



Montgomery County Emergency Services District No. 10

DATE: July 8, 2021

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, July 8, 2021 at 3:30 p.m. inside the boundaries of the District.

AGENDA ITEM:

1. Call Meeting to order

At 3:44 p.m., Commissioner Smith called to order the Regular Meeting of the Montgomery County Emergency Services District No.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	
Larry Smith	President	Present
Charles McDonald	Vice President	Absent
Kelly Violette	Secretary/Treasurer	Present
Heath Schultz	Assistant Secretary/Treasurer	Present
Jeffrey Cunningham	Board Member	Present

4 of 5 Commissioners were present thus constituting a quorum.

Also present were Magnolia Volunteer Fire Department ("MVFD" or "the Department") Fire Chief Jeffrey Hevey, Assistant Chief of Finance and Administration Eloise Roberson, Assistant Chief of Training and Safety Jason Herrman, Assistant Chief of Safety and Health Chuck Grant, Assistant Chief of Logistics August Naumann, Battalion Chief Alan Paulk, Captain Jeff Jackson and Magnolia steward of the Montgomery County Professional Firefighters Association IAFF Local 4183, and Office Manager Rhonda Reinholz, Montgomery County Constable Deputy Michael Silvio, Carol Morrison of Municipal Accounts, District General Counsel John Peeler of Coveler & Peeler, PC, Dennis Winkler and Ross Winkler of Winkler Public Relations, Harry Gallagher of QZIP.net, Inc., Jon Watson of Brooks Watson & Co., PLLC, and Community Impact Reporter Anna Lotz.

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

Commissioner Schultz led the Pledge to the Texas Flag.

The Invocation was given by Commissioner Cunningham.

3. To receive public comment.

There was no public comment from members of the public in attendance.

4. To review and take action on information technology ("IT") matters, including engagement of consultants for the maintenance and improvement of IT infrastructure and resources, District website, digital records and electronic mail, including presentation from contractor QZIP regarding the recreation of the entire IT system, Information storage and new email system.

Harry Gallagher of QZIP gave a verbal presentation to the Board on Microsoft Licensing, Servers, E-mail, and Backup Internet.

- An Internal Audit was conducted when he came on board about 6-8 months ago.
- Microsoft Volume Licensing for application software has expired. There are currently about 50 licenses. Need to evaluate how many licenses to renew.
- The ESD is a government entity and will be losing the ability to renew licensing at a very inexpensive price from Tech Soup since ESD 10 will be the purchaser rather than MVFD which has 501(c)(3) status.
- The one-time cost for Volume Licensing for Office 2019 Pro Plus through Tech Soup is \$39.00.
- The one-time cost for Volume Licensing for Office 2019 Pro Plus Government Pricing which is close to retail and about \$250.00 per machine. Need to evaluate if it is necessary to purchase Volume Licensing. There is currently about 40-50 machines in the Department.
- To upgrade Volume Licensing Office 2019 Pro Plus you have to purchase a volume license each time.
- The other option would be a subscription to Office 365 which would be an annual cost. The advantage is that Office 365 is a different platform and it is upgraded constantly.
- The cost for Volume License for Office 2019 Pro Plus Government pricing is close to retail price which is about \$250 per machine. Exchange email is \$4 per mailbox per month which equates to \$48.00 per year
- If Volume License for Office 2019 is purchased under Tech Soup it is unknown if the licensing can be retained under the District.
- There are four (4) primary servers that have reached their end of life. Recommend to consolidate four (4) servers into (1). Need redundancy for backup in case of a disaster so, we will be able to continue with In-House Backup and also implement Off-Site Backup.
- It is not necessary to replace the camera server.
- The estimated cost for the Server is \$14,750.00 which includes equipment and labor.
- The Department's Email system needs updated. There are only 50 Department Email Accounts. GCC is the recommended Email platform which is a government system that will alleviate a lot of the email problems and also have a more secure email system. Propose to combine the District's and the Department's email into one (1). Will be able to backup email in real time instead of every 24 hours.
- Exchange online email is \$4 per mailbox per month which equates to \$48.00 per year per person; Microsoft 365 Apps for enterprise (Office Apps) is \$12 per month which equates to \$144.00 per year per person; Office 365 is \$250
- Will need to decide on a domain name; A couple of suggestions are magnoliaesd.org and mcesd10.org. magnoliaesd.org is currently being used by the District.
- Will be able to combine both domains and emails into one (1). Will be able to add an automatic response to emails sent to the old email that the email has been delivered but from this point on please use this new email. Eventually it will work itself out and people will start using the new email.
- Need to figure out whether or not to combine MVFD and ESD websites.
- Chief Hevey has requested backup internet.
- Will get pricing for Email and Office and will present a written proposal

Chief Hevey noted that he would like all employees (currently around 209) to have a department email rather than the employees using their personal email addresses for department communications. The Board expressed their desire to receive separate proposals for the Server, Email, and Office.

