

Houston Forensic Science Center, Inc.

MEETING OF BOARD OF DIRECTORS

MINUTES

December 9, 2016

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 December 9, 2016 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 December 6, 2016, 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, December 9, 2016, in the Council Annex Chambers, 900 Bagby St. (Public Level), Houston, Texas 77002.
- D. Ashley Chapman called the roll. The following Directors were present: Nicole B. Cásarez, Janet Blancett, Dr. Robert "Bob" H. McPherson, Dr. Stacey A. Mitchell, and Sandra Guerra Thompson.

The following Directors were absent: Anthony Graves, David M. Feldman, 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 October 14, 2016 had been distributed to the board. Dr. Mitchell made a motion to approve the minutes of the October 14, 2016 meeting, and the motion was seconded by Ms. Blancett. The motion passed unanimously, and the minutes of the October 14, 2016 meeting were adopted.
- F. 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.
- G. Mr. Feldman joined the meeting at approximately 9:05 a.m.
- H. Chairwoman Cásarez provided a Chair's report. She noted that Mr. Graves was absent because he was attending a lunch in his honor by the Texas Fair Representation Project in Austin. Chairwoman Cásarez introduced Ms. Renee Byas, HFSC's new General Counsel. Chairwoman Cásarez thanked Mr. Tom Allen, HFSC's former general

counsel and current ex-officio board member, and Mr. Ron Sandberg, former attorney for the HFSC, for their dedication and hard work. Chairwoman Cásarez thanked Dr. Mitchell for participating in a meeting with State Representative Carol Alvarado. She reported that Council Member Steve Le and Council Member Amanda Edwards will tour the Center in January 2017. Chairwoman Cásarez noted that the November 2016 board meeting was cancelled because the City of Houston (COH) was unavailable to present the findings of the Forensic Science Task Force report. She noted that since November, HFSC has been working with the Office of the Mayor on funding options, and met with COH representatives, including City Finance, to discuss the performance audit portion of the Forensic Science Task Force report. At that meeting, the COH indicated that it wants HFSC's next budget request to be based on a fee-for-service model. She asked that Dr. McPherson and Dr. Mitchell serve on a budget working group to collaborate with the HFSC business development group. She asked that Vice Chairwoman Thompson and Mr. Graves serve on a fundraising working group. Chairwoman Cásarez noted that, given the HFSC's budget situation, certain board members made donations to the HFSC to subsidize the cost of the HFSC holiday party.

- I. Mr. Jay Guerrero, Regional Director of Southeast Texas for U.S. Senator John Cornyn, provided an overview of the Justice for All Reauthorization Act, which was sponsored by Senator Cornyn. Chairwoman Cásarez thanked Mr. Guerrero and Senator Cornyn for working on this important legislation and extended an invitation to visit the HFSC, Vice Chairwoman Thompson provided suggestions for future initiatives, and Dr. Mitchell expressed her gratitude and the impact the work makes in her job as a sexual assault nurse examiner.
- J. Chairwoman Cásarez noted that the audio was not functioning properly at the beginning of the meeting and stated that a quorum is present for the December 9th board meeting and the October 14, 2016 minutes were unanimously approved.
- K. Dr. Daniel D. Garner, President and Chief Executive Officer (CSO), provided a President's report. He reported that HFSC currently employs 195 staff members, but noted that 6 staff members may be leaving the Center in the near future. Ms. Caresse Young, Director of Human Resources, provided information on recruiting, the competitive pay scale and benefits at HFSC, and the impact of budget uncertainties on the workforce. Dr. Garner reported that over 1,700 training hours were logged this month, including laboratory information management system (LIMS) training, Lean Six Sigma training, and integrated crime scene unit training. He reported that he received an inquiry from the Washington D.C. forensic laboratory about HFSC's blind testing program. He reported that the Center implemented a new visitor management system. Dr. Garner noted that meetings are being scheduled with the new Chief of Police and District Attorney in the new year. Chairwoman Cásarez asked about the recent cancellation of the drone demonstration event. Dr. Garner explained that the drone demonstration event was cancelled after Houston Police Department's (HPD) legal department asked him to postpone the event. Dr. Garner was informed that this demonstration should not be conducted at the HPD Memorial and that HPD officers should not be involved. Dr. Garner explained that the Center will still be able to use the drone at crime scenes but another staff member will need to obtain certification to

