

**MINUTES OF THE JULY 24, 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 July 24, 2014, at the administrative offices of the District, 9630 Telge Drive, Houston, Texas 77095.

The meeting was called to order at 7:35 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 **JENNIFER WALLS, and RODNEY JANCZAK**, Vice President and 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, **HOWARD KATZ, of COVELER & KATZ, P.C.**, the District's Counsel, District consultants and members of the public.

The Board first received public comment. Paula Lee, of the Department's auxiliary, thanked Ms. Avery for her assistance to the auxiliary with its annual MDA activities.

The Board addressed the Minutes of the June 19, 2014 regular meeting. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **DAVIS** 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 **BILL RUSSELL, of MYRTLE CRUZ, INC.**, the District's bookkeeper. Mr. **RUSSELL** noted the operating account balance following the prior meeting of \$6,571,962.29, the receipt of tax revenue in the amount of \$71,621.51, tax penalty and interest in the amount of \$5,215.64, sales tax receipts of \$1,487,330.57, interest of \$4,524.71, and ambulance reimbursement for the Department emergency medical services of \$441,144.63, and Cy-Fair Chamber rental income of \$750.00. Mr. **RUSSELL** said that dispatching fees of \$2,760.00 were also received. He also noted the balance sheet showed total District assets at \$63,930,578.15 (\$36,982,021.07

cash/cash equivalents) short-term liabilities of \$ -0-, long term liabilities of \$4,221,136.00, and equity of \$59,709,442.15. Thereupon, after review, Motion was made by Ms. **AVERY**, seconded by Ms. **DAVIS** to approve the Financial Report as presented. 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. Counsel requested the Board and Mr. Russell review diversification of funds. He said there was a concentration of funds at individual banks, although not excessively. He said all funds were secured by FDIC and pledged securities, but the total funds at Compass Bank was very high. Counsel suggested looking into a CEDARS type program and utilizing other banks and TexPool as additional depositories. Mr. **RUSSELL** said part of this was the decision made at the beginning of the year to limit time deposits and to place maturing TDs into the operating bank accounts. Counsel said also the sales tax revenue which started coming in at \$1 million/month was adding to the high balances. Ms. **AVERY** suggested that the current District debt be looked at for reduction or pay-off. Mr. **JANUSAITIS** said this was part of the financial planning review that he was working on. Counsel said that was a good strategy and noted that the various debt instruments for the Motorola project (\$7.5 million) and Phase 1 construction project (\$3.5 million) did not contain a prepayment penalty and could be paid off or reduced at any time. Mr. **RUSSELL** said he would review this. Mr. **MARTINSON** and Ms. **DAVIS** said this was a good item for a workshop.

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.

Mr. **MARTINSON** said that representatives of the Cy-Fair Chamber of Commerce were present and asked if the Board wanted to take up Agenda Item 24 regarding the Chamber. Motion was made by Ms. **EVERY**, seconded by Ms. **DAVIS** to take up Agenda Item 24 ("To review and take action on lease with the Cy-Fair Chamber of Commerce"). Leslie Martone, president of the Chamber, said she understood that the Board voted not to renew the Lease which is scheduled to terminate October 31, 2014. Ms. Martone said she would prefer that did not happen but she understood and had no hard feelings and hoped the Chamber can still work with the Department and District in promoting their interests and goals. She asked the Board to consider extending the move-out date from October 31 for thirty days. There was discussion about the use of the front conference room for the fire chief and the have the Chamber use the back room. Ms. Martone said that was acceptable, but asked that the move be held after the Chamber's currently planned activities that would involve the front conference room. Ms. **EVERY** asked if there was definite date that could be set for the move. Ms. Martone said October 17 would work. Mr. **MARTINSON** asked the Chief and Department if that plan would work. Chief Janczak and other representatives of the Department said they could work with that timetable. There was discussion about the Chamber furniture that would need to be stored. Assistant Chief-EMS Kenny Grayson said there was enough room in the garage to store the Chamber furniture without interfering with the Department's activities. After review, Motion was made by Mr. **DeBOER**, seconded by Mr. **JANUSAITIS** to extend the Chamber move-out date for the Chamber to November 28, 2014, following the lease termination date of October 31, 2014, with the front office being vacated for the Department's use at 9:30 a.m., October 17, 2014. 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 \$1,588,429.00. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **DAVIS** to

