

**MINUTES OF THE AUGUST 21, 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 August 21, 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 **JEREMY M. MARTINSON**, President. Those Commissioners present were **JEREMY M. MARTINSON, 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, **KARINA MARTINEZ**, the District's temporary office manager, **TERRY HOLLAND, of MYRTLE CRUZ, INC.**, the District's bookkeeper, **HOWARD KATZ, of COVELER & KATZ, P.C.**, the District's Counsel, District consultants and members of the public. Also present was Richard Fletcher, of Sales Tax Assurance, the District's sales tax consultants.

The Board first received public comment. Colleen Vera said she appreciated the Board's organizational and procedural improvement in the conduct of its recent meetings. Ms. Avery said she appreciated Department Quartermaster Steve Witt's assistance in a tour of the recent FRI event.

The Board addressed the Minutes of the July 24, 2014 regular meeting. After review, Motion was made by Ms. **AVERY**, seconded by Mr. **JANUSAITIS** to approve the Minutes. 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 **TERRY HOLLAND, of MYRTLE CRUZ, INC.**, the District's bookkeeper. Mr. **HOLLAND** noted the operating account balance following the prior meeting of \$5,018,807.34, the receipt of tax revenue in the amount of \$17,977.67, tax penalty and interest in the amount of \$6,900.09, sales tax receipts of \$2,117,078.49, interest of \$4,618.52, and ambulance reimbursement for the Department emergency medical services of \$437,745.88, and Cy-Fair Chamber rental income of \$750.00. Mr. **HOLLAND**

said that dispatching fees of \$7,580.00 were also received. He also noted the balance sheet showed total District assets at \$62,711,163.25 (\$35,762,606.17 cash/cash equivalents) short-term liabilities of \$ -0-, long term liabilities of \$4,221,136.00, and equity of \$58,490,027.25. Counsel said the \$7.5 million Motorola loan was not reflected. Thereupon, after review, Motion was made by Ms. **AVERY**, seconded by Mr. **JANUSAITIS** to approve the Financial Report, subject to the balance sheet correction. 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 in place security pledge agreements for the District's excess deposits.

The Board then addressed District investments. The Board reviewed the investment reports. There was discussion about the use of letters of credit as approved collateral for funds exceeding FDIC coverage at District depository banks. Counsel gave some background on why some banks were preferring letters of credit and which might increase the number of banks participating in public funds depository services.

The Board then addressed its mid-year budget review. Mr. **HOLLAND** said the regular bookkeeper, Bill Russell, said he had no mid-year adjustments other than noting that sales tax revenue was much higher than budgeted. Counsel and Mr. **JANUSAITIS** said that this was the first full year of sales tax revenue and the budget was based on initial projections. Richard Fletcher, of Sales Tax Assurance, the District's sales tax consultants, said he believed the monthly income showing higher than expected sales tax revenue was accurate based on his company's review.

The Board addressed revisions to the District 2014 budget. Mr. **HOLLAND** said Mr. Russell said a 2014 budget amendment was suggested to reflect a \$123,871.32 payment to Motorola for the communications contract. He said this was a payment to the vendor, which was not listed in the budget. He said this payment was different from the financing payment which is budgeted. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to

approve the budget amendment. After discussion, the Motion was approved by a vote of 5 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. **DeBOER** 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 the payment of Department Operations and Capital funding as set forth in the Financial Report. Ms. Martinez noted that Operations funding was due at this meeting in the amount of \$1,712,843.00. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **DeBOER** to approve the payment of Department Operations the amount of \$1,712,843.00. 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. Martinez noted that Capital funding was due at this meeting in the amount of \$111,399.67 (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 \$111,399.67. After discussion, the Motion was approved by a vote of 5 to 0.

