

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

September 21, 2017

THE STATE OF TEXAS §
COUNTY OF HARRIS §
HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11 §

The Board of Commissioners (the "Board") of Harris County Emergency Services District No. 11 (the "District") met in regular session, open to the public, at 7111 Five Forks Drive, Spring, Texas 77379, a meeting place inside the boundaries of the District, on Thursday, September 21, 2017, at 9:00 a.m.; whereupon, the roll was called of the members of the Board, to-wit:

Tommy Ripley	President
Karen Plummer	Vice President
Fred Grundmeyer	Secretary
Robert Pinard	Treasurer
Josh Fetner	Asst. Treasurer

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Ms. Robin S. Bobbitt, attorney, and Ms. Carla Christensen, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorneys for the District; Mr. Bill Russell of Myrtle Cruz, Inc. ("MCI"), bookkeeper for the District; Mr. Ricardo Martinez of Martinez Architects ("Martinez"), architects for the Cypress Creek Emergency Medical Services (the "CCEMS") Station No. 52 ("Station 52") building; Chief Rich Jones of the Klein Volunteer Fire Department ("Klein VFD"); Mr. Mike Pate, commissioner of Harris County Emergency Services District No. 16 ("ESD 16"); Mr. Glenn Hastings of VFIS, insurance broker for the District; Mr. Kerry Johnson of NRG Marketing Group ("NRG"), the District's website service provider; In addition, the following representatives of the CCEMS were in attendance at the meeting: Mr. Brad England, Executive Director of CCEMS; Mr. Toivo Sari, Information Technology Manager for CCEMS; and Mr. Norm Uhl, Public Information Officer for CCEMS.

WHEREUPON, the meeting was called to order by the President and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

After a 30-second moment of silence for prayer and reflection, the Board conducted the Pledge of Allegiance to the United States' Flag.

APPROVAL OF THE MINUTES

The Board first considered approval of the minutes of the regular meeting of August 17, 2017, previously distributed to the Board. Upon motion by Commissioner Grundmeyer, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of August 17, 2017, as presented.

ELECTION OF OFFICERS

The Board next considered the election of officers in light of the recent resignation from the Board of Mr. Lynn LeBouef, who had served as Assistant Treasurer of the Board. Upon motion by Commissioner Pinard, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously retain the current slate of officers and to appoint Commissioner Josh Fetner to serve as Assistant Treasurer:

UPDATE ON E-VIEWS PREEMPTION SYSTEM DEVICES, INCLUDING RECEIPT BY CCEMS OF NOTICE OF LEVY FROM THE INTERNAL REVENUE SERVICE ("IRS") AND AUTHORIZE FILING OF INSURANCE CLAIM FOR DAMAGE TO VARIOUS E-VIEWS SAFETY SYSTEM, INC., ("E-VIEWS") DEVICES DURING HURRICANE HARVEY AND TAKE ANY NECESSARY ACTIONS ON SAME

Chief Jones then reported that he had recently contacted Mr. Hastings regarding the substantial damage that was incurred to at least 21 of the District's E-Views intersection preemption controller devices as a result of Hurricane Harvey. Chief Jones stated that such devices cannot be repaired and will need to be replaced. Chief Jones further informed the Board that it is too early to estimate how many additional E-Views devices will need to be repaired or replaced, but that Mr. Mike Taylor with Taylor Traffic is currently working with Harris County (the "County") to document the damages and get the E-Views devices out of "flash" mode. Chief Jones noted that prior to the hurricane, Klein VFD was managing all necessary E-Views device repairs and invoicing the appropriate device owners as repairs were made, but that such process was suspended after the hurricane while Mr. Taylor assesses the E-Views device damages. Chief Jones went on to report that the County has recently decided to replace the intersection preemption controller devices for the County's roads with a newer, updated device manufactured by Econolite. Chief Jones added that Texas Department of Transportation ("TxDot") is also planning to replace their intersection preemption controller devices with the same Econolite devices. Chief Jones further explained that the County has indicated that it will continue to support the E-Views devices for at least one (1) year paid until the District (and other emergency services entities) are able to transition to the usage of compatible intersection preemption controller devices. Chief Jones went on to explain that, with the advancement of technology, the E-Views intersection controller devices will be obsolete in the near future.

