

Houston Forensic Science Center, Inc.

MEETING OF BOARD OF DIRECTORS
MINUTES
June 9, 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 June 9, 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 June 6, 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 9:01 a.m. on Friday, June 9, 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, Dr. Stacey A. Mitchell, and Sandra Guerra Thompson.

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

Chairwoman Cásarez announced that a quorum of the Directors was present.

- E. Chairwoman Cásarez noted that a draft of the minutes of the Corporation's meeting on April 14, 2017 had been distributed to the board. Dr. Mitchell made a motion to approve the minutes of the April 14, 2017 meeting, and the motion was seconded by Ms. Blancett. The motion passed unanimously, and the minutes of the April 14, 2017 meeting were adopted.
- F. Chairwoman Cásarez reported that under the terms of the Corporation's Bylaws, the board must appoint or reappoint all Corporation officers annually. Chairwoman Cásarez made a motion to reappoint Dr. Peter Stout as President, Mr. David Leach as Treasurer, and Ms. Chapman as Secretary for the Corporation during the next fiscal year or until he or she is no longer employed by the Corporation. Vice Chair Thompson seconded the motions. The motions passed unanimously. Chairwoman Cásarez reported that the Vice President position would remain vacant until the position of Chief Operations Officer (COO) is filled.
- G. 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.

- H. Chairwoman Cásarez provided a Chair's report. She reported that the search for a COO is underway and thanked Vice Chair Thompson for her participation in the interview process. Chairwoman Cásarez reported that Mr. Graves and Dr. McPherson agreed to serve another term as members of the board and noted that she has provided recommendations for potential board members to fill the vacancies. Chairwoman Cásarez thanked Dr. McPherson for touring the Houston Forensic Science Center (HFSC) with Councilmember Dwight Boykins.

Dr. McPherson joined the meeting at approximately 9:06 a.m.

Chairwoman Cásarez reported that District Attorney Kim Ogg is scheduled to tour HFSC next week. She reported that HFSC staff attended last month's Texas Forensic Science Commission (TFSC) meeting and the meeting was successful. Chairwoman Cásarez asked Ms. Chapman to share a link to the recent Samantha Bee story, featuring James Miller, manager of HFSC's controlled substances section, on field drug tests. Chairwoman Cásarez reported that David Leach, HFSC's Treasurer and Chief Financial Officer, provided a presentation and noted that the board would be voting on an amendment to the FY'18 budget. She reported that the recent meetings regarding the HFSC budget were positive and thanked City of Houston (COH) Finance, Mayor Turner, and his staff for their collaboration. Chairwoman Cásarez asked that the members of the board complete the Financial Conflict of Interest Disclosure forms and provide to Ms. Chapman.

- I. Dr. Peter Stout, President and Chief Executive Officer, provided a report including a discussion of the lab's operations in May 2017. He provided new concepts for the graph available in monthly operations reports and on the HFSC website regarding turnaround time (TAT) and backlogged requests across all sections. Dr. Stout reported that the total average TAT across all sections in May 2017 was 33 days. He reported that the largest backlogs are in the latent print and biology sections. He reviewed the average total TAT, backlogged requests, average process TAT, and wait gap since the start of the HFSC. He reviewed the monthly average of requests received at the HFSC. He reviewed the CSU self-disclosure presented at the May 26 TFSC meeting. Dr. Stout and members of the board discussed the crime scene unit (CSU) disclosure. The TFSC appointed a study panel to learn from HFSC's progress and propose guidelines for CSU activities statewide. Dr. Stout reviewed the plans for CSU over the next six months and reported that HFSC's CSU academy will begin on June 26. Mr. Jerry Peña, Director of CSU, provided information on the CSU academy curriculum; he thanked CSU supervisors, Alison Hutchens and Carina Haynes, for their work on the curriculum. Mr. Peña reported that the Medical Examiner's Office, Harris County District Attorney's Office, Houston Police Department (HPD) homicide division, HPD special investigations unit, HPD training academy, Mr. Anthony Graves, and Dr. Itiel Dror are collaborating and participating in HFSC's CSU academy. Chairwoman Cásarez thanked HPD Chief Acevedo and congratulated HFSC on this effort. Dr. Stout reviewed the DNA citizen complaint, toxicology self-disclosure, and DNA self-disclosure presented at the May 26 TFSC meeting. Dr. Stout reviewed the recent outreach activities at the HFSC. Dr. Stout reported that meeting continue with the University of Houston and HFSC is having conversations with the Joyful Heart Foundation regarding collaborative opportunities. He reported that Ms. Callan Hundl is now an ASQ Certified Quality Process Analyst. With respect to staffing, Dr. Stout reported that as of May 31, the HFSC employs 178 staff members including 21 COH civilians, 17 COH classified, and 140 HFSC employees. He provided an update on the activities and casework of all HFSC sections.

