

**MINUTES OF THE MAY 22, 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 May 22, 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 **MICHAEL LARRIVEE**, President. Those Commissioners initially present were **MICHAEL LARRIVEE**, **SUZANNE DAVIS**, **JACK BODMAN**, and **ROBERT JANUSAITIS**. Also present were **DAVID MANLEY** 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. Also present were Ricardo Martinez from Joiner Partnership, the District's architects on various District construction projects, Richard Fletcher, of Sales Tax Assurance, the District's consultant on sales tax matters, and Betty Boren Avery and Scott DeBoer, commissioners-elect from the May 10, 2014 District commissioner election.

The Board first received public comment. Colleen Vera expressed concern about the Cy-Fair Chamber, tenant at the District building at 9520 Telge, using the leased facilities to support a political agenda regarding the May 10, 2014 Cy-Fair ISD bond election. She said that use of the public facility was not allowed under its lease with the District and was inappropriate and in violation of Texas Ethics Commissions rules regarding lobbying which could also affect the District.

The Board addressed the Minutes of the April 24, 2014 regular meeting. After review, Motion was made by Mr. **BODMAN**, seconded by Mr. **JANUSAITIS** to approve the Minutes. After discussion, the Motion to approve the Minutes as corrected 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 \$9,695,259.81, the receipt of tax revenue in the amount of \$116,832.87, tax penalty and interest in the amount of \$2,057.11, sales tax receipts of \$1,770,746.48, interest of \$4,294.57, and ambulance reimbursement for the Department emergency medical services of \$369,068.57, and Cy-Fair Chamber rental income of \$750.00. Mr. **RUSSELL** said that dispatching fees of \$ -0- were also received. He also noted the balance sheet showed total District assets at \$63,615,966.13 (\$36,667,409.05 cash/cash equivalents) short-term liabilities of \$ -0-, long term liabilities of \$4,221,136.00, and equity of \$59,394,830.13. Thereupon, after review, Motion was made by Mr. **BODMAN**, seconded by Mr. **JANUSAITIS** to approve the Financial Report as presented. 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 returned security pledge agreements for the District's excess deposits.

The Board then addressed District investments. The Board reviewed the investment reports.

The Board then addressed the District 2013 audit. Brian Desilets, of McCall Gibson Swedlund & Barfoot, CPAs, the District's auditors, presented the audit. He said the audit was clean and without any qualifications or reservations. During review, there was a question raised about the category of expenses, for legal expenses. Mr. **RUSSELL** and Counsel said the listing might include election and other costs because the amount was higher than attorney's fees for 2013. Counsel said also that the Motorola loan (lease purchase) needed to be reflected. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Ms. **DAVIS** to approve the draft audit subject to the auditor's review of the legal expenses categorization and the Motorola loan (lease purchase). After discussion, the Motion was approved by a vote of 4 to 0.

The Board then addressed granting exemptions for 2014. Without objection, the Board tabled this item for the June regular meeting.

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. **BODMAN** 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. Ms. Ramon noted that Operations funding was due at this meeting in the amount of \$1,490,870.00. After review, Motion was made by Mr. **BODMAN**, seconded by Ms. **DAVIS** to approve the payment of Department Operations the amount of \$1,490,870.00. 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. Ms. Ramon noted that Capital funding was due at this meeting in the amount of \$35,287.63 (previously scheduled budgeted capital funding). After review, Motion was made by Mr. **BODMAN**, seconded by Ms. **DAVIS** to approve the payment of Department Capital in the amount of \$35,287.63. After discussion, the Motion was approved by a vote of 4 to 0.

The Board addressed revisions to the Department 2014 budget. Mr. Manley said there were none.

The Board then addressed sales tax matters. Richard Fletcher, of Sales Tax Assurance, the District's consultant on sales tax matters presented a report. He said the company determined that 19,000 businesses were in the District's sales tax zone. He said the accounts and collections appeared correct, but that 617 accounts appeared to have not paid the District's sales tax allocation. He said that 142 accounts appeared to have incorrectly paid District's sales tax. He said over-all that is a fairly good record, especially in the first year of collection. Mr. Fletcher said that the top 10 sales tax payers accounted for 1/3 of the sales tax collections at present.

The Board received a report from Amy Ramon, the District General Manager. She reported on that renovations were almost completed at the admin.

building. She reported that the District 2013 audit was completed and the Department audit was almost finished.

The Board then received reports from committees. Mr. **JANUSAITIS** reported on transition and said the new Department board took office and the fire chief search was completed.

(Ms. Davis exited the meeting at 8:13 p.m.)