Messrs. Sari and Johnson entered the meeting at this time.

An extensive discussion ensued. Chief Jones further explained that he plans to schedule a stakeholder meeting in the very near future with all of the representatives of affected E-Views intersection preemption controller devices to discuss options for their replacement.

In response to a question, Mr. Hastings informed the Board that the District's E-Views intersection controller devices are insured and that a claim will be processed in connection with the damaged devices, upon receipt of authorization from the Board.

Upon motion by Commissioner Plummer, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to authorize VFIS to file an insurance claim for damage to the District's E-Views intersection controller devices due to Hurricane Harvey and to appoint Commissioner Fetner to the District's E-Views Device Committee as Commissioner Plummer's replacement.

Chief Jones and Mr. Pate exited the meeting at this time.

DISCUSS AND TAKE ACTION IN CONNECTION WITH RENEWAL OF DISTRICT INSURANCE

Mr. Hastings then stated that the District's insurance coverage is up for renewal with VFIS for the policy term of October 13, 2017 through October 12, 2018. Mr. Hastings noted that the total premium amount for the upcoming term has increased by \$1,345 from \$21,979 to \$23,324 mainly due to additional property owned by the District. Mr. Hastings noted that the District could reduce its Property and Special Property Floater (the "Property") premiums by increasing the deductible on such coverage from the current \$500 deductible to either \$1,000 or \$5,000. Mr. Hastings stated that a \$1,000 deductible would decrease the Property premium from \$19,142 to \$17,767 and that a \$5,000 deductible would decrease the Property premium from \$19,142 to \$13,609. Upon motion by Commissioner Pinard, seconded by Commissioner Fetner, after full discussion and the question being put to the Board, the Board voted unanimously to approve renewal of the District's Property insurance with VFIS for the term of October 13, 2017 through October 12, 2018 for a total premium of \$13,609 (includes a \$5,000 deductible).

Mr. Hastings exited the meeting at this time.

REVIEW AND TAKE ANY NECESSARY ACTIONS ON MONTHLY OPERATIONS AND FINANCIAL REPORT FROM CCEMS, INCLUDING CONSIDERATION OF MONTHLY OPERATIONS FUNDING REQUEST AND CAPITAL FUNDING REQUESTS

Commissioner Ripley then recognized Mr. England, who presented to and reviewed with the Board the Executive Director's Report, the monthly CCEMS Operations and Financial Reports, including the operations statistics for the month of August 2017 and the 2017 CCEMS budget comparison, copies of which are attached hereto. Mr. England went on to report that during the month of August there had been 2,230 transports, nine (9) Life Flight transports, and that 30% of the calls made during the month were "no transports." Mr. England went on to report that during the month of August, the CCEMS had received 15 mutual aid assists and had provided 17 mutual aid assists outside of the CCEMS's boundaries.

Mr. England next reported that construction on Station 52 is now complete.

Mr. England next noted that CCEMS recently solicited bids for medical supplies for the coming year.

Mr. England next reported on the impact of Hurricane Harvey to CCEMS and the District's facilities. Mr. England reported the following items: 1) the septic pumps at CCEMS Station No. 511 ("Station 511") flooded and will cost \$6,500 to replace (CCEMS plans to file an insurance claim for such damages); 2) the CCEMS 'First Responder' hanger has been able to assist in excess of 500 first responder families; 3) CCEMS received a total of 834 calls over the six (6) – day storm event; 4) CCEMS Station No. 50 roof was damaged (CCEMS plans to file an insurance claim for such damages); and 5) there was damage in the estimated amounts of \$10,000 to four (4) of CCEMS' septic systems and \$8,000 in damage to miscellaneous equipment (CCEMS plans to file insurance claims on such damages).

