

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS
MONTGOMERY COUNTY HOSPITAL DISTRICT**

The regular meeting of the Board of Directors of Montgomery County Hospital District was duly convened at 4:00 p.m., May 23, 2017 in the Administrative offices of the Montgomery County Hospital District, 1400 South Loop 336 West, Conroe, Montgomery County, Texas.

1. Call to Order

Meeting called to order at 4:00 p.m.

2. Invocation

Led by Mr. Spratt

3. Pledge of Allegiance

Led by Ms. Whatley

4. Roll Call

Present:

Bob Bagley
Chris Grice
Mark Cole
Kenn Fawn
Sandy Wagner
Brad Spratt
Georgette Whatley

5. Public Comment

There were no comments from the public.

6. Special Recognition:

Medical Directors Reward - Sean Simmonds and Bryan Perry

Medical Directors Reward - Jordan Anderson, Lee Gillum, Ade Moronkeji, Julie Earley, Ed Thierbach, Ashton Herring and Jolene Figueroa

Non Field – Ashley Presswood

Field – Destiny Lafferty

7. Consider and act on ratification of contracts with additional network providers for indigent care. (Mrs. Wagner, Chair - Indigent Care Committee)

Mrs. Wagner made a motion to consider and act on ratification of contracts with additional network providers for indigent care. Ms. Whatley offered a second and motion passed unanimously.

8. **CEO Report to include update on District operations, strategic plan, capital purchases, employee issues and benefits, transition plans and other healthcare matters, grants and any other related district matters.**

Mr. Randy Johnson, CEO presented report to the board.

9. **Consider and act upon selection of nominees for consideration by the Texas Conference of Urban Counties to serve on the following tobacco settlement committees. (Mr. Fawn, Chairman – MCHD Board)**
- **Tobacco Settlement Permanent Trust Account Administration Advisory Committee.**
 - **Tobacco Settlement Permanent Trust Account Investment Advisory Committee.**

Mr. Fawn moved that MCHD nominate Mr. Harold Posey to the Tobacco Settlement Trust Account Administration Advisory Committee. Ms. Wagner offered a second and motion passed unanimously.

Mr. Fawn moved that MCHD nominate Mr. Fred Greene to the Tobacco Settlement Permanent Trust Account Investment Advisory Committee. Ms. Whatley offered a second and motion passed unanimously.

10. **Presentation of MCHD 5 year plan – draft version. (Mr. Fawn, Chairman – MCHD Board) (attached)**

Mr. Randy Johnson, CEO presented report to the board.

11. **Consider and act on RedFlash engagement agreement. (Mr. Fawn, Chairman – MCHD Board) (attached)**

Mr. Fawn requested the Redflash engagement agreement be tabled.

12. **EMS Director Report to include updates on EMS staffing, performance measures, staff "activities, patient concerns, transport destinations and fleet.**

Mr. Jared Cosper, EMS Director presented a report to the board.

13. **Consider and act on Ambulance Services agreement with Houston Methodist The Woodlands Hospital. (Mr. Bagley, Chair – EMS Committee) (attached)**

Mr. Bagley made a motion to consider and act on Ambulance Services agreement with Houston Methodist The Woodlands Hospital. Mr. Grice offered a second and motion passed unanimously.

14. **Consider and act on employment services agreement with Dr. Robert Dickson, MD. (Mr. Bagley, Chair – EMS Committee) (attached)**

Mr. Bagley made a motion to consider and act on employment services agreement with Dr. Robert Dickson, MD. Ms. Whatley offered a second and motion passed unanimously

15. **Consider and approve issuance of P.O. for six (6) Ram 4500 cab/chassis from 2017-2018 fiscal year budget. (Mr. Bagley, Chair – EMS Committee) (attached)**

Mr. Bagley made a motion to consider and approve issuance of P.O. for six (6) Ram 4500 cab/chassis from 2017-2018 fiscal year budget. Mr. Grice offered a second and motion passed unanimously.

- 16. Consider and act on sole source letter for Harris/Dailey Wells Communications of dispatch consoles. (Mr. Bagley, Chair – EMS Committee) (attached)**

Mr. Bagley made a motion to Consider and act on sole source letter for Harris/Dailey Wells Communications of dispatch consoles. Ms. Whatley offered a second and motion passed unanimously.

- 17. Consider and act on purchase of three (3) each Dispatch Consoles. (Mr. Bagley, Chair – EMS Committee) (attached)**

Mr. Bagley made a motion to consider and act on purchase of three (3) each Dispatch Consoles. Mr. Spratt offered a second and motion passed unanimously.

- 18. COO Report to include updates on infrastructure, facilities, radio system, warehousing, staff activities, community paramedicine, emergency management, and purchasing.**

Mrs. Melissa Miller, COO presented a report to the board.

- 19. Consider and act on sole source letter for Harris/Dailey Wells Communications of StatusAware server. (Mr. Cole, PADCOM – MCHD Board) (attached)**

Mr. Cole made a motion to consider and act on sole source letter for Harris/Dailey Wells Communications of StatusAware server. Mr. Spratt offered a second and motion passed unanimously.

- 20. Consider and act on purchase of StatusAware server for GPS tracking of radios. (Mr. Cole, PADCOM – MCHD Board) (attached)**

Mr. Cole made a motion to consider and act on purchase of StatusAware server for GPS tracking of radios. Mr. Spratt offered a second and motion passed unanimously.

- 21. Consider and act on purchase of P25 field radios. (Mr. Cole, PADCOM – MCHD Board) (attached)**

Mr. Cole made a motion to consider and act on purchase of P25 field radios. Mr. Spratt offered a second and motion passed unanimously.

- 22. Consider and act on recommended RFP for purchase and installation of Generators for Robinson Road Tower and EMS Stations 14, 31, 41, 43 and 45. (Mr. Cole, Chair – PADCOM) (attached)**

Mr. Cole made a motion to consider and act on staff's recommendation of Quality Generators for purchase and installation of Generators for EMS Stations 14, 41, 43 and 45 from FY 2016-2017 budget and Station 31 from FY 2017-2018 with all inclusive extended 10 warranty. Mr. Bagley offered a second.

The total cost with the extended warranty will be \$122,735.00, which is over budget since only \$115,000.00 was budgeted for generators. Also due to the complexity of Station 41 it helped to push over budget. Mrs. Miller did advise the board that money is left from the remodel in dispatch and available in the capital projects budget.

After board discussion motion passed unanimously.

- 23. Health Care Services Report to include regulatory update, outreach, eligibility, service, utilization, community education, clinical services, epidemiology, and emergency preparedness.**

Mrs. Melissa Miller, COO presented a report to the board.

- 24. Consider and act on Healthcare Assistance Program claims from Non-Medicaid 1115 Waiver providers processed by Boon-Chapman. (Mrs. Wagner, Chair - Indigent Care Committee)**

Mrs. Wagner made a motion to consider and act on Healthcare Assistance Program claims from Non-Medicaid 1115 Waiver providers processed by Boon-Chapman. Ms. Whatley offered a second and motion passed unanimously.

- 25. Consider and act on ratification of voluntary contributions to the Medicaid 1115 Waiver program of Healthcare Assistance Program claims processed by Boon Chapman. (Mrs. Wagner, Chair – Indigent Care Committee)**

Mrs. Wagner made a motion to consider and act on ratification of voluntary contributions to the Medicaid 1115 Waiver program of Healthcare Assistance Program claims processed by Boon Chapman. Mr. Spratt offered a second and motion passed unanimously.

- 26. Consider and act on revisions and modifications to Healthcare Assistance Program (HCAP) which is comprised of the Montgomery County Indigent Care Plan and the Medical Assistance Plan Handbooks. (Mrs. Wagner, Chair-Indigent Care Committee). (attached)**

Mrs. Wagner made a motion to consider and act on revisions and modifications to Healthcare Assistance Program (HCAP) which is comprised of the Montgomery County Indigent Care Plan and the Medical Assistance Plan Handbooks. Mr. Spratt offered a second and motion passed unanimously.

- 27. Presentation of preliminary Financial Report for seven months ended April 30, 2017 – Brett Allen, CFO, report to include Financial Summary, Financial Statements, Supplemental EMS Billing Information, and Supplemental Schedules.**

Mr. Brett Allen, CFO presented financial report to the board.

- 28. Consider and act on policy ACC 05-102 Capital Asset Capitalization Policy. (Mr. Grice, Treasurer – MCHD Board) (attached)**

Mr. Grice made a motion to consider and act on policy ACC 05-102 Capital Asset Capitalization Policy. Ms. Whatley offered a second and motion passed unanimously.

- 29. Consider and act on closing and consolidation of bank accounts. (Mr. Grice, Treasurer – MCHD Board)**

Mr. Grice made a motion to consider and act on closing and consolidation of bank accounts. Ms. Whatley offered a second and motion passed unanimously.

- 30. Consider and act on ratification of payment of District invoices. (Mr. Grice, Treasurer - MCHD Board)**

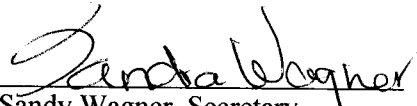
Mr. Grice made a motion to consider and act on ratification of payment of District invoices. Mr. Bagley offered a second and motion passed unanimously.

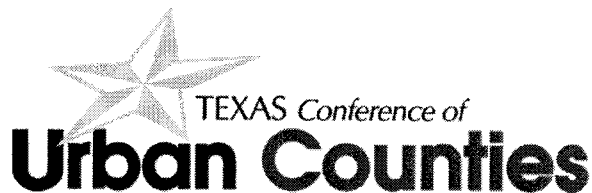
**31. Secretary's Report - Consider and act on minutes for the April 25, 2017 Regular Meeting.
(Mrs. Wagner, Secretary - MCHD Board)**

Mrs. Wagner made a motion to consider and act on minutes for the April 25, 2017 Regular BOD Meeting. Ms. Whatley offered a second and motion passed unanimously

32. Adjourn

Meeting adjourned at 5:14 p.m.


Sandy Wagner, Secretary



Chairman

Judge
Veronica Escobar
El Paso County

Chair Elect

Judge
Robert Hebert
Fort Bend County

Immediate Past Chair

Commissioner
Bobbie Mitchell
Denton County

Vice-Chairmen

Comm. Tim Brown
Bell County

Judge Ed Emmett
Harris County

Judge Loyd Neal
Nueces County

Judge Glen Whitley
Tarrant County

Judge Dan Gattis
Williamson County

Comm. Kevin Burns
Wise County

Executive Director

Donald Lee

Member Counties

Bell ~ Bexar
Brazoria ~ Brazos
Cameron ~ Chambers
Collin ~ Comal
Dallas ~ Denton
Ector ~ El Paso
Fort Bend ~ Galveston
Grayson ~ Gregg
Harris ~ Hays
Hidalgo ~ Jefferson
Johnson ~ Kaufman
Lubbock ~ McLennan
Midland ~ Montgomery
Nueces ~ Potter
Randall ~ Rockwall
San Patricio ~ Smith
Tarrant ~ Travis
Webb ~ Williamson
Wise

500 West 13th Street
Austin, TX 78701

Phone: 512.476.6174

Fax: 512.476.5122

www.cuc.org

April 24, 2017

To: Mr. Randy Johnson, CEO, Montgomery County Hospital District

From: Donald Lee, Executive Director

Re: **Tobacco Settlement Permanent Trust Account – Invitation to Nominate**

Montgomery County Hospital District is invited to nominate a candidate for appointment to the Tobacco Settlement Permanent Trust Account Administration Advisory Committee (Administration Committee) and the Tobacco Settlement Permanent Trust Account Investment Committee (Investment Committee). The pending appointments are to fill expired terms on the committee. The term will expire August 31, 2023.

Eligible to nominate candidates to the Administration Committee and the Investment Committee are the 10 entities that received the 3rd through 12th greatest distribution amounts from the Tobacco Settlement Trust in 2016. Montgomery County Hospital District is one of these entities.

These are important committees. These committees work in concert to provide oversight and adopt rules regarding annual distributions from the earnings of the Tobacco Settlement Permanent Trust Account.

The 76th Texas Legislature created the Tobacco Settlement Permanent Trust Account as a cooperative project between the Texas Department of Health (now Department of State Health Services) and the State Comptroller of Public Accounts to provide county hospitals, hospital districts, and public hospitals payments from the Tobacco Settlement Permanent Trust Account.

The Administration Committee provides advice to the Department of State Health Services (DSHS) and the Executive Commissioner of the Texas Health and Human Services Commission (HHSC) regarding any proposed amendments to rules governing the annual distribution of tobacco settlement proceeds to political subdivisions. The Committee is also charged with annually reviewing the results of audited expenditure statements.

The *Investment Committee* is responsible for overseeing the investment and management by the Texas Comptroller of over \$2 billion in tobacco settlement funds held in trust for Texas counties, hospital districts, and public hospitals. For Texas counties to receive distributions, the Committee must meet and conduct certain business each year.

The Urban Counties has three criteria of paramount importance when reviewing nominees for these appointments:

1. An absolute commitment to attend committee meetings;
2. The nominee to the *Administration Committee* should have experience with the operations and finances of public hospitals, hospital districts and counties in regards to health care expenditures; and
3. The nominee to the *Investment Committee* should have experience with institutional investing.

The following materials are requested to support the nomination - the nominee's resume, contact information, and, a copy of your nominating resolution. Please send these materials to us by **5 p.m. on Wednesday, May 31, 2017** via mail to our office, or email to Gabriela Villareal, gabriela.villareal@cuc.org. Appointments will be made in June 2017.

Thank you for your assistance and participation in this process. Please feel free to contact me if I can provide any additional assistance on this or any matter. I can be reached at 512.476.6174 or donlee@cuc.org.



May 30, 2017

Texas Conference of Urban Counties
c/o Mr. Donald Lee, Executive Director
500 West 23th Street
Austin, Texas 78701

**Re: Harold Posey Nomination – Tobacco Settlement Permanent Trust Account
Administration Advisory Committee**

Dear Mr. Lee,

This letter is in support of Harold Posey's appointment to the Tobacco Settlement Permanent Trust Account Administration Advisory Committee (Administration Committee). Harold has served on the Montgomery County Hospital District's board in the Commissioner Precinct No. 2 position from 2005 to 2016 in capacities as Treasurer and Chairman of the Board.

Harold is well thought of by all of our board members and it was by unanimous consent at the May 23, 2017 MCHD regular board meeting that he is being recommended for consideration as a board member for the Tobacco Settlement Permanent Trust Account Administration Advisory Committee. All of our board members and the executive management team of MCHD believe Harold will provide valuable experience and leadership as a continued member of this committee.

Sincerely,

A handwritten signature in black ink, appearing to read 'Donna R. Daniel', written over a large, stylized, circular flourish.

Donna R. Daniel
Records Custodian

Cc: Harold Posey
Legal Counsel
Brett Allen, CFO



STATE OF TEXAS

§
§
§

COUNTY OF MONTGOMERY

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S
BOARD OF DIRECTORS TO NOMINATE HAROLD POSEY TO THE TOBACCO
SETTLEMENT PERMANENT TRUST ACCOUNT ADMINISTRATION ADVISORY
COMMITTEE**

WHEREAS, the Montgomery County Hospital District is duly organized under the laws of Texas as a political subdivision; and

WHEREAS, the Montgomery County Hospital District's enabling legislation, as codified in chapter 1063 of the Special District Local Laws Code authorizes it to provide health care services, including emergency medical services (EMS) to the residents of the District; and

WHEREAS, the Montgomery County District was a party to the Texas Tobacco Litigation which resulted in a multi-billion dollar settlement for Texas Counties and Hospital Districts;

WHEREAS, following the settlement of the Texas Tobacco Litigation the Texas Legislature passed legislation creating the Texas Tobacco Settlement Permanent Trust Account Administration Advisory Committee; and

WHEREAS, pursuant to such legislation (now codified as section 12.137 of the Texas Health & Safety Code Code) the Texas Conference of Urban Counties is vested with authority to select certain representatives to serve on the Texas Tobacco Settlement Permanent Trust Account Administration Advisory Committee;

WHEREAS, by this Resolution the Board of Directors of the Montgomery County Hospital District nominates its former Board Chairman, Harold Posey to serve on the Tobacco Settlement Permanent Trust Account Administration Advisory Committee;

NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:

1. **Approval of Recitals as Findings of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Approval and Support of Nomination of Harold Posey to Tobacco Settlement Permanent Trust Account Administration Advisory Committee** The Board of Directors hereby supports the nomination of Harold to the Tobacco Settlement Permanent Trust Account Administration Advisory Committee.

3. Notification of Resolution to Texas Conference of Urban Counties. The Board of Directors further directs that a copy of this Resolution be forwarded the Texas Conference of Urban Counties for its consideration.

BE IT SO RESOLVED.

Passed and Approved this 23rd day of May, 2017, by a vote of 7
in favor and 0 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL
DISTRICT BOARD OF DIRECTORS**

Kenn Fawn
Kenn Fawn, Chairman of MCHD Board

Attest:

Donna Daniel
Donna Daniel, Board Secretary

May 29, 2017

To: Donna
From: Harold

Resume

BORN: 11-11-37 in Midlothian, Texas Ellis County
Graduated High School: 6-1-56 Bynum High School, Bynum, Texas
Hill County
Graduated College: Baylor University 6-1-63

Business History: Harolds Mobil Service Station 1959-1963
Mobil Oil Corp: City Mkt. Rep. 1963-1965 DALLAS, TX
Territory Rep 1965-1968 GREENVILLE, TEXAS
Supervisor of Retail Development Baton Rouge, LA.
1967-1970
Area Mgr. 1970-1973 HOUSTON, TEXAS
ITT Financial Corp: 1973-1978
National Sales Mgr. 1973-1975 DENVER Colorado
V.P. of Marketing 1975-1978 DENVER Colorado
1978-1996 STARTED UP Posey Pure Corp, RainSoft
of Houston, AND Posey Fresh Corp. - All in Houston
and considered very successful businesses,
SOLD all three in 1996 and retired to
MAGNOLIA, TEXAS.

Business Honors: DIRECTOR OF NATIONAL WATER QUALITY ASSN.
(Wrote and implemented "Code of Ethics for Assn.")
Voted Man of the Year in 1991
President of Texas Water Quality Assn. in
1990-91
Installed in RainSoft Corp. Hall of Fame in
1992

Community Service: Republican Precinct Chair - 1997-2001
Finance Chairman for Construction of Wilkwood
Methodist Church. 2002
Taught Men's Bible Class 2001-2002
Elected to MCHD Board in 2004-2016
Served on several committees, TREASURER - 4 yrs
President 2 years

Harold E. Bay



Chairman

Judge
Veronica Escobar
El Paso County

Chair Elect

Judge
Robert Hebert
Fort Bend County

Immediate Past Chair

Commissioner
Bobbie Mitchell
Denton County

Vice-Chairmen

Comm. Tim Brown
Bell County

Judge Ed Emmett
Harris County

Judge Loyd Neal
Nueces County

Judge Glen Whitley
Tarrant County

Judge Dan Gattis
Williamson County

Comm. Kevin Burns
Wise County

Executive Director

Donald Lee

Member Counties

Bell ~ Bexar
Brazoria ~ Brazos
Cameron ~ Chambers
Collin ~ Comal
Dallas ~ Denton
Ector ~ El Paso
Fort Bend ~ Galveston
Grayson ~ Gregg
Harris ~ Hays
Hidalgo ~ Jefferson
Johnson ~ Kaufman
Lubbock ~ McLennan
Midland ~ Montgomery
Nueces ~ Potter
Randall ~ Rockwall
San Patricio ~ Smith
Tarrant ~ Travis
Webb ~ Williamson
Wise

500 West 13th Street
Austin, TX 78701

Phone: 512.476.6174
Fax: 512.476.5122

www.cuc.org

April 24, 2017

To: Mr. Randy Johnson, CEO, Montgomery County Hospital District

From: Donald Lee, Executive Director

Re: **Tobacco Settlement Permanent Trust Account – Invitation to Nominate**

Montgomery County Hospital District is invited to nominate a candidate for appointment to the Tobacco Settlement Permanent Trust Account Administration Advisory Committee (Administration Committee) and the Tobacco Settlement Permanent Trust Account Investment Committee (Investment Committee). The pending appointments are to fill expired terms on the committee. The term will expire August 31, 2023.

Eligible to nominate candidates to the Administration Committee and the Investment Committee are the 10 entities that received the 3rd through 12th greatest distribution amounts from the Tobacco Settlement Trust in 2016. Montgomery County Hospital District is one of these entities.

These are important committees. These committees work in concert to provide oversight and adopt rules regarding annual distributions from the earnings of the Tobacco Settlement Permanent Trust Account.

The 76th Texas Legislature created the Tobacco Settlement Permanent Trust Account as a cooperative project between the Texas Department of Health (now Department of State Health Services) and the State Comptroller of Public Accounts to provide county hospitals, hospital districts, and public hospitals payments from the Tobacco Settlement Permanent Trust Account.

The Administration Committee provides advice to the Department of State Health Services (DSHS) and the Executive Commissioner of the Texas Health and Human Services Commission (HHSC) regarding any proposed amendments to rules governing the annual distribution of tobacco settlement proceeds to political subdivisions. The Committee is also charged with annually reviewing the results of audited expenditure statements.

The Investment Committee is responsible for overseeing the investment and management by the Texas Comptroller of over \$2 billion in tobacco settlement funds held in trust for Texas counties, hospital districts, and public hospitals. For Texas counties to receive distributions, the Committee must meet and conduct certain business each year.

The Urban Counties has three criteria of paramount importance when reviewing nominees for these appointments:

1. An absolute commitment to attend committee meetings;
2. The nominee to the *Administration Committee* should have experience with the operations and finances of public hospitals, hospital districts and counties in regards to health care expenditures; and
3. The nominee to the *Investment Committee* should have experience with institutional investing.

The following materials are requested to support the nomination - the nominee's resume, contact information, and, a copy of your nominating resolution. Please send these materials to us by **5 p.m. on Wednesday, May 31, 2017** via mail to our office, or email to Gabriela Villareal, gabriela.villareal@cuc.org. Appointments will be made in June 2017.

Thank you for your assistance and participation in this process. Please feel free to contact me if I can provide any additional assistance on this or any matter. I can be reached at 512.476.6174 or donlee@cuc.org.

Daniel, Donna

From: Gabriela Villareal <gabriela.villareal@cuc.org>
Sent: Tuesday, May 30, 2017 3:03 PM
To: Daniel, Donna
Cc: counsel; Allen, Brett; Johnson, Randy; 'Harold Posey'
Subject: RE: Nomination - Harold Posey for Tobacco Settlement Permanent Trust Advisory Committee - Contact Information

Donna,

This email confirms receipt of the materials to support Montgomery County Hospital District's nomination of Harold Posey to the Tobacco Settlement Permanent Trust Account Advisory Committee.

