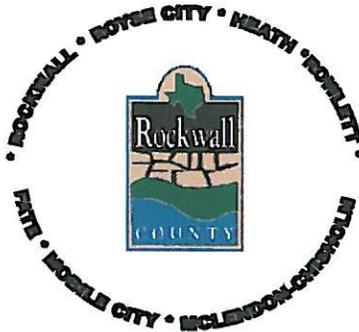


COUNTY OF ROCKWALL EMERGENCY SERVICES CORPORATION MINUTES



June 30, 2005 - Regular Board Meeting

ROCKWALL HISTORIC COURTHOUSE 101 EAST RUSK ROCKWALL, TEXAS 75087

Board Members Present:

Bruce Beaty
Bill Cecil
Steve Hatfield
Ken Jones
George McCain
Cindy Rushing
Scott Self

Board Members Absent:

John Ratcliffe

General Board Meeting

1. Call to Order

Bruce Beaty called the meeting to order at 5:03 p.m.

2. Discuss and consider approval of the minutes from the March 31, 2005 ESC Board Meeting.

*Bill Cecil made a motion to approve the minutes.

**George McCain seconded the motion.

***The motion passed unanimously.

3. Discuss and consider approval of the proposed FY 2005 - 2006 Operating Budget and take any action necessary.

Julie Couch, City Manager for the City of Rockwall and Mary Smith, Finance Director for the City of Rockwall gave a brief overview of the proposed operating budget.

*Scott Self made a motion to approve the operating budget.

**George McCain seconded the motion.

***The motion passed unanimously.

At 5:11 p.m., Bruce Beaty recessed the General Board meeting.

4. Hear update from Julie Couch regarding the joint gun range facility.

Beaty reconvened the Regular Board Meeting at 5:53 p.m.

Couch explained that the cost of the facility has increased and the architect has been asked to revisit the cost increase. The increased cost is most likely due to the increase in the price of steel, concrete and other building materials. In addition, the cost figures obtained from Lewisville regarding the construction of their facility are old (from the year 2000 or 2001). She further stated that the subcommittee working on this proposed project will hopefully finalize the new cost figures soon and will then return to the full Corporation board with a recommendation.

Chief Mark Moeller, Rockwall Police Department, indicated that the bulk of the cost is associated with the classroom portion of the facility. He estimated that about \$800,000 to \$1 million is associated with the classroom portion and that costs could possibly decrease if the size decreased.

Self indicated that it might be difficult to get a high dollar amount approved by the County Commissioner's Court. He recommended an initial proposal for the gun range only and suggested leaving the training classrooms out for now.

Beaty commented that he was unable to speak for the entire Commissioner's Court but that he felt like the Court would likely have difficulty approving the \$4.2 million dollar facility. He suggested that the subcommittee find a way to scale down the cost significantly. He further stated that two out of three voters needed to pass the proposal were present in this meeting and that both of them felt as though the amount suggested is too high and would fail.

Couch stated that the subcommittee would take some additional time to look at the facility proposal and the cost.

5. Hear update regarding each jurisdiction's adoption of the Tier I and Tier II Mutual Aid Agreements.

Kristy Ashberry, City of Rockwall Emergency Management Coordinator, indicated that all jurisdictions in Rockwall County, with the exception of the City of Dallas, had passed the Tier I Mutual Aid Agreement. She asked if the County had begun pursuing the adoption of the Tier II Mutual Aid Agreements. Beaty indicated that the status of the Tier II Agreements is unknown at this time and suggested contacting Lt. David Davis, Rockwall County Emergency Management Coordinator. Ashberry indicated that she still needs to obtain signatures from some area mayors and that she would distribute original agreements to each jurisdiction once all signatures are obtained.

6. Other business

Ashberry informed board members that the term limit for the initial board of directors was up on April 30 and that jurisdictions needed to appoint new representative(s). She explained the process for appointing or reappointing board members to the C Corporation.

7. Adjournment

*Scott Self made a motion to adjourn the meeting.

**Cindy Rushing seconded the motion.

***The motion passed unanimously and the meeting ended at 6:05 p.m.

Special Services Board Meeting

1. Call to order

Bruce Beaty called the Special Services Board Meeting to order at 5:11 p.m.

2. Hear update from Medic Rescue regarding contract compliance and reports and take any action necessary.

Mitch Ownby reported that response times are currently okay and that posting an ambulance at Rockwall's Fire Station #2 has been helpful in meeting response time requirements.

Beaty asked the group when the reconstruction of SH-205 might begin. Couch indicated that it might begin in mid 2006 and that it will likely start at IH-30 and continue up SH-205. Beaty stated that this construction would likely affect response times and asked if Medic Rescue might need a temporary staging area during the construction period. Beaty advised Ownby to be thinking about this issue now and determine how Medic Rescue plans to mitigate potential delays in response times during the construction period.

Couch indicated that the City of Rockwall Capital Improvement Planning Committee (CIP) is now looking at items for possible placement on a November bond election ballot. The election, if called, may include the addition of two new fire stations, one to the north and one to the south.

Beaty requested that a notice be sent out the members of the technical subcommittee requesting that contingency plans be evaluated for the upcoming construction on SH-205. McCain suggested that the subcommittee consider all bond-related road projects within Rockwall County.

Ownby briefed the board on the April and May reports. He indicated that May response times and collections were consistent throughout the month.