Mr. England next reviewed with the Board the following CCEMS annual reports: 1) Blood Products Administration, First Year Report; 2) Cardiac Arrest Report; 3) STEMI Report; 4) Stroke Report; and 5) Major Trauma Report. Copies of such reports are attached to the Executive Directors Report which is an exhibit to these minutes.

Mr. England next noted that he is presenting one (1) request for additional capital funding for the Board's consideration at today's meeting, which includes funding assistance for a portion of or all of the \$374,959.63 in overtime costs incurred by CCEMS due to Hurricane Harvey. Mr. England stated that CCEMS will be filing a claim with Federal Emergency Management Agency ("FEMA") for reimbursement of such costs. Mr. England noted that if such funding request is authorized by the Board, that CCEMS will reimburse the District for such payment once CCEMS is reimbursed by FEMA for the overtime costs.

In response to a question, Mr. England reminded the Board that the Paramedic 4 Program (the "Paramedic Program") allows a physician's assistant to respond directly to less urgent patients that do not require an ambulance. Mr. England stated that the Paramedic Program had previously been discontinued by the CCEMS several years ago due to funding issues. Mr. England went on to state that the CCEMS has re-implemented a pilot Paramedic Program and included costs for such program in the upcoming CCEMS annual budget for 2018. Mr. England added that the CCEMS will likely request funding assistance from the District for the Paramedic Program for 2018.

Upon motion by Commissioner Grundmeyer, seconded by Commissioner Fetner, after full discussion and the question being put to the Board, the Board voted unanimously to approve the CCEMS Operations and Financial Report and to approve the monthly CCEMS Operations payment in the amount of \$1,162,925 for the month of September.

REVIEW AND TAKE ANY NECESSARY ACTIONS ON FINANCIAL MATTERS, INCLUDING FINANCIAL REPORT FROM DISTRICT TREASURER AND BOOKKEEPER

Mr. Russell then presented to and reviewed with the Board the Bookkeeper's Report, including the revenues and expenses of the District, the budget comparison, a proposed budget for the fiscal year ending ("FYE") December 31, 2018, the investment report and the checks being presented for payment at today's meeting, copies of which are attached hereto.

Mr. Russell next reported that during the prior month, the District had received \$251.84 in property tax revenue. Mr. Russell further reported that all such revenue had been deposited into the District's Compass Bank Operating Account.

Ms. Bobbitt then reminded the Board that they had previously authorized payment to Harris County Emergency Services District No. 29 ("ESD 29") in the amount of \$6,831.10 for the installation of the replacement Emergency Medical Service ("EMS") garage door at Station No. 55 ("Station 55"). Mr. Russell then stated that such check apparently had been lost in the mail and that MCI has issued a stop payment order on the lost check and will issue a replacement check in the amount of \$6,831.10 to ESD 29. Mr. England added that he will hand deliver the check to ESD 29 today after the Board meeting.

Upon motion by Commissioner Fetner, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, to authorize payment of the checks reflected therein and to authorize additional funding to CCEMS in the amount of \$374,959.63 to CCEMS for overtime costs incurred due to Hurricane Harvey.

STATUS OF BUDGET COMMITTEE MEETING, CCEMS BUDGET FOR FYE DECEMBER 31, 2017 AND CONSIDER SCHEDULING SPECIAL MEETING TO DETERMINE 2017 TAX RATE

Ms. Bobbitt then reviewed with the Board the process for setting the District's tax rate. Ms. Bobbitt explained that the District first needs to make certain tax calculations required under the Texas Property Tax Code in order to determine the parameters for the District's 2017 tax rate, which calculations have been prepared by a qualified tax assessor/collector consultant. Ms. Bobbitt went on to explain that once the tax rate parameters are established, the District is required to publish certain tax rate notice(s) and possibly hold public hearings before adopting the tax rate. An extensive discussion ensued.