Dr. Stout provided an update on Client Service/Case Management toxicology support, DNA mixture project, Globalfiler, the Lean Six Sigma project, and the Combined DNA Index System (CODIS). Dr. Stout reported that HFSC is working with the HPD to prioritize backlogged cases and noted that statements indicating that the latent print backlog is increasing are incorrect; in fact, the backlog is decreasing.

- J. Mr. Steve Case, HFSC's Controller, provided a Treasurer's report. Mr. Case reviewed the spending details for the period of July 1, 2016 through May 31, 2017, the year-to-date (YTD) versus budget, and the full year budget amount and percentage spent YTD. Mr. Case reported that Mr. Leach will present proposed FY'17 budget adjustments at the July board meeting. He provided the balance sheet and a report on the Center's grants as of May 31, 2017. Mr. Case reported that HFSC's annual independent financial audit begins in July and will include an audit of the 2014 DNA grant. Mr. Case reported that HFSC's audited financials are due to the COH by October 1 and Mr. Leach will present the audit at the September board meeting.
- K. Dr. Stout presented the proposed FY'18 budget revisions. Dr. McPherson made a motion to approve the proposed FY'18 budget revisions as presented and Ms. Blancett seconded the motion. The motion passed unanimously.
- L. Dr. Stout provided a Quality Division Update for May 2017. He reviewed the testimony monitoring, proficiency tests, and blind quality control (BQC) program portions of the report. Dr. Stout reviewed the Blind Quality Testing Project Update for May 2017 and reported that the HFSC and the HPD continue to work together to get blind controlled-substances samples for HFSC's BQC program. He reviewed the audits and inspections portion of the report. He noted that the yearly internal audits for the latent print and biology sections will be completed by August. Dr. Stout provided an update on the quality division notifications including incidents, corrective, and preventive actions.
- M. There being no other business, the meeting was ADJOURNED at 10:34 a.m.

Houston Forensic Science Center, Inc.

By: Ashley W. Chapman

Ashley Chapman

Secretary

HFSC's FY18 Budget Amendment

Getting to the RIGHT ANSWER at the RIGHT TIME

HFSC's FY18 Budget Amendment

Major Changes

- Delay capital spending
- Streamlined organization through reallocation of Trace resources and management structure
- Extended HFSC's use of HPD's vehicles for FY18
- Implemented Case Acceptance Policy for Biology
- Rollover any FY17 funds into FY18
- Leverage continued operational efficiency gains

<i>(In '000's)</i>	FY14	FY15	FY16	FY17	FY18 v1	FY18 v2	Change in FY18 Budget
Adopted Budget	\$21,140	\$22,708	\$24,140	\$24,140	\$28,328	\$24,140	(\$4,188)
Net Current Assets at year end	\$449	\$800	\$2,673	\$1,494		\$1,624	\$0
Supplemental Request				\$740	\$1,480	\$1,480	\$0
Total Budget	\$21,589	\$23,508	\$26,813	\$26,375	\$29,808	\$27,244	(\$2,564)
Tests Requested		28,900	31,800	24,431 (1 st 9 mo)			
Tests Completed		31,402	27,700	22,998 (1 st 9 mo)			
Yr. over Yr. Change in Total Budget		9%	14%	-1.6%	13.0%	3.3%	

		Version 1		Version 2			
		BOD Appr'd	Proposed	FY18 Budget		Change	
		FY18 Budget		FY18 Budget			
Revenues:							
411000	City of Houston-Appropriations	\$ 22,680	\$ 24,160	\$ 24,160	\$ 1,480	\$ 1,480	Full year's amount approved by MST for increases to Latent & CSU
	Fund 2213	5,207	7,239	7,239	2,032	2,032	
	HFSC Operations	17,473	16,922	16,922	(552)	(552)	
415000	City of Houston Direct OH-Appro	1,460	1,460	1,460	-	-	
440000	Grants	1,016	1,016	1,016	-	-	
450000	Forensic Services	50	50	50	-	-	
450002	Interest Income	5	5	5	-	-	
Total Income		25,211	26,691	26,691	1,480	1,480	
Expenses:							
		Personnel:					
500010	Salary Base - Civilian	12,411	12,843	12,843	432	432	Positions moved from CoH to HFSC
501070	Pension - Civilian	774	801	801	27	27	
502010	FICA - Civilian	893	924	924	31	31	
503010	Health Insurance - Active Civil	1,133	1,172	1,172	39	39	
503015	Basic Life Ins - Active Civil	70	73	73	2	2	
503060	Long Term Disability - Civilian	1	1	1	0	0	
503090	Workers Comp - Civilian Adm	161	167	167	6	6	
504031	Unemployment Taxes - Admin	16	17	17	1	1	
		15,459	15,998	15,998	539	539	