Best,
Gabriela

From: Daniel, Donna [mailto:ddaniel@mchd-tx.org]
Sent: Tuesday, May 30, 2017 2:58 PM
To: Gabriela Villareal <gabriela.villareal@cuc.org>
Cc: counsel <ghudson@holaw.net>; Allen, Brett <ballen@mchd-tx.org>; Johnson, Randy <rejohnson@mchd-tx.org>; 'Harold Posey' <haroldposey2@aol.com>
Subject: RE: Nomination - Harold Posey for Tobacco Settlement Permanent Trust Advisory Committee - Contact Information
Importance: High

Sorry Gabriela,

Mr. Harold Posey's contact information as follow:

Harold Posey
14903 Wildwood Trace
Magnolia, TX 77354

No Home Phone – Cell Phone (281) 620-3288

Email – Haroldposey2@aol.com

Thank you,
Donna R. Daniel
Records Manager/Compliance Officer
Tel: (936) 523-5016
Fax: (936) 539-1163
Cell: (832) 364-9308



From: Daniel, Donna
Sent: Tuesday, May 30, 2017 2:46 PM
To: 'gabriela.villareal@cuc.org' <gabriela.villareal@cuc.org>
Cc: counsel <ghudson@holaw.net>; Allen, Brett <ballen@mchd-tx.org>; Johnson, Randy <rejohnson@mchd-tx.org>; 'Harold Posey' <haroldposey2@aol.com>
Subject: Nomination - Harold Posey for Tobacco Settlement Permanent Trust Advisory Committee
Importance: High

Gabriella,

Attached please find the resume and board resolution for Harold Posey. Harold served on the MCHD board from 2044 to 2016 and is well thought of by all of our board members and it was with unanimous consent at the May 23, 2017 MCHD regular board that he is being recommended for consideration as a board member for the Tobacco Settlement Permanent Trust Account Advisory Committee. All of our board members and the executive management team of MCHD believe Harold will provide valuable experience and leadership as a member of this committee.

Thank you,
Donna R. Daniel
Records Manager/Compliance Officer
Tel: (936) 523-5016
Fax: (936) 539-1163
Cell: (832) 364-9308



The contents of this communication are intended only for the addressee and may contain confidential and/or privileged material. If you are not the intended recipient, please do not read, copy, use or disclose this communication and notify the sender. Opinions, conclusions and other information in this communication that do not relate to the official business of Montgomery County Hospital District shall be understood as neither given nor endorsed by it.



May 30, 2017

Texas Conference of Urban Counties
c/o Mr. Donald Lee, Executive Director
500 West 23th Street
Austin, Texas 78701

**Re: Fred Greene Nomination – Tobacco Settlement Permanent Trust Account
Investment Committee**

Dear Mr. Lee,

This letter is in support of Fred Greene's appointment to the Tobacco Settlement Permanent Trust Account Investment Committee (Investment Committee). Fred has recently served on this board since his original nomination in September, 2011. Please note that Fred is not on the Board of Directors for Montgomery County Hospital District but is one of the outside Investment advisors for MCHD.

Fred is well thought of by all of our board members and it was by unanimous consent at the May 23, 2017 MCHD regular board meeting that he is being recommended for consideration as a board member for the Tobacco Settlement Permanent Trust Account Investment Committee. All of our board members and the executive management team of MCHD believe Fred will provide valuable experience and leadership as a continued member of this committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Donna R. Daniel". The signature is fluid and cursive, with a large loop at the end.

Donna R. Daniel
Records Custodian

Cc: Fred Greene
Legal Counsel
Brett Allen, CFO



Frederick T. Greene, CIMA ®

47 North Emory Bend Pl. Shenandoah, TX 77381

Office: 832-375-2513, Cell 832-326-1030

Fred.Greene@woodforestfinancial.com or fredericktgreene@comcast.net

- Objective** To continue my service to the State of Texas and the hospital districts represented by the Texas Conference of Urban Counties as a member of the Texas Tobacco Board Investment Advisory Committee
- Experience** Executive Vice President, Portfolio Manager, Financial Advisor
Woodforest Financial Services, Inc. Raymond James Financial Services, Inc.
1599 Lake Robbins Dr. Suite 200 The Woodlands, TX 77381
May 2003 – Present
Financial Advisor for the bank, bank clients and employees of Woodforest National Bank.

Registered Representative continuously since March 1983. Branch Office Manager for 16 of those years. Affiliated with Merrill Lynch, PaineWebber, EVEREN Securities, Inc. (bought by First Union Advisors) and Oppenheimer
- Education** Bachelor of Science Aeronautics, Parks College of St. Louis University, 1977
Portfolio Manager designation 1994
Securities Industry Institute/The Wharton School graduate 1995
Certified Investment Management Analyst designation 2000
- Industry** FINRA District Six Business Committee member 2009 – 2011. Served as chairman of committee in 2011
Texas Tobacco Settlement Investment Advisor Committee since 2011
Recognized as top 25 Bank Investment Consultant Program Managers for 2016
Recognized as top 100 bank Investment Consultant Advisors 2016
Raymond James Chairman's Council 2013, 2014, 2015, 2017
FINRA licenses: Series 4, 7, 9, 10, 63 and 65
- References** Tommy Williams, Vice Chancellor for Federal and State relations, Texas A&M University, College Station Texas
Robert Marling, Chairman Woodforest Financial Group, The Woodlands, Texas
Cathy Nash, CEO Woodforest National Bank, The Woodlands, TX
Scott Curtis, President, Raymond James Financial Services, Inc. St. Petersburg, FL
- Personal** Married 1978, two grown children, active in The Woodlands Kiwanis Club, the South Texas Wing of Angel Flight and the Woodlands Waterway Arts Council



Chairman

Judge
Veronica Escobar
El Paso County

Chair Elect

Judge
Robert Hebert
Fort Bend County

Immediate Past Chair

Commissioner
Bobbie Mitchell
Denton County

Vice-Chairmen

Comm. Tim Brown
Bell County

Judge Ed Emmett
Harris County

Judge Loyd Neal
Nueces County

Judge Glen Whitley
Tarrant County

Judge Dan Gattis
Williamson County

Comm. Kevin Burns
Wise County

Executive Director

Donald Lee

Member Counties

Bell ~ Bexar

Brazoria ~ Brazos

Cameron ~ Chambers

Collin ~ Comal

Dallas ~ Denton

Ector ~ El Paso

Fort Bend ~ Galveston

Grayson ~ Gregg

Harris ~ Hays

Hidalgo ~ Jefferson

Johnson ~ Kaufman

Lubbock ~ McLennan

Midland ~ Montgomery

Nueces ~ Potter

Randall ~ Rockwall

San Patricio ~ Smith

Tarrant ~ Travis

Webb ~ Williamson

Wise

500 West 13th Street
Austin, TX 78701

Phone: 512.476.6174

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April 24, 2017

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From: Donald Lee, Executive Director

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2. The nominee to the *Administration Committee* should have experience with the operations and finances of public hospitals, hospital districts and counties in regards to health care expenditures; and
3. The nominee to the *Investment Committee* should have experience with institutional investing.

The following materials are requested to support the nomination - the nominee's resume, contact information, and, a copy of your nominating resolution. Please send these materials to us by **5 p.m. on Wednesday, May 31, 2017** via mail to our office, or email to Gabriela Villareal, gabriela.villareal@cuc.org. Appointments will be made in June 2017.

Thank you for your assistance and participation in this process. Please feel free to contact me if I can provide any additional assistance on this or any matter. I can be reached at 512.476.6174 or donlee@cuc.org.

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

**A RESOLUTION OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S
BOARD OF DIRECTORS TO NOMINATE FRED GREENE TO THE TOBACCO
SETTLEMENT PERMANENT TRUST ACCOUNT INVESTMENT ADVISORY
COMMITTEE**

WHEREAS, the Montgomery County Hospital District is duly organized under the laws of Texas as a political subdivision; and

WHEREAS, the Montgomery County Hospital District's enabling legislation, as codified in chapter 1063 of the Special District Local Laws Code authorizes it to provide health care services, including emergency medical services (EMS) to the residents of the District; and

WHEREAS, the Montgomery County District was a party to the Texas Tobacco Litigation which resulted in a multi-billion dollar settlement for Texas Counties and Hospital Districts;

WHEREAS, following the settlement of the Texas Tobacco Litigation the Texas Legislature passed legislation creating the Texas Tobacco Settlement Permanent Trust Account Investment Advisory Committee; and

WHEREAS, pursuant to such legislation (now codified as section 403.1042 of the Texas Government Code) the Texas Conference of Urban Counties is vested with authority to select certain representatives to serve on the Texas Tobacco Settlement Permanent Trust Account Investment Advisory Committee;

WHEREAS, by this Resolution the Board of Directors of the Montgomery County Hospital District nominates Fred Greene to serve on the Tobacco Settlement Permanent Trust Account Investment Advisory Committee;

NOW, THEREFORE, BE IT RESOLVED BY THE MONTGOMERY COUNTY HOSPITAL DISTRICT'S BOARD OF DIRECTORS THAT:

1. **Approval of Recitals as Findings of Fact.** The foregoing recitals, having been found by the Board of Directors to be true and correct, are hereby incorporated into this Resolution as findings of fact.
2. **Approval and Support of Nomination of Fred Greene to Tobacco Settlement Permanent Trust Account Investment Advisory Committee** The Board of Directors hereby supports the nomination of Fred Greene to the Tobacco Settlement Permanent Trust Account Investment Advisory Committee. Fred Greene has previously served on the Tobacco Settlement Permanent Trust Account Investment Advisory Committee and the Board of Directors believes he has particular knowledge and skills that are beneficial to the

Committee and to the County and Hospital District recipients of funds from the Tobacco Settlement Permanent Trust.

3. **Notification of Resolution to Texas Conference of Urban Counties.** The Board of Directors further directs that a copy of this Resolution be forwarded the Texas Conference of Urban Counties for its consideration.

BE IT SO RESOLVED.

Passed and Approved this 23rd day of May, 2017, by a vote of 7 in favor and 0 against, 0 abstaining.

**MONTGOMERY COUNTY HOSPITAL
DISTRICT BOARD OF DIRECTORS**


Kenn Fawn, Chairman of MCHD Board

Attest:


Donna Daniel, Board Secretary

Daniel, Donna

From: Gabriela Villareal <gabriela.villareal@cuc.org>
Sent: Tuesday, May 30, 2017 1:44 PM
To: Daniel, Donna
Cc: counsel; Fred Greene; Allen, Brett; Johnson, Randy
Subject: RE: Nomination - Fred Greene for Tobacco Settlement Permanent Trust Account Investment Committee - Resolution attached

Donna,

This email confirms receipt of the materials to support Montgomery County Hospital District's nomination of Fred Greene to the Tobacco Settlement Permanent Trust Account Investment Committee.

Best,
Gabriela

From: Daniel, Donna [mailto:ddaniel@mchd-tx.org]
Sent: Tuesday, May 30, 2017 1:38 PM
To: Gabriela Villareal <gabriela.villareal@cuc.org>
Cc: counsel <ghudson@holaw.net>; Fred Greene <fred.greene@woodforestfinancial.com>; Allen, Brett <ballen@mchd-tx.org>; Johnson, Randy <rejohnson@mchd-tx.org>
Subject: RE: Nomination - Fred Greene for Tobacco Settlement Permanent Trust Account Investment Committee - Resolution attached
Importance: High

Gabriela,

As discussed this morning attached please find signed resolution for Fred Greene nomination.

Thank you,
Donna R. Daniel
Records Manager/Compliance Officer
Tel: (936) 523-5016
Fax: (936) 539-1163
Cell: (832) 364-9308



From: Daniel, Donna
Sent: Tuesday, May 30, 2017 8:47 AM
To: 'gabriela.villareal@cuc.org' <gabriela.villareal@cuc.org>
Cc: counsel <ghudson@holaw.net>; 'Fred Greene' <fred.greene@woodforestfinancial.com>; Allen, Brett <ballen@mchd-tx.org>; Johnson, Randy <rejohnson@mchd-tx.org>

Subject: Nomination - Fred Greene for Tobacco Settlement Permanent Trust Account Investment Committee
Importance: High

Gabriella,

Attached please find the resume for Fred Greene. Fred has served on this board since his original nomination in September, 2011 and is well thought of by all of our board members and it was with unanimous consent at the May 23, 2017 MCHD regular board that he is being recommended again for consideration as a board member for the Tobacco Settlement Permanent Trust Account Investment Committee. All of our board members and the executive management team of MCHD believe Fred will again provide valuable experience and leadership as a continued member of this committee.

Thank you,
Donna R. Daniel
Records Manager/Compliance Officer
Tel: (936) 523-5016
Fax: (936) 539-1163
Cell: (832) 364-9308



The contents of this communication are intended only for the addressee and may contain confidential and/or privileged material. If you are not the intended recipient, please do not read, copy, use or disclose this communication and notify the sender. Opinions, conclusions and other information in this communication that do not relate to the official business of Montgomery County Hospital District shall be understood as neither given nor endorsed by it.



Montgomery County Hospital District
Five-Year Strategic Plan

May 2017

Draft only-

Date Approved by Board of Directors _____

-pluotfor 15

Table of Contents

Executive Summary.....	3
Mission, Vision and Values.....	6
History of the District.....	7
The District Today.....	9
HCAP Strategic Goals	10
EMS Strategic Goals.....	12
Support Units Strategic Goals.....	16
Trends and Issues.....	18
SWOT Assessment.....	25
Five-Year Financial Projections Assumptions.....	28
Key Relationships.....	34
Organizational Structure of the Future.....	35

Executive Summary

In creating the Strategic Plan for the Montgomery County Hospital District, the Board of Directors developed some overarching goals for District executives. Following is the Policy Statement, which serves as the guiding principles of the Executive Management and Command staff:

1. MCHD shall set tangible and definable Goals to:
 - a. Set a standard and then measure MCHD's delivery of services. This metric must be understood, achieved, and then communicated through the organization to the Board and to the Public.
 - b. Set a standard and then measure MCHD's employee job satisfaction. We will continue to measure this metric by focusing on employee turnover rates and patient satisfaction surveys, additionally we will contract an outside agency to measure employee satisfaction more formally. This metric must be understood, achieved, and then communicated through the organization to the Board and to the Public.
 - c. Effectively communicate the successes of the District to the residents of Montgomery County. This will be done by giving quarterly "updates" to Chambers of Commerce, Rotary Clubs, Lions Club and updates to City Councils. Successes will be promoted in social media and news outlets at least weekly. Finally, success will be communicated to first Responder organizations and local hospitals at least two times a year.
2. MCHD will assure that tax revenue into the District does not grow faster than the rate of inflation together with the rate of population growth.
3. MCHD will strive to maintain a cash reserve of at least six month's operating expenses at all times.

The Montgomery County Hospital District (MCHD) was created by special legislation in 1977 as a political subdivision of the State of Texas. The primary responsibility of the District's creation, according to enabling legislation, is to provide healthcare to indigent residents of the county.

Through the years, MCHD services have expanded to include a county-wide emergency medical service (EMS), the 911 communication system, the county's Public Health District, and emergency preparedness (with coordination of agency partners).

This report completes a detailed assessment of the Montgomery County Hospital District's strategic position. As a part of the analysis, the planning group examined the history of the District, the external environment and associated trends, evaluated the stakeholders' needs, assessed the internal operating conditions and current directional strategies to provide the basis for the proposed strategic objectives.

The strategic assessments were performed with specific attention placed on balancing the organization pillars of People, Service, Quality, Finance, and Growth.

The recommendations offered in this report bear a direct relation to the major issues that need to be addressed by the District. Perhaps the largest predictable challenge that faces MCHD in the coming years is the change in healthcare legislation. The state continues to work with the seven year old Affordable Care Act.

As a political subdivision of the state, the District must work within the parameters provided, striving to maximize the available healthcare dollars to positively impact healthcare in Montgomery County.

In addition to healthcare reform, other significant trends include:

1. Population growth and the associated growth in volume
2. Legislative and regulatory changes in healthcare
3. A local economy beginning to recover from oil glut
4. Uninsured population growing
5. Increasing expenses related to services provided

From these key factors, a series of Five Strategic Goals supported by strategic objectives to fulfill those goals were formulated to enhance the District's ability to balance the needs of competing stakeholders and achieve success in meeting our statutory and elected service goals.

1. Maintain MCHD as the **regional "Employer of Choice"**
2. **Provide excellent service** in our EMS, HCAP and Emergency Preparedness programs to all our customers: co-workers, clients, patients, taxpayers and the community.
3. Deliver the highest quality service by establishing and maintaining **a structured process to measure and continually improve**. This will be evidenced by Key Performance Indicators, Core Measures and implementation of a Process Improvement program.
4. Provide for the short and long term **financial stability** of MCHD and protection for the taxpayer while meeting the needs of the community.
5. Proactively **meet the growth needs** of our community in all areas.
 - a. Communicate mission and outcomes internally and externally
 - b. Continuous education and training of our staff, based on current best practices and industry standards

In conclusion, the Montgomery County Hospital District is committed to providing in a financially responsible way, with excellence and responsibility, the essential services with which it is charged. MCHD is also dedicated to creating a work environment for its employees that encourages open communication and highly supports professional growth and education. The District is financially strong and operates in a community that is experiencing steady growth.

Mission, Vision and Values

Mission Statement

Our mission is to care for the indigent and provide EMS services while protecting the interest of the taxpayers and insuring long-term stability through fund development.

Vision Statement

Our vision is cost effective indigent care and taxpayer supplemented EMS with total professionalism administered through an elected board of directors.

Values

Our values are quality, innovative, cost effective operations that are open to the public.

Employee Value Statements

Accountability

Being responsible for our thoughts, words, and deeds, and the resources entrusted to us.

Compassion

To be understanding, caring and nurturing.

Excellence

We will strive to exceed all expectations and maintain the highest standards in our industry.

Innovation

Providing superior and professional service to the citizens of Montgomery County utilizing professional development, state of the art technology, and sound practice.

Integrity

Acting with the highest standards of honesty and ethics in every decision and action that we make as individuals or as an organization.

Unity

A group of individuals striving toward shared goals and a vision of improving the quality of life for all.

MCHD History

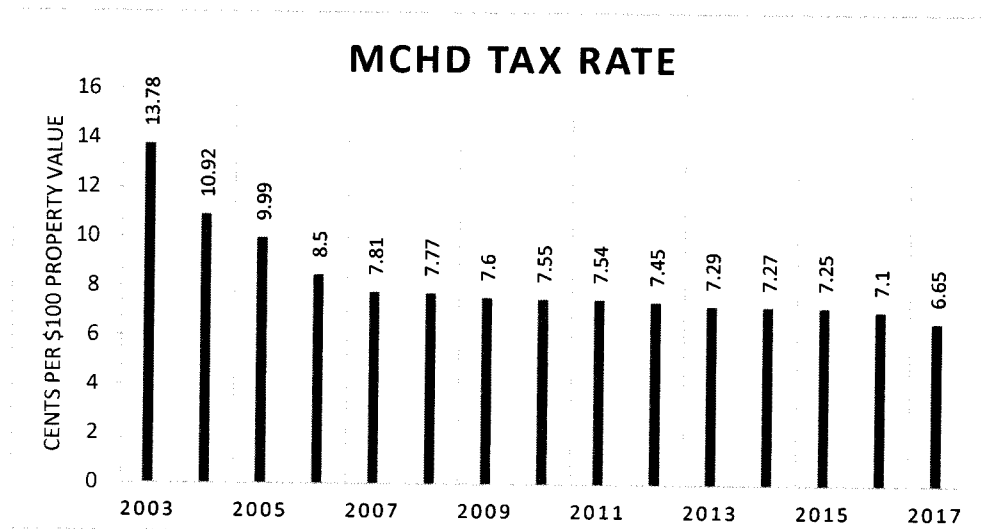
Originally, the District carried out its legislative purpose through its operations of the Medical Center Hospital in Conroe, Texas, which was sold in 1993 to Health Trust, Inc. After the sale of the hospital, the District met its requirement through contracts with the new owners of the hospital and other private physicians.

Today, the District's provider network for its Health Care Assistance Program (HCAP) has grown from a handful of physicians to more than 650 providers across Montgomery and Harris Counties. The District contracts for healthcare services across the continuum of care. Our contracts provide pre and post hospital care providers as well as over 15 hospitals in Montgomery County and surrounding areas.

In addition to indigent care, the District provides emergency medical ambulance services for Montgomery County. Medical Center Hospital operated a hospital-based EMS prior to the formation of the District in 1977. At the time of the sale of the hospital, the District maintained operational control of EMS. In 1995, the District contracted with a private company to provide EMS emergency response and transfer services. In 1997, the MCHD Board of Directors decided that in order to reach the desired level of excellence, the District would resume control of EMS operations in 1998.

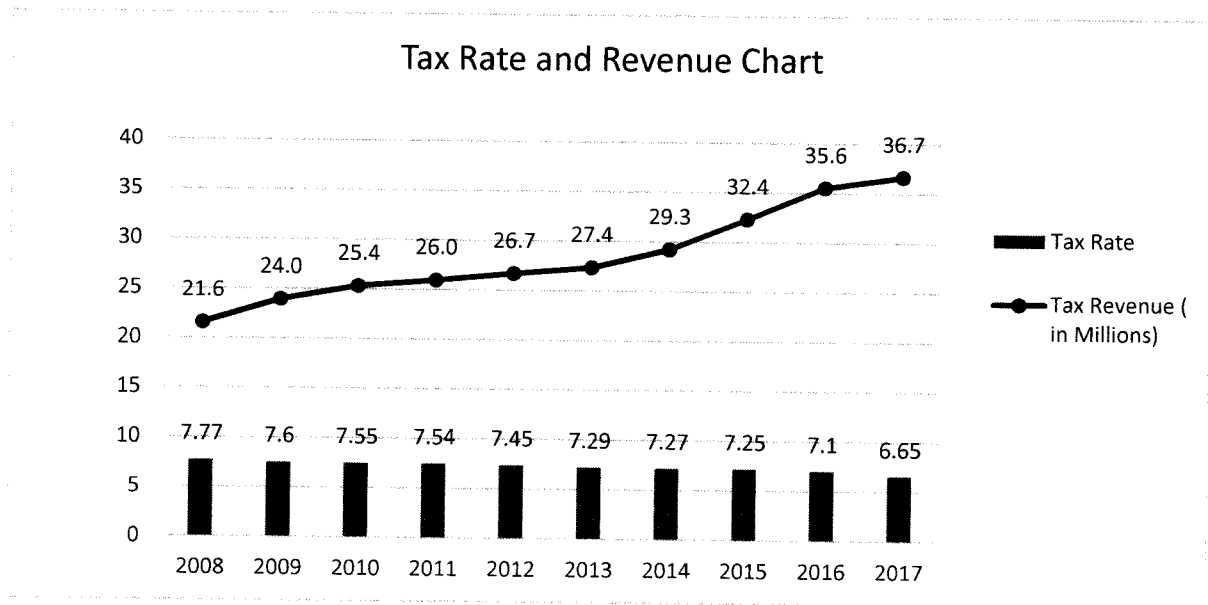
Because of the District's enabling legislation, it is supported through an ad valorem tax-based funding mechanism. In 2003, MCHD began a trend of reducing property taxes. This was accomplished by controlling costs, eliminating inefficient programs, and increasing fee for service revenue. Rapidly rising property valuations also contributed to the Board's ability to reduce the tax rate. As the chart below demonstrates, MCHD has reduced the tax rate every year since 2003.

