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## MINUTES

### **COUNTY OF ROCKWALL EMERGENCY SERVICES CORPORATION**

ROCKWALL HISTORIC COURTHOUSE 101 EAST RUSK ROCKWALL, TEXAS 75087 972-882-2840

**Make up of Regular Board Meeting  
Wednesday, May 23, 2007 5:00 p.m.**

**Board Members Present:**

Dennis Alsup  
Bruce Beaty  
Bill Cecil  
Chris Florance  
David Hill  
Robert Hille  
Jim Mellody  
Stephen Straughan

**Board Members Absent:**

Wanda Cooper  
Steve Hatfield

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### **General Board Meeting**

**1. Call to order**

Bruce Beaty called the meeting to order at 5:00 p.m.

**2. Discuss and consider approval of the minutes from the April 25, 2007 ESC board meeting and take any action necessary.**

\* Bill Cecil made a motion to approve the minutes

\*\* Bob Hille seconded the motion

\*\*\* The motion passed unanimously.

**3. Hear update regarding the Rockwall Regional Firearms Training Facility and take any action necessary.**

Rockwall Police Chief Mark Moeller briefed the board on invoices related to construction of the Regional Firearms Training Facility as well as an associated change order. He updated the board on the remaining contingency fund balance on the project.

Moeller also informed the board that he received documentation for a 'release of lien' from Modern Contractors. He explained that a subcontractor submitted a request for payment but has not yet received full payment, only partial payment. This is because the subcontractor had performed some unauthorized work that they then had to redo and because the billing cycle was 'off.' He expressed that the subcontractor would be paid as soon as all work is completed and the invoices go through the full billing cycle process.

Beaty asked if the release of lien required any board action. Alsup indicated that it likely does not require any board action. It is probably strictly for the board's records.

**4. Discuss and consider approval of invoices for payment and take any action necessary.**

\* Straughan made a motion to approve the \$28,786.13 change order referenced in Moeller's memo as well as the \$1,170 CMJ invoice, the \$2,669.90 Brinkley Sergeant Architects invoice and the \$118,275 Modern Contractors invoice.

\*\* Alsup seconded the motion.

\*\*\* The motion passed unanimously.

**5. Hear treasurer's report and update from Bill Sinclair and take any action necessary.**

Sinclair updated the board on the bank account balances for the corporation's bank accounts and asked if there were any questions related to his report. With no questions asked, he let the board know that Medic Rescue had submitted financial statements for the year ending in 2006 by April 30, 2007. Therefore, he believed that the contractor had met this obligation under the existing EMS contract. He briefly discussed a comparison between the 2005 financial statements and the 2006 financial statements and made some associated recommendations to the board. He sought board approval to write a letter to Medic Rescue asking for clarification on certain aspects of their financials and to request a written explanation/response from them.

Cecil asked if Medic Rescue has a collection rate requirement in the existing contract. Beaty replied that yes, they do have a collection rate requirement of 60%. Sinclair stated that there is no way to tell from the financial statements whether or not they are meeting this requirement.

\* Straughan made a motion to forward Sinclair's questions to Medic Rescue in the form of a letter and request a response from Medic Rescue.

\*\* Hill seconded the motion.

\*\*\* The motion passed unanimously.

**6. Adjournment**

\* Cecil made a motion to adjourn at 5:23 p.m.

\*\* Alsup seconded the motion

\*\*\* The motion passed unanimously

**Special Services Board Meeting**

**1. Call to order**

Beaty called the meeting to order at 5:24 p.m.

**2. Hear report from subcommittee regarding the EMS contract renewal and take any action necessary.**

Rockwall Fire Chief Mark Poindexter updated the board on the status of contract modifications. He explained that both the technical subcommittee and the subcommittee of the ESC board have met, and draft 3, which was distributed to the full board for review, is the current version of the document based on those meetings and desired changes.

Steve Athey, consultant for Healthcare Visions, stated that the subcommittee and ESC board has offered input regarding the contract over the last few weeks. He indicated that the subcommittee is getting closer to being able to give a draft of the contract to Medic Rescue and request pricing on the performance-based contract. He explained that the final cost, value and final contract have yet to be determined. The new draft cleans up a lot of issues and is an improvement from the current contract.