		Version 1		Version 2		Reason for Change	
		BOD Appr'd	Proposed				
		FY18 Budget	FY18 Budget	Change			
		Supplies:					
511010	Chemical Gases & Special Fluids	12	14	1	1	Changes made based on updated forecast model	
511040	Audio Visual Supplies	1	-	(1)	(1)		
511045	Computer Supplies	69	58	(10)	(10)		
511050	Paper & Printing Supplies	30	32	2	2		
511055	Publications & Printed Material	23	22	(1)	(1)		
511060	Postage	1	1	0	0		
511070	Miscellaneous Office Supplies	100	101	1	1		
511080	General Laboratory Supply	1,208	1,208	-	-		
511090	Medical & Surgical Supplies	0	0	0	0		
511095	Small Technical & Scientific Eq	21	22	2	2		
511120	Clothing	16	23	7	7		
511125	Food/Event Supplies	24	20	(4)	(4)		
511130	Weapons Munitions & Supplies	4	9	5	5		
511145	Small Tools & Minor Equipment	6	11	5	5		
511150	Miscellaneous Parts & Supplies	-	5	5	5		
		1,515	1,514	(1)	(1)		
		Services:					
520100	Temporary Personnel Services	-	-	-	-		
520105	Accounting & Auditing Svcs	33	33	(0)	(0)		
520107	Computer Info/Contracting Svcs	9	28	20	20		
520109	Medical Dental & Laboratory Ser	175	175	-	-		
520110	Management Consulting Services	100	100	-	-		
520112	Banking Services	4	3	(0)	(0)		
520113	Photographic Services	0	0	-	-		
520114	Misc Support Serv Recruit Relo	98	90	(8)	(8)		
520115	Real Estate Rental	1,061	1,079	18	18		
520118	Refuse Disposal	2	4	3	3		
520119	Computer Equip/Software Maint.	298	557	258	258	Original budget was understated and add'l equip't & licences for add'l personnel	

	Version 1		Version 2		Reason for Change
	BOD Appr'd	Proposed	FY18 Budget	Change	
	FY18 Budget	FY18 Budget			
520121	45	43	43	(3)	
520123	8	6	6	(2)	
520124	249	273	273	24	
520143	2	1	1	(0)	
520520	14	16	16	2	
520605	10	12	12	2	
520705	142	142	142	-	
520760	1	1	1	-	
520765	43	46	46	3	
520805	132	182	182	50	CSU Academy
520815	19	25	25	6	
520905	130	130	130	-	
520910	20	20	20	-	
521405	31	31	31	-	
521505	16	13	13	(3)	
521605	48	56	56	8	
521610	78	73	73	(5)	
521705	13	9	9	(4)	
521725	13	22	22	9	
521730	148	148	148	-	
521905	25	25	25	-	
522205	64	64	64	-	
522305	25	22	22	(3)	
522430	158	154	154	(4)	
532000	5,207	3,346	3,346	(1,861)	Positions moved to HFSC
	8,419	6,961	6,961	(1,458)	
	3,212	3,615	3,615	403	
					Services without CoH

	Version 1	Version 2	
	BOD Appr'd	Proposed	
	FY18 Budget	FY18 Budget	Change
			Reason for Change
Non-Capital Expenditures			
551010	100	100	-
551015	160	250	90
551025	20	20	-
	280	370	90
Total Non-Capital Expenditures			
Capital Expenditures			
170140	-	-	-
170210	-	-	-
170230	-	-	-
170240	1,195	662	(533)
170980	-	-	-
	1,195	662	(533)
	26,868	25,504	(1,364)
Total Expense and Capital Before Depreciation			
561230	-	432	432
620000	-	-	-
669000	-	-	-
	26,868	25,937	(932)
Total Expense and Capital After Depreciation			
	(1,657)	755	2,412
Other Expense:			
610000	1,460	1,460	-
	1,016	1,016	-
	-	-	-
	(4,133)	(1,721)	2,412
Net Ordinary Income After Capital Expenditures			

90 Add'l equipment for IT as we move off of HPD's network

432 non cash amount that does not affect the budget

(533) Only LIMS and Morphotrac remain

Key Financial Metrics	FY15	FY16	FY17B v1	FY17 B	FY18B
	Actual	Actual		v2	
Funds Received from City of Houston	22,708	24,140	24,140	24,880	25,620
Percentage change		6%	0%	3%	3%
Personnel Expenses	15,422	18,191	19,117	18,328	19,344
Percentage change		18%	5%	1%	6%
Supply & Services Expenses	3,036	4,915	3,895	5,297	5,129
Percentage change		62%	-21%	8%	-3%
Capital & Non-Capital Expenses	1,204	1,218	2,126	1,506	1,032
Percentage change		1%	75%	24%	-32%