approve the payment of Department Operations the amount of \$1,588,429.00. 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 \$154,153.64 (previously scheduled budgeted capital funding). After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **DAVIS S** to approve the payment of Department Capital in the amount of \$154,153.64. During discussion, Counsel said he put incorrect numbers in the Notice. After discussion, the Motion was approved by a vote of 5 to 0.

The Board addressed revisions to the Department 2014 budget. Department board vice president Jennifer Walls said there were none.

The Board then addressed the 2014 tax rate setting process and appraisal reports. Counsel said the certified values were expected mid-August.

The Board then addressed the District 2015 District budget. There was discussion on how to proceed with drafting up a preliminary and proposed budget. It was agreed that the budget matter be addressed at an upcoming workshop. Ms. **DAVIS** suggested that the Board review the prior long range planning report prepared for the prior District Board. Mr. **JANUSAITIS** said he was almost finished with his committee's financial planner under review by the Department reps and District consultants. The Department said there was some uncertainty on who exactly would actually represent the Department in this process.

(Ms. Davis exited the meeting at 8:09 p.m.)

The Board tabled addressing the 2014 tax rate.

(Ms. Davis re-entered the meeting at 8:11 p.m.)

The Board then addressed sales tax matters. The Board reviewed the reports.

The Board then addressed reversal of the prior removal of the telecommunications exemption. There was discussion on the removal. Ms. **AVERY** said she has reviewed this with the District's consultants and with the State Comptroller's Office. She said it was a confusing topic and hard for the

consultants or Comptroller's Office to pinpoint exact figures or who was charging the correct sales tax. She asked that the District's sales tax consultant come to the upcoming budget workshop.

The Board received a report from Amy Ramon, the District General Manager. Ms. Ramon said that she has arranged for a temporary employee (Karina Martinez) placed by the employment agency to begin work now that Ms. Ramon will become Department Fire Chief at the end of the month. The Board thanked Ms. Ramon for her years of service to the District and she thanked the Board. There was discussion about review of District employee timesheets and other financial records until a successor District General Manager was in place. Mr. **MARTINSON** agreed that as Board President he would handle that duty. Ms. **AVERY** said she prepared an outline of duties for the GM post. There was discussion and the item was slated for the upcoming workshop.

(Mr. Martinson exited the meeting at 8:31 p.m.)

The Board then addressed the Motorola radio system implementation.

Mr. **JANUSAITIS** and the Department reported that the power for the Station 4 tower was up and running. There was a report of theft of copper from the Station 1 site.

(Mr. Martinson re-entered the meeting at 8:34 p.m.)

The Board addressed long-range planning Phase 2. Mr. **MARTINSON** asked if the Department was fully satisfied with the project results and was all the work done properly and satisfactory. He said he heard there were some complaints about some of the work. Counsel said there was both an application for payment and a Certificate of Substantial Completion presented to the Board. Counsel said he received the Certificate of Substantial Completion just this afternoon. Mr. **MARTINSON** said he was not comfortable addressing either item until the Department gave a report. Ms. Walls said the Department's rep for the project was not at this meeting. After review, Motion was made by Ms. **AVERY**, seconded by Ms. **DAVIS** to hold on the pay app and the Certificate of Substantial Completion until the Department fully reviewed the project and prepared a list of defects or incomplete items and deficiencies. During discussion, Mr.

**MARTINSON** suggested that the District have a workshop with the Department rep Scott Mullins and the project architect and CMAR to address the list. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed the Station 9 construction options. Mr. **JANUSAITIS** said he and Station 9 rep Tom Jacovich were working on it with the WCID and its attorney.

