



Montgomery County Emergency Services District No. 10

DATE: November 21, 2019

THE BOARD OF COMMISSIONERS OF MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 10 (the "District") met in a regular session, open to the public, at the Magnolia Volunteer Fire Department, Station 181, 18215 Buddy Riley Blvd, Magnolia Texas 77354 on Thursday, November 21, 2019 at 1:00 p.m. inside the boundaries of the District.

AGENDA ITEM:

1. Call Meeting to order

At 1:23 p.m., Commissioner Buschardt called to order the Regular Meeting of the Montgomery County Emergency Services District #10 (the "District") and the roll was called of the duly appointed officer's to-wit:

2. Roll Call, Pledge of Allegiance, Pledge of Texas and Invocation.

COMMISSIONER	BOARD POSITION	
Robert Buschardt	President	Present
Scot Wall	Vice President	Present
Johnnie Bryant	Secretary	Present
Tate Robinson	Treasurer	Present
Tommy Gage	Assistant Secretary/Treasurer	Present

All 5 Commissioners were present thus constituting a quorum.

Also present were Magnolia Volunteer Fire Department ("MVFD" or "the Department") Assistant Fire Chief Gary Pangarakis, Director of Finance and Administration Eloise Roberson, and Office Manager Rhonda Reinholz, Deputy Silvio, Cathy Branco of Municipal Accounts & Consulting LP, District legal counsel John Peeler of Coveler & Peeler, PC, and Ryan Fortner with Sales Revenue Inc.

Commissioner Buschardt led the Board in the Pledge of Allegiance to the U.S. Flag.

Commissioner Bryant led the Pledge to the Texas Flag.

The Invocation was given by Commissioner Gage.

3. To receive public comment.

There was no public comment.

4. To approve the Minutes of prior meeting(s).

Upon a motion duly made by Commissioner Robinson and seconded by Commissioner Bryant, the Board unanimously approved the Minutes of the District's Regular Meeting held October 17, 2019 and the Amended Minutes of the District's Regular Meeting of September 12, 2019.

The Board agreed to take items out of order as posted on the Agenda and moved to item #8 before addressing item #5.

8. To receive and review the monthly sales tax report.

Ryan Fortner presented the November 2019 Sales Tax Report prepared by Sales Revenue Inc.

5. To address financial matters including depositories, Investment Policy and investments, to receive Financial Reports from the District Bookkeeper and pay District bills.

Ms. Branco presented the November 21, 2019 Bookkeeper's Report including a listing of the disbursements presented, for the Board's approval and signature. Discussion ensued on this topic whereupon a motion was duly made by Commissioner Robinson and seconded by Commissioner Wall, and the Board unanimously approved the payment of district bills as presented in the Bookkeeper's Financial Report with the addition of check numbers:

2293 to Texas Workforce Commission in the amount of \$17.76 for Quarter Ending 9/30;

2294 to Galls in the amount of \$924.00 for Women's Blazers;

2295 to Lone Star Groundwater Conservation District in the amount of \$34.00 for Station 182 Operating Permit Renewal;

2296 to Metro Fire Apparatus in the amount of \$2,153.00 for a Jumbo Ball Intake for 2 New Tankers;

2297 to Casco in the amount of \$5,339.00 for Equipment for 2 New Tankers;

2298 to Lone Star Groundwater Conservation District in the amount of \$10.00 for Station 187 Operating Permit Renewal;

2299 to Magnolia Volunteer Fire Department in the amount of \$366.99 for Floor Liners for 3 Command Vehicles;

2300 to Hickory Corral in the amount of \$94.23 for November meeting expense.

No other action was necessary.

6. To review, discuss and take action to revise the District's 2019 Investment Policy.

Upon a motion duly made by Commissioner Robinson and seconded by Commissioner Gage, the Board unanimously approved Mark Burton and Ghia Lewis with Municipal Accounts as the Investment Officers.

7. To receive the monthly ad valorem tax report.

Ms. Branco presented the October 2019 Tax Report.

The meeting was recessed at 2:21 pm.

The meeting reconvened for regular business at 3:00 pm.