The Board addressed revisions to the Department 2014 budget. Department board president David Manley said there was a quarterly budget amendment and re-allocation payment back to the District for unused funds of \$81,192.34. After review, Motion was made by Mr. **DeBOER**, seconded by Mr. **JANUSAITIS** to approve the quarterly budget amendment and re-allocation payment. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed the 2014 tax rate setting process and appraisal reports. Counsel said the certified values were expected in late August. Motion was made by Ms. **AVERY**, seconded by Mr. **JANUSAITIS** to table Agenda Items 10 (District appraisal values), 11 (review effective tax rate and schedule any required hearings), 12 (proposed District 2014 tax rate), and 13 (adopt 2015 District budget). After discussion, the Motion was approved by a vote of 5 to 0.

The Board received a report from Richard Fletcher, of Sales Tax Assurance, the District's sales tax consultants. Mr. Fletcher discussed the review of the District's accounts as listed at the State Comptroller's Office. He said some errors were being corrected at the Comptroller's Office and at some vendors. Mr. Fletcher discussed online purchases and how they are tracked and if subject to sales tax. He said that August was probably higher than usual because August picks up quarterly filers and Comptroller corrections. Ms. **DAVIS** asked about incorrect deposits by vendors. Mr. Fletcher said it happens but is very small.

There was discussion about the telecommunications exemption. Mr. Fletcher said that most telecommunications companies already charge the full 8.25% sales tax because they do not differentiate exact jurisdictional boundary lines. He said if the account is in the general Houston area, especially with a Houston address, the accounts are probably paying the full 8.25%. Ms. **DAVIS** asked if Mr. Fletcher can estimate how much telecommunications tax there is. He said that until the exemption was removed this was difficult. Ms. **DAVIS** said the Board already voted to remove the exemption. Mr. Fletcher said the Order has not been processed yet. Counsel said he had not filed the exemption order. Ms. **DAVIS** asked why and said Counsel did not have the right to withhold the Order. Counsel tried to explain that he was not trying to delay the Board decision and that he did prepare the Order repealing the telecommunications exemption. He said he was trying to prevent an awkward situation for the Board with the Order repealing the exemption with the State Comptroller and vendors which might then be reversed a month later because the exemption had become a political issue in the election and has been on the agenda since June. Ms. **DAVIS** said that was not his decision to make and that he is not a commissioner.

The Board continued discussion on the telecommunications exemption. Motion was made by Ms. **AVERY** to rescind the prior removal of the telecommunications exemption from telecommunications accounts in the District's sales tax zone. The Motion failed for lack of a second.

The Board received a report from Karina Martinez, the District Temporary General Manager. Ms. Martinez confirmed she was placed by the employment

agency to work in the position. There was discussion about developing a District newsletter and updating the District brochure.

(Mr. Martinson exited the meeting at 8:21 p.m.)

Ms. **DAVIS** said maybe that is a task Ms. Martinez can perform as well as handling the District website. The Board addressed the General Manager position and an administrative aide position.

(Mr. Martinson re-entered the meeting at 8:23 p.m.)

The Board discussed the vacancy. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **DeBOER** to keep the District Temporary General Manager in place in an open ended status to February 15 to give time to develop the job profile and description for the District permanent General Manager position. After discussion, the Motion was approved by a vote of 5 to 0. Following the Motion, Mr. **MARTINSON** appointed Ms. Davis and Ms. Avery to be the committee to develop the job profile and description for the District permanent General Manager position and other District positions as they feel necessary.

(Ms. Davis exited the meeting at 8:31 p.m.)

The Board then addressed the Motorola radio system implementation.

(Ms. Davis re-entered the meeting at 8:33 p.m.)

The Board addressed long-range planning Phase 2. Mr. **MARTINSON** and Mr. **DeBOER** reviewed the project results. They said the complaints about some of the work from last month seem to have been addressed and the punch-list has been prepared. Counsel said there was both an application for payment (\$218,212.68) and a Certificate of Substantial Completion presented to the Board. Counsel said he received the Certificate of Substantial Completion for the Admin Building and Stations 2 and 6. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **DeBOER** to approve both an application for payment (\$218,212.68) and the Certificate of Substantial Completion for the Admin Building and Stations 2 and 6. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed the Station 9 construction options. Mr. **JANUSAITIS** the work to address the land ownership and plan approval was in progress.