The graph below shows the progression of the District's tax rate over time.



Likewise, the graph below shows the progress of the tax rate and total tax revenue received by the District over the years.

Tax Rate and Revenue Chart



Because of growth in the county's tax base, the tax rate reductions have not negatively affected the District's income. MCHD's conservative Board works diligently to have one of the lowest, if not the lowest, tax rate in the county.

However current projection of 2018 taxes indicate that MCHD tax revenue will reduce from \$36.7 MM to \$35.1 MM, due to the increased Homestead exemption. Growth in the county should allow tax revenue increases to \$ 36.9 MM in 2019.

The District Today

The District operates two separate **Strategic Service Units**. Each unit has a unique mission, set of stakeholders, operating environment and resource requirements. These units are: HCAP and EMS. In addition to these units, there are **Support Units** that enable the Strategic Service Units to be successful.

Strategic Service Units

1. Health Care Assistance Program (HCAP)

HCAP is the District's indigent health care program, and is mandated by MCHD's enabling legislation. HCAP does not directly provide medical care, but instead provides the funding mechanism for its members to have access to care through contracted providers. This "membership" program provides healthcare for Montgomery County citizens who meet the eligibility requirements. We contract with hospitals and other providers to actively decrease medical cost, allowing us to provide the broadest range of services at the least cost.

These eligibility requirements substantially exceed the minimum income eligibility mandates of the State of Texas. Although a complete discussion of the eligibility requirements and the services provided is outside the scope of this discussion, it is important to understand the basic requirements for membership.

In order to qualify for HCAP, an applicant:

- a. Must be a legal resident of Montgomery County
- b. Must have a family income that does not exceed 100% of the Federal Poverty Level for the region
- c. Must have household assets that do not exceed \$2,000 (excluding one household automobile)
- d. Must not have access to healthcare services that can be funded by any other public or private program
- e. Must meet other eligibility requirements
- f. Member must recertify their eligibility every six months.

Certified members of HCAP are entitled to:

- a. Basic healthcare
- b. Certain specialty care
- c. Certain prescription medication (up to three concurrent)
- d. Hospitalization
- e. Annual cap on cost of care: \$60,000 which is twice the amount of the legal required minimum

As previously discussed, the direct provision of healthcare services is handled by contracted providers. The HCAP staff is responsible for:

- a. Managing the eligibility process and certifying eligibility of member applicants
- b. Resolving eligibility issues with members and service providers
- c. Resolving issues and conflicts that may arise with, and between, members and service providers
- d. Overseeing the payment process and resolving any payment issues

- e. Case Management assists clients in accessing community resources, disease management and overcoming barriers to obtaining optimum health. In addition to providing the above services, HCAP also provides diabetes education and supplies, including home visits to certain clients.

HCAP STRATEGIC GOALS AND OBJECTIVES:

1. **Strategic Goal:** Maintain MCHD as the regional “Employer of Choice”

Strategic tactics to meet goal:

- a. Provide quarterly continuing education to staff
- b. Staff will participate on MCHD Committees
- c. Executive staff will hold “town halls” at least every six months
- d. MCHD will do a salary and benefit review every three years

2. **Strategic Goal:** Provide Excellent Service to our co-workers, clients, taxpayers and community

Strategic tactics to meet goal:

- a. Customer Service will be a standing agenda item for staff meetings
- b. Manager will track and trend service feedback and report monthly at staff meetings and bi-monthly as a KPI at the Quality meeting
- c. Employee defined “Standards” will be reviewed at each quarterly CE

3. **Strategic Goal:** Establish and maintain a structured process to measure and improve quality

Strategic tactics to meet goal:

- a. Revise current KPI’s as needed to measure improvement with new and established processes
- b. Involve staff with KPI data collection and action plans
- c. Check with hospitals and physician offices to discuss process, cost and outcomes

4. **Strategic Goal:** Provide for the short and long-term financial stability of MCHD and protection for the taxpayer while meeting the needs of the community.

Strategic tactics to meet goal:

- a. Maintain 2-level approval process for all HCAP applicants
- b. Review 100% of claims for accuracy of bills compared with the contract
- c. Investigate and recommend the return on investment of providing transportation to and from medical visits

5. **Strategic Goal:** Proactively meet the growth needs of our community

Objective #1: Communicate mission and outcomes internally and externally

Strategic tactics to meet goal and objective #1:

- a. Monthly staff meetings
- b. Bi-monthly HCAP newsletter article
- c. Monthly presentation to external stakeholders

Objective #2: Continuous education and training of staff

Strategic tactics to meet goal and objective #2:

- a. Monthly staff meetings
- b. Bi-monthly HCAP newsletter article
- c. Monthly presentation to external stakeholders

2. Emergency Medical Services (EMS)

The provision of emergency medical services and the 911 communication and radio systems to Montgomery County has been a long- standing adopted responsibility of the District. Throughout its history, the MCHD EMS has been recognized for its leadership in level and quality of care. To maintain and in fact improve its quality, MCHD has recently achieved CAAS (Commission on Accreditation of Ambulance Services) certification.

MCHD EMS is well known for its early adoption of cutting edge protocols, techniques and medications. It also has been well regarded for its education programs, quality improvement initiatives and overall operational efficiency.

In addition to 911 transports, MCHD EMS provides non-emergency transfers for patients who are being moved from one facility to another, or to their homes. Currently, MCHD focuses its efforts on critical transfers, a service that relies on the in-depth training and experience of its medics. Unlike emergency response, the cost recovery for this service is very high and predictable.

The following are components of EMS:

EMS Operations

EMS Operations is responsible for deploying, staffing, housing, supervising and operating all EMS resources. MCHD EMS currently operates 23 24-hour ambulances and four peak units. In addition we have one squad, four supervisor trucks and one command supervisor truck each day.

Clinical Services Department

The Clinical Services Department oversees protocol development, implements and oversees the provision of care of MCHD EMS. The Department also manages and tracks quality, best practices, EMS hiring and EMS promotion process as well as field, community and first responder continuing education through classes and in-services. The Clinical Services Department also teaches EMT Basic classes at two area high schools and at MCHD headquarters.

Alarm

MCHD EMS operates a Communications Center to dispatch its emergency and non-emergency calls. The center is accredited by the National Academy of EMS Dispatchers. In addition to dispatching all of MCHD EMS emergency and non-emergency calls, the center is contracted to provide dispatch services for the Conroe Fire Department and for several communications centers throughout Texas. The center also serves as the back-up call center in the event of interrupted operations at the main 911 call center.

Community Paramedicine

MCHD's Community Paramedicine program was established in 2013. The program targets individuals that are high utilizers of 911 Emergency Services and is funded through the Medicaid 1115 Waiver. The goal of CP is to reduce non-emergency 911 calls.

Emergency Preparedness

MCHD is actively involved with local, regional and statewide health system planning for emergency preparedness. The District's preparedness activities range from working with the Public Health Department to educate the community, to working with Police Department SWAT units to recover victims of mass casualty. In order to be response-ready, MCHD staff participates in planning activities and training exercises, and works with the following organizations/agencies: Montgomery County, Southeast Texas Regional Advisory Council (SETRAC), and the Texas Department of State Health Services (DSHS).

EMS STRATEGIC GOALS AND TACTICS

1. **Strategic Goal:** Maintain MCHD EMS as the regional "Employer of Choice".

Strategic tactics to meet this goal:

- a. Provide quarterly CE to all staff
- b. EMS staff will participate on MCHD Committees
- c. EMS Staff will participate in EMS hiring and promotional practices
- d. EMS will participate in Bike Medic, Tactical Medic, Community Medic, and community education programs
- e. Command and Executive Staff will "round and ride out" with EMS in order to get "Town Hall" information to and from each department.
- f. Management staff will track staff satisfaction surveys and turnover reports.
- g. Management staff will do wage and salary comparisons with other agencies every three years.

2. **Strategic Goal:** Provide excellent service to MCHD co-workers, clients, taxpayers, and community

Strategic tactics to meet this goal:

- a. Command staff will trend service feedback and report monthly at staff and Board Meetings
- b. Core Value, "Compassion" will be discussed at each Supervisor Meeting and each Quarterly CE
- c. Command Staff will track and trend service feedback and report monthly at staff and quarterly meetings

3. **Strategic Goal:** Establish and maintain a structured process to measure and improve quality.

Strategic tactics to meet this goal:

- a. Track, trend, evaluate, and publish 17 core measures data
- b. Track, trend, evaluate, and review KPI's for CP, Alarm, Emergency Preparedness, Clinical Services Department, and EMS Operations
- c. Review all STEMI, stroke, trauma and random routine calls for best practices and quality review

4. **Strategic Goal:** provide for the financial stability of MCHD and protection for the taxpayer while meeting the needs of the community

Strategic tactics to meet this goal:

- a. Review historical call volume and use projected county growth data to expand coverage while maintaining efficiency
- b. Review monthly operational and capital expenses to budget
- c. Review Capital project planning and review on a quarterly basis

5. **Strategic Goal:** Proactively meet the growth needs of our community

Strategic tactics to meet this goal:

- a. Track historical trends and use reporting Metrics to plan for the future
- b. Meet with first responder agencies, county commissioners, city councils, as well as community agencies, hospitals and volunteer organizations to communicate our mission and receive feedback

Support Units

In addition to the two Strategic Service Units, there are eleven Support Units within the District that provide the underlying foundation that allows MCHD to carry out its mission.

1. Finance and Accounting

The Finance and Accounting Department is responsible for general accounting, grant accounting, financial reporting, cost and budget reporting, accounts payable and receipts management. The department is also responsible for all financial analysis and projections, cash management and treasury functions, as well as the oversight of the District's investments and investment policy. The Board of Directors is charged with approving the actual policies that govern investment decisions, as well as ratifying all invoices paid on a monthly basis.

2. Billing

MCHD EMS has a source of revenue in addition to the subsidy provided by the taxpayer. That revenue comes in the form of reimbursements made either by or on behalf of patients for services rendered. In order to expedite the reimbursement process, MCHD EMS maintains its own internal Billing Department. Typically, reimbursements for services provided comes through various payor sources, including Medicare, Medicaid, private third-parties (e.g. insurance coverage), or the patients themselves.

3. Radio/Communications Technology

The District has partnered with The City of Conroe and is the primary owner/operator of an EDACS/P25 800 megahertz trunked radio system. Additionally, the District and the City have strategically partnered to own and sublease a network of six radio tower sites throughout Montgomery County. The radio system serves approximately 900 users on the 800 MHz system, but the District also supports approximately 1,000 users on the Fire/EMS VHF paging and tactical channel system. The combined systems are used as the primary and backup communications resources for Fire and EMS First Responders in the County.

4. Facilities

The MCHD campus houses the 911 call center, administration, the service center and station 11. Additionally, there are 23 MCHD stations throughout the county; four of them are regional stations and there are eleven stations that MCHD shares space with fire departments. The District is responsible for its own facility maintenance including the MCHD campus, the 23 stations and radio towers throughout the country. Campus house-keeping, laundry and grounds are contracted services responsible to the Facilities department.

5. Human Resources

The Human Resources Department oversees the personnel for both field and office staff. This includes hiring and termination, payroll tracking, administering employee benefits and formal personnel disciplinary actions.

6. Information Systems

Information Systems (IS) is an internal service provider to all units and departments of the District, and is a mission critical function. Great care is taken to keep the system performing at peak efficiency, great care is given to operating a robust, redundant and safe system. . The technological sophistication of the information system has played a significant role in the successful, and cost efficient, operations of all elements of the District.

In 2005, after reviewing options for maintaining the sophisticated system, the District moved to outsource certain information system support services. While District staff is still extremely active in managing the IS operations, much of the support requiring a high level of specialized skills is contracted. All reporting systems are managed in-house.

7. Public Information

The Public Information Department works to build the lines of communication with field and non-field staff, community partners, chambers of commerce, legislators, the media, and the community as a whole. Building and maintaining relationships allow for better partnerships, and enable easier handling of disaster management.

8. Records and Compliance

District operations are highly regulated and therefore subject to all of the commensurate record keeping and oversight. Oversight of the state and federal requirements to which the District is required to adhere falls to the Compliance Officer. The Records Department oversees the retention of any and all records created and received by MCHD in the regular course of business, to archive essential information for business continuity. The Records department is also responsible for open records requests and contract term review. Additionally, Records department is responsible for MCHD Board correspondence and communication.

9. Materials Management

Materials Management is the internal service provider to MCHD EMS that is responsible for the purchasing, receiving, distributing and, in some cases, delivering all supplies and equipment utilized by the District. This department maintains a shipping, receiving and distribution process for all clinical and non-clinical supplies. Materials Management staff also provides, or arranges for, the maintenance of all biomedical equipment used by EMS.

10. Quality Improvement

Quality Improvement is responsible for oversight of continuous performance improvement in all departments. EMS Core Measures, patient satisfaction surveys and CAAS certification indicate their commitment to assuring delivery of high quality patient care. All other departments have Key Performance Indicators that allow for tracking, trending and benchmarking.

11. Fleet

The Fleet Department is responsible for maintenance and care for all of the District's vehicles. District vehicles log approximately 1.5 million miles each year. The "mission critical" nature of most of the District's vehicles necessitates a rigorous preventative maintenance program, which has established a "mission interruption rate" below one 1.5 incidents per 100,000 vehicle miles.

SUPPORT UNIT STRATEGIC GOALS AND TACTICS

1. **Strategic Goal:** Maintain MCHD as the regional “Employer of Choice”.
Strategic tactics to meet this goal:
 - a. Provide continuing education to all staff
 - b. Invite staff to participate on MCHD Committees
 - c. Encourage staff to continue to receive advanced education, management, and leadership skills.
 - d. MCHD will continue to offer a competitive wage and excellent benefits, as well as continuing education for all employees.
 - e. Executive Staff will “round” at least twice per year with each department in order to get “Town Hall” information to and from each department.
 - f. Management staff will track staff satisfaction surveys and turnover reports.
 - g. Staff will from time to time be offered the opportunity to attend a conference specific to their area of expertise.
2. **Strategic Goal:** Provide excellent service to MCHD co-workers, clients, taxpayers, and community
Strategic tactics to meet this goal:
 - a. Departmental managers will trend service feedback and report monthly at staff and Board Meetings
 - b. Each Core Value will be previewed at least once per year at the Monthly Departmental Meeting
 - c. Managers will track and trend service feedback and report monthly at staff and quarterly meetings
3. **Strategic Goal:** Establish and maintain a structured process to measure and improve quality.
Strategic tactics to meet this goal:
 - a. Plan, execute, review, and reengage on all departmental capital and operational projects. Review project progress by quarter
 - b. Track, trend, evaluate, and review KPI’s for each support department
 - c. Review financials bi-monthly to assure departments are working within budget and budgeted items that are no longer deemed necessary are not purchased, “just because it is in the budget”.
4. **Strategic Goal:** Provide for the financial stability of MCHD and protection for the taxpayer while meeting the needs of the community
Strategic tactics to meet this goal:
 - a. Review historical demand and use projected county growth data to expand capabilities within the mission, while maintaining efficiency
 - a. Review monthly operational and capital expenses to budget
 - b. Review Capital project planning and execution on a quarterly basis
5. **Strategic Goal:** Proactively meet the growth needs of our community
Strategic tactics to meet this goal:
 - a. Track historical trends and use reporting metrics to plan for the future
 - b. Meet with first responder agencies, county commissioners, city councils, as well as community agencies, hospitals and volunteer organizations to communicate our mission and receive feedback
 - c. Attend conferences in the field of focus to do best practices comparisons

Trends and Issues - County

Demographics

The Montgomery County Hospital District serves the geo-political boundaries of Montgomery County. However, each of the business units has a slightly different community of stakeholders. In some cases, the community served is a regional target population (i.e. radio system customers outside Montgomery County, EMS mutual aid requests, disaster response, etc.).

Physical identifying features:

- Montgomery County, Texas is 1,100 square miles
- Large, recreational water supply lake in the county's northwest corner
- Two major interstates from north to south
- One major state highway (99) transects Montgomery County from state highway 249 to IH 59 in the southernmost portion of the county.
- Two high-volume freight rail lines that carry industrial components to and from Houston, running parallel to the two highways referenced above; other high-volume rail lines travel along Highway 249, FM 2854 and FM 105.
- A secondary road system comprised of primarily two-lane farm to market roads that are currently exceeding original design capacity.

Municipalities within Montgomery County

City of Conroe
Montgomery
Magnolia
Willis
Shenandoah
Oak Ridge North

Splendora
Cut and Shoot
Roman Forest
Stagecoach
Woodloch

Panorama Village
Patton Village
Woodbranch

Unincorporated areas including

The Woodlands
Grangerland
Porter

New Caney
Peel Junction
Dobbin

Pinehurst
Tamina
Decker Prairie

School Districts

Cleveland ISD
Conroe ISD
Magnolia ISD
Montgomery ISD
New Caney ISD

Richards ISD
Splendora ISD
Tomball ISD
Willis ISD

Population Growth

According to the 2016 Woodlands Area Economic Development Partnership, Montgomery County's population was 555,890, making it the 11th largest county in the state. The median household income was \$65,620, and the poverty rate was 10.9%. The median age was 36.1 years.

A portion of this growth is due to the number of businesses, including Exxon/Mobil, which have relocated to North Harris County. All factors taken into account, growth throughout the county will continue to occur, which presents certain challenges and opportunities for all service providers.

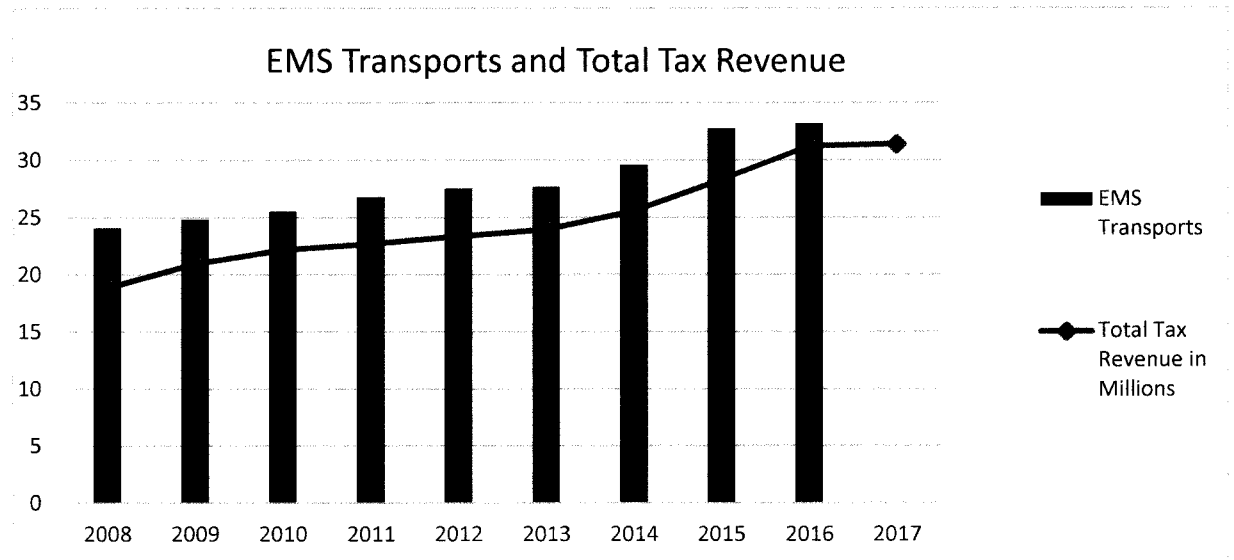
Property Values

Total appraisals in Montgomery County have grown dramatically in recent years. New housing starts, commercial development, new manufacturing and increased appraisals on existing properties have consistently increased over the past several years.

Over the last five years, the growth in appraisals has enabled the Board to reduce the tax rate below the historic low rate. Growth brings with it an increase in service demands. The District will continue to function in a responsible manner.

Tax Revenue

MCHD has been responsive to the growth in appraisals by reducing tax rates for the last consecutive 14 years. However, during those same years, the District experienced increased demand. We continue to add technology and adjust deployment and work schedules to absorb the volume increase with very few additional resources being added.



As growth continues, MCHD will be required to add resources to keep up with the growing demand. But, as MCHD increases resources, it will add value, due to economies of scale and system duplication.

MCHD intends to maintain six months' reserve operating funds while most efficiently serving its mission.

Tax Revenue History and Projections

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*
Tax Rate **	0.0777	0.076	0.0755	0.0754	0.0745	0.0729	0.0727	0.0725	0.071	0.0665
Total Tax Revenue	21,588,263	23,972,257	25,379,675	26,001,632	26,737,471	27,399,294	29,251,683	32,367,127	35,754,407	35,973,44
Tax Revenue Increase :										
% Increase	12.98%	11.04%	5.87%	2.45%	2.83%	2.48%	6.76%	10.65%	10.47%	2.65%
Increase	2,479,702	2,383,994	1,407,418	62,1957	735,838	661823	1,852,388	3,115,444	3,387,279	946,496

Projections

* Per \$100 Valuation

Trends and Issues - Service Delivery Units

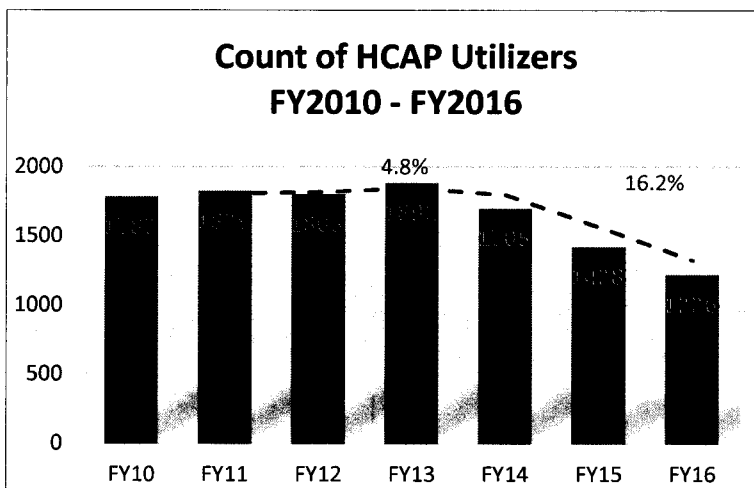
HCAP

Program Enrollment

The number of people from Montgomery County enrolling in HCAP was steadily trending upward from FY2010 – FY 2013. However, in the past three years the program has experienced a decrease in enrollment numbers despite the county's increased population growth.