operate the drone. Chairwoman Cásarez asked about the status of the report from the Office of Inspector General (OIG) regarding HFSC's CSU director. Dr. Garner informed the board that the OIG found no evidence to support any of the charges against the CSU director. There was further discussion about HFSC's new policy concerning review of press releases by HPD, or other stakeholders, for sensitivities. The board requested a copy of the policy for further review.

- L. Dr. Peter Stout, Vice President and Chief Operations Officer, provided a Vice President's Report. He reviewed the operations report for December 2016. He compared the total average turnaround time (TAT), requests received, and total average process time from calendar year 2015 to 2016. Dr. Stout 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 and noted that in November the lab achieved an average TAT of 43 days. Dr. Stout reviewed the major initiatives, including the progress on the implementation of the new LIMS, the forensic biology Lean Six Sigma project, and the blind quality control (BQC) program. He provided an update on the activities and casework of all HFSC sections.
- M. Mr. David Leach, Treasurer and Chief Financial Officer, presented a proposal for reallocation for FY'17 budget funds. Mr. Feldman made a motion to approve the proposed reallocation for FY'17 budget funds, and Dr. McPherson seconded the motion. The motion passed unanimously.
- N. Mr. Leach provided a Treasurer's report. He reviewed the FY'17 budget versus FY'17 actual noting costs for personnel, supplies, and services. Mr. Leach reviewed the spending details for the period of July 1, 2016 through November 30, 2016, the year-to-date (YTD) versus budget, and the full year budget amount and percentage spent YTD. Mr. Leach provided a report on the Center's grants as of November 2016.
- O. Ms. Lori Wilson, Quality Director, provided a Quality Division Update for October and November 2016. Ms. Wilson reviewed the testimony monitoring, proficiency testing activity, and the BQC program activity. She reviewed incidents and corrective actions, including a corrective action that was disclosed to the Texas Forensic Science Commission. Ms. Wilson noted that the final report would be provided once complete. She reported that the quality division conducted an internal audit of the latent print section based on a complaint received through HFSC's internal anonymous site. Ms. Wilson reported that 10 additional analysts completed certification and the manager of toxicology is now American Board of Forensic Toxicology certified. Ms. Wilson reported that 70 individuals at HFSC are certified and at least one person in every discipline is certified.
- P. Pursuant to Section 551.074(a)(1) of the Texas Government Code, the Board went into Executive Session at approximately 11:37 a.m. for discussion of personnel matters. Ms. Renee Byas, HFSC's General Counsel, was also present during the Executive Session, and Dr. Daniel Garner, President and CEO, joined the Executive Session in part.

Q. The Executive Session concluded at approximately 12:49 p.m. The open meeting reconvened at 12:49 p.m. No action was taken following the Executive Session.

R. Dr. McPherson made a motion to adjourn the meeting and Ms. Blancett seconded the motion. There being no other business, the meeting was ADJOURNED at 12:49 p.m.

Houston Forensic Science Center, Inc.

By: Ashley Chapman

Ashley Chapman

Secretary

HOUSTON FORENSIC SCIENCE CENTER, INC.

