

**MINUTES OF REGULAR MEETING**  
**EMERGENCY SERVICES DISTRICT NO. 2**  
**REGULAR MINUTES SEPTEMBER 19, 2019**

1. **Call to Order and establish quorum**
  - Called to order at 5:30pm
  - Quorum established; all commissioners present
2. **Invocation**
3. **Pledges of Allegiance, U.S. and Texas**
4. **Consent Agenda: Minutes, Financial Report, Pay Bills**
  - Motion to approve the Consent Agenda was made by Don Costerison and seconded by Joe Manders; motion passed unanimously
5. **Receive monthly report from Careflite**
  - Report was presented by Careflite personnel and filed
6. **Receive monthly report from Air Med**
  - Report was presented by Air Med personnel and filed
7. **Facilities Report: Discuss with possible action**
  - Whitney – working with David Murphy to fill in concrete space for \$600; he will also remove/spray weeds and fill in with gravel
  - Hubbard – no issues to report
  - Itasca – Commissioner Lehmann said he would take a tractor and shredder to and shred the property. James Wagner with CareFlite said they would keep it mowed.
  - Hillsboro – no issues to report
8. **Discuss with possible action final approval of building plans and issuing Request for Proposals for Itasca Station**
  - Motion to approve the final architect's plans for the Itasca station was made by Bob Stahl and seconded by Jimmy Lehmann; motion passed unanimously
  - The board is not ready at this time to issue RFPs; further instruction is needed from our attorney
    - Barbara Leetun made a suggestion that when we are ready to accept bids, each contractor be responsible for purchasing their own copy of the building plans
9. **Discuss with possible action proposal and contract from Brazos Environmental for engineering services on building foundation for Itasca Station**
  - Proposal and work order has been received from Brazos Environmental at a cost of \$4,075
  - Motion to accept the Brazos Environmental proposal of \$4,075 and to accept his

recommendation that we forgo doing the 15ft soil borings and go with removing 4ft of topsoil and replacing with select-fill was made by Bob Stahl and seconded by Don Costerison; motion passed unanimously

**10. Consider and take action regarding adoption of budget for fiscal year 2020**

- Board President Tad Duncan presented the motion to approve the budget for fiscal year 2020; motion passed unanimously

**11. Consider and adopt 2019 tax rate**

- Take record vote on adopting the 2019 ESD #2 tax rate
  - The board has agreed and considered adopting an ad valorem tax rate of .048572/\$100 on taxable property within the district
  - Motion to adopt the ad valorem tax rate of .048572/\$100 on taxable property within the district was made by Joe Manders and seconded by Bob Stahl; motion passed unanimously
    - Record vote did not have to be taken because the tax rate is not increasing
- Adopt Order Levying Taxes and authorize filing the Order with Hill County Tax Assessor/Collector. Motion made by Jimmy Lehmann, seconded by Don Costerison. Motion passed unanimously.

**12. Discuss with possible action regarding 2020 Careflite contract amendment and prepayment**

- Amendment received to change the way we calculate the annual contract payment to Careflite. The proposal is that we no longer set the yearly CareFlite contract rate at 75% of the ad valorem, but will use 2019 contract price as a baseline and increase 2% each year. There is a 4% inflation trigger; If inflation rate hits 4% based on previous year's CPI, then the increase will be 2% plus ½ the difference in the inflation rate and 2%. Prepayment discount is still in effect.
- Also proposing to extend the term of the contract for 5 years, through 2027.
  - Marty Penney made a public comment. He asked the board to take an in-depth look, before approving an amendment to a contract signed possibly 10 years ago, and amended many times, in the interest of morale and the tax payers of this county, to consider looking at an RFP. He said if for no other reason than to true-up the contract written many years ago and amended many times. He asked the board to take that into consideration. He said it possible that the tax payers are already getting the best deal for their money, but asks the board to take into consideration and hold the contract true as written. He requested that the amendments made through the years be cleaned up, so we don't have a contract with so many amendments; adding another tonight. At the end of the day, he feels that if at the end of the RFP process, Careflite is providing the best service, there will never be any other questions about their contract period. But, he feels to enter into an extension of an additional five years, will lock us in, and he finds it confusing based on the numbers how it's being recommended by the contractor. He again asked the board to take this into consider when they make their decision tonight.
- Tad reminded the board that Hill County ESD #2 is governed by Chapter 775 of the Texas Health and Safety Code. Section 775.04 addresses the ESDs obligations for



bidding. However, Section 775.04 specifically exempts the ESD from the requirement to bid ambulance services. Consequently the law does not require the ESD to solicit proposals or bids for the services provided by Careflite under the current contract with the district.

- He also reminded the board that we have taken into consideration, over the last number of years, the compliance criteria written into the contract. He does not recall a time that Careflite has not met or exceeded those compliance criteria.
  - Barbara Leetun made a public comment and wanted to remind the board that it took 2-3 years from the RFP process until a decision was made. Then it took an additional year to make everything happen. She requested, that before the board votes, look at the figures in a best/worst case scenario; then return next month with figures on what 2%/year for five years will do, and what 2% plus inflation will do for five years. She mentioned that if we are going to look at RFPs the board will need a long lead time to get it completed.
  - Ken Baldwin with Hubbard VFD stated that he feels the board should stay with Careflite, because it has taken us a long time to develop a working relationship between the fire departments and Careflite. They are providing a service that we can work with, they provide training and assist with memberships. He thinks if we go with the RFPs we will lose a lot of that, and it has taken years to develop this. He feels they provide excellent service for the county.
  - Speakers were thanked for their comments.
- Motion to approve the amendment to extend the contract with the terms discussed was passed and approved, with Commissioner Costerison voting in the negative.

**13. Discuss with possible action renewal of Caring Heart membership prepayment**

- ESD #2 pays the membership on behalf of county residents who reside in ESD#2. This allows residents of HCESD#2 to utilize CareFlite's emergency medical services at no cost to the resident in most cases. The cost of membership \$65,000 per year.
- Motion to renew the Caring Heart membership was made by Jimmy Lehmann and seconded by Joe Manders; motion passed unanimously

**14. Discuss with possible action renewal of AEL membership agreement and prepayment**

- ESD #2 pays a membership on behalf of our county residents, insured or uninsured, to provide air ambulance services at no cost; membership is \$53,952
- Motion to renew the AEL membership was made by Bob Stahl and seconded by Don Costerison; motion passed unanimously

**15. Open forum --- Members of the public may speak for three (3) minutes**

- Tad informed the audience earlier in the meeting that HB 2840 took effect September 1, 2019; this changes the way public comments can be received at an open meeting. Comments for items not on the agenda will be reserved for the open forum; like they are now. Comments on agenda items can now be discussed before or during board deliberations. These comments are limited to 3 minutes.
- There were no comments during the open forum

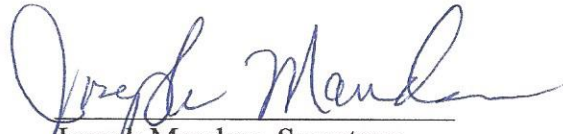
**16. Set date, location, and time of next meeting or workshops**

- Next meeting is October 17<sup>th</sup> at the same time and location

17. Adjourn

- 6:18pm

Dated this the 19th day of September 2019.

  
Joseph Manders, Secretary  
Emergency Services District No. 2  
Hill County, Texas