HCAP enrollment reached a peak growth of 4.8% in FY 2013, and then declined 9.8% in FY 2014 when the Affordable Care Act (ACA) or State Health Insurance Exchanges (HIE), began operations in October of 2013.

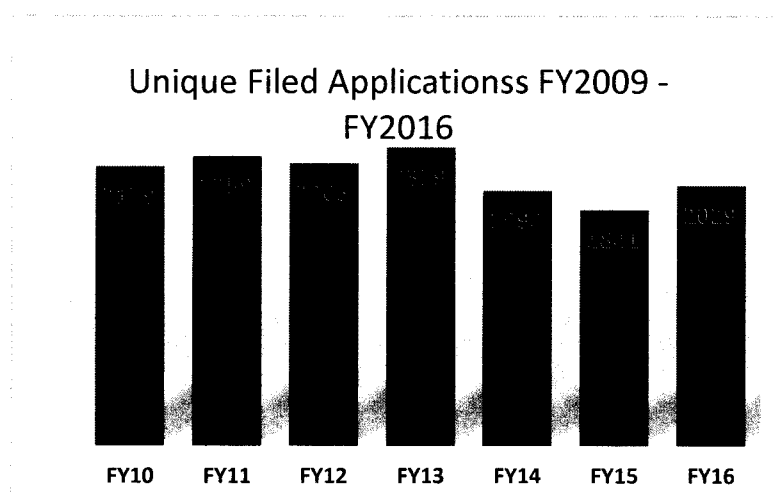
Without this HIE change, the program would have continued to add approximately 300 clients per fiscal year to the enrollment panel. In fact, due to the HIE implementation the actual enrollment dipped 16.2% with a decrease of 277 clients between FY 2014 – FY 2016 (see table below).



Currently, HCAP projects relatively flat to insignificant decrease in enrollment over the next three to five years, if factors affecting indigent health care such as the eligibility requirements, economy and ACA policies remain constant. If changes occur to the aforementioned factors, coupled with internal improvements and population trends, this could lead to a potential increase in HCAP enrollment over the next few years.

Program Applications

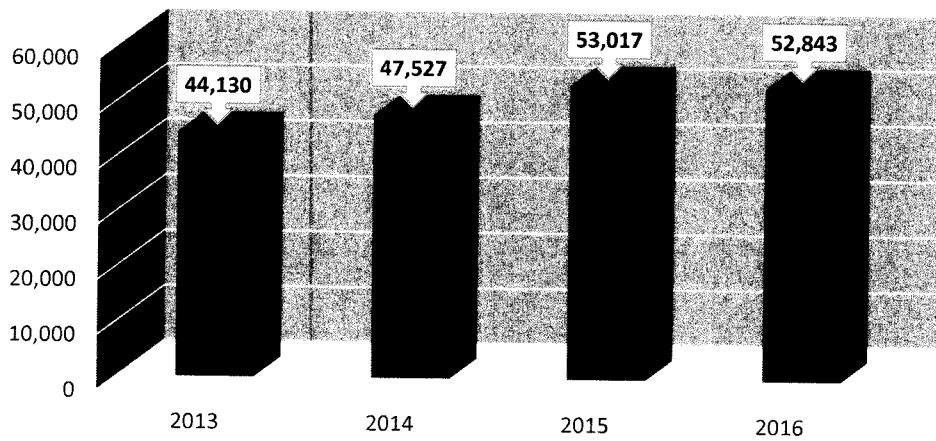
Further analysis of HCAP data also indicates a decrease in the number of yearly applications (see table below) which would correlate with the decrease in program enrollment. These predictive numbers are indicative of gaps in our local health care system and the inaccessibility of health care resources. Community collaborations and strategic partnerships could possibly improve access issues which might have a minor increase in the number of applications for HCAP.



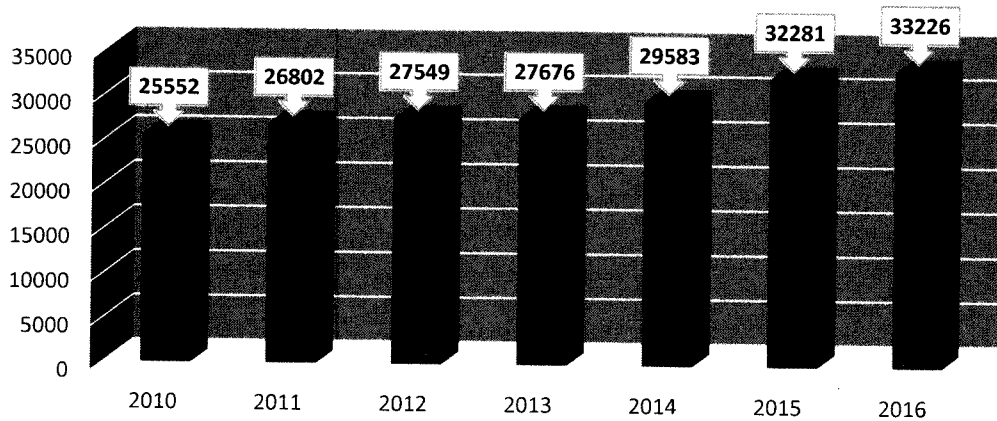
EMS

EMS calls have remained at a fairly stable 5-6% rate of growth over the past several years. EMS calls spiked by 7% and 14% respectively during 2014 and 2015. During 2016 EMS calls were flat due to the economy and free standing ERS. MCHD Call volume is growing by 12% again in 2017. MCHD projects the call volume will continue to grow by 6% per year.

EMS Annual Call Volume



EMS Annual Transport Volume



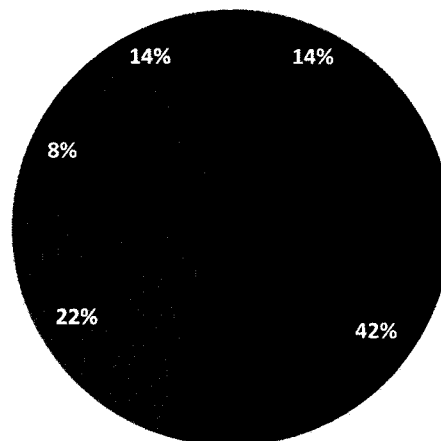
Community Paramedicine

The program utilizes Paramedics, who are already embedded within our community, to optimize clients' health, improve their quality of life and reduce overall costs of healthcare. The program has served 255 unduplicated residents providing 7,272 clinical encounters. Services provided include:

- Physical and psycho-social assessments
- Medication reconciliation and education
- General and disease specific healthcare education
- Care coordination between hospitals, PCPs, Specialist and care facilities
- Navigation assistance with insurance, discharge instructions, transportation
- Connecting with ongoing community resources and support system

Without extension, the funding from the Medicaid 1115 Waiver will end in December of 2017. The funding obtained will carry the program through FY18. Over 75% of our current clients have healthcare coverage through Medicaid, Medicare, private insurance or a combination of the three. Regional healthcare organizations, both hospital and insurance carriers, are interested in partnering with us to reduce healthcare costs through reduction in hospital re-admissions. We have been meeting with four large hospital systems and two Medicaid insurance carriers to provide these reimbursable services.

**Community Paramedicine Clients
by Payor Source**



■ Medicaid ■ Medicare ■ Medicaid/Medicare ■ Pvt. Insurance ■ Uninsured

Our goal for FY 17 and FY 18 is to obtain contracts with the Medicaid insurance carriers and area hospitals which will provide a sustainable future for the program.

SWOT Assessment

A traditional part of any strategic planning process, the SWOT assessment is integral to developing “situational awareness” for an organization.

Below is an assessment of the strengths and weaknesses that currently impact, or will impact, the District’s operations. Included is a list of opportunities that will likely present themselves which the District can take advantage of to enhance its operations. Finally, there is a list of risks that the District will face as it moves forward. This assessment lays the foundation for the general goals and objectives that follow.

Strengths

- Well-trained workforce
- Loyal employees (annual turnover rate between 5%-15%)
- Employee involvement in decision making
- Support for professional development
- Financially stable with a well-rounded budget
- Embrace innovation and technology
- Well managed indigent care system with a broad network of providers
- Experienced leadership team
- Well trained and experienced staff throughout the District.
- General Counsel well versed in District history and local government issues. Additionally MCHD has an HR Attorney to assure HR compliance.
- Accredited Communications Center
- Good relationship with vendors that supplement and enhance staff knowledge,
- Public Health Department enables us to have financial mechanism to provide Community Paramedicine
- Strong financial process in place
- Increase in interdepartmental collaboration on projects and committees
- Staff is well equipped to do their job
- Improving media and community relations
- High level of field staff support (MCHD provides staff who delivers, counts and restocks station supply rooms)
- Well managed organizational structure
- Caring and altruistic employees across the organization that exemplifies the corporate values
- Consistent experienced Board of Directors
- MCHD has a quality expert (CPHQ) employed to oversee the development and implementation of our Quality Improvement
- CAAS Accredited EMS
- Key Performance Indicators (KPI) implemented in each department.
- Have implemented a Reports Manager to focus on metrics management

Weaknesses

- Decentralized workforce with broad span of control
- Stressful work environment with a growing demand for services
- Need for greater reliance on objective data for decision making
- Need to support continuity of operations (power, fuel, etc.)
- Limited ability for non-field staff to advance/promote within the District; relatively flat organization
- Need a more objective way to track employee performance (i.e. Laserfiche)
- Lack of internal understanding of/appreciation for work of other departments
- Better use of Crew Scheduler to monitor staff resources and expenses
- Lack of follow through on long-term projects
- Some community members and providers feel HCAP doesn't cover enough residents
- Underutilization of some systems in the organization such as LaserFiche, Labor Scheduling, Payroll Processing, CAD Reporting and Inventory Control Systems.
- Quality benchmarking and process improvement needs to be hardwired
- Multiple barriers to data retrieval and analysis
- Formal management / leadership programs are not consistent or hardwired
more consistent training is needed

Opportunities

- Relationship building with strategic partners and community organizations
 - Providing educational opportunities for our community partners and the public
 - Work with community partners to organize a semi-annual project that meets a community need
- Experienced personnel available for mentoring of new employees
- Maintain external accreditations
- Expand and enhance interoperability capacity of radio system
- Establish an employee mentoring program
- Establish a checklist culture
- Improve documentation of processes in departments
- Establish standardization of operations across departments
- Oversight and management of interdepartmental projects for efficiency, budget adherence and timeliness to negate “mission creep”
- Improve efficiency and accuracy with CAD system
- Quality benchmarking
- Increase involvement in community education
- Become increasingly financially transparent
- Utilization of social media to stay connected to employees and the community
- Infrastructure and staff in place to easily expand services offered to the community
- Expand services of Community Paramedicine
- Increase usage of website to provide information to both the public and employees
- Keep emergency management plans current and host training exercises
- Proactive employees are further defining their role in the organization, as well as the organization’s role in the community, and bringing fresh ideas to management
- Increase facility to facility patient requested transfer

Threats

- Increasing healthcare costs
- Unstable political environment – healthcare legislative changes
- Competitive forces on staffing regarding wages and benefits
- Competitive forces for EMS coverage resulting in increasing number of non-emergency providers in Montgomery County
- A Fire department or ESD may take EMS services in-house
- Budget constraints
- Need to be better prepared for a large public health emergency
- Litigation environment/risk
- Appraisals and/or revenue caps on property taxes

Five-Year Financial Projections Assumptions

The five year financial projections are included immediately following this information.
The following assumptions were made while developing the five year financial forecast:

1. Taxable value will continue at an average 5% increase over the next five years.
2. The MCHD tax rate will remain flat (0.0665).
3. EMS collected revenue will increase at an average rate of 6% per year.
4. Labor costs will increase at an average rate of 5% over the next five-year period.
5. TCDRS annual rate of 5%.
6. Employee health insurance expenses will increase at an annual rate of 8% per year.
7. Supply expenses will increase at a rate of 5% per year.
8. EMS Drug expenses will increase at 8% per year.
9. Indigent/specialty healthcare will increase at 5% over the next five years.
10. Capital, other than EMS and Radio Tower, will be budgeted at \$1,200,000 in FY'18 and is projected to grow at a 3% rate the following years.
11. Transport services are planned to increase 1,800 per year for the first 3 years and increase 1,000 runs per year in years 4 and 5.
12. Build a station in Porter in 2019, estimated cost \$600,000
13. Station 33, build a station apartment in Caney Creek estimated cost \$600,000.
14. Build a station in North Central Conroe in 2021 at \$ 1,100,000.
15. Build a station North West of Cut N Shoot (station move) in 2022 at \$1,100,000.
16. Continue to expand Fleet by 1 truck per year, for the next 5 years
17. Build a carport outside the Support Center to accommodate additional trucks
18. Add 2 more towers to radio system at an estimated cost of 2.5 million dollars a tower (1 tower in 2019 and the second tower in 2020)
19. Purchase one Tahoe per year for each of the next 5 years.
20. The adopted 20% Homestead Exemption will reduce the tax value in FY18 by 6 million dollars.

**Montgomery County Hospital District
Projection of Cash and Investments**

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue					
Tax	35,112,493	36,868,117	38,711,523	40,647,099	42,679,454
EMS	12,000,000	12,720,000	13,483,200	14,292,192	15,149,724
Grants	25,000	25,000	25,000	25,000	25,000
Other	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000
Total Revenue	52,537,493	55,013,117	57,619,723	60,364,291	63,254,178
Expenses					
Payroll					
Direct Labor	20,500,000	21,525,000	22,601,250	23,731,313	24,917,879
Taxes	1,568,250	1,646,663	1,728,996	1,815,445	1,906,218
TCDRS	1,342,750	1,409,888	1,480,382	1,554,401	1,632,121
Health & Dental	3,000,000	3,240,000	3,499,200	3,779,136	4,081,467
Unemployment Insurance	18,000	18,900	19,845	20,837	21,879
Total Payroll	26,429,000	27,840,451	29,329,673	30,901,132	32,559,564
Operating Expenses					
Drugs	167,400	180,792	195,255	210,875	227,745
Other	12,000,000	12,600,000	13,230,000	13,891,500	14,586,075
Total Operating Expenses	12,167,400	12,780,792	13,425,255	14,102,375	14,813,820
Indigent Care					
Voluntary	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Specialty Healthcare	5,000,000	5,250,000	5,512,500	5,788,125	6,077,531
Total Indigent Care	8,000,000	8,250,000	8,512,500	8,788,125	9,077,531
Capital	4,017,000	4,833,000	5,146,000	6,106,150	6,005,608
Total Expenses	50,613,400	53,704,243	56,413,428	59,897,782	62,456,523
Revenue O/(U) Expenses	1,924,093	1,308,874	1,206,295	466,509	797,655

Assumptions:**Tax Revenue**

	52,800,741,035	55,440,778,087	58,212,816,991	61,123,457,841	64,179,630,733
	0.000695	0.000633	0.000633	0.000633	0.000633
	0.000751	0.000684	0.000684	0.000684	0.000684
	0.000665	0.000665	0.000665	0.000665	0.000665
	35,112,493	36,868,117	38,711,523	40,647,099	42,679,454
Tax Revenue Growth Rate	-4.3%	5.0%	5.0%	5.0%	5.0%

Rates and Growth Factors

Taxable Value Growth Rate	5.0%	5.0%	5.0%	5.0%	5.0%
Population Growth Rate	4.1%	4.1%	3.9%	3.6%	3.6%
Inflation	3.0%	3.0%	3.0%	3.0%	3.0%
	7.1%	7.1%	6.9%	6.6%	6.6%
	6.00%	6.00%	6.00%	6.00%	6.00%
	5.00%	5.00%	5.00%	5.00%	5.00%
	6.55%	6.55%	6.55%	6.55%	6.55%
	8.00%	8.00%	8.00%	8.00%	8.00%
	5.00%	5.00%	5.00%	5.00%	5.00%
	8.00%	8.00%	8.00%	8.00%	8.00%
	5.00%	5.00%	5.00%	5.00%	5.00%

Qty 911 Ambulance (New)	2	1	1	2	1
Cost 911 Ambulance (New)	300,000	300,000	300,000	300,000	300,000
Inflation 911 Ambulance (New)		0.0%	0.0%	0.0%	0.0%
Cost 911 Ambulance Equipment	100,000	100,000	100,000	100,000	100,000
Total Cost 911 Ambulance (New)	700,000	400,000	400,000	700,000	400,000
Qty 911 Ambulance (Re-mount)	5	5	6	6	6
Cost 911 Ambulance (Re-mount)	150,000	150,000	150,000	150,000	150,000
Inflation 911 Ambulance (Re-mount)		0.0%	0.0%	0.0%	0.0%
Total Cost 911 Ambulance (Re-mount)	750,000	750,000	900,000	900,000	900,000
Qty Transfer Ambulance	1	0	1	0	1
Cost Transfer Ambulance	210,000	210,000	210,000	210,000	210,000
Inflation Transfer Ambulance		0.0%	0.0%	0.0%	0.0%
Total Cost Transfer Ambulance	210,000	0	210,000	0	210,000
Qty Tahoe	1	1	1	1	1
Cost Tahoe	38,000	38,000	38,000	38,000	38,000
Inflation Tahoe		0.0%	0.0%	0.0%	0.0%
Total Cost Tahoe	38,000	38,000	38,000	38,000	38,000

Capital

Main Campus

	250,000				
	90,000				
	140,000				
			250,000		
	179,000	160,000	150,000	175,000	195,000
Total Main Campus	659,000	160,000	400,000	175,000	195,000

Stations

	200,000				
		600,000			
			600,000		
				1,100,000	
					1,100,000
Total Stations	200,000	600,000	600,000	1,100,000	1,100,000

Towers / Radios

	100,000	100,000	100,000	100,000	
		850,000	850,000	850,000	850,000
		165,000	165,000	165,000	165,000
Total Towers / Radios	100,000	1,115,000	1,115,000	1,115,000	1,015,000

EMS / Communications

	700,000	400,000	400,000	700,000	400,000
	750,000	750,000	900,000	900,000	900,000
	210,000	0	210,000	0	210,000
	38,000	38,000	38,000	38,000	38,000
		350,000			
				529,000	529,000
	160,000	160,000	160,000	160,000	160,000
Total EMS	1,858,000	1,698,000	1,708,000	2,327,000	2,237,000
	1,200,000	1,260,000	1,323,000	1,389,150	1,458,608

Total Capital

4,017,000	4,833,000	5,146,000	6,106,150	6,005,608
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Key Relationships

Hospitals

Our local hospitals are important partners for EMS, Public Health and HCAP. Strong relationships with the hospital administrations and medical staff are essential to the success of MCHD. We must continue efforts to recruit local hospitals into the HCAP provider network. At such time as the ACA expires, a broad based hospital network will insure the financial security of the District.

From an EMS perspective, partnerships with local hospitals will insure continuity of care in important service line areas such as stroke, trauma, and acute coronary syndromes. As the demand for service rises, our hospitals must be ready to meet the demand. Failure to do so will result in extended wait times and undesirable outcomes for patients.

Physician Community

We must continue to cultivate and support our network of local physicians willing to provide care for our indigent care patients. The physician community has voiced the basic areas for physician engagement. They include industry appropriate authorization practices, clear understanding of covered services, reasonable and timely compensation. MCHD should continuously monitor physician satisfaction with our HCAP program in an effort to maintain an optimized network. A diverse and healthy network will insure access to services in the local community for HCAP patients and help promote the long term financial stability of the District. MCHD must assure prompt payment to keep physician panel intact as Medicaid rates decrease.

Municipalities and other Local Governments

MCHD provides essential healthcare services for the local municipalities and other local governments. Maintaining close working relationships with the leadership of these entities to ensure we are meeting their service needs and those of their citizens. As important, these entities can provide essential intelligence on expected growth patterns and potential problems in the future.

Business Community and Local Chambers of Commerce

MCHD has a good relationship with the business community, having a reputation of conservative fiscal management, tax reductions, and quality service to the community. Maintaining strong communication ties with the Chambers and local business leaders will help keep MCHD focused on balancing service needs with our responsibility to assist in creating an environment that promotes economic development.

Civic Groups and Faith Based Community

MCHD leadership must maintain a presence in local civic and faith based organizations. These groups serve two important purposes for MCHD. First, they need to have a good understanding of the services we provide so that they can appropriately refer individuals to MCHD. Second, they will likely be able to represent the concerns and priorities of the community so that we might better understand the needs and plan accordingly.

Key Supply Chain Reinforcement

The District should pursue memorandums of understanding with key suppliers to insure the flow of critical supplies in the event of an emergency.

Organizational Structure of the Future

The next five years will see MCHD maintain its commitment to excellence in health care, quality, research, best practices and staff development. The District will also actively remain educated in the changes of health care policy – both nationally and locally. Just as successful businesses are continually looking for opportunities to serve its customers as the market changes, MCHD will seek out ways to fulfill its mission in light of the changing health care climate.

Currently, some of the initiatives which are being considered are: providing a larger number of services via our medics, expanding Community Paramedicine services, offering non-emergency ambulance transport services, and expanding our educational offerings.

The incorporation of these activities into our daily business will not only better serve the community by filling gaps left by the current health care system, but it will also give our nursing and field staff the opportunity to put their training into practice and utilize all the medical skills they possess.

These will be years of growth and an opportunity to expand the network within which we work. Employees are being encouraged to think creatively and initiate projects that will serve the community as well as enable our staff to grow professionally.

CONSULTING AGREEMENT

THIS AGREEMENT is entered into on May 1, 2017, (herein the "Effective Date") between Montgomery County Hospital District ("Company"), and KGB Media, LLC, a California Limited Liability Company, dba RedFlash Group ("Consultant"). Company and Consultant are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties."

RECITALS

A. Company desires to employ the services of Consultant to provide Consulting Services, as defined below, and Consultant desires to provide such Consulting Services to Company.

B. Consultant is qualified by virtue of experience, training, education, and expertise to provide the Consulting Services to Company and has agreed to provide such services in connection with Company's ongoing business activities.