REALLOCATION OF BUDGET LINE ITEMS

		Original FY17 Budget	Prelim.Nov. YTD	Under / (Over)	LCQQQ	Adjustment Grants	Total	New Budget v2
Revenues:								
411000	City of Houston-Appropriations	\$ 22,680,344	\$ 18,407,778	\$ 4,272,566				22,680,344
	Fund 2213	8,545,134						8,545,134
	HFSC Operations	14,135,210						14,135,210
415000	City of Houston Direct OH-Appro	1,460,000	608,333	851,667				1,460,000
416000	City of Houston - Safe funds	-	-	-				-
420000	Donations	-	-	-				-
425000	In-Kind Donations	-	13,783	(13,783)				-
426000	Training Services	50,000	15,790	34,210				50,000
440000	Grants	1,021,047	224,854	796,193				1,021,047
450000	Forensic Services	100,000	8,968	91,032				100,000
450001	Miscellaneous Copy Fees	-	-	-				-
450002	Interest Income	10,000	2,403	7,597				10,000
Total Income		25,321,391	19,281,910	6,039,481				25,321,391
Expenses:								
Personnel:								
500010	Salary Base - Civilian	8,569,312	3,815,318	4,753,994		27,379	27,379	8,596,691
501070	Pension - Civilian	534,556	246,262	288,294				534,556
502010	FICA - Civilian	616,503	271,102	345,401				616,503
503010	Health Insurance - Active Civil	680,030	291,935	388,095				680,030
503015	Basic Life Ins - Active Civil	48,448	32,826	15,622				48,448
503060	Long Term Disability - Civilian	684	-	684				684
503090	Workers Comp - Civilian Adm	111,281	13,793	97,488				111,281
504031	Unemployment Taxes - Admin	11,089	1,420	9,669				11,089
		10,571,902	4,672,656	5,899,245		27,379	27,379	10,599,281
Supplies:								
511010	Chemical Gases & Special Fluids	7,558	4,196	3,363				7,558
511040	Audio Visual Supplies	1,032	-	1,032				1,032
511045	Computer Supplies	37,942	17,823	20,119		337	337	38,279
511050	Paper & Printing Supplies	40,453	14,922	25,532				40,453
511055	Publications & Printed Material	15,335	3,805	11,530				15,335
511060	Postage	1,251	531	719				1,251
511070	Miscellaneous Office Supplies	60,306	46,245	14,062				60,306
511080	General Laboratory Supply	847,879	498,786	349,094		52,318	52,318	900,197
511090	Medical & Surgical Supplies	3,000	140	2,860				3,000
511095	Small Technical & Scientific Eq	9,176	13,136	(3,961)	10,000	5,988	15,988	25,164
511110	Fuel	20	-	20				20
511120	Clothing	47,692	8,967	38,725				47,692
511125	Food/Event Supplies	16,571	7,414	9,157				16,571
511130	Weapons Munitions & Supplies	5,813	348	5,465				5,813
511145	Small Tools & Minor Equipment	7,186	2,048	5,138				7,186
511150	Miscellaneous Parts & Supplies		3,388	(3,388)	5,000	240	5,240	5,240
		1,101,215	621,749	479,466	15,000	58,883	73,883	1,175,098