Ms. Bobbitt then reviewed with the Board the 2017 Tax Rate Calculation Worksheet, a copy of which is attached hereto. Ms. Bobbitt noted that, based on the calculations, the District's unadjusted taxable value for 2017 is \$46,550,945,487 compared to \$44,091,760,720 in 2016. Ms. Bobbitt went on explain that the District's 2017 effective tax rate is \$0.039040 per \$100 of assessed value and the 2017 rollback tax rate is \$0.042163 per \$100 of assessed value. Ms. Bobbitt stated that the District adopted a 2016 tax rate in the amount of \$0.039870 per \$100 of assessed value, which was equal in value to its 2016 effective tax rate and less than the 2016 rollback tax rate of \$0.043050 per \$100 of assessed value. Ms. Bobbitt added that if the Board adopts a 2017 tax rate equal to the effective tax rate of \$0.039040 per \$100 of value, the District's tax revenue would increase by \$481,052 over last year's tax revenue due to the increase in the District's 2017 assessed value. Ms. Bobbitt added that if the Board decides it will adopt a tax rate that exceeds \$0.039040 per \$100 of value, the District will be required to hold two (2) public hearings on the proposed tax rate.

The Board then discussed the process of publishing the proposed effective tax rate calculation and conducting a public tax hearing on the 2017 tax rate at the October 19th Board

meeting. Ms. Bobbitt reminded the Board that the District is required pursuant to certain applicable statutory provisions to adopt its annual budget prior to setting the 2017 tax rate.

An extensive discussion then ensued regarding the status of CCEMS' preparation of and adoption of their annual budget for the fiscal year ending December 31, 2018 and the District's budgeting process. Ms. Bobbitt reminded the Board that they had previously appointed Commissioners Ripley and Pinard to the District's Budget Review Committee and such Committee is to meet with two (2) CCEMS Directors, Mr. England, Ms. Bobbitt and Mr. Russell to review and discuss CCEMS' budget for the FYE December 31, 2018, upon receipt of CCEMS' draft budget for 2018 from Mr. England. Mr. England then presented to and reviewed with the Board the draft CCEMS budget for FYE December 31, 2018, a copy of which is attached hereto. Mr. England noted that the CCEMS will review and approve their budget at the Board meeting on September 27th.

It was the consensus of the Board that, upon CCEMS' approval of the budget for FYE December 31, 2018, Mr. England will coordinate with two (2) CCEMS Directors, Commissioners Ripley and Pinard, Ms. Bobbitt and Mr. Russell to schedule a budget review meeting.

Upon motion by Commissioner Fetner, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to propose a total 2017 tax rate of \$0.039040 per \$100 assessed valuation; 2) authorize RBAP to publish notice of the proposed tax rate in the Houston Chronicle reflecting adoption of the 2017 tax rate at the October 19th Board meeting.

CONSIDER ENGAGEMENT OF THE GMS GROUP, L.L.C. (THE "GMS GROUP") FOR PROVISION OF TAX RATE ANALYSIS SERVICES

Ms. Bobbitt next reported that Mr. John Howell of the GMS Group was not able to attend the Board meeting today. Ms. Bobbitt recommended that the Board consider engaging the GMS Group in the future for purposes of advising and assisting the Board in setting the District's tax rate. Ms. Bobbitt stated that she had previously spoken with Mr. Howell and he is willing to advise and assist the Board in setting future tax rates. The Board agreed to discuss engaging the GMS Group prior to setting the District's 2018 tax rate.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Bobbitt then reviewed with the Board the monthly Tax Assessor/Collector's Report for the month of August, a copy of which is attached hereto. Ms. Bobbitt reported that 98.94% of the District 2016 tax levy has been collected as of August 31, 2017 with \$185,989.54 remaining to be collected.