9. To review and act on the payment of operations funding pursuant to budget and service agreement with the Magnolia Volunteer Fire Department ("MVFD" or "Department").

Upon a motion duly made by Commissioner Wall and seconded by Commissioner Robinson, the Board unanimously approved the payment of Operation's Funding as presented in the November 21, 2019 Bookkeeper's Report which was check number 2282 in the amount of \$694,483.02 for Payroll Transfer 12/2019 Payroll and check number 2283 in the amount of \$97,983.30 for Maintenance & Operations Transfer 12/2019.

10. To review and act to approve the purchase, funding and payment for capital assets, including vehicles, fire-fighting apparatus and equipment.

Upon a motion duly made by Commissioner Robinson and seconded by Commissioner Gage, the Board unanimously approved the payment of check number(s):

2277 to Big Daddy Electric in the amount of \$4,240.00 for Station 187 Electrical Modifications and Repairs;
2278 to CDW Government in the amount of \$2,423.87 for Modems for 3 Command Vehicles;
2288 to Texas Department of Criminal Justice in the amount of \$4,140.00 for Furniture for Buddy Riley Blvd;
2290 to Magnolia VFD in the amount of \$1,32.64 for Reimbursement for Uniforms expenses paid by MVFD;
2294 to Galls in the amount of \$924.00 for Women's Blazers;
2296 to Metro Fire Apparatus in the amount of \$2,153.00 for a Jumbo Ball Intake for 2 New Tankers;
2297 to Casco in the amount of \$5,339.00 for Equipment for 2 New Tankers;
2299 to Magnolia Volunteer Fire Department in the amount of \$366.99 for Floor Liners for 3 Command Vehicles.

11. To receive a report and act as appropriate to revise District and/or Department current year operating and/or capital budgets pursuant to Department quarterly re-allocations and/or other matters.

Assistant Chief Gary Pangarakis and Director of Finance and Administration Eloise Roberson presented the 3rd Quarter 2019 Re-allocation check in the amount of \$32,790.19.

12. To receive a report from the Department regarding the good and welfare of the Fire Department and act on requests for equipment and expenses for the Department.

Assistant Chief Gary Pangarakis presented the Fire Chief's MVFD November Board Report, Fire Chief's ESD November 2019 Board and 2020 Budget Report, and handouts with special mention to the Board about the following topics:

1. There are a number of challenges to the adopted 2020 Budget.
 - a) The Problem:
 - b) The Maintenance and Operations Budget, which is everything EXCEPT PAYROLL increased by \$39,000.00 for the year. This includes every line item in the Rolling Budget, except Payroll, such as Fuel, Apparatus Repair, Computers, Insurance, and Gear.
 - c) The Health Care Insurance quotes came back at a 19% increase. The Insurance Broker informed us that the Insurance Carrier was at 140% on our claim ratio, or a net loss of 40%. The increase of +19% quote would still not be a break even, let alone profitable policy so we are fortunate to be looking at +19% quote. Further negotiations were able to lower the increase to +16%, or approximately +\$93,315.60 for 2020. The entire budget increase of +\$39,000.00 will not even cover the Health Care Insurance cost increase.
 - d) The Payroll Budget increased by exactly +2%. The CPI data indicates that the cost of living increased by approximately +1.75%. If we covered the CPI with a 2% cola, WE WOULD NOT BE ABLE TO PROMOTE OR HIRE A SINGLE PERSON IN 2020. There would be no funds to do so, and staffing, our biggest challenge, would be zero growth for the year.
2. The Solutions:
 - a) I would suggest we reduce the Capital budget to approximately \$550,000.00. We made it work in 2019, and we can do so again if needed.
 - b) Currently Approved 2020 Capital is \$200,000.00 plus Misc. Projects \$465,626.36 plus Surplus Funds \$84,283.62 for a total of \$749,909.98. This does not include the Tanker 188 and 189 Equipment which was approved to come from the Reserve Account. This is approximately \$200,000.00 that is available for use.
 - c) The current 2019 Capital Budget was approved at \$550,000.00 and we spent \$450,682.60. The surplus funds are approximately \$100,000.00, which should be available.

