

REGULAR MEETING
Cypress Creek EMS Board of Directors
February 25, 2015

The Board of Directors of Cypress Creek Emergency Medical Services ("CCEMS") met in regular session, open to the public, on the 25th day of February 2015, at the Charles Hooks Education Building Boardroom, located at 7111 Five Forks Road, Spring, Texas at 6:30 p.m., and the roll was called of the duly constituted officers and members of the Board, to-wit:

Jeff Doran	President
Ruben Gonzales	President-Elect
Lacy O'Connor	Treasurer
Dave King	Secretary

Jim Cravens	David Patton
Greg Marwill	Josh Fetner
Linda Mercier	Dave Billings

Silvana Stanzer, Volunteer Representative
Brad England, Executive Director
Levon Vartanian, M.D., Medical Director

All members of the Board were present, except Dir. Stanzer and Dr. Vartanian, thus establishing a quorum, pursuant to the 22nd Amended By-laws of the Service, dated 26 January 2011. Also present were Mike Burcham of Svadlenak & See, the Service's Auditor ("Auditor"), and Sherry Allard, Secretary to the Board of Directors.

The meeting was called to order at 6:30 p.m. by President Doran, and the following business was transacted.

The first agenda item was review of the Audit. The President recognized Mr. Burcham, who distributed to and reviewed with the Board the Audit for 2014. He informed the Board that the Audit received a clean opinion. He stated that revenues showed a patient collection rate of 36%, up from 33% in the past. Mr. Burcham stated that the paramedic in charge of inventory has been reviewing and correcting miscategorized items. He noted that ESD #11 did pay the amounts it owed CCEMS later in the year.

The bank line of credit has been reduced from \$1.5 million to \$1 million. The Service paid out \$400,000 in employee benefits, the Auditor stated. Actual revenues of \$20,259,762 with actual expenses of \$17,969,301 before depreciation, he noted.

He stated that ESD #11 asked another CPA to review the Service's expenses that are paid for by the ESD. The CPA asked some questions, the Auditor stated, but rather than the three (3) days he had set aside for the review of expenses, he spent part of one (1) day. When the Auditor and CPA were discussing the Service's finances, Mr. England stated that he excused himself from the room. The CPA questioned why he was called in and stated that he felt comfortable with all

fiscal activity he had reviewed. The Board thanked Mr. Burcham for his time in working with the ESD and the other CPA. The Service used the line of credit, going in and out with funds, rather than incurring debt, Mr. Burcham stated.

Expenses were then reviewed. The Auditor stated that the line item for maintenance should be increased this next fiscal year, given the additional ambulances purchased. The Service paid \$306,000 in interest and \$30,000 on the line of credit during the fiscal year, Mr. Burcham stated. Dir. Marwill stated that he felt a different way of managing the funds would save interest expenses. **After discussion, upon motion duly made and seconded by Dirs. Marwill and Cravens, respectively, the question being put to the Board, the Board voted in accord to approve the Audit Report for 2014 as presented.**

President Doran asked the Board to consider approving the minutes of the last meeting. **Dir. Patton moved to approve the minutes of the 28 January 2015 meeting, as prepared. Dir. Gonzales seconded, and the Board affirmed.**

The President then called upon Dir. O'Connor for the Treasurer's report, a copy of which is attached hereto and considered a part hereof. The Treasurer stated that the Service is still looking to recover from the reduction in pay by ESD #11 last year. Koronis brought in \$15,000 over budgeted expenses, she noted. In summary, she stated, the variances appear to be a timing issue. The Treasurer stated she has a few items she wishes to discuss with Mr. Biancalana.

She then stated that the explanations for the variances need to be understandable by any outsider who may be reviewing the finances, not just the Board of Directors. The Auditor felt like the parameters for identifying variances need to be greatly increased, considering the size of the annual budget of the Service. The President asked the Financial Committee to review the matter and make its recommendations at the March meeting.

Dir. Marwill made a motion to approve the Treasurer's report as presented. Dir. Gonzales seconded, and the Board vote was unanimous in approval.

The President next called upon Mr. England for the Executive Director's report, a copy of which is attached to these minutes as a part hereof for all purposes. The Executive Director reported, as follows:

- 200 more calls in January 2015 than in same month in 2014;
- Response times increased, due in part to traffic on Boudreaux;
- 3 Life Flite transports;
- March 15, 2015 is the St. Patrick's Parade, with FM 1960 closed down;
- Dir. Doran's parade team have collected \$14,000-15,000 more in donations than before;
- The Executive Director noted that the ESD has cut back their total amount to CCEMS for the year by \$2 million;
- There were four (4) mutual aid calls in District by others and 20 calls made by CCEMS out of territory;
- Service's stats from 2009 through 2014 can now be viewed;

- Hiring new people due to attrition; sixteen (16) from the Academy to be hired by CCEMS, and twelve (12) more may be needed;
- ESD #11 owes CCEMS \$9 million;

The Executive Director then discussed managing the unpaid patient accounts. Mr. England spoke with one firm and stated that CCEMS would have the last say with its accounts, whether to seek payment or make an administrative adjustment. It was noted that \$9.6 million was uncollected in 2014. The President asked to have this matter also considered by the Financial Committee.

Dir. O'Connor moved to approve the Executive Director's report. Dir. Mercier seconded, and the Board affirmed.

President Doran asked to hear any committee reports at this time.

- *Building:* Dir. King reported that Lakey Electronics has been replacing the electrical cable, which serves the Comm Center and the stations, at no charge to the Service. It had been correctly specified in the plans by Dir. Marwill, but the installer put in another product.
- *Volunteer Recruitment:* No report.

Dir. Marwill motioned approval of the Committee report. Dir. O'Connor seconded the motion, which garnered unanimous support from the Board.

At this time, the President entertained Old Business. **Pursuant to receiving the written resignation from Dir. Ramsey, Dir. King moved to accept Dir. Ramsey's resignation with regret. Dir. Gonzales seconded the motion, which received unanimous support from the Board.**

When asked, Dir. Marwill was informed that the Service is actively using 'when seconds count...'.

The President then asked to hear any New Business. Dir. Gonzales stated that on April 25, 2015 a project to plant trees from the creek to Spring Cypress Road is planned. Those involved in that project will be meeting at the Education Center of CCEMS, he stated.

After consideration, **upon motion duly made and seconded by Dirs. Marwill and Cravens, respectively, the question being put to the Board, the Board voted by common consent to enter Closed Session at 7:52 p.m., in accordance with The Open Meetings Act, for the purpose of discussing certain contractual matters and pending or potential litigation.**

Dir. Gonzales' motion, seconded by Dir. Marwill, to reconvene Open Session at 8:19 p.m., carried unanimously. There were no motions or actions taken as a result of discussions held in Executive Session.

NOTING THERE WAS NO OTHER BUSINESS TO COME BEFORE THE BOARD, the Board, after motion duly made by Dir. Marwill and seconded by Dir. Gonzales, voted to adjourn at 8:20 p.m.

Date approved

David King, Secretary of the Board