Upon a motion duly made by Commissioner Violette and seconded by Commissioner Smith, the Board unanimously approved up to \$15,000.00 for 4 servers as proposed by Harry Gallagher with QZIP.

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

Upon a motion duly made by Commissioner Violette and seconded by Commissioner Schultz, the Board unanimously approved the Minutes of the District's Regular Meetings held June 10, 2021, and June 24, 2021 as presented. Discussion ensued in regard to the approval of up to \$15,000.00 to increase Station Maintenance Cost where to the Board clarified the District will reimburse the Department for Station 182 plumbing and electrical actual costs.

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

Ms. Morrison presented the July 8, 2021, Bookkeeper's Report including a listing of the disbursements presented, for the Board's approval and signature.

Discussion ensued about the MCHD rent checks and potential cost share with MCHD to expand Station 183.

Upon a motion duly made by Commissioner Schutz and seconded by Commissioner Cunningham, the Board unanimously approved the Bookkeeper's Financial Report as presented, to include payment of district bills as presented where to there were no additional checks.

The Board readdressed this topic after Item #7.

Jon Watson of BrooksWatson & Co., PLLC presented the 2020 Financial Audit noting 35% Operating Expenses in Reserve at year end, Sales Tax is 43% of Revenue, and TCDRS Employer Contribution Rates have steadily increased even though the ESD is well funded.

Upon a motion duly made by Commissioner Schultz and seconded by Commissioner Cunningham, the Board unanimously agreed that the District received and accepted the 2020 Financial Audit.

7. To receive and review the monthly ad valorem tax report.

To receive and review the monthly ad valorem tax report.

Ms. Morrison presented the May 2021 Ad Valorem Tax Report.

Upon a motion duly made by Commissioner Violette and seconded by Commissioner Schultz, the Board unanimously approved the May 2021 Ad Valorem Tax Report as presented. Ms. Morrison presented the June 2021 Ad Valorem Tax Report. Ms. Morrison noted that the amount collected is 97% of Collections.

The Board was in agreement to readdress Item #6 before addressing Item #8.

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

There was no sales tax report where to no action was necessary.

9. To review and take action on engagement of sales tax consultant, including act to terminate consultant services or act to engage consultants.

There was no sales tax report.

Upon discussion of this topic it was noted that Sales Revenue Inc. has experienced a massive change over in their management and personnel resulting in no sales tax report this month.

Upon a motion was duly made by Commissioner Schultz and seconded by Commissioner Violette the Board was in unanimous agreement to terminate the current contract with Sales Revenue Inc. using the thirty (30) day opt out clause.

Upon further discussion of this topic a motion was duly made by Commissioner Violette and seconded by Commissioner Schultz, whereto the Board unanimously authorized legal counsel and staff to seek new proposals for a sales tax consulting services for future meeting(s).

10. 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 Schultz and seconded by Commissioner Violette, the Board unanimously approved the payment of Operation's Funding as presented in the July 8, 2021, Bookkeeper's Report which was check number 2645 in the amount of \$832,180.78 for Payroll Transfer 8/21 and check number 2646 in the amount of \$133,796.73 for Maintenance & Operations Transfer 7/21 noting the M & O Transfer is for 8/21.

11. To receive a financial report from the MVFD.

Ms. Roberson referred to her July 1, 2021 Report noting that in the 2nd Quarter she was authorized to do a rebalance of the Department Budget, submits work comp payroll reports and payments to be reimbursed by the District, processed payrolls for ESD and MVFD, May 2021 GL correction there was a check that was voided that was listed as a ACH payment but the actual check that was voided was not listed on the actual report. She presented the following reports:

June 2021 GL noting the 2021 2nd Quarter Reallocation Check and the deposit in the amount of \$1,286,472.00 to Allegiance Bank. The Department has received confirmation that the PPP Loan is now a grant and is fully forgiven. Ms. Roberson presented the following checks to the District:

- MVFD 2021 2nd Quarter Reallocation Check in the amount of \$19,015.14.
- Texas Mutual 2021 Policy Dividend in the amount of \$48,674.92
- MCHD June 2021 Rent for ambulance (Medic 42) housed at Station 183 in the amount of \$950.00

2021 2nd Quarter Rolling Budget noting to reference the notes on the bottom of report highlighting June expenses. She advised the Board to anticipate \$2,700.00 from the Department next month for the Tower Lease. The Department made some vehicle repairs in excess of almost \$10,000.00 which will be offset by \$8,046.24 from the VFIS claim which will be reinvested into apparatus maintenance. Received a check for \$285.00 from VFIS for a glass claim that will offset \$285.00 paid to The Woodlands Glass Company. The Department's 2020 Audit will be conducted in the 3rd Quarter by ABIP, PC. The engagement administrator Eric Huddleston will be contacting her to schedule. The Department will provide the report to the District by September 30, 2021.

Upon a motion duly made by Commissioner Schultz and seconded by Commissioner Cunningham, the Board unanimously approved the Department's Financial Report.

The Board was in agreement to enter into Closed Session before addressing Item #12.