- d) All told, this may free up \$300,000.00 for the 2020 Maintenance and Operating Budget and/or Payroll Budget. (b+c)
- e) We also have acquired revenue income in 2019 of approximately \$198,550.11 from FEMA, Quarterly Reallocations, and VFIS insurance claims, which should be available for use. It currently is scheduled to be moved in 2020 Reserve.
- f) The Certified Value is different between the documents. (9-12-19 approved budget \$7,882,305.300 versus 8-8-19 Certified Values \$8,053,166.33). The difference of \$170,861.33, would help.
- g) In Total, we have \$669,411.44 that can be applied to our challenges.
- h) Sales Tax Revenue is estimated at \$5.3 million. I would like to ask Ryan Fortner if he is comfortable estimating \$5.6 million in sales tax revenue? If so, that \$300,000.00 also can help.
- i) *****
- j) We also received \$10,128.75 in proceeds from the auction of MR vehicles 183 & 185.
- k) Chief Griffith is under budget on the 3 Command Vehicles by \$4,702.41, \$16,437.56 on the Booster 187 project, and \$45,964.79 on the 9 Medical Response vehicles project, for a total of \$67,104.67.

The Department reports that this is a lot of information, but we are facing a very serious challenge in the currently approved 2020 budget.

- Assistant Chief Gary Pangarakis presented the Rescue Truck assessment letter and quote summary from Assistant Chief Grant, and the Heavy Apparatus Replacement Schedule. Upon discussion of this topic no action was necessary.

13. To receive a financial report from the MVFD.

Director of Finance and Administration Eloise Roberson presented the Department's October 2019 Rolling Budget and the October 2019 GL.

14. To review and act on any municipal action(s) affecting the District and provision of District services.

No action was necessary.

15. To review, discuss and act on the sale or disposal of surplus and/or salvage property.

No action was necessary.

16. To review and act on real estate matters, including but not limited to purchase, sale, utilities, encumbrances and/or easements.

No action was necessary.

17. To receive a report and act on improvements, repairs, maintenance and construction of District facilities, including utilities, construction payments, engagement of architectural or engineering services and selection of contractors.

No action was necessary.

18. To review and act on employment/personnel issues, including hiring, retention, compensation, benefits and scheduling for District employees, including administrative staff, Fire Chief, suppression staff and command staff.

No action was necessary.

19. To review and act on District administrative procedures and policies, including matters related to public access to District facilities and procedures for providing material to the Board for review and action at meetings.

No action was necessary.

20. To engage special counsel to assist with real estate issues.

No action was necessary.

21. To meet in Closed Session, pursuant to Government Code §551.071 to consult with legal counsel regarding pending or contemplated litigation, settlement offers or on matters which require confidentiality under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas and Tax Code §323.3022 to discuss sales tax matters.

The Board entered into Closed Session at 4:46 pm and reconvened for regular business at 4:59 pm.

22. To meet in Closed Session pursuant to Government Code §551.072 to deliberate regarding real estate matters.

The Board did not enter into Closed Session.

23. To meet in Closed Session pursuant to Government Code §551.074 to discuss personnel matters.

The Board did not enter into Closed Session.

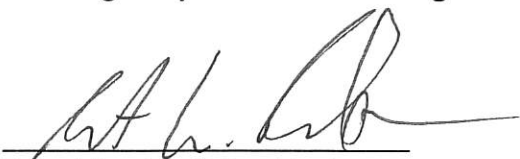
24. To meet in Closed Session pursuant to Government Code §551.089 to deliberate regarding security assessments or deployments relating to information resources technology, network security information, or the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices.

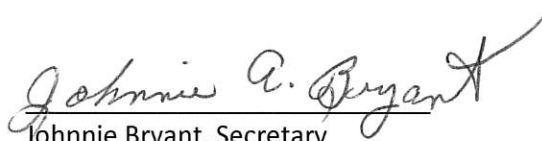
The Board did not enter into Closed Session.

30. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Commissioner Robinson and seconded by Commissioner Buschardt, the Board unanimously approved adjourning the meeting at 5:00 pm.

Next regularly scheduled meeting will be on December 12, 2019 at 1:00 pm.


Robert Buschardt, President


Johnnie Bryant, Secretary