Straughan asked about section IV.D. of the contract, related to the supervisor's ability to stop the clock. Athey stated that they will ask the contractor to begin showing response times in two ways - one, when the supervisor vehicle stops the clock, and two, when the unit actually arrives.

Cecil asked why they are removing the 60% collection rate requirement. Athey explained that it is unreasonable to expect 60%, and it is very easy to 'doctor' the numbers to show whatever collection rate they want to show. Furthermore, if their collection rate is low, there is nothing the ESC board can do about it, and it is completely in Medic Rescue's best interest to maintain as high a collection rate as possible at all times. It is very difficult to determine an appropriate collection rate and how best to track it.

Cecil asked why the annual market survey requirement was taken out of the contract. Athey explained that it is too hard to find a comparable ambulance service operation in order to make a fair and reasonable comparison. Cecil expressed the belief that the board will end up paying if Medic Rescue's collection rate is low. Athey clarified that the contractor will no longer have the freedom nor ability to come back to the ESC board annually for more money. They will have to sign, hopefully a five-year contract, and will have to make it work within the agreed-upon subsidy amount afforded to them by the board when signing the contract. It will strictly be a performance-based contract.

Sinclair asked what would happen if their collection rate falls so low that they cannot operate. Athey stated that the ESC would then be able to call them in default and take over their equipment and run their business until the ESC can secure another provider. Requiring a security bond or letter of credit from Medic Rescue would allow the board to do this, and would offer a great deal of protection to the board if it needs to fire the contractor or if the contractor quits unexpectedly.

Beaty updated the board on a resident complaint. No action was taken.

\* Cecil made a motion to accept the contractual changes as presented in Poindexter's memo

\*\* Hille seconded the motion

\*\*\* The motion passed unanimously

Poindexter briefed Sinclair and board members on the major, financial changes to the contract. Cecil clarified that the contractor could in fact request more money during the course of the contract if there were unforeseeable, uncontrollable factors that caused their costs to increase unexpectedly (i.e. spike in fuel costs, major Medicare changes)

Sinclair asked why there would be no requirement that Medic Rescue submit an annual audit. Athey explained that the board would begin overseeing and paying for the annual audit. This will allow the board to choose the audit firm and dictate when the audit will be performed and to what standards. The contractor would agree to allow full, unfettered access to their books & financials. Beaty asked if there is specific language in the draft contract to allow for board action if the contractor does not cooperate fully with the audit requirement. Athey stated that there is nothing specifically related to this topic; however, the contract does contain sufficient language to allow for default provisions.

Sinclair expressed a desire to review the draft contract and voice any concerns he might have to the board and/or the subcommittee. Poindexter requested that Sinclair direct any comments or concerns to him.

**3. Hear update from Medic Rescue regarding contract compliance, audit and reports and take any action necessary.**

Mitch Ownby from medic rescue briefly gave an update on the April reports. There were no major changes in response times and billing.

Rockwall City Manager Julie Couch asked when the board could expect to see response times broken down by individual cities. Ownby stated that he hoped to have these by next month's meeting.

**4. Adjournment**

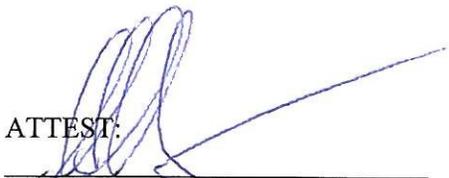
\* Melody made a motion to adjourn the meeting at 5:57 p.m.

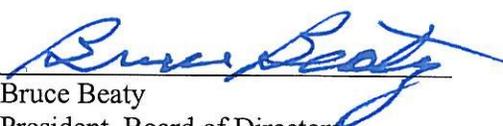
\*\* Hill seconded the motion.

\*\*\* The motion passed unanimously

**ADOPTED AND APPROVED** this 27th day of June, 2007.

ATTEST:

  
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Stephen Straughan  
Secretary, Board of Directors  
County of Rockwall ESC

  
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Bruce Beaty  
President, Board of Directors  
County of Rockwall ESC