thought she had represented herself to be a member of the Department. Ms. Avery said she has not and never would make that representation.

The Board addressed the Minutes of the October 23, 2014 regular meeting. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **DeBOER** to approve the Minutes. After discussion, the Motion to approve the Minutes was approved by a vote of 4 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 \$512,688.58, the receipt of tax revenue in the amount of \$38,485.75, tax penalty and interest in the amount of \$3,354.54, sales tax receipts of \$2,098,883.99, interest of \$3,966.21, and ambulance reimbursement for the Department emergency medical services

of \$504,833.84. Mr. **RUSSELL** said that dispatching fees of \$1,500.00 were also received. He also noted the balance sheet showed total District assets at \$58,449,493.66 (\$36,308,791.66 cash/cash equivalents) short-term liabilities of \$ -0-, long term liabilities of \$11,090,054.00, and equity of \$47,359,439.66. Thereupon, after review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to approve the Financial Report. After discussion, the Motion was approved by a vote of 4 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 in place security pledge agreements for the District's excess deposits.

The Board then addressed District investments. The Board reviewed the investment reports. Mr. **RUSSELL** said that the new CEDARs program was set up. He said he recommended placing \$3,500,000.00 into the CEDARs program out of the District's cash position. Thereupon, after review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to approve placing \$3,500,000.00 into the District's CEDARs program account at Central Bank. After discussion, the Motion was approved by a vote of 4 to 0.

The Board addressed District debt retirement. Mr. **RUSSELL** delivered a report and analysis of the District current cash position and projected cash position and capital requirements, and current debt. The Board discussed paying off the Phase 1 Station renovation loan (Houston Community Bank) and Dispatch loan (Amegy Bank). Mr. **RUSSELL** said the approximate remaining balances of those loans were: Amegy Bank/Dispatch: \$371,000.00; Houston Community Bank/Phase 1 station renov.: \$3,500,000.00. Thereupon, after review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **DAVIS** to approve paying off the Phase 1 Station renovation (Houston Community Bank) and Dispatch loan (Amegy Bank) for a total cash outlay of about \$3,871,000.00. After discussion, the Motion was approved by a vote of 4 to 0.

The Board then addressed administrative bills and commissioner fees as set forth in the Financial Report. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** 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 4 to 0.

The Board then addressed the payment of Department Operations and Capital funding as set forth in the Financial Report. Chief Amy Ramon noted that Operations funding was due at this meeting in the amount of \$1,777,234.00. During discussion, Ms. **AVERY** asked about a negative \$122 in the Department's financials (Page 6 of the Department Board package), which seemed to involve the IT line item. Mr. Manley said he would look at that and send a response out after his review. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to approve the payment of Department Operations the amount of \$1,777,234.00. After discussion, the Motion was approved by a vote of 4 to 0.

The Board then addressed the payment of Department Capital funding as set forth in the Financial Report. Chief Ramon noted that Capital funding was due at this meeting in the amount of \$40,131.46 (previously scheduled budgeted capital funding). After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to approve the payment of Department Capital in the amount of \$40,131.46. After discussion, the Motion was approved by a vote of 4 to 0.

The Board addressed revisions to the Department 2014 budget. Department board president David Manley said there were none.

The Board addressed revisions to the District 2014 budget. Mr. **RUSSELL** said there were none.

The Board addressed revisions to the District 2015 budget. Mr. **RUSSELL** said there were none.

The Board addressed sales tax matters. Ms. **AVERY** said she met with the consultant.

The Board then addressed the proposed Department 2015 operating and capital budget. Mr. Manley said the budget was delivered at the prior meeting for review by the District. Ms. **AVERY** asked if a spread sheet can be prepared for comparison to 2014 with consistent categories. Mr. Manley said he would handle

that request. Mr. **DeBOER** designated himself and Mr. **JANUSAITIS** as District reps to the budget committee.

Without objection, the Board held on engagement of an auditor for the District 2014 audit.

The Board then addressed engagement of a law firm to collect 2014 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 Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to approve the engagement of the law firm of Linebarger Goggan Blair and Sampson to collect 2014 and prior delinquent taxes at the penalty rate of 20%. After discussion, the Motion was approved by a vote of 4 to 0.

The Board then addressed imposition pursuant to Section 33.07, Texas Tax Code, of a 20% penalty for delinquent 2014 property taxes. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to approve the imposition pursuant to Section 33.07, Texas Tax Code, of a 20% penalty for delinquent 2014 property taxes. After discussion, the Motion was approved by a vote of 4 to 0.