NOW, THEREFORE, in consideration of the promises and mutual benefits which will result to the Parties in carrying out the terms of this Agreement, it is mutually agreed as follows:

AGREEMENT

1. **Consulting Services.** Consultant shall provide marketing and communication consulting services as attached hereto and incorporated by reference as Exhibit "A". Consultant shall provide marketing and communications services in all areas of Company business, in addition to those services outlined in Exhibit A, as required, and requested by Company and according to the fee structure outlined in section 4 of this Agreement.

1.1 **Representatives:** Each Party shall designate a Representative for the purpose of this Agreement. Company's initial Representative shall be Randy Johnson and Consultant's initial Representative shall be Keith Griffiths.

1.2 Any changes to either Party's initial Representative shall be communicated to the other Party, in writing, 10 days prior to the change in representatives.

2. **Consulting and Business.** This Agreement shall be effective as of the date first set forth above. This Agreement shall commence upon the effective date of this Agreement, and shall remain and continue in effect until July 28, 2017 (herein "Consulting Term"), unless terminated prior to this date pursuant to the provisions of this Agreement.

3. **Non-Exclusivity of this Agreement.** The agreement is non-exclusive. In addition, Consultant will notify Company prior to undertaking the representation of any company or organization providing products or services that are competitive to Company.

4. **Compensation.** The total cost of the consulting engagement will not exceed \$24,000 without prior authorization of the Company. Services will be tracked on an hourly basis at a rate of \$223.06 per hour (\$1,784.48 per day). Consultant shall document his/her time in 15-minute increments. Consultant's hourly rate shall be prorated for actual time spent providing services on an incremental basis. Invoice for work performed will be sent monthly. Billing for the project will be as follows:

May 15, 2017: \$8,000 invoice

June 15, 2017: \$8,000 invoice

At close of project, but not later than July 28, 2017: \$8,000 invoice

4.1 Consultant will bill Company monthly for all fees and will bill the company for expenses incurred in connection with the Services during the preceding billing period. All outstanding balances billed by consultant to Company are due upon receipt. Payments are overdue if not received within thirty (30) days of Company's receipt of the invoice. Company will pay interest on any overdue payments at the rate of one and one half percent (1 1/2%) per month until all such amounts, including interest, are paid to consultant in full. The interest amount will be calculated from the invoice due date.

4.2 Company may request additional marketing and consulting services in the course of its ongoing business activities which are not included in Exhibit A. Requests for additional work are subject to the standard hourly rate of \$223.06 per hour. The rate will be subject to an annual adjustment due to inflation not to exceed 5%.

4.3 Reimbursable Expenses. Company shall not be responsible for reimbursing any out-of-pocket expenses incurred in performing the Consulting Services unless Company approves such expenditures beforehand.

4.4 Direct costs. All direct costs (printing, postage, mailing, purchase of lists, design, production) will be submitted to Company for reimbursement or for direct payment by Company. Direct costs will be approved by Company in advance either individually or as part of an approved budget item.

4.5 Travel expenses. Company will pay for all Consultant travel expenses that are reasonable, pre-approved and necessary to perform the Scope of Work. Such expenses shall be invoiced with original receipts for approval.

5. Termination.

5.1 Immediately at any time by the mutual written consent of the parties;

5.2 Upon the material breach of any provision of this Agreement and the failure to cure such breach within five (5) days of written notice of such breach;

5.3 Upon thirty (30) days written notice by either party. Consultant shall cease all work for Company, except as may be mutually agreed upon in writing, following receipt of notice of termination from Company.

6. Relationship of the Parties.

Consultant shall be an independent contractor and not an employee or agent of Company. Nothing herein contained, or otherwise, shall be deemed to place or is intended to have the effect of rendering Consultant in a relationship with Company as one other than an independent contractor, and for no purpose shall Company and Consultant be deemed, respectively, employer and employee. Subject to consultation and agreement with Company, Consultant shall at all times have full power and control respecting the mode and details of performing the services described in this Agreement.

7. Indemnification. To the fullest extent allowed by law, Consultant and Company for each of themselves hereby agrees to indemnify and hold harmless each other and each of their officers, directors, shareholders, agents, representations and employees ("Indemnitees") for any suit, claim, action, obligation or liability affecting the Indemnitees arising from the negligent acts of the other or their agents or arising from any intellectual property infringement by the other or their agents in connection with this Agreement. However, nothing in the Agreement shall obligate the Company to appropriate funds from its future fiscal year budgets to satisfy its indemnity obligations set forth herein.

8. **Severability.** If any provision of this Consulting Agreement is for any reason unenforceable or void as set forth herein, such provision shall be deemed modified and severed from the balance of this Agreement to the extent required to eliminate only such portions or applications as are either unenforceable or void, but otherwise shall remain in full force and effect.

9. **Nominees, Successors, and Assigns.** This Agreement shall bind and inure to the benefit of the nominees, successors and assigns of the Parties. The obligation to make the payments provided herein shall survive the liquidation of Consultant as a corporate entity, but such payment obligations shall be limited to the value of services rendered at the rates set forth herein during such time Consultant is in existence.

10. **Modifications and Amendments to Agreement.** No modification or amendment of this Agreement or any of the provisions hereof shall be effective for any purpose unless set forth in writing signed by duly authorized representatives of both Parties.

11. **Notice.** All notices or other communications required or permitted hereunder shall be in writing and shall be personally delivered, sent by registered or certified mail, postage prepaid, return receipt requested, or delivered or sent by electronic transmission, and shall be deemed received upon the earlier of: (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) three (3) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by electronic transmission. Any notice, request, demand, direction, or other communication sent by electronic transmission must be confirmed within forty-eight (48) hours by letter mailed or delivered. Notices or other communications shall be addressed as follows:

Consultant: 681 Encinitas Blvd. Suite 407, Encinitas, CA 92024

Company: MCHD, 1400 South Loop 336 West, Conroe, TX 77304; Attn: Randy Johnson

Either Party may change the address for giving of notices by notice given pursuant to this Paragraph.

12. **Waiver.** The waiver by one party of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any prior or subsequent breach of such provision or of any other provision.

13. **Entire Agreement: Captions.** This Agreement contains the entire agreement of the Parties relating to the subject matter set forth and may be amended only by a writing signed by Company and Consultant. Paragraph captions are for the convenience of the Parties and are not a part of this Agreement.

14. **Further Assurances.** Each Party agrees to cooperate with the other, and to execute and deliver, or cause to be executed and delivered, all such other instruments and documents, and to take all such other actions as may be reasonably requested of it from time to time, in order to effectuate the provisions and purposes of this Agreement.

15. **Confidentiality.** Consultant shall not share any information including but not limited to the Consulting Services, the business, product development or marketing plans of Company, or any terms or provisions of this Agreement with any third parties without the express, written permission of Company.

16. **Interpreted Under Laws of the State Of Texas.** This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of Texas.

17. **Attorneys' Fees.** If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which they may be entitled.
18. **Force Majeure.** If either Party shall be delayed or prevented from the performance of any service under this Agreement by reason of acts of God, strikes, lockouts, labor troubles, restrictive governmental laws or regulations or other cause, without fault and beyond the reasonable control of the Party obligated (financial inability excepted), performance of such act shall be excused for the period of delay, and the period for performance of any such act shall be extended for a period equivalent to the period of such delay.
19. **Time Is Of The Essence.** The Parties agree that time is of the essence of this Agreement with respect to the deadlines set forth herein.
20. **Agreement Execution Authorization.** Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Agreement and that such execution is binding upon the entity for which he or she is executing this Agreement.
21. **Recitals.** The Recitals above are hereby incorporated into this Section as though fully set forth herein and each Party acknowledge and agree that such Party is bound, for purposes of this Agreement, by the same.
22. **Counterparts.** This Agreement may be executed by the Parties hereto in counterparts, each of which shall be deemed an original, but all such counterparts shall constitute the same instrument, and not all signatures need appear on any one counterpart.
23. **Ownership.** Company shall own all rights, title, and interest in any work product that the Consultant produces for Company under this Agreement, and Consultant hereby irrevocably assigns any rights Consultant may have in said work product.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

For KGB Media, LLC, dba RedFlash Group

For Montgomery County Hospital District

By:



Name: Keith Griffiths

Title: Partner

Date: May 1, 2017

By:

Name: Randy Johnson

Title: CEO

Date:

Exhibit A: REDFLASH SCOPE OF WORK FOR PHASE TWO OF WORKPLAN

Below are the specific recommendations RedFlash will manage as part of the first installment of the Phase Two work plan (not to exceed \$24,000).

Develop 2017 Strategic Communication Plan, including key messages and positioning.

RedFlash will provide MCHD with a communications plan that will serve as the blueprint for all outreach and communication efforts for the organization moving forward. Based on the foundation of the research done in the assessment and audit, the plan will ensure all outreach and communication efforts on in sync and consistent.

Timeline: Q2, 2017

Deliverable: Communications plan.

Begin work on MCHD website.

RedFlash will work with MCHD leadership to development the look and feel of a new website that better meets the needs of all internal and external stakeholders and will follow the key messages and positioning outlined in the communication plan. The new website will update the look of all divisions of MCHD, not just MCHD EMS.

Timeline: Q2, Q3 - 2017

Deliverable: Recommendations and wireframes showing organization of the site and look and feel.

AMBULANCE SERVICES AGREEMENT

MONTGOMERY COUNTY HOSPITAL

DISTRICT EMS

PRIMARY PROVIDER FOR

- **HOUSTON METHODIST THE WOODLANDS
HOSPITAL**

Agreement approved at the May 23, 2017 MCHD Regular BOD Meeting.

AMBULANCE SERVICES AGREEMENT

This ambulance services agreement (the "Agreement") is entered into this 17th day of May, 2017 (the "Effective Date") by and between Montgomery County Hospital District EMS ("Vendor"), a political subdivision of the State of Texas, with its offices at 1400 South Loop 336 West, Conroe, Texas 77304 and Methodist Health Centers d/b/a Houston Methodist The Woodlands Hospital ("Methodist"), a Texas non-profit corporation with its offices at 17201 I-45 South, The Woodlands, Texas 77385.

WHEREAS, Methodist owns and operates a hospital located in The Woodlands, Texas that provides health care for patients; and

WHEREAS, Vendor is the emergency medical response provider for Montgomery County, Texas, is certified and/or licensed by Medicare, Medicaid, the State of Texas, and the city of The Woodlands, and desires to provide services to patients who need medical transportation from Methodist in an effort to improve the quality of care for the residents of Montgomery County, Texas; and

WHEREAS, Methodist desires to ensure that patients' freedom of choice in selecting health care providers is preserved, and Methodist bases its own operational decisions on selection of ambulance vendors consistent with applicable health regulatory parameters, sound business judgment, and quality of patient care considerations; and

WHEREAS, Methodist desires to enter into this Agreement with Vendor under which Vendor shall provide ambulance services for patient transports originating from Methodist in accordance with the terms and conditions of this Agreement, and Vendor desires to enter into this Agreement with Methodist to provide such ambulance services.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1.0 Term and Termination

This Agreement is valid for a period of ~~five~~ ^{four} (4) years from the Effective Date; therefore, the Agreement shall continue in full force and effect until May 9, 2021. This Agreement may be extended for additional terms upon the mutual consent of both parties hereto evidenced in writing.

Either party may terminate this Agreement without cause at any time by providing the other party with thirty (30) days prior written notice. Either party shall have the right to terminate this Agreement upon the breach of a material term of this Agreement by the other party by providing the other party with fifteen (15) days prior written notice.

2.0 Services

2.1 Services Provided. Vendor shall provide basic life support ("BLS"), advanced cardiac life support with Bi-pap equipment ("ACLS"), mobile intensive care unit ("MICU"), stand-by service for cardiovascular lab procedures, bariatric capability, and long distance transport services (collectively, the "Services"). Vendor shall make the Services available twenty-four (24)

hours a day, seven (7) days a week. Vendor shall respond with an ambulance to Methodist with the appropriate equipment, supplies, and personnel who are appropriately trained on the use of the equipment and supplies. Vendor shall ensure the ambulance is at Methodist *ready to transport the patient* within fifteen (15) minutes for emergencies and within sixty (60) minutes for non-emergencies after a call from Methodist. If Vendor cannot respond within the required time, Vendor shall notify Methodist immediately and Methodist shall secure another provider to transport the patient.

In accordance with all applicable Medicare authorities and Medicare Advantage Plan requirements, Vendor shall be responsible for obtaining prior authorization numbers ("PAN") for all transports, except that Methodist will obtain the PAN for any transports for which Medicaid is the primary or secondary payor. In general, Methodist shall only call Vendor for patient transports that, in Methodist's judgment, are medically necessary, as defined in the applicable third party payor's guidelines. The Medicare program's definition of "medically necessary" shall be controlling in the case of self-pay or indigent patients. If Methodist would like Vendor to provide Services that do not appear to Methodist to meet the "medically necessary" definition, Methodist shall assume financial responsibility for such Services in accordance with Section 3.0 below. Vendor shall not delay a transport in order to obtain billing information from Methodist or payment from a patient. When Vendor arrives, Methodist shall supply Vendor with copies of applicable patient documentation reasonably required by Vendor to bill for the Services. If Vendor requires additional information once the transport is complete, Methodist will assist Vendor in obtaining such documentation. In addition, once Vendor picks up a patient from Methodist, Vendor will promptly transport the patient to the appropriate destination. Vendor will also transport a copy of the applicable medical records, Memorandum of Transfer, or other appropriate documentation provided by Methodist.

Mileage must be delineated clearly for each Service. Mileage for trips to and from common destinations will not vary, but will be calculated based on the mileage chart included in Schedule A. Methodist will only be responsible for mileage while a patient is loaded; Methodist will not be responsible for any other travel time that does not include the transport of a patient.

2.2 Hospital Access. Vendor shall comply with all Methodist policies and procedures, including but not limited to access to Methodist property and staff, safety, and hand hygiene, and shall comply with all applicable accreditation agency standards. In accordance with those policies and procedures, Vendor's employees shall only access those areas of Methodist necessary to effect a patient transport. In addition, at all other times Vendor's personnel shall not be on Methodist's premises unless they have an appropriately scheduled appointment for a legitimate business purpose. Vendor's personnel shall not bring gifts, trinkets, food, or any other promotional item to Methodist to distribute to Methodist's staff. Any violation of this provision shall be considered a material breach of this Agreement.

3.0 Compensation

3.1 Vendor Fee Schedule(s). Vendor from time to time establishes and amends the fee schedule(s) that it utilizes to bill patients, patients' third party payors, and other responsible parties for medical transportation services and agrees that the fee schedule attached as Schedule A to this Agreement is applicable for all patient transports originating from and going to Methodist facilities

during the term of this Agreement. Except for Services not covered by a governmental health care program (e.g., wheelchair van), Vendor represents and warrants that the rates set forth in Schedule A are consistent with the Medicare allowable rates for such Services during the applicable year. For Services not covered by a governmental health care program (e.g., wheelchair van), Vendor represents and warrants that such rates are consistent with Vendor's customary charges for such Services under similar circumstances in the community serviced by Methodist.

3.2 Vendor Billing and Collection.

3.2.1 Patients and Patients' Third Party Payors. Consistent with the Vendor fee schedule(s) described in Section 3.1 above, Vendor shall bill and collect for its Services furnished pursuant to this Agreement from patients, patients' third party payors, and other responsible parties (including Methodist for those Services for which Methodist is financially responsible). Vendor shall not bill any patient, patient's third party payor, or other responsible party for such Services for which Methodist is financially responsible once Methodist's financial responsibility is determined. Methodist shall not be responsible for assisting Vendor in collecting payments from patients for whom Methodist is not financially responsible.

3.2.2 Methodist. Methodist's financial responsibility shall be determined by the applicable third party payor's guidelines. Vendor shall submit a monthly invoice to Methodist for all transports for the preceding month for which Methodist is financially responsible, and all such invoices shall contain the information listed on Schedule C. Vendor will also include a run sheet of all transports for Methodist for the preceding month, organized by payor type. Such invoices and run sheets shall be sent to the address and individual Methodist designates to Vendor in a format agreed to by Methodist and Vendor. No invoice shall be accepted later than sixty (60) days following (i) the date of Service or (ii) the date that Vendor receives notification that a denied claim for Services continues to be denied after exhaustion of available appeal procedures. For the avoidance of doubt, Methodist agrees that it will (i) timely pay all accurate and complete invoices for transports for which Methodist is financially responsible under the applicable third party payor's guidelines and (ii) until further notice from Methodist to Vendor, be the payor of last resort for any self-pay or indigent patients, consistent with Section 3.2.4 below.

3.2.3 Third Party Payors. In the event that a third party payor denies coverage for Vendor's Services, Methodist shall, at the request of Vendor, provide Vendor with such available documentation as necessary to appeal the denial, and Vendor shall appeal the denial. If such claim continues to be denied after exhaustion of available appeal procedures, Vendor shall submit the denied claim to Methodist in accordance with Section 3.2.2 above, and Methodist will evaluate such claim for payment.

3.2.4 Self-Pay and Indigent Patients. Vendor agrees that if Methodist calls Vendor for transport of any self-pay or indigent patient, Vendor shall accept that transport and shall not delay that transport to collect money from the patient. Vendor shall first bill such self-pay or indigent patient in accordance with Vendor's normal billing practices. If Vendor determines, after engaging in good faith and diligent collection efforts for a minimum of one hundred and twenty (120) days, that such self-pay or indigent patient's bill is uncollectible, Vendor shall submit verification of nonpayment to Methodist, including documentation of Vendor's billing efforts, and bill Methodist in accordance with Schedule A. Methodist shall then assume

financial responsibility for such Services. No invoice for indigent or self-pay patients shall be accepted later than sixty (60) days following the date that any Service furnished to self-pay or indigent patients is determined to be uncollectible by Vendor.

3.3 Compensation for Vendor Services.

3.3.1 Collections from Patients, Patients' Third Party Payors, and Other Responsible Parties. Vendor shall be entitled to all collections for billable Services furnished by Vendor to patients pursuant to this Agreement for which Methodist is not financially responsible.

3.3.2 Methodist Payments. All amounts due under this Agreement from Methodist shall be paid within sixty (60) days of Methodist's receipt of the invoice submitted in accordance with Section 3.2.2 above. If Methodist disputes any portion of an invoice, Methodist shall not be required to pay such disputed amount until the parties resolve the issue.

4.0 Licenses, Quality and Insurance

4.1 Licenses. Vendor warrants that it is a Medicare-certified ambulance supplier, duly licensed by the state of Texas and the city of The Woodlands, Texas. Vendor warrants that it is an ambulance supplier in good standing and has met all the licensing/certification requirements of applicable federal, state and local agencies, and that, in the performance of the Services hereunder, will comply with all applicable statutes, regulations, rules, and ordinances.

4.2 Personnel and Equipment. Vendor represents and warrants that the ambulance drivers and medical technicians on board the ambulance are duly certified and/or licensed, are appropriately experienced, will provide good medical care for patients, and will participate in periodic training sessions to ensure quality and clinically appropriate patient transports including, as appropriate, training and education programs that Methodist periodically provides.¹ Vendor's employees must be trained to appropriately manage patients with special needs, including, but not limited to, obese, pediatric, and advanced life support patients. In addition, Vendor's personnel will, at all times, be professional in appearance, act professionally and courteously to patients, families, and Methodist staff, and utilize Methodist designated waiting areas until the patient is ready for transport. Finally, Vendor represents and warrants that all vehicles used to provide the Services shall be safe, properly inspected, and in good working order and condition.

4.3 Quality/Performance Improvement. Vendor agrees that it will cooperate with Methodist in Methodist's evaluation of Vendor's performance of its obligations under this Agreement. Accordingly, Vendor agrees:

- a. it will meet the response times of fifteen (15) minutes for emergency and sixty (60) minutes for non-emergencies set forth in Section 2.1 above ninety-five percent (95%) of the time;
- b. that Methodist will track and trend patient complaints relating to Vendor's services provided hereunder and Vendor will meet with Methodist at least

¹ For example, Methodist periodically provides training and education programs for local government and community college EMS programs.

quarterly (unless otherwise mutually agreed by the parties) to discuss such complaints and reach appropriate resolutions for same;

- c. that Methodist will track and trend any patient incidents related to Vendor's services, and Vendor will meet with Methodist promptly after any such incident to reach an appropriate resolution for such incident;
- d. its employees will participate in critical incident reviews with Methodist; and
- e. it will participate in quality initiatives implemented by Methodist related to ambulance transports.

In the event that Vendor fails to comply with its obligations under this Section 4.3, Methodist will have (i) the rights set forth in Section 5.1 to call other providers, (ii) the right to terminate this Agreement immediately, and (iii) all other rights provided to it under law or equity.

4.4 Insurance. Without limiting any of the obligations or liabilities of Vendor, Vendor shall carry and maintain, at its own expense including any applicable deductibles or retentions, as long as respective, applicable statute(s) of limitation or repose are in effect relating to the specific purposes of this Agreement, insurance policies of the kind and limits listed below and with insurers with an A.M. Best's Rating of not less than A-VIII at all times. Accordingly, Vendor will maintain the following insurance requirements:

- a. Workers Compensation with statutory limits & Employers' Liability with minimum limits of \$1,000,000 Each Accident, \$1,000,000 Disease — Each Employee, and \$3,000,000 Disease — Policy Limit.
- b. Commercial General Liability including Premises/Operations, Products/Completed Operations, Contractual Liability, Personal/Advertising Injury with minimum limits of \$1,000,000 per occurrence and \$1,000,000 general aggregate.
- c. Automobile Liability with a minimum combined single limit of \$1,000,000 per occurrence shall be maintained at all times when any vehicles are operated on the leased or owned premises of Methodist.
- d. Errors and Omissions/Professional Liability with minimum limits of \$1,000,000 for each claim and \$3,000,000 annual aggregate covering claims involving any professional services provided by Vendor for such length of time as necessary to cover any and all claims arising out of or relating to the work performed herein.
- e. Fidelity/Crime for Employee's Dishonest Acts with limits not less than US\$50,000 and including Liability to Others for Employee Theft or Forgery. If Vendor's employees have access to Methodist assets, either physically or electronically, Vendor will maintain Fidelity/Crime Insurance covering employee dishonesty for Vendor's employees involved in the

Services in this Agreement. Such policy shall name Methodist as Loss Payee as Methodist interest may appear. Vendor's policy shall NOT include a Conviction Requirement Clause.

Where allowed by law, Methodist and its subsidiaries, officers, directors, trustees, employees, agents and affiliated shall be named as Additional Insureds on policies b. through c. above with a Waiver of Subrogation clause in favor of Methodist on policies a. through c. above. Additionally, with respect to Vendor's Indemnification obligations herein, all of Vendor's insurance shall be primary and any other valid and collectible insurance or self-insurance maintained by or in the name of Methodist and Methodists' insurance and self-insurance shall be excess of Vendor's insurance and shall not contribute to it in any way. Such insurance coverages (a.— e.) described above shall cover the actions of all Vendors' employees, contractors and subcontractors performing Services under this Agreement with the exception of coverage a. which would only apply to actual employees of Vendor.

