

**MINUTES OF THE MARCH 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 March 20, 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 present were **MICHAEL LARRIVEE**, **SUZANNE DAVIS**, **KEVIN KYLE**, **JACK BODMAN**, and **ROBERT JANUSAITIS**. Also present were **JENNIFER WALLS** and **RODNEY JANCZAK**, 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 construction projects, Bob Taylor, of Sales Tax Assurance, the District's consultant on sales tax matters, and candidates for the upcoming District commissioner election, Tom Bazan and Betty Boren Avery.

The Board first received public comment. Tom Bazan said that he believes the county precincts listed in the Election Order is incomplete based on information he received from the county.

Without objection, the Board held on Agenda Item 1, May 10, 2014 District election until arrival of District Counsel.

The Board addressed the Minutes of the February 20, 2014 regular meeting. After review, Motion was made by Mr. **BODMAN**, seconded by Mr. **JANUSAITIS** to approve the Minutes. During discussion, the following change was made: on page 6, the correct spelling of "ensued" was made. After discussion, the Motion to approve the Minutes as corrected 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 \$11,678,708.26, the receipt of tax revenue in the amount of \$1,094,765.17, tax penalty and interest in the amount of \$2,479.34, sales tax receipts of \$1,420,687.61, interest of \$3,114.00 and ambulance reimbursement for the Department emergency medical services of \$421,889.00, and Cy-Fair Chamber rental income of \$2,570.40. Mr. **RUSSELL** said that dispatching fees of \$ -0- were also received. He also noted the balance sheet showed total District assets at \$63,466,285.27 (\$36,517,728.19 cash/cash equivalents) short-term liabilities of \$ -0-, long term liabilities of \$4,221,136.00, and equity of \$59,245,149.27. Thereupon, after review, Motion was made by Mr. **BODMAN**, seconded by Mr. **KYLE** 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 returned security pledge agreements for the District's excess deposits.

The Board then addressed District investments. The Board reviewed the investment reports. Thereupon, after review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve the Financial Report. After discussion, the Motion was approved by a vote of 5 to 0.

The Board then addressed District investments consulting services and addressed the following Agenda Items:

"To approve amendment of District' Investment Policy to allow for outside investment advisor services."

"To approve issuance of a RFP for investment advisor services."

The Board reviewed the investment activities. There was discussion about investment instrumentalities. Mr. **KYLE** said that the District requires an investment advisor. There was discussion about amending the District Investment Policy to allow for outside investment advisor services and preparing an RFP for investment advisor services. Thereupon, after review, Motion was made by Mr. **KYLE**, seconded by Mr. **JANUSAITIS** to approve for outside investment advisor services for the District investment and carrying out the

District Investment strategy. After discussion, the Motion was approved by a vote of 5 to 0.

The Board reviewed preparing an RFP for investment advisor services. Thereupon, after review, Motion was made by Mr. **KYLE**, seconded by Mr. **BODMAN** to approve issuance of an RFP for investment advisor services. After discussion, the Motion was approved by a vote of 5 to 0.

Without objection, the Board returned to Agenda Item 1, and the Board then addressed the commissioner election for May 10, 2014 for three seats. Counsel said that he was aware that the initial precinct list was likely tentative due to redistricting that was finalized in 2012 and some line re-draws by the county in January 2014. He said he expected to finalize the county election precinct lists with the county soon.

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 Ms. **DAVIS** 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. Ramon noted that Operations funding was due at this meeting in the amount of \$1,620,394.00. After review, Motion was made by Mr. **BODMAN**, seconded by Mr. **KYLE** to approve the payment of Department Operations the amount of \$1,620,394.00. 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 \$221,751.01 (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 \$221,751.01. After discussion, the Motion was approved by a vote of 5 to 0.

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

The Board received a report from Amy Ramon, the District General Manager. She reported on the Motorola communications project. Ms. Ramon said the county has not yet approved the requested permit for the communications tower at Station 1. She said the HOA approval might be required. Mr. **JANUSAITIS** said he and Counsel were looking into the issue with the county. She also reported on work progress with the admin building and other projects.

(Mr. Kyle exited the meeting at 8:14 p.m.)

The Board then addressed sales tax matters. Bob Taylor, of Sales Tax Assurance, the District's consultant on sales tax matters presented a report. He thanked the Board for allowing his firm to work on the District's sales tax matters. He discussed the District's sales taxes. Mr. Taylor said they have completed the research on the District's account set-up and found no red flags.

(Mr. Kyle re-entered the meeting at 8:16 p.m.)

Mr. Taylor gave an overview of the District's sales tax businesses and said the Comptroller seemed to have the accounts set up right. He said there was an initial concern because the monthly amounts received by the District well exceeded the original estimate from the study his firm prepared in December 2012. Mr. Taylor said there are 7,295 businesses in the District sales tax zone.

The Board then addressed removal of the telecommunications exemption. There was debate on the removal. Mr. Taylor 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%. After review, Motion was made by Mr. **KYLE**, seconded by Ms. **DAVIS** to approve the removal of the telecommunications exemption from telecommunications accounts in the District's sales tax zone. There was discussion, including some comments from the public, that the District does not need this extra revenue and should not add the tax to residents. Mr. **LARRIVEE** said that this additional revenue could help offset the future tax

burden on property owners if the tax rate can be reduced. After discussion, the Motion was approved by a vote of 5 to 0.