The Board then addressed imposition pursuant to Section 33.08, Texas Tax Code, of a 20% penalty for delinquent 2014 property taxes. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to approve the imposition pursuant to Section 33.08, Texas Tax Code, of a 20% penalty for delinquent 2014 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 2014 business personal property taxes. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to approve the imposition pursuant to Section 33.11, Texas Tax Code, of a 20% penalty for delinquent 2014 business personal property taxes. After discussion, the Motion was approved by a vote of 4 to 0.

The Board then received a report from Karina Martinez, the District Temporary Administrative Assistant. There was discussion about Ms. Martinez setting up Peachtree and her computer access. Ms. **AVERY** said that Ms. Martinez also can assist with cadet class graduation awards and plaques.

The Board held on the District General Manager vacancy.

The Board held the District Administrative Assistant vacancy.

The Board then addressed the Motorola radio system implementation. Chief Ramon provided an update. She said the system was scheduled for implementation in January 2015 and a 60-day reliability load testing period would commence. Chief Ramon reported that thus far there have been two failures involved with building penetrability. Counsel said he re-called that HFD had a similar problem. Chief Ramon said the problem was similar and being reviewed. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **DeBOER** to approve the 5% progress payment to Motorola. After discussion, the Motion was approved by a vote of 4 to 0.

The Board addressed long-range planning Phase 2 and future stations and apparatus requirements. Chief Ramon reported on the Bridgeland fire station. She indicated a new site was located for the fire station and she was awaiting the proposed purchase contract.

Without objection, the Board took up Agenda Item 14, on engagement of an auditor for the District 2014 audit. Chris Swedlund, CPA, of McCall Gibson Swedlund and Barfoot, CPAs, the District's auditors, presented a proposal. He discussed the services and said the estimated fee was \$15,500.00-\$16,500.00. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to approve the engagement of the auditing firm of McCall Gibson Swedlund & Barfoot as District auditor for the 2014 District audit. After discussion, the Motion was approved by a vote of 4 to 0.

The Board then addressed signage at 9520 Telge. There was discussion about a new sign for the cost of \$1,235.00. Ms. **AVERY** designated Ms. Davis and Mr. DeBoer to work as the sign committee.

(Mr. **JANUSAITIS** exited the meeting at 9:11 p.m.)

(Mr. **JANUSAITIS** re-entered the meeting at 9:13 p.m.)

Counsel said Durotech presented Pay Application 10 (\$58,071.98) on the Phase 2 station renovation. There was discussion about leaks at Station 3. Ricardo Martinez from Joiner Partnership, the District's architects on various District construction projects said that these leaks were unrelated to the project. Mr. Martinez said they are from the original construction that has finally failed in that part of the roof. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **DeBOER** to approve Pay Application 10 (\$58,071.98). After discussion, the Motion was approved by a vote of 4 to 0.

Counsel said Durotech presented a Substantial Completion Certificate for approval regarding the Station 11 component of the Phase 2 project. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **DeBOER** to approve the Substantial Completion Certificate regarding the Station 11 component. After discussion, the Motion was approved by a vote of 4 to 0.

The Board then addressed the possible enlargement of Station 7 to accommodate a 100' ladder truck and an ambulance. Counsel said there is an existing Lease Agreement between two Fairfield MUDs and the Department and District regarding the use of the facility, with a term to 2034. Ms. **AVERY** discussed with the architect Mr. Martinez whether the station was ADA and in compliance with the Texas Department of Licensing and Regulation. She said she believed the station with two stories required an elevator. Mr. Martinez said that is not the case for an emergency services facility. Ms. **AVERY** pointed out other regulation lapses. Mr. Martinez disagreed with the lapses. He said the licensing inspector performed the inspection and issued a Certificate of Compliance. Ms. **AVERY** said that the application submitted by Mr. Joiner does not state there is a second floor, so the application was incorrect. There was no action on this matter.

The Board then addressed the Station 9 construction options. Counsel said he and Chief Ramon, Mr. Janusaitis and Mr. Manley attended the recent WCID meeting. He said the group would be attending the December WCID meeting.

The Board then addressed transition matters and implementation. Counsel said he prepared proposed revisions to the service agreement based on the addendum and distributed it this evening to the District Board.

The Board addressed revisions to the Department 2014 budget. Chief Ramon said there were none.