**HOUSTON FORENSIC SCIENCE CENTER, INC.
REALLOCATION OF BUDGET LINE ITEMS**

		Original FY17 Budget	Prelim.Nov. YTD	Under / (Over)	Adjustment			New Budget v2
Services:								
520100	Temporary Personnel Services	-	6,756	(6,756)	10,000		10,000	10,000
520105	Accounting & Auditing Svcs	31,496	12,220	19,276	(500)		(500)	30,996
520107	Computer Info/Contracting Svcs	50,000	8,500	41,500			-	50,000
520109	Medical Dental & Laboratory Ser	36,002	312,062	(276,060)	207,000	238,945	445,945	481,947
520110	Management Consulting Services	100,000	327,041	(227,041)	150,000	138,000	288,000	388,000
520112	Banking Services	1,042	1,361	(320)	500		500	1,542
520113	Photographic Services	5,759	318	5,442			-	5,759
520114	Misc Support Serv Recruit Relo	30,000	34,265	(4,265)	10,000		10,000	40,000
520115	Real Estate Rental	1,027,611	428,617	598,994			-	1,027,611
520118	Refuse Disposal	3,780	-	3,780			-	3,780
520119	Computer Equip/Software Maint.	269,877	128,795	141,082			-	269,877
520121	IT Application Services	23,936	7,284	16,652			-	23,936
520123	Vehicle & Motor Equip. Services	986	988	(2)	1,000		1,000	1,986
520124	Other Equipment Services	225,970	104,534	121,436			-	225,970
520143	Credit/Bank Card Svcs	1,933	909	1,025			-	1,933
520520	Printing & Reproduction Serv.	12,968	4,758	8,211			-	12,968
520605	Public Information Svcs	7,342	9,057	(1,715)	2,000		2,000	9,342
520705	Insurance (Non-Medical)	143,661	43,357	100,304			-	143,661
520760	Contributions	1,500	1,000	500			-	1,500
520765	Membership & Prof. Fees	39,327	31,678	7,650			-	39,327
520805	Education & Training	131,678	31,007	100,671		4,497	4,497	136,175
520815	Tuition Reimbursement	32,130	6,069	26,061			-	32,130
520905	Travel - Training Related	129,738	84,286	45,452		5,647	5,647	135,385
520910	Travel - Non-training Related	20,000	9,868	10,132		109	109	20,109
521405	Building Maintenance Services	6,781	15,325	(8,543)	10,000		10,000	16,781
521505	Utilities	12,000	8,940	3,060			-	12,000
521605	Data Services	11,007	19,490	(8,483)	10,000		10,000	21,007
521610	Voice Services, Equip & Labor	48,937	20,550	28,387			-	48,937
521705	Vehicle/Equipment Rental/Lease	3,000	-	3,000			-	3,000
521725	Other Rental Fees	2,294	7,562	(5,269)	10,000		10,000	12,294
521730	Parking Space Rental	190,642	40,607	150,035			-	190,642
521905	Legal Services	50,000	-	50,000			-	50,000
522205	Metro Commuter Passes	52,500	22,196	30,304			-	52,500
522305	Freight	5,268	10,216	(4,948)	10,000	1,774	11,774	17,042
522430	Misc. Other Services & Chrgs	84,356	84,825	(469)	10,000		10,000	94,356
532000	Sub-Contractor (COH)	8,545,134	3,231,053	5,314,081		7,482	7,482	8,552,616
		11,338,655	5,055,493	6,283,162	430,000	396,453	826,453	12,165,108
	Services without CoH	2,793,521	1,824,440	969,081	430,000	388,971	818,971	3,612,493
	Non-Capital Expenditures							
551010	Furniture and Fixtures	111,000	53,950	57,050		1,424	1,424	112,424
551015	Computer Equipment	84,773	39,823	44,950		27,638	27,638	112,411
551025	Scientific/Medical Equipment	20,000	33,643	(13,643)	15,000	4,957	19,957	39,957
	Total Non-Capital Expenditures	215,773	127,416	88,357	15,000	34,019	49,019	264,792

**HOUSTON FORENSIC SCIENCE CENTER, INC.
REALLOCATION OF BUDGET LINE ITEMS**

		Original FY17 Budget	Prelim.Nov. YTD	Under / (Over)	Adjustment		New Budget v2
Capital Expenditures							
170230	Computer Hardware/SW	-	21,039	(21,039)	-	309,750	309,750
170240	Scientific/Foren Eqmt	1,910,000	214,585	1,695,415	(460,000)	152,620	1,602,620
170980	Const in Progress	-	-	-	-	-	-
Total Capital Expenditures		1,910,000	235,624	1,674,376	(460,000)	462,370	1,912,370
Total Expense and Capital Before Depreciation		25,137,545	10,712,938	14,424,607	(3,711,668)	18,136,275	39,984,219
561230	Depreciation	374,739	164,678	210,061	-	-	374,739
669000	Reconciliation Discrepancies	-	-	-	-	-	-
Total Expense and Capital After Depreciation		25,512,283	10,877,616	14,634,668	(3,757,052)	18,391,719	40,540,491
Net Ordinary Income After Capital Expenditures		(190,892)	(2,308,644)	2,117,752	(4,426,395)	6,544,147	17,514,689
Other Expense:							
610000	City of Houston Direct Overhead	1,460,000	608,333	851,667	-	-	1,460,000
	Grant and Training Expense	1,061,047	-	1,061,047	(979,105)	(979,105)	81,942
Total of Adjustments					460,000		
Percent of Budget					1.8%		