17. 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 5:14 pm and reconvened for regular business at 6:24 pm.

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

The Board entered into Closed Session at 5:14 pm and reconvened for regular business at 6:24 pm.

Commissioner Schultz stepped out of Closed Session on real estate matters because of his involvement of the other side of the potential deal as noted in previous minutes. He participated in all Closed Session Items except real estate.

19. To meet in Closed Session pursuant to Government Code §551.074 to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or a charge against an officer or employee, including the District's administrative staff, executive staff and Fire Chief. Any employee the subject of review will be given the opportunity to request open meeting discussion of the matters if they are present at the meeting.

The Board entered into Closed Session at 5:14 pm and reconvened for regular business at 6:24 pm.

20. 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 convene in Closed Session on this item.

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

Fire Chief Jeffrey Hevey noted that the SCBA Cylinders ordered should be here by the end of the month. The Department needs \$1.2 million for SCBA's. Would like to use funds from this year if possible.

13. 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.

The Departments 2021 2nd Quarter Reallocation Check was presented on Item #11.

The 2021 Capital Payments include the following disbursements presented in the July 8, 2021 Bookkeeper Report:

- 2642 to NAPA in the amount of \$61,170.00 for Lifts for Heavy Apparatus.

14. To receive a report from Department regarding Fire Department activities and operations and act on requests for equipment and expenses for the Department.

Chief Hevey presented the Fire Chief's July 2021 report with special mention to the Board on the following topics:

- We received notification of our ISO Rating which is a 2/10

Ross Winkler addressed the Board with special mention on the following topics:

- The ISO News Press Release will be released to the media tonight. Also gave a copy to Anna Lotz.
- Touched base on 1st update that went out after the 6/24/21 meeting.
- Will be working on Bios
- Gave extra copies of President's Message to everyone in room including Anna Lotz.
- Noted that it is important to deliver a President's Message each month but not as a press release. Suggested to add a Presidents Message to the Agenda.
- Communication is important

Dennis Winkler asked for feedback from MVFD Staff via Chief Hevey

Chief Hevey and Command Staff addressed the Board on the following topics:

Chief Hevey:

Phase in battery operated equipment to replace hydraulics, Increased Staffing, L181 is now staffed, L186 will be In-Service soon, sent out job descriptions to the Department, future job descriptions will be submitted to ESD for approval, future employment applications will be with ESD, the fire department name will change from Magnolia Volunteer Fire Department to Magnolia Fire Department after transition, Full-Time employees will be hired as ESD employees, MC ESD 10 will be on the job descriptions – will implement in August.

Chief Naumann:

- 116 Tires replaced. \$62,000.00 Final Cost. Project will be completed this week. Heavy Duty Apparatus have all been taken care of.
- E181 was at body shop a few months ago-door of truck was left open and backed into station-it came back today and is back in service.

Chief Grant

- 182 update – completed plumbing and electricity.
- 182 back parking lot – the plan is to have rescue group punch out hole and fill in with crushed concrete or crushed granite.
- Tones at 182 – Calls tone out at all stations – Station Alerts – problem is being addressed.

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

Chief Hevey reported that he is identifying trucks to designate for disposition at a later date. In the process of taking photos and making packets to possibly sell to Brindlee Mountain, One Tanker will need to be towed because the engine is seized, MR Vehicles – will probably sell two (2) more MR Vehicles and transfer to an ESD that is interested in them, All E-One Engines are 2001 – All E-One Tankers are 2000, will dispose of Rescue Boat (WC184, Unit 57 and trailer Unit 59) and probably sell at auction.

Upon a motion duly made by Commissioner Violette and seconded by Commissioner Schultz, the Board unanimously authorized the disposition of the Rescue Boat mentioned above as surplus property.

16. 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.

Discussed Station 182 on Item #14.

21. To review and take action on matters related to lawsuits or claims, including potential settlement of same.

No action was necessary on this topic.

22. To review and act on employment/personnel issues, including hiring, retention, compensation, benefits, scheduling, complaints and discipline of District employees, including administrative staff, executive staff and Fire Chief.

No action was necessary on this topic. Chief Hevey noted that he is in the process of advertising for part-time firefighters and volunteers.

Goal is for 24/7 staffed stations – which would be 90 people with FT, PT, & Volunteers - Would like 8 to staff at Station 181 so that L181 and E181 could be staffed – Scheduling part-time and volunteers is an issue.

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

Upon a motion duly made by Commissioner Violette and seconded by Commissioner Cunningham, the Board unanimously approved both real estate contracts. Commissioner Schultz abstained from all discussions and actions on property near Station 182.

24. To review and take action on scheduling District meetings.

The next regularly scheduled meetings will be on July 22, 2021 at 3:30 pm.

31. ADJOURNMENT

There being no further business to come before the Board, the Board unanimously agreed to adjourn the meeting at 7:09 pm.



Larry Smith, President



Kelly Violette, Secretary

HEATH SCHULTZ Assid Secretary

