

Houston Forensic Science Center, Inc.

MEETING OF BOARD OF DIRECTORS  
MINUTES  
March 10, 2017

The undersigned, being the duly appointed Secretary of the Houston Forensic Science Center, Inc., (the "Corporation"), hereby certifies that the following are true and correct minutes of the March 10, 2017 meeting of the Board of Directors (the "Board"), of the Corporation.

- A. In a manner permitted by the Corporation's Bylaws, the meeting was called by providing all Directors with notice of the date, time, place, and purposes of the meeting more than three days before the date of the meeting.
- B. In accordance with Chapter 551, Texas Government Code, which Chapter is made applicable to the Corporation by Section 431.004, Texas Transportation Code, a notice of the meeting was duly filed on March 7, 2017, in the same manner and location as required by law of the City of Houston, Texas (the "City").
- C. The meeting was called to order by Nicole B. Cásarez, Chairwoman of the Board, at approximately 9:00 a.m. on Friday, March 10, 2017, in the Council Annex Chambers, 900 Bagby St. (Public Level), Houston, Texas 77002.
- D. Ms. Ashley Chapman called the roll. The following Directors were present: Nicole B. Cásarez, Anthony Graves, Janet Blancett, and Dr. Stacey A. Mitchell.

The following Directors were absent: David M. Feldman, Dr. Robert "Bob" H. McPherson, Sandra Guerra Thompson, and Tom P. Allen (ex-officio).

Chairwoman Cásarez announced that a quorum of the Directors was not present and informational reports would be presented until a quorum was obtained.

- E. Chairwoman Cásarez asked if any members of the public wished to address the board. She noted that no one asked to address the board and the meeting continued.
- F. Chairwoman Cásarez provided a Chair's report. She thanked Vice Chairwoman Thompson and Dr. McPherson for continuing to work with the University of Houston regarding potential collaborations with the Houston Forensic Science Center (HFSC). She reported that Councilmember Jack Christie recently toured the HFSC laboratory and Councilmember Jerry Davis is scheduled to tour the laboratory in March. Per Councilmember Brenda Stardig's recommendation, HFSC is working to schedule tours with the entire Public Safety and Homeland Security Committee. Chairwoman Cásarez reported that Dr. Peter Stout, President and Chief Executive Officer (CEO), has been invited to speak at the International Symposium on Forensic Science Error Management in Washington, D.C. in July and he will be co-presenting with Ms. Lynn Garcia from the Texas Forensic Science Commission (TFSC). She reported that Dr. Stout was asked to provide testimony to the Homeland Security and Public Safety Committee of the Texas Legislature regarding a bill introduced to establish a state-wide

electronic tracking system for sexual assault evidence. Chairwoman Cásarez thanked Dr. Mitchell for meeting with Dr. Nancy Downing, a member of the TFSC, regarding the standardization of sexual assault kits. Chairwoman Cásarez thanked HFSC for providing a tour to her students from the University of St. Thomas and read excerpts from some of her students writing assignments about their experiences at the HFSC.