The Board then addressed transition matters and implementation. Counsel said he prepared proposed revisions to the service agreement based on the addendum. He said the Department board president returned from a recent trip and he expected to discuss the matter soon.

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 25:

- a. Emergency Requests - Brakes for E-12 (\$2,313.00)

After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **DeBOER** to approve the request. During discussion, Quartermaster Steve Witt said the final cost may go over the stated price by a little. After discussion, the Motion was approved by a vote of 5 to 0.

- b. Budgeted Capital – drive cams; dispatch chairs and furniture; communication AVL licenses modification; station alerting system equip.; computer hardware (Total \$49,141.00)

After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **DAVIS** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

- c. EMS training (\$4,200.00)

After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **DeBOER** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

d. EMS billing compliance seminar (\$2,232.07)

After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **AVERY** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

e. Priority Dispatch ann. maint. contract (\$12,288.00)

After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **DeBOER** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

f. Physio Control ann. maint. contract (\$38,948.00)

After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **DeBOER** to approve the request for a 3-year contract for \$116,844.00. After discussion, the Motion was approved by a vote of 5 to 0.

g. L-10 Torque box repair (\$7,664.00)

After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **DeBOER** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

h. Pump testing (\$5,565.00 - \$8,400.00)

After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **DeBOER** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

i. Hose and ladder testing (\$14,000.00)

After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

j. Communications Center Manager Course (\$5,345.40)

After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** to approve the request for one attendee. After discussion, the Motion was approved by a vote of 5 to 0.

k. IT management software ann. Maintenance (\$2,585.00)

After review, Motion was made by Mr. **DeBOER**, seconded by Mr. **JANUSAITIS** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

l. IT computer equipment – notebook screen protector; tablet stylus
(Total: \$1,995.55)

After review, Motion was made by Ms. **EVERY**, seconded by Mr. **DeBOER** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

m. Mitel system software upgrade (\$7,494.00)

After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **DeBOER** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

Mr. Manley requested approval for the Department to engage legal representation regarding employment matters and to approve engaging Gail Schubot for general Department legal services. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **DeBOER** to approve the requests. After discussion, the Motion was approved by a vote of 5 to 0.

Mr. Manley requested approval to expend \$3,475.00 for up to three people to travel to inspect the new ambulances. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **DAVIS** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

Chief Ramon noted completion of the award initiated while she was still General Manager for new annual health insurance plans for the District employees.

Mr. Manley requested approval to award new annual health insurance and dental and vision insurance plans for the Department. Chief Ramon reported that breakdown was to go with BC/BS for health insurance, United Healthcare for dental insurance and Principal Group for vision insurance. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **DeBOER** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

Mr. Manley requested approval for the Department to award annual contracts for pharmaceuticals. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **DAVIS** to approve the request to award contracts to the low bidders. After discussion, the Motion was approved by a vote of 5 to 0.

Mr. Manley requested approval for the Department to award annual contracts for EMS Supplies. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **DAVIS** to approve the request to award contracts to the low bidders. After discussion, the Motion was approved by a vote of 5 to 0.

Mr. Manley requested approval for the Department to award annual contracts for member life, accident and dismemberment insurance. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **MARTINSON** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then received a report on patient satisfaction services. Mr. Manley reported on proposals received. He said the Department board requested approval to sign a one-year contract with EMS Survey Team for \$23,510.00. During discussion, the Department reported that about 20% of respondents respond in the survey. After review, Motion was made by Mr. **DeBOER**, seconded by Mr. **JANUSAITIS** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

Mr. Manley reported on a Department board membership change.

Paula Lee, of the Department's auxiliary, invited the Board to the Presidents Award Celebration to be held on September 6.

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.

The Board asked for any other Department business, and hearing none announced adjournment. Chief Ramon said the Department wanted to request approval to issue an RFP for IT assessment services. The Department said it did not have funding to pay for the expected contract amount. Without objection, the Board approved the RFP request. Counsel said he would place the item on the next agenda to discuss it and approve funding.

There being no further business brought before the Board nor any further public comment, upon Motion made the meeting adjourned at 9:27 p.m.

Secretary of the Board