All such insurance above shall operate independent and apart from Vendor's indemnification obligations hereunder, and the insurance requirements herein are not to be considered as indicative of the ultimate amounts and types of insurance that Vendor may need to protect Vendor's own interests.

If any of Vendor's insurance policies referenced above are claims made coverage, and if any of Vendor's policies are cancelled, non-renewed, or, if Vendor's operation is sold or ceases to exist, Vendor shall procure at Vendor's sole expense continuance of coverage with an extended reporting period with the same above terms and conditions which specifically continue to provide benefit for Methodist for as long as respective, applicable statute(s) of limitation or repose are in effect relating to the specific purpose of this Agreement. It is Vendor's responsibility to ensure that the insurance requirements listed above are in effect for the full term of this Agreement and for any period of time required thereafter to provide continuance of coverage needed to address potential claims that may arise. Cancellation of coverage or failure to maintain required coverage shall be considered a material breach of this Agreement.

In addition, Vendor hereby covenants and agrees that it will require its independent contractors, providing any services in this Agreement, through any kind of independent contractor agreements between Vendor and each independent contractor, to have the same types of coverage, coverage requirements, and limits as Vendor above (a. through d.) provide the same waivers of subrogation, and hold Methodist harmless from any and all claims, losses, damages, or injuries suffered by such independent contractor(s) while performing the services under this Agreement.

In compliance with Texas case law, within 120 days after the effective date of this Agreement, Vendor will provide the actual policy language applying to blanket wording provisions and/or applicable endorsements for insurance coverages described above naming Methodist as Additional Insureds and providing Waivers of Subrogation as required above. All such insurance shall be kept current throughout the entire term of this Agreement, and shall provide for at least thirty (30) days' advance notice to Methodist if coverage is to be non-renewed, cancelled or materially modified in some way so as to not provide the same minimum coverages or limits of insurance as cited above. Within ten (10) business days of the execution of this Agreement, and at the renewal of each of the above required insurance coverages, Vendor shall provide certificates

of insurance that comply with Texas Insurance code Chapter 1811, evidencing full compliance with the insurance requirements contained herein to the following address:

ATTN: Corporate Risk & Insurance Department, The Methodist Hospital System, The Methodist Hospital Annex, 1130 Earle Street, Suite 200, Houston, Texas 77030. Office: (713) 383-5101, Facsimile: (713) 383-5190, cputnam@HoustonMethodist.org.

5.0 First Call Priority

5.1 Criteria. Because Vendor meets the quality criteria listed in Sections 2.1, 2.2, 4.1, 4.2, 4.3, and 4.4 above (the "Quality Indicators"), Methodist shall call Vendor prior to calling other ambulance providers whenever (i) Methodist is financially responsible for a patient transport, or (ii) a patient delegates his or her right to choose an ambulance service provider to Methodist. Vendor understands and agrees, however, that this is a privilege it enjoys because of its consistent high quality service that enables Methodist to provide quality care to its patients. If at any time during the term of this Agreement Vendor fails to substantially meet the Quality Indicators for a period of more than ten (10) days after notice from Methodist, the terms of this Section 5.1 shall no longer be binding on Methodist and Methodist may call other ambulance service providers prior to and/or instead of Vendor as Methodist's first choice.

5.2 Referrals Not Required. The parties expressly agree and do hereby state that any discounts provided by Vendor to Methodist pursuant to this Agreement are not payments for referrals nor is the discount dependent or conditioned on a certain level of referrals. In addition, Vendor agrees that it will notify Methodist immediately if any employee, owner, officer, or director of Vendor is determined to have a financial relationship with Methodist, or vice versa.

5.3 Regulatory Changes. Notwithstanding any other provisions of this Agreement, if at any time while this Agreement is in effect a governmental law or regulation is promulgated that prohibits, restricts, limits, or in any way materially affects either party's rights or obligations hereunder, either party may give the other party notice of intent to amend this Agreement in a fashion that is equitable to each party considering such prohibition, restriction, limitation, or change, and the parties shall negotiate in good faith to accomplish such amendment. If agreement on the amendment is not reachable, either party shall have the right to terminate this Agreement as of midnight on the fifteenth (15th) day after such notice to amend is given, unless otherwise agreed.

6.0 Indemnification

TO THE EXTENT ALLOWED UNDER THE LAWS AND CONSTITUTION OF THE STATE OF TEXAS, VENDOR SHALL INDEMNIFY AND HOLD HARMLESS METHODIST AND METHODIST'S AGENTS, DIRECTORS, OFFICERS, AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, LOSSES, COSTS, DAMAGES, AND EXPENSES (INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEY'S FEES) RELATING TO INJURY OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY RESULTING FROM OR ARISING IN CONNECTION WITH ANY BREACH BY VENDOR OF ANY PROVISION HEREOF, OR ANY ACT, OMISSION OR NEGLIGENCE OF VENDOR OR VENDOR'S DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, INDEPENDENT CONTRACTORS, OR LICENSEES (INCLUDING IN THE EVENT OF THE JOINT, COMPARATIVE, OR PROPORTIONATE

NEGLIGENCE OF METHODIST BUT ONLY TO THE EXTENT OF VENDOR'S ACTUAL PROPORTIONATE NEGLIGENCE) RELATING TO THE SERVICES PROVIDED HEREUNDER. THIS PROVISION SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

METHODIST SHALL INDEMNIFY AND HOLD HARMLESS VENDOR AND VENDOR'S AGENTS, DIRECTORS, OFFICERS, AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, LOSSES, COSTS, DAMAGES, AND EXPENSES (INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEY'S FEES) RELATING TO INJURY OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY RESULTING FROM OR ARISING IN CONNECTION WITH ANY BREACH BY METHODIST OF ANY PROVISION HEREOF, OR ANY ACT, OMISSION OR NEGLECT OF METHODIST OR METHODIST'S DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, INDEPENDENT CONTRACTORS, OR LICENSEES (INCLUDING IN THE EVENT OF THE JOINT, COMPARATIVE, OR PROPORTIONATE NEGLIGENCE OF VENDOR, BUT ONLY TO THE EXTENT OF METHODIST'S ACTUAL PROPORTIONATE NEGLIGENCE) RELATING TO THE SERVICES PROVIDED HEREUNDER. THIS PROVISION SHALL SURVIVE TERMINATION OF THIS AGREEMENT

7.0 General Provisions

7.1 Availability of Records. Until the expiration of four (4) years after the furnishing of services under this Agreement, the Secretary of the Department of Health and Human Services and the Comptroller General of the United States, or the designees or duly authorized representative of either of the same, shall have access to all books and records of Vendor pertaining to the subject matter of this Agreement and the provision of services under it, in accordance with the criteria presently or hereafter developed by the Department of Health and Human Services as provided in Section 952 of the Omnibus Reconciliation Act of 1980. Upon request by governmental authority, Vendor shall make available (at reasonable times and places during normal business hours) this Agreement, and all books, documents and records of Vendor that are necessary to verify the nature and extent of the costs and services provided by Vendor in connection with this Agreement. This provision shall survive the termination of this Agreement.

7.2 Amendment. Any changes to this Agreement shall be in writing in the form of an amendment mutually agreed upon and duly executed by both parties.

7.3 Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter covered by this Agreement. No other Agreement, statement, or promise made by either party, or an employee, officer, or agent of the party, which is not contained in this Agreement shall be binding or valid unless executed pursuant to Section 7.2 above.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Texas, without giving effect to its choice of law provisions, and venue shall lie exclusively in Montgomery County, Texas.

7.5 Force Majeure. Neither party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement or other interruption of service or

employment deemed resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, terrorism, accidents, fires, explosions, earthquakes, flood, failure of transportation, strikes or other work interruptions by either party's employees, or any similar or dissimilar cause beyond the reasonable control of the party.

7.6 Notices. Except as otherwise set forth herein, all notices, requests, and other communications required hereunder shall be in writing and shall be deemed to have been given when presented personally or when mailed by certified mail, return receipt requested, to the applicable address set forth above, and addressed to the hospital administrator for Methodist; provided, however, that any party may change its address for purposes of this Section upon written notice to the other party as required by this Section 7.6.

7.7 Joint Venture. The parties to this Agreement shall be independent contractors of each other, and nothing in this Agreement constitutes or shall be construed to be an Agreement for Methodist and Vendor to share losses or, for any reason, to be a partner or a joint-venturer with one another.

7.8 Severability. The invalidity or unenforceability of any provision or portion of any provision of this Agreement shall not affect the validity or enforceability of the remainder of the same provision or any other provision of this Agreement and each provision hereof or portion of such shall be enforced to the fullest extent permitted by applicable law.

7.9 Assignment. Except as may be herein specifically provided to the contrary, this Assignment shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors, and assigns; provided, however, that no assignment of this Agreement or the rights and obligations hereunder shall be valid without the specific written consent of both parties hereto, and any such attempted assignment shall be void.

Notwithstanding anything herein to the contrary, Methodist shall have the right to assign this Agreement and the rights and obligations hereunder to an entity that is controlled by, under common control with, or that controls Methodist, or that is formed as the result of an internal restructuring of Methodist and/or its affiliates. Any such assignment by Methodist shall be effective without the need for any action on the part of any party other than Methodist and the party to which such permitted assignment is made in order for such assignment by Methodist to be effective.

7.10 Non-Exclusion. In accordance with Title IV, Medicare, Medicaid, and Children's Health Provisions of Section 4304 of the Balance Budget Act, (42 U.S.C. § 1320a-7af), Vendor acknowledges that Methodist is prohibited from contracting with a person or entity that has been excluded from a government health care program. Vendor represents and warrants that it is not excluded from a government health care program on the Effective Date of this Agreement and agrees that it will not perform any act that will cause it to be excluded during the term of this Agreement. Vendor also represents that if it or an employee who provides items or services under this Agreement becomes excluded from a federal or state health care program that Vendor will promptly notify Methodist. Vendor represents that no final adverse action by the federal or state government has occurred or is pending or threatened against the party, its affiliates, or, to its knowledge, against any employee, contractor, or agent engaged to provide items or services under

this Agreement. Vendor agrees to check the federal government's List of Excluded Entities and Providers and the General Services Administration List of Debarred Contractors to assure that its employees, contractors and agents have not been excluded from participation in federal health care programs. Vendor acknowledges that failure to comply with any provisions of this Section 7.10 shall be considered a material breach of contract and is grounds for immediate termination.

In addition, pursuant to Executive Order 13225 — "Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism" - each party further represents that each is prohibited from contracting with individuals and entities that commit, threaten to commit, or support terrorism. Each party represents and warrants that it does not employ or is not currently doing business with individuals or entities that are in violation of Executive Order 13225. Each party also represents that if it or an employee who provides items or services under this Agreement is in violation of this Section, it will promptly notify the other party.

7.11 Non-Discrimination. The parties hereby agree that in the performance of their obligations under this Agreement, neither of them will discriminate against an individual on the basis of that individual's race, color, national origin, religious or political affiliation, gender, sexual orientation, age, disability, veteran status, or status as a beneficiary of a governmental health care program.

7.12 Compliance Plan Participation. Vendor agrees to (a) train its employees on applicable laws; (b) provide Methodist, its employees, and agents access to billing documentation related to services provided under this Agreement; (c) participate in contract and claims audits upon reasonable request; and (d) cooperate and assist during any internal compliance review, investigation, monitoring protocol and/or audit, without regard to whether the review, investigation, or audit occurs before or after termination of the Agreement. Vendor is obliged to notify Methodist of any violation of any applicable law, regulation, or third party payor requirement, immediately after Vendor, its employees, or agents become aware of it, without regard to whether Vendor or its employees or agents become aware of during the term hereof and without regard to whether Vendor, its contractor, or its employees are involved or merely a witness. Such notification can be given through any of the following methods: (a) anonymously through Methodist's Hotline service (1-800-500-0333); (b) by contacting the person indicated in Section 7.6 of this Agreement; or (c) by contacting Methodist's Business Practice Officer.

In addition, the Deficit Reduction Act of 2005 requires Methodist to inform all employees, contractors and their agents of the following: Methodist receives reimbursement for many of its services from the Medicare and Medicaid programs. Under the federal False Claims Act and Texas laws, any person who knowingly submits, or causes someone else to submit illegal claims for payment of government funds is subject to government fines and penalties. Reports of suspected illegal claim activity should be made through any of the methods mentioned in the preceding paragraph, but may also be made to the Department of Health and Human Services Office of Inspector General or the Texas Health and Human Services Commission's Office of Inspector General. Those who report questionable practices are protected from retaliation for reports made in good faith by Methodist policy and by federal and state laws.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed and

delivered by its duly authorized representative as of the Effective Date.

METHODIST

By: Debra F. Sukin
Name: Debra F. Sukin
Title: CEO
Date: 5-18-17

VENDOR

By: Randy E. Johnson MCHD
Name: Randy E. Johnson
Title: CEO
Date: 5/17/17

APPROVED AS TO FORM

By: Amey Smudra
HOUSTON METHODIST
LEGAL SERVICES

**SCHEDULE A
RATES & MILEAGE**

Level of Service	HCPCS	Entity (Locality based on Zip Code; MAC Contractor = 04412)		
		<u>Locality = 09</u>	<u>Locality = 18</u>	<u>Locality = 99</u>
			HMH (77030) San Jacinto (77521) St Catherine's (77450) West Houston (77094) Willowbrook (77070)	Sugar Land (77479) The Woodlands (77385)
		Pearland ECC (77584)	Cypress ECC (77433) Voss ECC (77057) Kirby ECC (77098) Spring ECC (77388)	Sienna ECC (77459) Cinco Ranch ECC (77494)
BLS	A0428	\$225.78	\$228.16	\$215.47
BLS Emergency	A0429	\$361.25	\$365.06	\$344.75
ALS	A0426	\$270.94	\$273.80	\$258.56
ALS Emergency	A0427	\$428.99	\$433.51	\$409.39
ALS2	A0433	\$620.90	\$627.45	\$592.53
SCT	A0434	\$733.80	\$741.53	\$700.27
Ground Mileage	A0425	\$7.29	\$7.29	\$7.29
Air (Rotary Wing)	A0431	\$3,496.62	\$3,522.92	\$3,382.64
Air mileage	A0436	\$22.84	\$22.84	\$22.84

Wheelchair Van Services:

Wheelchair Van \$30.00 plus \$2.50 per
mile

Standby Rates:

First 90 minutes: \$ 100.00

Charge per 30 minutes \$ 50.00
thereafter:

Payments will change automatically as of January 1 each year to match the applicable Medicare Allowable Rates for that calendar year.

**THE METHODIST HOSPITAL SYSTEM
BUSINESS ENTITY LOCATION "POINT-TO-POINT" MILEAGE MATRIX**

Approximate Mileage to Report*																		
DESTINATION																		
	HMH	HMWB	HMSL	HMSJ	HMW	HMTW	HMSTJ	HMSTC	GB	HH	Annex	SC	EC/BI	KI	MPTOT	Voss ED	Pearland ED	Sienna ED
HMH	N/A	29	20	30	24	38	29	25	2	3	1	2	3	11	4	9	14	18
HMWB	29	N/A	31	45	25	28	50	27	30	30	29	28	25	21	25	22	41	38
HMSL	20	31	N/A	47	25	53	41	26	21	22	23	20	18	21	17	15	22	8
HMSJ	30	45	47	N/A	46	55	20	47	32	30	32	30	29	33	31	36	39	47
HMW	24	25	25	46	N/A	46	49	3	27	27	27	23	22	13	21	15	34	31
HMTW	38	28	53	55	46	N/A	59	48	39	38	39	37	38	37	39	39	48	59
HMSTJ	29	50	41	20	49	59	N/A	50	28	27	28	30	29	36	31	36	27	37
HMSTC	26	27	26	47	3	48	50	N/A	28	29	29	25	23	16	23	17	34	33
GB	2	30	21	32	27	39	28	28	N/A	2	1	3	4	14	6	12	12	17
HH	3	30	22	30	27	38	27	29	2	N/A	2	4	7	14	9	12	11	17
Annex	1	29	23	32	27	39	28	29	1	2	N/A	3	7	14	9	13	13	17
SC	2	28	20	30	23	37	30	25	3	4	3	N/A	2	11	4	9	14	19
EC/BI	3	25	18	29	22	38	29	23	4	7	7	2	N/A	10	2	7	16	20
KI	11	21	21	33	13	37	36	15	14	14	14	11	10	N/A	7	4	23	23
MPTOT	4	25	17	31	21	39	31	23	6	9	9	4	2	7	N/A	7	18	19
Voss ED	9	22	15	36	15	39	36	17	12	12	13	9	7	4	7	N/A	22	20
Pearland ED	14	41	22	39	34	48	27	34	12	11	13	14	16	23	18	22	N/A	10
Sienna ED	18	38	8	47	31	59	37	33	17	17	17	19	20	23	19	20	10	N/A

Source: Yahoo Maps

HMH:	Houston Methodist Hospital - 6565 Fannin St. Houston, TX 77030
HMWB:	Houston Methodist Willowbrook Hospital - 18220 Tomball Parkway, Houston, TX 77070
HMSL:	Houston Methodist Sugar Land Hospital - 16665 Southwest Freeway, Sugar Land, TX 77479
HMSJ:	Houston San Jacinto Methodist Hospital - 4401 Garth Rd. Baytown, TX 77521
HMW:	Houston Methodist West Hospital, 18500 Katy Freeway, Houston, TX 77094
HMTW:	Houston Methodist The Woodlands Hospital - 17201 Interstate 45 S, The Woodlands, TX 77385
HMSTJ:	Houston Methodist St. John - 18300 Hospital Blvd. Nassau Bay, TX 77058
HMSTC:	Houston Methodist St. Catherine - 701 S. Fry Road, Katy, TX 77450
GB:	Greenbriar - 8100 Greenbriar St., Houston, TX 77054
HH:	Holly Hall - 2550 Holly Hall, Houston, TX 77054
Annex:	1130 Earle St. Houston TX 77030
SC:	Sunset Clinic, 1701 Sunset Blvd., Houston, TX 77005
EC/BI:	Methodist Emergency Care/ Breast Imaging Center Upper Kirby, 2615 SW Fwy. Houston, TX 77098
KI:	Methodist Imaging Center West Houston (Katy) 8333 Katy Fwy. Houston, TX 77024
MPTOT:	Methodist Physical Therapy and Occupational Therapy, 3100 Timmons Lane, Houston, TX 77027
Voss ED:	1635 S. Voss Road, Houston, TX 77057
Pearland ED:	11525 Broadway, Pearland, TX 77584
Sienna ED:	8200 HWY 6, Missouri City, TX 77459

Schedule "B" - Services

For purposes of this agreement, the following definitions and guidelines shall be used in the provision of Ambulance services.

HCPC Code	Type of Service	Description of Service
A0428	BLS	Basic Life Support (BLS): Where medically necessary, the provision of basic life support (BLS) services as defined in the National EMS Education and Practice Blueprint for the EMT-Basic including the establishment of a peripheral intravenous (IV) line, to the extent permitted by State law.
A0429	BLS-E	Same as above, but rendered under emergency conditions.
A0426	ALS	Advanced Life Support, Level 1 (ALS1): Where medically necessary, the provision of an assessment by an advanced life support (ALS) provider and/or the provision of one or more ALS interventions. An ALS provider is defined as a provider trained to the level of EMT-Intermediate or Paramedic as defined in the National EMS Education and Practice Blueprint. An ALS intervention is defined as a procedure beyond the scope of an EMT-Basic as defined in the National EMS Education and Practice Blueprint, to the extent permitted by State law.
A0427	ALS-E	Same as above, but rendered under emergency conditions.
A0433	ALS2	Advanced Life Support, Level 2 (ALS2): Where medically necessary, transportation either by ground ambulance vehicle, medically necessary supplies and services, three separate administrations of one or more medications by intravenous push/bolus or by continuous infusion excluding crystalloids (hypotonic, isotonic and hypertonic solutions) such as dextrose, normal saline or ringer's lactate, or transportation, medically necessary supplies and services, and the provision of at least one of the following procedures: Manual defibrillation/cardioversion, Endotracheal intubation, Central venous line, Cardiac pacing, Chest decompression, surgical airway, Intraosseous line.
A0434	SCT	Specialty Care Transport (SCT): Where medically necessary, in a critically injured or ill patient, a level of inter-facility service provided beyond the scope of the Paramedic as defined in the National EMS Education and Practice Blueprint. This is necessary when a patient's condition requires ongoing care that must be provided by one or more health professionals in an appropriate specialty area (nursing, medicine, respiratory care, cardiovascular care, or paramedic with additional training); to the extent permitted by State law.

Schedule "C"

Information for Invoices

Each invoice presented to Methodist for payment must, at a minimum, include the following information for each patient.

- a) Patient's name
- b) Date of Service
- c) Name of the pick-up facility
- d) Name of the destination or drop-off facility
- e) Level of service (e.g., ALS, BLS)
- f) Mileage (calculated per Schedule A Mileage Chart)
- g) Medicare Allowable rate (per Schedule A)
- h) Total balance owed by Methodist
- i) Reason (or condition) necessitating the transport
- j) Reason third party payor denied claim, if applicable, and supporting documentation

All invoices for services provided under this Agreement shall be sent to:

Houston Methodist The Woodlands Hospital

Attention:

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement"), to be effective as of July 1, 2017 (the "Effective Date"), is made and entered into by and between Montgomery County Hospital District ("MCHD") and Robert Lewis Dickson M.D. ("Dickson") with reference to the following:

- A. MCHD desires to provide certain emergency medical services to the community through its Emergency Medical Services Program (the "EMS Program").
- B. The State of Texas promulgates numerous rules and regulations pertaining to provision of emergency medical services, such as those contained in Texas Administrative Code, Chapter 157, et seq., with which MCHD desires to comply.
- C. MCHD seeks to have Dickson serve as its Medical Director (the "Medical Director"). Dickson is a physician who is duly licensed to practice medicine in the State of Texas, is qualified and desires to render professional medical services approximately twenty-four (24) hours per week, other than days the Medical Director is out due to vacation, illness, CME, etc. and will render professional services forty (40) hours per week in conjunction with quarterly C.E. to the EMS Program in order to accomplish MCHD's aspirations stated above; and

NOW, THEREFORE, in consideration of the foregoing, the provisions contained herein and the mutual benefits to be derived from this Agreement, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, Dickson and MCHD agree as follows:

1. Services.

1.1 Generally. Dickson agrees to provide Medical Director to perform the following duties:

- 1.1.1. Work with MCHD and the EMS Program to develop procedures for providing high quality, appropriate, and efficient health care services to the MCHD community.
- 1.1.2. Assist in investigation of important problems in patient care and clinical performance.
- 1.1.3. Participate in the development and implementation of long-range planning for the EMS Program.
- 1.1.4. Provide oversight for equipment and medications that are obtained through the Medical Director's license.
- 1.1.5. Approve the level of pre-hospital care which may be rendered locally by each of the EMS Program personnel employed by and/or volunteering with the EMS Program under the Medical Director's supervision, regardless of the level of state certification, before the employee or volunteer is permitted to provide such care to the public.
- 1.1.6. Establish and monitor compliance with field performance guidelines for EMS Program personnel.
- 1.1.7. Establish and monitor compliance with training guidelines that meet or exceed the minimum standards set forth in Texas Department of State Health Services EMS program regulations.