- G. Vice Chairwoman Thompson joined the meeting at approximately 9:11 a.m. and a quorum of the Directors was present.
- H. Dr. Stout provided a report including a discussion of the lab's operations in February 2017. He compared the total average turnaround time (TAT), requests received, and total average process time from the last 12 months compared to prior 12 months. He reviewed the average total TAT, backlogged requests, average process TAT, and wait gap since the start of the HFSC. Dr. Stout reviewed the monthly average of requests received at the HFSC. He provided an update on the two complaints and four disclosures discussed at the February 20<sup>th</sup> TFSC meeting. Dr. Stout reported that communication with the Houston Police Department is moving in a good direction. He reviewed the recent outreach activities and thanked the internal HFSC outreach committee members for their commitment. He reported that Ms. Carina Haynes, Crime Scene Unit (CSU) supervisor, received her Certified Senior Crime Scene Analyst (CSCSA) certification in February. Dr. Stout reviewed the HFSC's major initiatives, including progress on the implementation of the new laboratory information management system (LIMS). With respect to staffing, Dr. Stout reported that as of February 28, the HFSC employs 185 staff members and is actively recruiting for 27 open positions. He provided an update on current grant proposals underway and thanked the Research and Development Division for its hard work. He provided an update on the activities and casework of all HFSC sections. Dr. Stout provided an update on the forensic biology Lean Six Sigma project and the impact of GlobalFiler in LIMS. Dr. Stout provided a report on the Combined DNA Index System (CODIS) as well.
- I. Mr. David Leach, Treasurer and Chief Financial Officer, presented proposed changes to the FY'17 budget. Dr. Mitchell made a motion to approve the proposed changes to the FY'17 budget. Ms. Blancett seconded the motion. The motion passed unanimously.
- J. Mr. Leach provided a Treasurer's report. He reviewed the FY'17 budget versus FY'17 actual spending, noting costs for personnel, supplies, and services. Mr. Leach reviewed the spending details for the period of July 1, 2016 through February 28, 2017, the year-to-date (YTD) versus budget, and the full year budget amount and percentage spent YTD. He provided the balance sheet and a report on the Center's grants as of February 28, 2017. Mr. Leach provided the target letter for the HFSC from the City of Houston (COH). The board discussed the target letter and related concerns.
- K. Ms. Lori Wilson, Quality Director, provided a Quality Division Update for February 2017. Ms. Wilson reviewed testimony monitoring, proficiency tests, and the blind quality control (BQC) program. Ms. Wilson noted that the Quality Division now has samples to make blind tests for all disciplines except CSU and Trace. She reported that there are two open positions in the Quality Division and that additional personnel are needed to help move the BQC program forward. Ms. Wilson reviewed the incidents/corrective/preventive actions section of the report including updates on the complaints and self-disclosures made to the TFSC. She reported that

Latent Print staff contacted the Quality Division to discuss a potential quality concern and the division determined that the concern was not a quality issue. Ms. Wilson reported that the Quality Division conducted a yearly internal audit of the Toxicology section in February but this report is not yet finalized. She reported that an internal audit of the Digital and Multimedia Evidence section is scheduled. Ms. Wilson reported that a nonconformance was discovered during the Controlled Substances internal audit and the Quality Division is reviewing cases to determine if this documentation nonconformance is a systemic issue or a one-time occurrence.

- L. Ms. Blancett, liaison to the Technical Advisory Group (TAG), provided a report on the activities of the TAG. She presented a new proposed TAG member for consideration by the board, Dr. Robin Cotton, and provided her background and credentials noting her expertise in DNA analysis. Vice Chairwoman Thompson made a motion to approve Dr. Cotton's appointment to the TAG. Mr. Graves seconded the motion. The motion passed unanimously.
- M. Chairwoman Cásarez noted that a draft of the minutes of the Corporation's meeting on February 10, 2017 had been distributed to the board. Dr. Mitchell made a motion to approve the minutes of the February 10, 2017 meeting, and the motion was seconded by Vice Chairwoman Thompson. The motion passed unanimously, and the minutes of the February 10, 2017 meeting were adopted.
- N. Pursuant to Section 551.071, consultations with attorney, and Section 551.074, personnel matters, of the Texas Government Code, the Board went into Executive Session at approximately 11:04 a.m. Ms. Renee Byas, HFSC's General Counsel, was present during the Executive Session, and Dr. Peter Stout, Interim President and CEO, joined the Executive Session in part.
- O. The Executive Session concluded at approximately 11:42 a.m. The open meeting reconvened at 11:45 a.m.
- P. Vice Chairwoman Thompson made a motion to approve the employment contract for Dr. Peter Stout as President and CEO subject to the amendments in the contract as discussed. Ms. Blancett seconded the motion. The motion passed unanimously.
- Q. There being no other business, the meeting was ADJOURNED at 11:45 a.m.

Houston Forensic Science Center, Inc.

By: Ashley Chapman

Ashley Chapman

Secretary

**HOUSTON FORENSIC SCIENCE CENTER, INC.**  
**COMPARATIVE STATEMENT OF ACTIVITIES - ACCRUAL BASIS**  
**Revised Budget 2**  
**March 10, 2017 BOD Meeting**