The Board then addressed transition matters and implementation. There was discussion about the transition to the new Department board and hiring of a fire chief, Amy Ramon. Counsel said he prepared proposed revisions to the service agreement based on the addendum.

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

The District then considered Department 30-day requests. Ms. Ramon said there were none.

The Board then addressed approval of the following items under Agenda Item 23:

a. Emergency requests - \$10,261.00

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.

b. Berry Center - Room reservation - \$5,333.70

After review, Motion was made by Ms. **AVERY**, seconded by Mr. **DeBOER** to approve the request. During discussion, Ms. **AVERY** said this item and item (h) were the same. After discussion, the Motion was approved by a vote of 5 to 0.

c. Culligan Matrix - \$2,932.81

After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **AVERY** to approve the request. During discussion, Ms. **AVERY** asked that the

\$75.00 fee and certain electrical charges be deleted. After discussion, the Motion was approved by a vote of 5 to 0, subject to final review by Ms. Ramon.

d. CDWG - \$2,316.11

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.

e. Policies - Admin. Asst., Purchasing Agent, Accounting Manager

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. NFMT Conference - \$1,900.00 (employee)

After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **DAVIS** to approve the request. During discussion, it was noted this was for two employees. After discussion, the Motion was approved by a vote of 5 to 0.

g. TriCon Annual Training - \$5,338.09

h. Banquet Deposit Berry Center \$5,333.70 (total) ((Same as item (b))

i. Epstein Becker Green – Not to exceed \$14,000.00 for EMS Compliance audit – Billing, Security, HIPAA

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.

j. Cozen & O'Connor – Not to exceed \$12,000.00 for DOL and Affordable Care Act Compliance:

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.

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 noted the LOSAP report.

Ms. Walls delivered the Department employee count.

The Board addressed insurance renewal for ESD employees, including medical and dental. Ms. Ramon delivered the report. After review, Motion was made by Mr. **DeBOER**, seconded by Ms. **AVERY** to approve the insurance renewal for ESD employees, including medical and dental as outlined by Ms. Ramon. After discussion, the Motion was approved by a vote of 5 to 0.

The Department requested approval to solicit bids for the sale of a surplus ambulance pursuant to the policy recently prepared by Counsel and approved at the June meeting. After review, Motion was made by Mr. **DeBOER**, seconded by Ms. **AVERY** to approve the request. After discussion, the Motion was approved by a vote of 5 to 0.

At 9:15 p.m., the Board entered Executive Session, pursuant to Section 551.071 Government Code, to conduct a private consultation with the District's legal counsel regarding pending or contemplated litigation, and pursuant to Section 551.074 Government Code, to discuss District personnel matters, including compensation and benefits.

The Board re-entered public session at 9:42 p.m.

Ms. **AVERY** suggested that the Board re-open the General Manager report Agenda Item regarding the letter of resignation from Ms. Ramon. After review, Motion was made by Mr. **DeBOER**, seconded by Ms. **AVERY** to re-open the General Manager report Agenda Item. After discussion, the Motion was approved by a vote of 5 to 0.

The Board noted the letter of resignation from Ms. Ramon for her to become Chief of the Department. After review, Motion was made by Mr. **DeBOER**, seconded by Ms. **AVERY** to acknowledge and accept the letter of resignation from Ms. Ramon for her to become Chief of the Cy-Fair Volunteer Fire Department. After discussion, the Motion was approved by a vote of 5 to 0.

The Board discussed IT and computer security with the shifting of additional responsibilities to the Department for activities that were previously handled by Ms. Ramon as District General Manager. After review, Motion was made by Mr. **DeBOER**, seconded by Ms. **AVERY** to approve for IT to develop a security procedure for emails and related financial records between the Department and District and for retaining access to Ms. Ramon's emails sent and received to her General Manager email account, with access to same being limited to the District's Counsel. 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 9:57 p.m.

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Secretary of the Board