Beaty asked Ownby if an audit of the company had been completed. Couch stated that Medic Rescue should now have a complete calendar year of accrual-based data

in order to complete an audit. Beaty indicated that he is not interested in talking about Medic Rescue's budget requests until an audit has been completed to back up the requests. Ownby indicated that the company's auditor has failed to return their phone calls. Beaty suggested that they find a new auditor. Ownby stated that they would prefer to stay with the same auditor since he is more familiar with the company and its books. Scott Self stated that it is not prudent to ask for a budget request without having first performed an audit. Ownby indicated that he thought the books closed on June 30, 2005 and that the audit was not due until after that date. Beaty stated that the contract calls for an annual audit to be submitted to the Corporation by April 30. Mary Smith indicated that the April 30 date might be problematic for an auditor because of tax season. She felt like a May 15 submittal date might be more reasonable. Beaty indicated that if Medic Rescue wants the due date changed, it should submit a request to the Corporation to move the deadline. Self recommended getting the audit done in February of each year since delaying the audit would cost Medic Rescue money. Couch commented that the Corporation would like to see a calendar year audit and a fiscal year budget request. She further stated that any approved increase in subsidy would go into effect on October 1 of each year. Ownby requested that the dates be clarified once more. Beaty indicated that the board wants an entire calendar year audit for the previous calendar year. He further stated that if Medic Rescue also wants to include the first four months of the present calendar year to provide justification for its budget request, then that would be a good idea too.

Couch suggested that the issue of amending the contract to change the audit due date from April 30 to May 15 of each year can be placed on the next agenda.

3. Discuss and consider approval of the proposed FY 2005 - 2006 Emergency Medical Services (EMS) Budget and take any action necessary.

Couch stated that additional justification is still needed regarding increases in personnel salaries and projected decreases in revenue. Smith indicated that she has spoken to Tim Wolf regarding these issues but has still not received a sufficient response. Ownby stated that salaries have been very low on a continual basis for quite some time. As a result, Medic Rescue is proposing a 10% across-the-board increase in salaries in order to retain employees. Ownby further indicated that about half of the EMS staff is making about \$26,000 per year. They are currently short three staff members. They typically hire at \$26,600 and then increase the salary by \$1,000 after six months. He stated that a new hire could make close to \$30,000 a year at the eighteen-month mark, and this is not a very attractive salary. Ownby stated that about four of his personnel are regent nurses because they can make \$70,000 a year plus bonuses out of school. Retention in the EMS field is an industry-wide problem since they can make better money elsewhere. He further indicated that Medicare rules have resulted in a decrease in patient transfers. 9-1-1 emergency calls have increased, and these typically result in fewer transfers. In addition, 9-1-1 callers are often less likely to pay since they might decide to wait on Medicare to pay instead.

Smith stated that she and the board would like to see a salary schedule reflecting the number of positions and the salary range for each employee, not just paramedics. Ownby indicated that he can get that to her. Couch reiterated that documentation is needed in order to support their budget requests.

John Blackwood, Rockwall County Auditor, indicated that he would like to see a collection plan including procedures outlining how they bring in receivables (i.e. through telephone calls, through letters?). He stated that the board might have suggestions for Medic Rescue on how it can increase collections. Ownby stated that collections are currently performed in-house.

Couch summarized that the Corporation needs an audit and thorough justifications in advance of September budget approvals by each of the Corporation entities. She stated that this information must be received by the August board meeting. Beaty emphasized that Medic Rescue is in control of these issues and restated that perhaps they should hire a new auditor.

Smith asked the board if there is a percentage or a benchmark that it utilizes when choosing the amount of subsidy it agrees to pay out to Medic Rescue. Beaty indicated that the board has not used a subsidy benchmark yet. He stated that the goal is to keep the subsidy "lean" but not "starve them." Beaty indicated that the board might need to look at the 9-1-1 portion of Medic Rescue's calls and ensure that that portion of their business pays for itself through the subsidy given by the Corporation.

Ownby stated that about one-half of their income results from Medicare billing and about two-thirds of their calls are 9-1-1 calls. The current subsidy is maybe 30 percent.

Beaty pointed out that Medic Rescue started accepting 9-1-1 calls at their own request and suggested that perhaps now the calls are becoming a burden on their business. He further stated that he had no answer for a subsidy standard.

Ownby indicated that Medic Rescue is still not turning profits and that any small money that has been made has gone right back into the company.

Self suggested that Medic Rescue explore the use of a formula similar to the one utilized by utility companies to establish its rates. He indicated that factors of service such as profitability and about 10 to 12 other factors could be used to determine fair rates.

Ownby indicated that Medic Rescue does currently have a formula and methodology for determining how much to charge but he was unsure exactly how it is calculated.

Couch mentioned that their worker's compensation insurance was a large expense this year.

*Scott Self made a motion to adjourn the Special Services Meeting.

**Steve Hatfield seconded the motion.

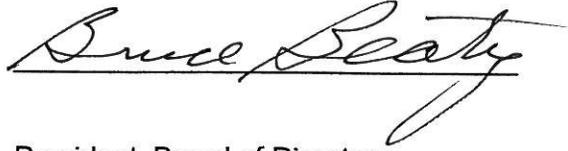
***The motion passed unanimously.

Beaty then reconvened the Regular Board Meeting.

4. Other business

5. Adjournment

ADOPTED AND APPROVED this 4th day of August, 2005.

A handwritten signature in cursive script, reading "Bruce Beatty", written over a horizontal line.

President, Board of Directors
County of Rockwall ESC

ATTEST:

A handwritten signature in cursive script, reading "Scott S. Ab", written over a horizontal line.

Secretary, Board of Directors
County of Rockwall ESC