		Revised Budget 2					
		FY17 Budget	FCST Jan. '17	Change	Change %	Grant	Change % w/o Grant
<b>Revenues:</b>							
411000	City of Houston-Appropriations	\$ 22,680,344	\$ 23,385,940	\$ 705,596	3%		
	Fund 2213	8,545,134	9,250,730	705,596	8%		
	HFSC Operations	14,135,210	14,135,210	-			
415000	City of Houston Direct OH-Appro	1,460,000	1,460,000	-			
416000	City of Houston - Safe funds	-					
420000	Donations	-					
425000	In-Kind Donations	-					
426000	Training Services	50,000	15,790	(34,210)	-68%		
440000	Grants	1,021,047	1,520,572	499,525	49%		
450000	Forensic Services	100,000	8,968	(91,032)	-91%		
450001	Miscellaneous Copy Fees	-					
450002	Interest Income	10,000	4,000	(6,000)	-60%		
<b>Total Income</b>		<b>25,321,391</b>	<b>26,395,270</b>	<b>1,073,879</b>	<b>4%</b>	<b>-</b>	
<b>Expenses:</b>							
<b>Personnel:</b>							
500010	Salary Base - Civilian	8,569,312	9,832,180	1,262,868	15%	85,373	14%
501070	Pension - Civilian	534,556	629,242	94,686	18%		
502010	FICA - Civilian	616,503	709,529	93,026	15%	6,427	14%
503010	Health Insurance - Active Civil	680,030	751,291	71,262	10%		
503015	Basic Life Ins - Active Civil	48,448	126,258	77,810	161%		
503060	Long Term Disability - Civilian	684	-	(684)	-100%		
503090	Workers Comp - Civilian Adm	111,281	22,069	(89,211)	-80%		
504031	Unemployment Taxes - Admin	11,089	23,942	12,853	116%		
		<b>10,571,902</b>	<b>12,094,511</b>	<b>1,522,609</b>	<b>14%</b>	<b>91,800</b>	<b>14%</b>
<b>Supplies:</b>							
511010	Chemical Gases & Special Fluids	7,558	14,435	6,877	91%		
511040	Audio Visual Supplies	1,032	-	(1,032)	-100%		
511045	Computer Supplies	37,942	41,243	3,301	9%	337	8%
511050	Paper & Printing Supplies	40,453	30,102	(10,351)	-26%		
511055	Publications & Printed Material	15,335	13,051	(2,284)	-15%		
511060	Postage	1,251	851	(400)	-32%		
511070	Miscellaneous Office Supplies	60,306	101,233	40,927	68%		
511080	General Laboratory Supply	847,879	1,189,666	341,787	40%	139,508	24%
511090	Drugs & Medical Chemicals	-	282	282			
511095	Medical & Surgical Supplies	3,000	-	(3,000)	-100%		
511095	Small Technical & Scientific Eq	9,176	21,916	12,740	139%	5,988	74%
511110	Fuel	20	-	(20)	-100%		
511120	Clothing	47,692	19,196	(28,496)	-60%		
511125	Food/Event Supplies	16,571	23,968	7,397	45%		
511130	Weapons Munitions & Supplies	5,813	5,151	(662)	-11%		
511145	Small Tools & Minor Equipment	7,186	4,130	(3,055)	-43%		
511150	Miscellaneous Parts & Supplies		4,887	4,887		240	
		<b>1,101,215</b>	<b>1,470,111</b>	<b>368,897</b>	<b>33%</b>	<b>146,074</b>	<b>20%</b>

**HOUSTON FORENSIC SCIENCE CENTER, INC.**  
**COMPARATIVE STATEMENT OF ACTIVITIES - ACCRUAL BASIS**  
 Revised Budget 2  
 March 10, 2017 BOD Meeting