- 1.1.8. Develop, implement and revise protocols and/or standing delegation orders, if appropriate, governing pre-hospital care and medical aspects of patient triage, transport, transfer, dispatch, extrication, rescue, and radio-telephone-telemetry communication by the EMS program.
- 1.1.9. Establish and implement an educational training experience for students of MCHD at the Ben Taub General Hospital Emergency Center, if desired by MCHD, which then would be set forth in a separate Educational Affiliation Agreement entered into by the parties.
- 1.1.10. Serve as medical director for any continuing education programs required by the Texas Department of State Health Services and as medical director for the National Registry Exams offered through the MCHD's EMS education program. For point of clarification this section is accountable to the following Texas Department of State Health Services (TDSHS) rules: TAC Title 25, Part 1, Chapter 157, Subchapter C with specifics to Rule 157. 32(g)(5), 157. 32(h)(6) pertaining to medical director.
- 1.1.11. Direct an effective system audit and quality assurance program.
- 1.1.12. Make formal recommendations on medically related aspects of operation of the EMS program including the inspection, evaluation, and approval of the system's performance specifications.
- 1.1.13. Function as the primary liaison between the EMS Program administration and the local medical community, ascertaining and being responsible to the needs of each.
- 1.1.14. Recommend appropriate remedial or corrective measures for EMS Program personnel, in conjunction with MCHD's EMS Program administration, which may include but are not limited to counseling, retraining, testing, probation, and/or field preceptorship.
- 1.1.15. Suspend a certified EMS Program employee or volunteer from medical care duties for due cause pending review and evaluation.
- 1.1.16. Establish the circumstance under which a patient might not be transported.
- 1.1.17. Establish the circumstances under which a patient may be transported against his or her will in accordance with state law, including approval of appropriate procedures, forms, and a review process.
- 1.1.18. Establish criteria for selection of patient's destination.
- 1.1.19. Promptly respond to requests for information from MCHD relating to the subject matter of items included in this section or to patient care issues.
- 1.1.20. Provide timely review and consultation with regard to medical records.
- 1.1.21. Maintain all necessary medical licenses and certifications in good order.
- 1.1.22. Be available, or identify a designee who is available, twenty-four hours per day, seven days per week, to provide telephone consultations to MCHD's EMS supervisors.

- 1.1.23. Periodically review MCHD's medical record keeping system and disease detection management and reporting procedures and suggestions and/or input as to how such systems may be enhanced.
- 1.1.24. Provide assistance and guidance to MCHD EMS ambulance personnel in connection with the provision of life support measures, including cardiac pulmonary resuscitation (CPR) and the discontinuation thereof in instances wherein Dickson has determined the continuation of CPR is no longer necessary (Termination of Life Support Calls. Dickson agrees to provide such services to MCHD EMS every other week (in rotation with Casey Patrick, M.D. ("Patrick") on the off-weeks.). Dickson agrees to coordinate scheduling of such services with Patrick so that MCHD has coverage for these services for each week during the term of this Agreement. The commencement date for these services will be mutually agreed upon between MCHD and Dickson."
- 1.2. Professional Qualification: Licenses and Permits. Dickson represents and warrants that he (i) has the necessary knowledge, experience, abilities, skills, and resources to perform his obligations under this Agreement, and (ii) has all the licenses and permits necessary to conduct his business and perform the obligations contained in this Agreement. Dickson further represents and warrants that he is:
 - 1.2.1. A physician licensed to practice in Texas.
 - 1.2.2. Familiar with the design and operations of EMS systems.
 - 1.2.3. Experienced in pre-hospital emergency care of acutely ill or injured patients.
 - 1.2.4. Actively involved in/or knowledgeable about:
 - 1.2.4.1. The emergency management of acutely ill and/or injured patients.
 - 1.2.4.2. The certification-appropriate training and/or continuing education of EMS Program personnel.
 - 1.2.4.3. The medical audit, review and critique of basic and advanced level EMS Program personnel.
 - 1.2.4.4. The administrative and legislative processes affecting pre-hospital EMS program organizations.
 - 1.2.4.5. Local multi-casualty plans.
 - 1.2.4.6. Dispatch and communications operations of pre-hospital emergency units.
 - 1.2.4.7. Laws and regulations affecting EMS program operations.

Dickson shall be responsible for maintaining and providing copies of appropriate credentials, certifications and associations, including but not limited to (i) current Texas Medical License, (ii) current Texas Controlled Substance License, (iii) current U.S. Drug Enforcement Administrative Narcotics License, (iv) any other licenses necessary for providing to the EMS Program those medications necessary for providing health care as an EMS program, and (v) current curriculum vitae.

- 1.3. Standards of Performance: Compliance with the Law. Dickson represents and warrants that he (i) shall perform his obligations under this Agreement in a professional manner, consistent with prevailing industry standards and practices, and (ii) shall comply with all applicable federal, state, and local statutes, rules, regulations, codes, and ordinances in performing his obligation under this Agreement.
 - 1.4. Contract Employee Relationship. The parties intend that Dickson's relationship to MCHD EMS in providing services hereunder shall be that of employee, but subject to the terms and conditions of this Agreement. MCHD shall (i) remain responsible and liable for Dickson's salary and benefits, (ii) retain the right to supervise, direct and control his performance hereunder and (iii) assume full responsibility and liability for his act or omissions, whether pursuant to this Agreement or otherwise.
2. Compensation. In consideration of Dickson's performance of his obligations under this Agreement, MCHD shall provide the following:
 - 2.1. Salary to Dickson in the amount of (a) Two Hundred Sixty-Two Thousand Four Hundred Dollars per year (\$262,400.00) (b) employment benefits including health insurance, retirement benefits, vacation and holidays, sick leave and other benefits provided to other MCHD employees, but only to the extent Dickson qualifies therefor under applicable law and/or MCHD's benefits programs and policies. Dickson shall be paid his salary in accordance with Federal and State wage laws, and in the same manner and frequency as other employees of MCHD.
 - 2.2. For services pertaining to consultations regarding termination of life support, as described in section 1.1.24 above, an additional stipend of One Hundred Dollars (\$100.00) per day for each day such services are rendered by Dickson (in rotation with Dr. Patrick or other qualified Physician) less all required withholding and deductions mandated by law.
 - 2.3. Appropriate office space and support services for the Dickson while he is performing services for the EMS Program on the MCHD campus.
 - 2.4. An emergency response vehicle for the Medical Director's use, with emergency lighting, communications and medical equipment, including maintenance, and fuel, and liability coverage for such vehicle.
 - 2.5. Appropriate emergency medical equipment, communications equipment, including computer, mobile telephone and mobile telephone service.
 - 2.6. MCHD shall pay or reimburse Dickson's expenses in connection with the Medical Director attending ACEP Conference, NAEMSP Conference, EAGLES Conference annually and every other year Pinnacle Conference.
 3. Insurance. MCHD shall pay for such policies of malpractice insurance as agreed upon by Dickson and MCHD to cover acts of Dickson while providing services on MCHD's behalf.
 4. Term; Termination; Survival.
 - 4.1. Term. The term of this Agreement shall commence on the Effective Date and shall continue for a term of one (1) year, subject to earlier termination pursuant to Section 5.2 below. If neither party gives sixty (60) days prior written notice that it wishes to

renegotiate this Agreement, then this Agreement shall automatically renew for successive one (1) year terms.

- 4.2. Termination. This Agreement may be terminated (i) by mutual written agreement of the parties; (ii) by either party, without cause, upon 30 days prior written notice to the other party; or (iii) by either party upon a breach of this Agreement by the other party, which breach remains uncured 30 days after receipt of written notice of such breach from the terminating party.

5. Miscellaneous

- 5.1. Notices. Any notice required by this Agreement shall be given by prepaid, first class mail as follows:

MCHD:
Attention CEO
Montgomery County Hospital District
P.O. Box 478
Conroe, Texas 77304

With a copy to:

Greg Hudson
Hudson O'Leary, LLP
1010 Mo-Pac Circle, Suite 201
Austin, Texas 78746

DICKSON:

Robert Lewis Dickson, M.D.
1400 S. Loop 336 West
CONROE TX 77304

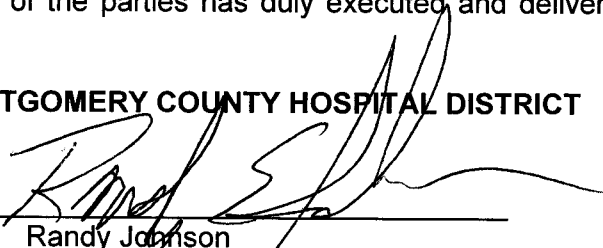
- 5.2. Power and Authority: Due Authorization: No Conflict: Enforceability. Each party represents and warrants to the other party that (i) such party has the power and authority to execute, deliver and perform such party's obligations under this Agreement, (ii) the execution, delivery and performance of this Agreement have been duly authorized by such party and do not and shall not conflict with any agreement or instrument to which such party is bound, and (iii) this Agreement constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms.
- 5.3. Entire Agreement: Severability: Further Assurances. This Agreement constitutes the entire agreement between the parties, and supersedes all prior and contemporaneous agreements, understandings and negotiations, with respect to the subject matter hereof. In the event any one or more of the provisions of the Agreement shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been incorporated and take such further actions as may be required or reasonably requested by the other party to effectuate the purpose of this Agreement.

- 5.4. No Assignment: No Amendment: No Waiver. This Agreement (i) may not be assigned or transferred, in whole or in part, by operation of law or otherwise, by either party without the prior written consent of the other parties, and (ii) may not be amended or modified, by course of conduct or otherwise, except in writing duly executed by each of the parties. Any waiver of any provisions of the Agreement shall be in writing duly executed by the waiving party. The failure or delay by either party to seek redress for any breach under this Agreement, or to insist upon the strict performance of any provisions of this Agreement, shall not constitute a waiver thereof or of any other provision of this Agreement, and such party shall have all remedies provided herein and at law and in equity with respect to such act or any subsequent act constituting the same.
- 5.5. Force Majeure: Specific Performance: Remedies Cumulative. In the event that any party's performance under this Agreement in any way prevented or delayed as a result of causes or conditions (other than inability to pay) beyond such party's reasonable control, except as otherwise set forth in this Agreement, such party shall be excused without liability with respect to such performance. The rights and remedies provided in this Agreement are cumulative in nature and shall be in addition to any such rights and remedies available at law or in equity.
- 5.6. Governing Law: Jurisdiction and Venue: Attorney's Fees. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas (without regard to the conflicts or choice of law principles thereof). The parties irrevocably consent to the jurisdiction of the State of Texas, and agree that any court of competent jurisdiction of the State of Texas, and agree that any court of competent jurisdiction sitting in the County of Montgomery, State of Texas, shall be an appropriate and convenient place of venue to resolve any dispute with respect to this Agreement. In the event either party commences any proceeding against the other party with respect to this Agreement, the parties agree that the prevailing party (as determined by authority before whom such proceeding is commenced) shall be entitled to recover reasonable attorney's fees and costs as may be incurred in connection therewith in addition to any such other relief as may be granted.
- 5.7. Section Headings: Counterparts. This section and other headings in this Agreement are for convenience of reference only and shall not be construed, expressly or by implication, so as to affect the meaning or interpretation of any of the provisions hereof. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Each of the parties has duly executed and delivered this Agreement to be effective on the Effective Date.


MONTGOMERY COUNTY HOSPITAL DISTRICT

BY


Randy Johnson
Chief Executive Officer

ROBERT LEWIS DICKSON, M.D.

BY


Robert Lewis Dickson, M.D.

HGACBuy		CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only		Contract No.:	HT04-14	Date Prepared:	05/15/17
<p>This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.</p>							
Buying Agency:	Montgomery County Hospital Dist			Contractor:	Freedom C-D-J-R		
Contact Person:	Wade Sullivan			Prepared By:	Bert D.Stull		
Phone:	847-926-1153			Phone:	972-707-9436		
Fax:				Fax:	214-350-0085		
Email:				Email:	bstull@freedomfleetsales.com		
Product Code:	K1	Description:	2017-18 Ram Cab/Chassis 4500				
A. Product Item Base Unit Price Per Contractor's H-GAC Contract:							30600
B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable. (Note: Published Options are options which were submitted and priced in Contractor's bid.)							
Description		Cost	Description		Cost		
6.7L Diesel		6776					
Full Size Spare		350					
Vinyl Flooring		Inc					
Fog Lights		140					
Auto Trans		1186					
Ambulance Prep		445					
Cold Weather Group		90					
Center Console Delete		Inc					
Premium Seating		925					
Rear sliding Window		140					
					Subtotal From Additional Sheet(s):		
					Subtotal B:		10052
C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary. (Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)							
Description		Cost	Description		Cost		
Increase to 84" SLT		4200					
					Subtotal From Additional Sheet(s):		
					Subtotal C:		4200
Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B).				For this transaction the percentage is:		10%	
D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)							
Quantity Ordered:		6	X Subtotal of A + B + C:		44852	=	Subtotal D: 269112
E. H-GAC Order Processing Charge (Amount Per Current Policy)							Subtotal E: 1000
F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges							
Description		Cost	Description		Cost		
Delivery Total For 6		2700	Installation For 6		8700		
					Subtotal F:		11400
Delivery Date:		TBD		G. Total Purchase Price (D+E+F):		281512	

HGACBuy		CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only		Contract No.:	HT04-14	Date Prepared:	05/15/17
<p>This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.</p>							
Buying Agency:	Montgomery County Hospital Dist			Contractor:	Freedom C-D-J-R		
Contact Person:	Wade Sullivan			Prepared By:	Bert D.Stull		
Phone:	847-926-1153			Phone:	972-707-9436		
Fax:				Fax:	214-350-0085		
Email:				Email:	bstull@freedomfleetsales.com		
Product Code:	K1	Description:	2017-18 Ram Cab/Chassis 4500				
A. Product Item Base Unit Price Per Contractor's H-GAC Contract:							30600
B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable. (Note: Published Options are options which were submitted and priced in Contractor's bid.)							
Description		Cost	Description		Cost		
6.7L Diesel		6776					
Full Size Spare		350					
Vinyl Flooring		Inc					
Fog Lights		140					
Auto Trans		1186					
Ambulance Prep		445					
Cold Weather Group		90					
Center Console Delete		Inc					
Premium Seating		925					
Rear sliding Window		140					
					Subtotal From Additional Sheet(s):		
					Subtotal B:		10052
C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary. (Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)							
Description		Cost	Description		Cost		
Increase to 84" SLT		4200					
					Subtotal From Additional Sheet(s):		
					Subtotal C:		4200
Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B).				For this transaction the percentage is:		10%	
D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)							
Quantity Ordered:	6	X Subtotal of A + B + C:		44852	=	Subtotal D:	269112
E. H-GAC Order Processing Charge (Amount Per Current Policy)						Subtotal E:	
						1000	
F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges							
Description		Cost	Description		Cost		
Delivery Total For 6		2700	Installation For 6		8700		
					Subtotal F:		11400
Delivery Date:		TBD		G. Total Purchase Price (D+E+F):		281512	



8105 North Beltline Road
Suite 170
Irving, Texas 75063
Tele. 972.550.2302
Fax. 972.550.2364

May 18, 2017

Randy Johnson
Montgomery County Hospital District
1400 South Loop 336 West
Conroe, Texas 77304

Dear Mr. Johnson:

The Montgomery County Hospital District has deployed a hybrid radio communications system with Enhanced Digital Access Communications Systems (EDACS) and P25 Digital Trunking system both manufactured by Harris Corporation. This system provides the critical Public Safety and Public Service communications for the hospital district as well as the city of Conroe and many other agencies throughout the surrounding area.

At this time, EDACS/P25 radios, repeaters, dispatch consoles, software and equipment for this system falls under Harris Corporation intellectual property rights and the proprietary protocols represent a patent, copyright or secret process and are, therefore, currently only available from the manufacturer, Harris Corporation.

Dailey-Wells Communications is the only authorized Harris Corporation Network Solutions Provider to provide system sales, service, system upgrades and repairs to include mobiles, portables, control stations and other EDACS/P25 equipment for agencies operating on this communications system. This assignment was made effective September 2004 and does not have an end date. If this status should change at some point in the future you will be notified by Harris Corporation in writing. Orders for Harris Corporation equipment, service and associated accessories should be placed through Dailey-Wells Communications.

Thank you for your attention in this matter. Harris Corporation and Dailey-Wells Communications look forward to the opportunity to continue the service and sales support of EDACS/P25 Systems throughout your area.

Sincerely,

Brian Beatty
Manager Indirect Sales, Harris Corporation

Cc: Jim Sawyer, Director of Sales, Dailey-Wells Communications

DAILEY-WELLS COMMUNICATIONS

3440 E. Houston St., San Antonio, TX 78219



To: Montgomery County HD, Justin Evans
From: Dennis Vickery (281) 804-7970
Date: 10-Feb-17

Consoles - Symphony Hardware, Encrypted - Package

Item	Part Number	Description	Qty.	Unit Sale	Ext Sale
1	UD-ZN4Z	CONSOLE, SYMPHONY, BUNDLE, PREMIER	3	\$ 42,782.80	\$ 128,348.40
		Each Console Package Includes:			
1a	NS-SG2B	LICENSE, CONSOLE	1	Included	Included
1b	NS-SG2C	LICENSE, CONSOLE TALKPATH	12	Included	Included
1c	UD-SG4W	LICENSE, AES AND DES LEVEL ENCRYPTION	1	Included	Included
1d	UD-AB1A	SPEAKER, NANO, SYMPHONY	2	Included	Included
1e	UD-CU6X	MONITOR, 21.5" CLASS, TOUCHSCREEN, HD	1	Included	Included
1f	UD-AB1K	CABLE, DISPLAYPORT TO DVI-D, 10FT	1	Included	Included
1g	UD-AB1F	MOUSE, OPTICAL, USB, SCROLL WHEEL	1	Included	Included
1h	UD-AB1G	KEYBOARD, 104 KEY, USB, HUB	1	Included	Included
1i	UD-AB1D	SINGLE FOOTSWITCH, USB, SYMPHONY	1	Included	Included
1j	UD-AB1M	DESK MIC, DB9	1	Included	Included
1k	UD-AB1B	JACK BOX, 6 WIRE	2	Included	Included
1l	CM-022218-001101	License, Vocoder	1	Included	Included
1m	MM100UD	MANUAL, OP/INSTA/CONFIG, SYMPHONY, CD	1	Included	Included
				SUB TOTAL	\$ 128,348.40

NOTE:

Price Valid Until June 30, 2017.

Terms: Net 30 Days.

Shipping: FOB Source, prepay and add to invoice.



8105 North Beltline Road
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Irving, Texas 75063
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Sincerely,

Brian Beatty
Manager Indirect Sales, Harris Corporation

Cc: Jim Sawyer, Director of Sales, Dailey-Wells Communications

DAILEY-WELLS COMMUNICATIONS

3440 E. Houston St., San Antonio, TX 78219



To: Montgomery County HD, Justin Evans
From: Dennis Vickery (281) 804-7970
Date: 18-May-17

Status Aware

Item	Part Number	Description	Qty.	Unit List	Disc. %	Unit Sale	Ext Sale
1	NM-VM2X/NM-SH4J	SOFTWARE, STATUSAWARE & LICENSE FOR UPTO 1,100 DEVICES	1	\$ 60,000.00	26%	\$ 44,400.00	\$ 44,400.00
SUB TOTAL							\$ 44,400.00

Price Valid Until June 30, 2017.

Terms: Net 30 Days.

Shipping: FOB Source, prepay and add to invoice.

DAILEY-WELLS COMMUNICATIONS

3440 E. Houston St., San Antonio, TX 78219



To: Montgomery County HD, Justin Evans
From: Dennis Vickery (281) 804-7970
Date: 18-May-17

XL-200 Portable, Full Spectrum Multiband, P25 Trunking, AES/DES - BLK, System

Item	Part Number	Description	Qty.	Unit List	Disc. %	Unit Sale	Ext Sale
1	XL-PFM1Y	PORTABLE,XL-200P,FULL,BLK-YEL,US	24	\$ 2,900.00	26%	\$ 2,146.00	\$ 51,504.00
2	XL-PL5K	FEATURE,PROFILE OTAP OVER-THE-AIR PRGM	24	\$ 265.00	26%	\$ 196.10	\$ 4,706.40
3	XL-PL8N	FEATURE, IN-BAND GPS	24	\$ 250.00	26%	\$ 185.00	\$ 4,440.00
4	XL-PL4F	FEATURE,P25 PHASE 2 TDMA	24	\$ 250.00	26%	\$ 185.00	\$ 4,440.00
5	XL-PKG8F	FEATURE,256-AES,64-DES ENCRYPTION	24	\$ 695.00	26%	\$ 514.30	\$ 12,343.20
6	XL-LLA	FEATURE,LINK LAYER AUTHENTICATION	24	\$ 100.00	26%	\$ 74.00	\$ 1,776.00
7	XL-PKGPT	FEATURE PACKAGE,P25 TRUNKING	24	\$ 1,500.00	26%	\$ 1,110.00	\$ 26,640.00
8	XL-PKGMR	OPTION,IMMERSIBLE RADIO OPERATION	24	\$ 240.00	26%	\$ 177.60	\$ 4,262.40
9	XL-PKGF1	FEATURE PACKAGE,ALL BANDS,V+U+7/800	24	\$ 1,500.00	26%	\$ 1,110.00	\$ 26,640.00
10	XL-PA3V	BATTERY,LI-ION,3100 MAH	24	\$ 150.00	26%	\$ 111.00	\$ 2,664.00
11	XL-NC5Z	ANTENNA,FLEX,HELICAL,136-870 MHZ	24	\$ 100.00	26%	\$ 74.00	\$ 1,776.00
12	XL-AE9N	SPEAKER MICROPHONE	24	\$ 160.00	26%	\$ 118.40	\$ 2,841.60
13	XL-HC3L	BELT CLIP,METAL	24	\$ 25.00	26%	\$ 18.50	\$ 444.00
14	XL-CH4X	CHARGER,1-BAY	24	\$ 150.00	26%	\$ 111.00	\$ 2,664.00
SUB TOTAL							\$ 147,141.60
Trade-In Allowance							\$ (32,371.15)
TOTAL							\$ 114,770.45

Price Valid Until June 30, 2017.