COMMISSIONER'S MONTHLY FACILITIES INSPECTION/TOUR REPORT

Commissioner Ripley next reported that he conducted facility inspections of Station Nos. 52 and 56 after the August Board meeting. Commissioner Ripley then noted that he plans to conduct two (2) facility inspections/tours after today's Board meeting.

STATUS OF DISTRICT CONSTRUCTION, REPAIR IMPROVEMENT, OR RENOVATION PROJECTS, AND TAKE ANY NECESSARY ACTIONS ON SAME

There was nothing additional to report at this time.

(CONTINUED) UPDATE ON E-VIEWS PREEMPTION SYSTEM DEVICES, INCLUDING RECEIPT BY CCEMS OF NOTICE OF LEVY FROM THE IRS AND AUTHORIZE FILING OF INSURANCE CLAIM FOR DAMAGE TO VARIOUS E-VIEW DEVICES DURING HURRICANE HARVEY AND TAKE ANY NECESSARY ACTIONS ON SAME

Mr. England reminded the Board that he had previously presented a Notice of Levy that the CCEMS recently received from the IRS related to E-Views. Mr. England explained that such notice is regarding an unpaid balance in the amount of \$173,745.97 that E-Views apparently owes to the IRS. Mr. England stated that CCEMS has not received any additional information in connection with such matter.

REVIEW AND APPROVE PROPOSED INTERLOCAL AGREEMENT FOR THE DEVELOPMENT AND DEPLOYMENT OF A CAD TO CAD INTEROPERABILITY DISPATCH LINKING PLATFORM (THE "INTERLOCAL AGREEMENT") AND TAKE ANY NECESSARY ACTIONS ON SAME

Ms. Bobbitt next explained that she had previously received the proposed Interlocal Agreement in connection with the City of Tomball's ("Tomball") plans to implement a CAD to CAD interoperability dispatch linking platform (the "CAD System"), a copy of which is attached hereto. Mr. Sari then reviewed the proposed CAD System with the Board and explained the benefits of a CAD system for the CCEMS, the District and the other participants. Ms. Bobbitt then reviewed with the Board the District's proposed pro-rata share of the costs to develop, implement and maintain the CAD System above and beyond the current Urban Area Security Initiative ("UASI") grant amount of \$210,526.32 to fund the initial purchase of the CAD System. Ms. Bobbitt stated that the District's share of the development, implementation and maintenance costs is 29.54% of \$139,840.00 per year or \$43,229.60 per year. A discussion ensued. In response to a question, Mr. Sari noted that Tomball is implementing the new CAD System, but is not a participant at this time due to the fact that Tomball needs to replace its current CAD equipment that is outdated. Ms. Bobbitt then expressed her concerns with some of the provisions and inconsistencies in the draft Interlocal Agreement related to the new CAD System. Upon motion by Commissioner Plummer, seconded by Commissioner Pinard, after full discussion and the question being put to the Board, the Board voted unanimously not to approve or go forward with the Interlocal Agreement or participate in the new CAD System at this time.

REVIEW, DISCUSS AND TAKE ACTION ON MISCELLANEOUS MEDIA MATTERS, INCLUDING UPDATE BY NRG MARKETING GROUP ("NRG") ON STATUS OF DISTRICT'S WEBSITE AND CREATION OF A DISTRICT LOGO

Mr. Johnson next reported on the status of the District's website, <http://www.esd11.com>. Mr. Johnson stated that the additional security software (Wordfence Pro) has been added to the District's website and is now operational. Mr. Johnson went on to report that he is working with Commissioner Pinard to develop a District logo.

Mr. Uhl entered the meeting at this time.

Commissioner Pinard then recommended that the Board consider further utilizing Mr. Johnson's skills and the District's website as tools to provide the District's constituents with District-related information and relevant reports. Extensive discussion ensued. Mr. Johnson stated that he will prepare a proposal in connection with additional website services for the Board's review and approval at the October Board meeting. It was the consensus of the Board that Commissioners Plummer and Pinard coordinate with Mr. Uhl and Mr. Johnson to develop additional District-related content/messaging for the District's website.