		Revised Budget 2					
		FY17 Budget	FCST Jan. '17	Change	Change %	Grant	Change % w/o Grant
Services:							
520100	Temporary Personnel Services	-	9,671	9,671			
520105	Accounting & Auditing Svcs	31,496	30,181	(1,315)	-4%		
520107	Computer Info/Contracting Svcs	50,000	28,396	(21,604)	-43%		
520109	Medical Dental & Laboratory Ser	36,002	524,411	488,409	1357%	238,945	693%
520110	Management Consulting Services	100,000	480,791	380,791	381%	313,000	68%
520112	Banking Services	1,042	3,377	2,335	224%		
520113	Photographic Services	5,759	424	(5,335)	-93%		
520114	Misc Support Serv Recruit Relo	30,000	77,029	47,029	157%		
520115	Real Estate Rental	1,027,611	1,027,611	-	0%		
520118	Refuse Disposal	3,780	5,990	2,210	58%		
520119	Computer Equip/Software Maint.	269,877	315,819	45,942	17%	17,509	11%
520121	IT Application Services	23,936	20,036	(3,900)	-16%		
520123	Vehicle & Motor Equip. Services	986	4,520	3,534	359%		
520124	Other Equipment Services	225,970	253,710	27,740	12%		
520143	Credit/Bank Card Svcs	1,933	951	(983)	-51%		
520520	Printing & Reproduction Serv.	12,968	11,963	(1,005)	-8%		
520605	Public Information Svcs	7,342	10,242	2,899	39%		
520705	Insurance (Non-Medical)	143,661	128,347	(15,314)	-11%		
520760	Contributions	1,500	1,000	(500)	-33%		
520765	Membership & Prof. Fees	39,327	39,327	-	0%		
520805	Education & Training	131,678	131,678	-	0%	7,525	-6%
520815	Tuition Reimbursement	32,130	22,236	(9,894)	-31%		
520905	Travel - Training Related	129,738	129,738	-	0%	26,039	-20%
520910	Travel - Non-training Related	20,000	16,571	(3,429)	-17%	109	-18%
521405	Building Maintenance Services	6,781	49,919	43,138	636%		
521505	Utilities	12,000	15,373	3,373	28%		
521605	Data Services	11,007	57,960	46,953	427%		
521610	Voice Services, Equip & Labor	48,937	53,170	4,233	9%		
521705	Vehicle/Equipment Rental/Lease	3,000	-	(3,000)	-100%		
521725	Other Rental Fees	2,294	22,446	20,152	879%		
521730	Parking Space Rental	190,642	138,388	(52,254)	-27%		
521905	Legal Services	50,000	3,874	(46,126)	-92%		
522205	Metro Commuter Passes	52,500	59,391	6,891	13%		
522305	Freight	5,268	22,442	17,174	326%	3,427	261%
522430	Misc. Other Services & Chrgs	84,356	191,447	107,091	127%	11,991	113%
523200	Sub-Contractor (COH)	8,545,134	7,136,585	(1,408,549)	-16%	23,963	-17%
		<u>11,338,655</u>	<u>11,025,014</u>	<u>(313,641)</u>	<u>-3%</u>	<u>642,508</u>	
	Services without CoH	2,793,521	3,888,429	1,094,908	39%	618,545	17%

**HOUSTON FORENSIC SCIENCE CENTER, INC.**  
**COMPARATIVE STATEMENT OF ACTIVITIES - ACCRUAL BASIS**  
**Revised Budget 2**  
**March 10, 2017 BOD Meeting**

		Revised Budget 2					
		FY17 Budget	FCST Jan. '17	Change	Change %	Grant	Change % w/o Grant
<b>Non-Capital Expenditures</b>							
551010	Furniture and Fixtures	111,000	111,000	-	0%	1,424	-1%
551015	Computer Equipment	84,773	84,773	-	0%	18,105	-21%
551025	Scientific/Medical Equipment	20,000	26,663	6,663	33%	22,432	-79%
	<b>Total Non-Capital Expenditures</b>	<b>215,773</b>	<b>222,436</b>	<b>6,663</b>	<b>3%</b>	<b>41,961</b>	<b>-16%</b>
<b>Capital Expenditures</b>							
170140	Improvements	-	-	-			
170210	Furniture & Fixtures	-	-	-			
170230	Computer Hardware/SW		309,750	309,750		309,750	
170240	Scientific/Foren Eqmt	1,910,000	1,796,039	(113,961)	-6%	264,281	
170980	Const in Progress	-	-	-			
	<b>Total Capital Expenditures</b>	<b>1,910,000</b>	<b>2,105,789</b>	<b>195,789</b>	<b>10%</b>	<b>574,031</b>	
<b>Total Expense and Capital Before Depreciation</b>		<b>25,137,545</b>	<b>26,917,862</b>	<b>1,780,317</b>	<b>7%</b>	<b>1,496,373</b>	
561230	Depreciation	374,739	432,488	57,749	15%		
<b>Total Expense and Capital After Depreciation</b>		<b>25,512,283</b>	<b>27,350,350</b>	<b>1,838,066</b>		<b>1,496,373</b>	
<b>Net Ordinary Income After Capital Expenditures</b>		<b>(190,892)</b>	<b>(960,746)</b>	<b>(764,187)</b>		<b>(1,496,373)</b>	
<b>Other Expense:</b>							
610000	City of Houston Direct Overhead	1,460,000	1,460,000	0	0%		
	Grant and Training Expense	1,061,047	-	(1,061,047)	-100%		