(Ms. Davis exited the meeting at 8:45 p.m.)

The Board then received report from committees. Mr. **KYLE** reported on investments. Mr. **JANUSAITIS** reported on transition and said the new Department board takes office April 14. Mr. **LARRIVEE** reported on facilities and said the electricity contract through the State GLO will be coming up soon and has worked well.

(Ms. Davis re-entered the meeting at 8:47 p.m.)

The Board addressed the committee report on the website. Ms. **DAVIS** said she has had computer problems that has delayed her ability to upload items onto the website.

The Board then addressed the Motorola radio system implementation. Ms Ramon said that report came under her earlier General Manager report.

The Board addressed Pay App No. 15 for the Durotech Phase 1 project. The architect certified the amount of \$147,162.65. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **BODMAN** to approve the Pay App No. 15 for the Durotech Phase 1 project. After discussion, the Motion was approved by a vote of 5 to 0.

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. Assistant Chief-Facilities Scott Mullins said there was a need to come up with a Station 9 format. He said that was apparent after the prior meeting when Station 9 was placed on the back burner. Department officers said there was a need to come up with a basic station design. Mr. **JANUSAITIS** said it was a good report, but that all future station locations and re-designs/construction projects should be deleted for the time being. Mr. **LARRIVEE** said that last month a study for Station 9 was approved.

The Board addressed the Bridgeland development and the prospect of building facilities there for the fire and EMS service. Assistant Chief-Facilities

Mullins and Assistant Chief-Support Services Mark Braswell said they attended a meeting with the developer and a site for a future station has been identified. Assistant Chief-Support Services Braswell said the developer expected roads to be going in near the proposed site in April 2016. Assistant Chief-Facilities Mullins said an option earnest money contract was being prepared for the District and Department's review.

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. There was discussion about including the effectiveness of the District operations in a study. Mr. **KYLE** suggested that may be a matter to wait until after the District Board elections in May. Ms. Walls reported that the fire chief hiring process was under way by the consultant, McGrath Group, and 37 resumes were received. She said that interviews were on-going.

The Board addressed revisions to the Department 2014 budget. Ms. Walls said there were no quarterly reallocations for this meeting.

(Mr. Kyle exited the meeting at 9:24 p.m.)

The District then considered Department 30-day requests.

(Mr. Kyle re-entered the meeting at 9:26 p.m.)

The Department requested approval (1) to purchase scissor lifts for vehicle maintenance and repair for up to \$28,000.00; and (2) concrete for driveway repair for up to \$20,000.00. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **BODMAN** to approve the requests. 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 said that the Department employee count was 250 (122 full-time, 128 part-time), and the active volunteer membership was 369, with 5 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 Ms. **DAVIS** 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 and installing of fuel tanks for apparatus and facilities. After review, Motion was made by Ms. **DAVIS**, seconded by Mr. **JANUSAITIS** 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 Ms. **DAVIS** 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.

The Department requested approval to spend up to \$1,200.00 for per diems for Department personnel at a Hazmat training class. 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.

The Department requested approval to purchase manuals for an NFPA 1900 investigator class. 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.

The Department requested approval to provide wage adjustment based on 3% COLA increase for Department paid personnel. After review, Motion was made by Mr. **JANUSAITIS**, seconded by Mr. **BODMAN** to approve the request. During discussion, Mr. **KYLE** asked what was used to justify and determine the adjustment. Ms. Walls said that the basic economic information was used and

the COLA increase is a budgeted item. After discussion, the Motion was approved by a vote of 5 to 0.

The Department reported that SFFMA was constructing a new building and was offering pavers for monetary donation. Counsel said he would review but said his initial view was that District funds could not be used for this purpose.

Assistant Chief-EMS Grayson reported that the EMS supervisor position has been filled.

Ms. Walls reported that the Department's new employee handbook was sent to the Department's labor lawyer for review.

Ms. Walls noted the LOSAP report.

There was no report on the Chamber other than to note the Department re-joined and its fee was waived.

Mr. **JANUSAITIS** said there has been discussion and debate about the use of social media and asked the Department to be vigilant in that area.

Mr. **LARRIVEE** requested approval to re-open the Department report Agenda Item. He said there was a letter written by a taxpayer named Eric D. Zapata. He read into the record the letter which was critical of the District as far as the website posting of minutes and meeting notices not being timely and in some cases absent entirely; the general conduct of the meeting of February 20, 2014; the discussion on the Station 9 re-build; the request by a commissioner for a Department radio.

The Board addressed real estate matters and Mr. **LARRIVEE** said there was no report.

The Board entered executive session at 9:55 p.m. pursuant to Section 551.072, 0.74 Government Code, to discuss and consider real estate matters and employee matters. The Board re-entered open session at 10:22 p.m.

There being no further business brought before the Board nor any further public comment, upon Motion made the meeting adjourned at 10:24 p.m.

Secretary of the Board