Mr. **BODMAN** said he had the opportunity to observe the fire chief recruitment and assessment process. He said he was very impressed with the process which he said was professional and grueling.

Mr. **LARRIVEE** reported on Facilities. He said the current utilities contract with the State GLO was working well and it should be reviewed now for when the current contract expired. He introduced Garland Mann of Acclaim Energy Advisors who assisted the District with the original 2011 aggregation contract. Mr. **LARRIVEE** said that \$300,000.00 in utility cost has been saved by the District under the contract. Mr. **LARRIVEE** asked that this be an agenda item for the June meeting.

(Ms. Davis re-entered the meeting at 8:15 p.m.)

The Board then addressed plans and procedures to honor Assistant Chief-Support Services Mark Braswell who passed away May 16, 2014. Counsel said he was reviewing procedures for the District.

The Board then addressed the Motorola radio system implementation. Mr. **JANUSAITIS** said the generator was to be placed at the new tower the following week and the tower shelter permit was expected. Ms. Ramon said there was some damage done by the Motorola contractors to the tower which Motorola was to repair.

(Commissioner Kevin Kyle arrived at the meeting at 8:20 p.m.)

The Board addressed long-range planning Phase 2. Ricardo Martinez, from Joiner Partnership, the District's architects on various construction projects, discussed the Phase 2 projects and delivered a report. He reported that pay app 3 was due in the amount of \$274,886.13. After review, Motion was made by Mr.

BODMAN, seconded by Mr. **JANUSAITIS** to approve the pay app. After discussion, the Motion was approved by a vote of 5 to 0.

The Board addressed payment under Durotech Phase 1 project. Mr. Martinez said the project was completed and no further sums were due except for retainage. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **BODMAN** to approve the payment of retainage. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then received a report from Joiner Architects regarding Station 9 construction options. The Department said it would approach the WCID about transferring title to the property to the Department or the District.

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. Mr. **JANUSAITIS** addressed the transition process. He said he and Counsel and Ms. Davis are to get together to review the status of the Department satisfying all the transition requirements set out in the Addendum to the service agreement. Mr. Manley thanked him and said that the Department board believed the Department satisfied all the requirements.

The Board addressed revisions to the Department 2014 budget. Mr. Manley said there were quarterly reallocations for this meeting: reallocate \$143,000.00 from the prior quarter: CapEx (Vehicles) to Fire Chief Operations (manning). After review, Motion was made by Mr. **KYLE**, seconded by Mr. **JANUSAITIS** to approve the reallocation request. After discussion, the Motion was approved by a vote of 5 to 0.

The District then considered Department 30-day requests. Ms. Ramon said the purchase requested from last month was a new radio tech vehicle for up to \$80,000.00; and a Pierce Velocity Rescue for a price not to exceed \$672,154.00. Counsel asked about bidding and Ms. Ramon said these were HGAC. 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.

The Board then addressed approval of the following items:

- (a) repairing damage to Booster 4 (\$3,000.00);
- (b) repair/install parts for Medic 12 (\$4,000.00);
- (c) purchase par-22 series Interstate Kit (\$30,000.00);
- (d) expenditure related to server room update project (\$2,000.00)

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

Mr. Manley said the Department requested approval of the following items:

Request to send one employee to Pinnacle EMS Leadership – not to exceed \$2,100.00;

Request to send three employees to Image Trend conference– not to exceed \$4,500.00.

After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **BODMAN** 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.

Mr. Manley delivered the status change report.

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

Mr. Manley delivered the over-time report and the accident/injury log.

Mr. Manley noted the LOSAP report.

Mr. Manley said that the Department employee count was 252 (122 full-time, 130 part-time), and the active volunteer membership was 365, with 3 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. **BODMAN**, seconded by Mr. **JANUSAITIS** 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. The Board noted the purchase of 23 sets of bunker gear. After review, Motion was made by Mr. **KYLE**, seconded by Ms. **DAVIS** 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 Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** 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.

Mr. Manley said that the new Department board was in place and had completed the fire chief review and assessment process. Mr. Manley expressed appreciation to Commissioner Bodman for observing the process and lending his many years of experience to the review. He said the Department board had decided not to offer the position to any of the current candidates at this time and to re-initiate the hiring process with the McGrath Consulting Group.

Without objection, the Board tabled Chamber matters.

The Board entered executive session at 9:00 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 9:25 p.m.

Without objection, the Board tabled real estate matters.

There being no further business brought before the Board nor any further public comment, upon Motion made the meeting adjourned at 9:31 p.m.

Secretary of the Board