Terms: Net 30 Days.

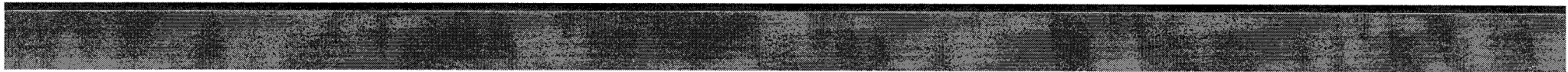
Shipping: FOB Source, prepay and add to invoice.

EMS Stations and Tower Generator Bids-2017

AVERY BELUE

JUSTIN EVANS

MELISSA MILLER




Station bids 14,31,41,43,45

- We received 3 responses for stations to our Invitation for bid.
- Stations 14, 41, 43 and 45 generators were budgeted for FY 17 @ \$115,000
- Station 31 will be budgeted for in FY 18 for \$22,153
- Based on the bid tabulation, we recommend Quality Generators to install residential Generac generators at the 5 stations. Cost for FY 117,335.
 - Included
 - Manufacturer 5 year warranty
 - 1 year (2 visit) maintenance plan
 - Options
 - Option to extend to 10 year all-inclusive warranty on 41 for \$1,200.00
 - Option to extend to 10 year all-inclusive warranty on 14, 31, 43 and 45 for \$1,050.00 each
 - Selected the extended warranty will increase the FY 17 spend by \$5,400 to \$122,735
 - Increasing the FY 18 Station 31 budget from \$22,153 to \$23,203

ROBINSON ROAD TOWER

- We received 2 bids for the tower replacement generator.
- We are waiting on clarification from the bidders and request this generator decision be tabled until the June meeting.

 Montgomery County Hospital District	CAPITAL ASSET CAPITALIZATION	Page 1 of 8
Department	Policy Number	CAAS Reference Number
Accounting	ACC 05-102	

I. PURPOSE

Capital assets have a major impact on the ability of the District to deliver services. The purpose of this policy is to provide guidelines to assist in decision making and define accounting processes that ensure effective and accurate control of capital assets.

II. DEFINITIONS

Capital assets - ~~are~~ real or personal property that have a value equal to or greater than the capitalization threshold and have an estimated useful life of five years ~~one year~~ or more.

Depreciation – allocation of a capital asset’s cost to expense by decreasing the value of the asset over its useful life.

III. POLICY

Montgomery County Hospital District (MCHD) will regard capital assets as capitalized when: ~~all~~ of the following criteria are met:

- ~~1) Assets purchased, built or leased have useful lives of five years~~~~one year or more and -~~
- ~~2) -~~
- ~~3) 1) the~~The cost of the asset (including installation) is ~~\$5,000~~~~\$1,000~~ or more. Multiple assets whose cost are less than \$1,000 but the aggregate request or total are \$1,000 or more are capitalized.
- ~~2) The cost of repairing or renovating the asset is \$10,000~~~~\$2,000~~ or more and prolongs the life of the asset.
- ~~4) 3) The cost of capitalization threshold for buildings and building improvements is \$50,000 or more.~~

MCHD will regard the purchase of software programs as expenditures and ~~that~~ are not subject to the above capitalization policy. Costs associated with software maintenance and customer support are considered expenditures and will not be capitalized.

Each department manager is responsible for ensuring accountability, maintenance, and proper use of District assets assigned to their custody. Capital assets are required to be tracked at the department level and be made available for inspection at any time.

Capital Asset Definitions and Guidelines

~~Capital assets are real or personal property that have a value equal to or greater than the capitalization threshold and have an estimated useful life of one year or more.~~

MCHD has invested in a broad range of capital assets used in the District’s operations, including:

- Land and improvements
- Buildings and building improvements
- Construction in progress
- Radio Tower and Tower Shelter
- Personal Property
 - Furniture
 - Equipment
 - Vehicles

Capital Asset Acquisition Cost

Capital assets should be recorded and reported in the District's capital asset software at historical cost, which includes the vendor's invoice (plus the value of any trade-in), plus initial installation costs (excluding in-house labor), modifications, attachments, accessories or apparatus necessary to make the asset usable and render it into service.

For MCHD, historical costs also include ancillary charges such as freight and transportation charges, site preparation costs and professional fees. The costs of purchasing capital assets for governmental activities do not include capitalized interest.

Capital Asset Donations

~~GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*, defines a donation as a voluntary non-exchange transaction entered into willingly by two or more parties.~~

Leased Equipment

Equipment should be capitalized if the lease agreement meets any of the following criteria. Leases that do not meet these requirements should be recorded as operating leases.

- The lease transfers ownership of the property to the lessee by the end of the lease term.
- The lease contains a bargain purchase option.
- The lease term is equal to 75 percent or more of estimated economic life of the leased property.
- The present value of the minimum lease payments at the inception of the lease, excluding lease execution costs, equals at least 90 percent of the fair value of the leased property.
- ~~Leases that do not meet any of the above requirements should be recorded as an operating lease.~~

Depreciating Capital Assets

Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible (land, works of art, historical treasures).

The straight-line depreciation method (historical cost less residual value, divided by useful life) will be used. The actual date will govern when an asset was placed into service, subject to the use of a full month for that first month (regardless of the date placed into service). An asset is considered placed into service on the date it became available for use and was being used for the purpose intended when purchased or constructed.

Depreciation data will be calculated and stored by the District's accounting department for each eligible asset. Accumulated depreciation will be summarized and posted to the accounting general ledger under the capital asset group.

Residual Value

In order to calculate depreciation for an asset, the estimated residual value must be declared before depreciation can be calculated. The use of historical sales information becomes invaluable for determining the estimated residual value. Proceeds from sale of assets must be netted against residual value in computing net gain or loss from sale.

Capital Asset Categories

Land and Land Improvements

Definition

Land is the surface or crust of the earth, which can be used to support structures. Land is characterized as having an unlimited life.

Land improvements consist of betterments, site preparation and site improvements (other than buildings) that ready land for its intended use. The costs associated with improvements of land are added to the cost of the land.

Depreciation Methodology

Land and land improvements are inexhaustible assets and do not depreciate over time.

Capitalization Threshold

All acquisitions of land and land improvements over \$5,000 will be capitalized.

Examples of expenditures to be capitalized as land and land improvements

- Purchase price
- Fair market value at time of gift
- Commissions paid in purchasing land
- Professional fees (title searches, architect, legal, engineering, appraisal, surveying, environmental assessments, etc.)
- Land excavation, fill, grading, drainage
- Demolition of existing building and improvements
- Removal, relocation, or reconstruction of property of others
- Water wells
- Right of way

Buildings and Building Improvements

Definition

A building is a structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable. Total project costs are accumulated in detail as one asset in a construction in progress account, with depreciation calculated as of the date the building is placed into service.

Building Improvement Definition

Building improvements are capital events that materially extend the useful life of a building or increase the value of a building, or both. A building improvement should be capitalized as a betterment and recorded as an addition of value to the existing building if the expenditure for the improvement is at the capitalization threshold, or the expenditure increases the life or value of the building by at least 25 percent of the original period or cost. An asset that meets this definition is not entered as separate costs for depreciation purposes; the total project cost is accumulated and entered as one total in the system, with depreciation calculated as one amount from the total.

Depreciation Methodology

The straight-line depreciation method (historical cost less residual value, divided by useful life) will be used for buildings and improvements. Subsequent improvements that change the use or function of the building shall be depreciated.

Capitalization Threshold

The capitalization threshold for buildings and building improvements is \$50,000.

Examples of expenditures to be capitalized as buildings

- Original purchase price
- Expenses for remodeling, reconditioning or altering a purchased building to make it ready to use for the purpose for which it was acquired
- Professional fees (legal, architect, inspections, title searches, etc.)
- Cancellation or buyout of existing leases
- Other costs required to place or render the asset into operation

CONSTRUCTED BUILDINGS

- Completed project costs
- Interest accrued during construction
- Cost of excavation or grading or filling of land
- Expenses incurred for the preparation of plans, specifications, blueprints, etc.
- Cost of building permits

- Professional fees (architect, engineer, management fees for design and supervision, legal)
- Costs of temporary buildings used during construction
- Permanently attached fixtures or machinery that cannot be removed without impairing the use of the building
- Additions to buildings (expansions, extensions, or enlargements)

Examples of expenditures to be capitalized as improvements to buildings

- Installation or upgrade of heating and cooling systems
- Original installation/upgrade of wall or ceiling covering such as carpeting, tiles, paneling
- Structural changes such as reinforcement of floors or walls
- Installation or upgrade of window or door frame, upgrading of windows or doors
- Replacement of entire roof
- Installation or upgrade of plumbing and electrical wiring
- Installation or upgrade of phone or closed circuit television systems, networks, fiber optic cable, wiring required in the installation of equipment (that will remain in the building)

Site Improvements

Definition

Site improvements are defined as depreciable assets that deteriorate over time. The improvements include fences, parking lots, and access roads.

Depreciation Methodology

The straight-line depreciation will be used for site improvements.

Capitalization Threshold

The capitalization threshold for site improvement is \$5,000

Personal Property

Definition

Personal property is defined as fixed or movable tangible assets to be used for operations, the benefits of which extend beyond one year from date of acquisition and are rendered into service. Improvements or additions to existing personal property that constitute a capital outlay or increase the value or life of the asset by at least 25 percent of the original cost or life should be capitalized as betterment and recorded as an addition of value to the existing asset. (Costs of extended warranties and/or maintenance agreements which can be separately identified from the cost of the equipment, should not be capitalized.)

Depreciation Methodology

The straight-line depreciation method will be used for personal property.

Capitalization Threshold

The capitalization threshold for personal property is \$1,000.

Examples of expenditures to be capitalized as personal property

- Original contract or invoice price
- Freight charges
- Installation charges
- Charges for testing and preparation for use
- Parts and labor associated with the construction of equipment

Building Maintenance Expense

The following are examples of expenditures not to capitalize as improvements to buildings. Instead, these items should be recorded as maintenance expense.

- Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value of the building.
- Improvement projects of minimal or no added life expectancy and/or value to the building
- Plumbing or electrical repairs
- Cleaning, pest extermination, or other periodic maintenance
- Interior decoration, such as draperies, blinds, curtain rods, wallpaper
- Exterior decoration, such as detachable awnings, uncovered porches, decorative fences, etc.
- Maintenance-type interior renovation, such as repainting, touch-up plastering, replacement of carpet, tile or panel sections; sink and fixture refinishing, etc.
- Maintenance-type exterior renovation such as repainting, replacement of deteriorated siding, Roof, or masonry sections
- Any other maintenance-related expenditure which does not increase the value of the building

Other Considerations:

- 1) REPAIR is an expenditure that keeps the property in ordinary efficient operating condition. The cost of the repair does not add to the value or prolong the life of the asset. All repair expenditures are charged to the appropriate department and fund.
- 2) IMPROVEMENTS are expenditures for additions, alterations and renovations that appreciably prolong the life of the asset, materially increase its value or adapt it to a different use. Improvements of this nature are capitalized.

Examples of Repairs vs. Improvements

<u>Repairs = Expenditures</u>	<u>Improvements = Capitalized Assets</u>
-------------------------------	--

All items life less than one year	Life of more than one year
All items under \$2,000	All items \$2,000 or more
Property maintenance, wall repair	Property rebuilding
Replacement of machine parts to keep machine in normal operating condition	Replacement of motor and parts that prolong the useful life
Property restoration (rebuilding) for normal operations	Property restoration for something different or better
Exiting building repairs	Building regulation conformity
Replacement of small sections of wiring, pipes, or light fixtures	Major replacement of wiring, lighting, pipes, or sewer
Patching walls, minor repair of floors, painting, etc.	Installation of floor, wall, roof, wall-covering, etc.
Patching driveways	New driveway or major repair
Cleaning drapery, carpet, furniture	New drapery, carpets, furniture
Partial roof repair or replacement	Replacement of entire roof

**Depreciation Method-Straight Line over the following useful lives: Useful Life
in Months Years**


<u>Asset</u>	<u>Years</u>
Land and Land Improvements	0
Site Improvements	
• Fencing and Gates	60 <u>5</u>
• Landscaping	120 <u>10</u>
• Parking Lot/Driveway/Parking Barrier	240 <u>20</u>
• Outside Sprinkler System	480 <u>15</u>
Buildings and Building Improvements	
• Building Exterior: Office	360 <u>30</u>
• Building Exterior: Storage and WarehouseRoof	360 <u>10</u>
• Building Interior: Elevator	240
• Building Interior: Carpet	480 <u>10</u>
• Building Interior: Sprinkler System	240
• Building Interior: Roof	120
• Building Interior: HVAC	180
• Building Interior: Security	120
Radio Tower and Tower Shelter	<u>30</u>
Furniture and Equipment	

• Telephone Systems	10
• IT Equipment	5
• Radio, Communication Systems	5
• Medical	5
• HVAC	15
• Security	10
• Desks, tables, chairs, cabinets, credenzas	36
• Fax machines, copiers, projectors	36
• Kitchen appliances	36
• Desktop CPU, servers, laptops	36
Vehicles	
• Passenger Cars	605
• Cargo Vans, Light Trucks	605
• Ambulances – Box and Chassis	605

This Capital Asset Capitalization Policy may be amended and supplemented from time to time by resolution of the Board of Directors. All existing capital asset capitalization policies of the District containing provisions inconsistent with these policies are hereby repealed and replaced by these policies. No violation of these policies alone shall constitute a basis for a legal challenge, as it is intended by the District that these policies are intended to provide a method of guidance for the District's capitalization of capital assets, but shall not be construed as having the force and effect of law. Any provisions of the District's enabling statutes as well as other state or federal laws, rules or regulations which are applicable to the District and which conflict with these policies shall supersede these policies to the extent of such conflict.

These policies have been approved by the Board of Directors of the Montgomery County Hospital District, acting at a public meeting held in strict compliance with the Texas Open Meetings Act, to take effect immediately.

THESE POLICIES WERE PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE MONTGOMERY COUNTY HOSPITAL DISTRICT ON THE 3rd OF NOVEMBER, 2009.

 Montgomery County Hospital District	CAPITAL ASSET CAPITALIZATION	Page 1 of 3
Department	Policy Number	CAAS Reference Number
Accounting	ACC 05-102	

I. PURPOSE

Capital assets have a major impact on the ability of the District to deliver services. The purpose of this policy is to provide guidelines to assist in decision making and define accounting processes that ensure effective and accurate control of capital assets.

II. DEFINITIONS

Capital assets - real or personal property that have a value equal to or greater than the capitalization threshold and have an estimated useful life of five years or more.

Depreciation – allocation of a capital asset’s cost to expense by decreasing the value of the asset over its useful life.

III. POLICY

Montgomery County Hospital District (MCHD) will regard assets as capitalized when:

- 1) Assets purchased, built or leased have useful lives of five years or more and the cost of the asset (including installation) is \$5,000 or more.
- 2) The cost of repairing or renovating the asset is \$10,000 or more and prolongs the life of the asset.
- 3) The cost of buildings and building improvements is \$50,000 or more.

MCHD will regard the purchase of software programs as expenditures that are not subject to the above capitalization policy. Costs associated with software maintenance and customer support are considered expenditures and will not be capitalized.

Each department manager is responsible for ensuring accountability, maintenance, and proper use of District assets assigned to their custody. Capital assets are required to be tracked at the department level and be made available for inspection at any time.

Capital Asset Definitions and Guidelines

MCHD has invested in a broad range of capital assets used in the District’s operations, including:

- Land and improvements
- Buildings and building improvements
- Construction in progress
- Radio Tower and Tower Shelter
- Personal Property
 - Equipment
 - Vehicle

Title of Policy CAPITAL ASSET CAPITALIZATION	Policy Number ACC 05-102	Page 2 of 3
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Capital Asset Acquisition Cost

Capital assets should be recorded and reported in the District's capital asset software at historical cost, which includes the vendor's invoice (plus the value of any trade-in), plus initial installation costs (excluding in-house labor), modifications, attachments, accessories or apparatus necessary to make the asset usable and render it into service.

For MCHD, historical costs also include ancillary charges such as freight and transportation charges, site preparation costs and professional fees. The costs of purchasing capital assets for governmental activities do not include capitalized interest.

Leased Equipment

Equipment should be capitalized if the lease agreement meets any of the following criteria. Leases that do not meet these requirements should be recorded as operating leases.

- The lease transfers ownership of the property to the lessee by the end of the lease term.
- The lease contains a bargain purchase option.
- The lease term is equal to 75 percent or more of estimated economic life of the leased property.
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Depreciating Capital Assets

Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible (land, works of art, historical treasures).

The straight-line depreciation method (historical cost, divided by useful life) will be used. An asset is considered placed into service on the date it became available for use and was being used for the purpose intended when purchased or constructed.

Title of Policy CAPITAL ASSET CAPITALIZATION	Policy Number ACC 05-102	Page 3 of 3
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**Depreciation Method-Straight Line over the following useful lives: Useful Life
in Years**

Asset	Years
Land and Land Improvements	0
Site Improvements	
• Fencing and Gates	5
• Landscaping	10
• Parking Lot/Driveway/Parking Barrier	20
• Outside Sprinkler System	15
Buildings and Building Improvements	
• Building Exterior	30
• Building Exterior: Roof	10
• Building Interior: Carpet	10
Radio Tower and Tower Shelter	30
Equipment	
• Telephone Systems	10
• Document Scanners	5
• Radio, Communication Systems	5
• Medical	5
• HVAC	15
• Security	10
Vehicles	
• Passenger Cars	5
• Cargo Vans, Light Trucks	5
• Ambulances – Box and Chassis	5

Reference:
Government Finance Officers Association: Establishing Capitalization Thresholds for Capital Assets

Original Date 11/2009
Review/Revision Date MM/YYYY
X Supersedes all Previous
Approved by Board of Directors _/_/_

From: Greg Hudson [<mailto:ghudson@holaw.net>]
Sent: Thursday, May 18, 2017 2:22 PM
To: Woleben, Shannon <swoleben@mchd-tx.org>
Cc: Allen, Brett <ballen@mchd-tx.org>
Subject: RE: Capital Asset Policy

Shannon, the policy looks fine. I will execute the attorneys' review certification and send it to you and Donna.

And no, I see no issues in making the policy retroactive to 10.1.16

Greg

Greg Hudson
Hudson & O'Leary LLP
1010 Mopac Circle
Suite 201
Austin, Texas 78746
(512) 441-9941
(512) 441-1501 (fax)
ghudson@holaw.net

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From: Woleben, Shannon [<mailto:swoleben@mchd-tx.org>]
Sent: Wednesday, May 17, 2017 4:14 PM
To: Greg Hudson
Cc: Allen, Brett
Subject: Capital Asset Policy

Greg,

We have revised the Capital Asset Policy and will be submitting the policy for Board approval next week. We would like to request that the Board make the policy retroactive to October 1, 2016 so that the fiscal year assets are handled and presented consistently for accounting purposes. Do you foresee any issues in requesting that the policy be retroactive?

Shannon Woleben, CPA
Accounting Manager

Montgomery County Hospital District

From: Greg Peterson [<mailto:greg.peterson@weaver.com>]
Sent: Wednesday, May 17, 2017 5:11 PM
To: Woleben, Shannon <swoleben@mchd-tx.org>
Cc: Allen, Brett <ballen@mchd-tx.org>
Subject: RE: Capital Asset Policy

Shannon –

I don't see any issue with the policy being applied retroactively.



Greg Peterson
Weaver

Senior Manager
Assurance Services

D: 936.494.4126 greg.peterson@weaver.com

1406 Wilson Rd., Suite 100
Conroe, TX 77304

P: 936.756.8127 **F:** 936.756.8132

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From: Woleben, Shannon [<mailto:swoleben@mchd-tx.org>]
Sent: Wednesday, May 17, 2017 4:06 PM
To: Greg Peterson
Cc: Allen, Brett
Subject: Capital Asset Policy

Notice: This email was received from an external source.

Hi Greg,

We have revised the Capital Asset Policy and will be submitting the changes for Board approval next week. We would like to request that the Board make the policy retroactive to October 1, 2016 so that the fiscal year assets are handled and presented consistently. We currently have \$1,897,630.53 in capital purchases. If the new Capital Assets policy was in place 10/1/2016, the breakdown would be:

Capital \$1,740,543.07

Expense \$157,087.46 (61 line items would not be included on the asset sub ledger)

Do you foresee any issues in requesting that the policy be retroactive?

Shannon Woleben, CPA
Accounting Manager

MCHD Policies and Procedures Accounting (05/2017)

[illegible]

DAILEY-WELLS COMMUNICATIONS

3440 E. Houston St., San Antonio, TX 78219



To: Montgomery County HD, Justin Evans
From: Dennis Vickery (281) 804-7970
Date: 10-Feb-17

Consoles - Symphony Hardware, Encrypted - Package

Item	Part Number	Description	Qty.	Unit Sale	Ext Sale
1	UD-ZN4Z	CONSOLE, SYMPHONY, BUNDLE, PREMIER	3	\$ 42,782.80	\$ 128,348.40
		Each Console Package Includes:			
1a	NS-SG2B	LICENSE, CONSOLE	1	Included	Included
1b	NS-SG2C	LICENSE, CONSOLE TALKPATH	12	Included	Included
1c	UD-SG4W	LICENSE, AES AND DES LEVEL ENCRYPTION	1	Included	Included
1d	UD-AB1A	SPEAKER, NANO, SYMPHONY	2	Included	Included
1e	UD-CU6X	MONITOR, 21.5" CLASS, TOUCHSCREEN, HD	1	Included	Included
1f	UD-AB1K	CABLE, DISPLAYPORT TO DVI-D, 10FT	1	Included	Included
1g	UD-AB1F	MOUSE, OPTICAL, USB, SCROLL WHEEL	1	Included	Included
1h	UD-AB1G	KEYBOARD, 104 KEY, USB, HUB	1	Included	Included
1i	UD-AB1D	SINGLE FOOTSWITCH, USB, SYMPHONY	1	Included	Included
1j	UD-AB1M	DESK MIC, DB9	1	Included	Included
1k	UD-AB1B	JACK BOX, 6 WIRE	2	Included	Included
1l	CM-022218-001101	License, Vocoder	1	Included	Included
1m	MM100UD	MANUAL, OP/INSTA/CONFIG, SYMPHONY, CD	1	Included	Included
				SUB TOTAL	\$ 128,348.40

NOTE:

Price Valid Until June 30, 2017.

Terms: Net 30 Days.

Shipping: FOB Source, prepay and add to invoice.