The District then considered Department 30-day requests. Mr. Manley said there were none.

The Board then addressed approval of the following items under Agenda Item 31:

- a. Emergency requests – Heitman Truck Repair – Replace king pins, front leaf springs, front shocks, front wheel alignment on Unit 847, M-1 - \$3,532.01
- b. Budgeted Capex – Grace Industries – Watchdog monitor/command APA(2) - \$15,501
- c. Budgeted Capex – First Alarm Fire Sales – H2 Rotary powerhead complete cuttersedge saw (14) - \$25,409
- d. Budgeted capex – CDW-G – Workstations for MCV-1 (command vehicle) Motorola radio consoles (2) - \$3,110
- e. Operations – Payroll taxes – 11/12/14 - \$105,000
- f. Operations – Payroll taxes – 11/26/14 - \$110,000
- g. Operations – Cozen O’Conner – Legal bills – 7/14 \$3,354, 8/14 \$2,128, 9/14 \$5,743
- h. Operations – ESRI – Arcgis desktop arcview (2) & arceditor renewal (1/15 – 1/16) - \$2,300
- i. Operations – Alertall – PR supplies - Cappy fire dog school kit (550), red fire hat (1000), pink fire hat (500) - \$2,028
- j. Operations – EVT conference – FDSOA symposium - \$3,656
- k. Operations – CACO course w/ ABC conference - \$3,658
- l. Operations – The Schubot Law Firm – Legal services - \$3,271
- m. Operations – TEEX Leadership symposium - \$3,938
- n. Operations – IP Switch – software renewal for What’s up gold monitoring systems – \$4,331
- o. Operations – Kratos – software licenses for card access and camera system - \$6,739
- p. Operations – Approval to use the \$30,000 budgeted in 2014 for the annual member appreciation banquet.

There was discussion concerning item (p) which was to be held for separate consideration. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **DeBOER** to approve all the items under Agenda Item 31, except item (p). After discussion, the Motion was approved by a vote of 4 to 0.

The Board addressed Agenda Item 31, item (p). Ms. **AVERY** asked about the banquet and how it was funded and how it worked. Department auxiliary president, Paula Lee, explained about the Berry Center and process and answered questions. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **DAVIS** to approve Agenda Item 31, item (p). After discussion, the Motion was approved by a vote of 4 to 0.

(Mr. **DeBOER** exited the meeting at 9:50 p.m.)

(Mr. **DeBOER** re-entered the meeting at 9:52 p.m.)

The Board addressed the Department's prior request for IT assessment services. Chief Ramon said it seemed to make sense for this to be a District project. Ms. **AVERY** designated herself and Mr. Janusaitis for the task.

The Board addressed development of a Department EMS patient satisfaction program. Chief Ramon said the first group of evaluations was recently sent out.

The Board reviewed records retention. Ms. Martinez said she has received prior District records from the prior District General Manager.

The Board addressed approval to solicit outside website consulting services. The Board discussed this and determined that Ms. Martinez can start managing the website and posting the agendas and minutes.

The Board then addressed and tabled for a later meeting the Department's request to allow the Jersey Village FD to use the Department's radio frequency and airwaves.

The Board addressed the January meeting date and time. Without objection, the January meeting was set for January 22, 2015 at 6:00 p.m.

The Board then noted receipt of the monthly report from the Cy-Fair Volunteer Fire Department, including written reports from the Department, the EMS billing report, status change report, the monthly TexFir reports were filed

with the State Fire Marshall's office, the over-time report and the accident/injury log, the LOSAP report, and the Department employee count.

Ms. **AVERY** said the Department was late in providing as required under the service agreement a report listing all department employees and respective salaries and certifications. She noted the report was due at the October meeting. Mr. Manley said he would address this.

The Board entered executive session at 10:25 p.m. pursuant to Sections 551.072, .074 Government Code, to discuss and consider real estate matters and employee matters. The Board re-entered open session at 11:25 p.m.

The Board addressed hiring an Administrative Assistant. After review, Motion was made by Ms. **AVERY** (stepping out of the chair and passing the gavel to Mr. DeBoer), seconded by Ms. **DAVIS** to offer the position to Karina Martinez. The Board noted the solicitation process and strength of candidates. After discussion, the Motion was approved by a vote of 4 to 0.

There being no further business brought before the Board nor any further public comment, upon Motion made the meeting adjourned at 11:28 p.m.

Secretary of the Board