DISCUSS PROPOSED ESTABLISHMENT AND IMPLEMENTATION OF DISTRICT/BOARD GOALS FOR 2017 AND TAKE ANY NECESSARY ACTIONS ON SAME

Commissioner Ripley next reminded the Board that they had previously discussed the proposed establishment of goals for the District and Board for 2017, including: 1) engage in regular continuing education (i.e., attendance at the Safe-D Conference and/or online seminars); 2) increase Board representation/attendance at the monthly CCEMS meetings; and 3) regularly tour the District's EMS stations and other EMS facilities. Commissioner Ripley stated that he was still in the process of drafting a comprehensive "District Goals" document and that he would present same to the full Board once a draft is completed.

ATTORNEY'S REPORT

Regarding the proposed revisions to the Contract for Providing Emergency Medical Services by and between the District and CCEMS, dated June 30, 2013 (the "Service Contract"), Ms. Bobbitt reminded the Board that she and Mr. Joshua Ellery from her office have identified several areas of concern and ambiguity in the current Service Contract and that Mr. Andrew McKinney, the CCEMS attorney, has proposed and requested that the Service Contract be reviewed and updated in connection with the budgeting and budget approval process. Ms. Bobbitt added that although she and Mr. Ellery have had several conference calls with Mr. McKinney no further work has been done on drafting proposed revisions to the Service Contract. Ms. Bobbitt stated that she and Mr. Ellery will follow-up with Mr. McKinney.

PUBLIC COMMENTS AND MISCELLANEOUS MATTERS

There were no comments from the public at this time.

CONFIRM NEXT REGULAR MEETING DATE AND MEETING ADJOURNMENT

Ms. Bobbitt then reminded the Board that the next regular meeting is scheduled for Thursday, October 19, 2017, at 9:00 a.m.

All meeting attendees, with the exception of all members of the Board present, Ms. Bobbitt and Ms. Christensen exited the meeting at this time.

CONVENE IN EXECUTIVE SESSION

Pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, specifically Section 551.071(2), Commissioner Ripley convened the Board in Executive Session at 11:10 a.m., to consult with the District's attorney and discuss and deliberate on certain matters concerning attorney-client privilege. The persons present in the executive session were Commissioners Ripley, Pinard, Plummer, Grundmeyer and Fetner and Ms. Bobbitt and Ms. Christensen.

RECONVENE IN OPEN SESSION

Commissioner Ripley then reconvened the meeting in open session at approximately 11:26 a.m.

Mr. England re-entered the meeting at this time.

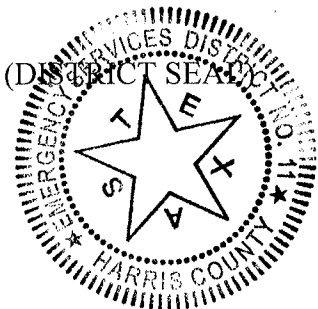
Upon motion by Commissioner Plummer, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to appoint and authorize Commissioners Ripley and Pinard to work with Ms. Bobbitt to engage the services of outside counsel to assist Ms. Bobbitt and her firm on certain legal matters related to the District.

There being no further business to come before the Board, the meeting was adjourned at approximately 11:30 a.m.

COMMISSIONER'S MONTHLY DISTRICT FACILITIES TOUR

Upon adjournment of the regular Board meeting, Commissioner Ripley met with Mr. England to tour the District's emergency medical services facilities at Station No. 511 (28826 N. Eldridge Parkway, Tomball, Texas 77377) and Station 55 (12726 Champion Forest Drive, Houston, Texas 77066).

PASSED, APPROVED AND ADOPTED this 19th day of October, 2017.



A handwritten signature in cursive script, appearing to read "T. E. Grundmeyer", written over a horizontal line.

Secretary, Board of Commissioners