



Montgomery County Emergency Services District No. 10

DATE: October 14, 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, October 14, 2021 at 3:30 p.m. inside the boundaries of the District.

AGENDA ITEM:

1. Call Meeting to order

At 3:35 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	Present
Kelly Violette	Secretary/Treasurer	Absent
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 Operations Gary Pangarakis, 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, 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 arrived at 3:45 pm, District General Counsel John Peeler of Coveler & Peeler, PC, Carol Morrison of Municipal Accounts, Dennis and Ross Winkler of Winkler Public Relations, Sales Tax Consultants Catherine Wheeler with SRI, and Ryan Fortner with Revenue Management Services.

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

Commissioner McDonald led the Pledge to the Texas Flag.

The Invocation was given by Commissioner Cunningham.

3. To receive public comment.

There was no public comment.

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

Ms. Reinholz presented a revision to the previously approved minutes of the July 8, 2021 meeting, noting that she made a correction on Item #15 to the unit numbers of Water Craft 184 rescue boat and trailer.

Upon a motion duly made by Commissioner Schultz and seconded by Commissioner Cunningham, the Board unanimously approved the Amended Minutes of the District’s Regular Meetings held July 8, 2021 as presented.

5. To address financial matters including depositories, audits, Investment Policy and investments, financial reports, tax reports and to pay District bills.

Legal counsel distributed the Investment Policy for the Board’s review and consideration at the next regular scheduled meeting on October 28, 2021.

Ms. Morrison presented the October 14, 2021, Bookkeeper’s Report including a listing of the disbursements presented, for the Board’s approval and signature. Ms. Morrison noted that the District’s property tax collection rate is 98.8% collected for the 2020 levy and an adjusted journal entry to the Reallocations on the 2021 Budgeted Capital in the amount of \$-67,925.14.

Discussion ensued whereto upon a motion duly made by Commissioner Schultz and seconded by Commissioner McDonald, the Board unanimously approved the Bookkeeper’s Financial Report as presented, to include payment of district bills as presented with the addition of check numbers:

2725 to Winkler Public Relations in the amount of \$18,700.00 for Professional Services May through July 2021;
2726 to Cokinos Young in the amount of \$1,492.40 for Legal Fees.

There was no tax report presented this month.

6. To review and take action on engagement of Auditor to prepare District 2021 Audit.

Upon discussion the Board was in agreement to Table this topic to the next regular scheduled meeting on October 28, 2021.

7. To address sales tax matters, including reviewing monthly sales tax information and acting to engage sales tax consultant.

Discussion ensued whereto upon a motion made by Commissioner Schultz and seconded by Commissioner Cunningham, the Board unanimously approved to approve engagement of Revenue Management Services, represented by Ryan Fortner as the District’s Sales Tax Consultant.

8. To review and take action on public outreach and communications, including reports from consultants and District Committees on same.

Ross Winkler distributed a handout to the Board as an overview of talking points at the Open Houses as scheduled below;

Date	Location	Time
Saturday, October 16, 2021	Station 184	11:00 am – 2:00 pm
Tuesday, October 19, 2021	Station 186	5:30 pm – 7:30 pm
Thursday, October 28, 2021	Station 181	5:30 pm – 7: 30 pm, immediately following the regular meeting.

9. To review and take action on community meetings regarding District transition to Direct provider of services, including matters relating to dates, times, and locations for same.

The Board was in agreement to discuss Item 9 and 25 together.

The next scheduled meeting(s) will be:

- Regular Meeting on October 28, 2021 at 3:30 pm
- Regular Meeting on November 10, 2021 at 1:00 pm
- Regular Meeting on December 9, 2021 at 3:30 pm
- Regular Meeting on December 23, 2021 at 3:30 pm

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 Cunningham, the Board unanimously approved the payment of Operation's Funding as presented in the October 14, 2021, Bookkeeper's Report which was check number 2707 in the amount of \$832,180.78 for Payroll Transfer 11/21 and check number 2708 in the amount of \$133,796.73 for Maintenance & Operations Transfer 11/21.

11. To receive a financial report from the MVFD.

Ms. Roberson presented the following checks to the District:

- MCHD check number 110313 for October 2021 Rent, ambulance (Medic 42) housed at Station 183 in the amount of \$950.00 was delivered to Municipal Accounts on 10/1/21;
- LDF Construction check number 12683 Roof Settlement payment number 8 in the amount of \$5,000.00 was mailed to Municipal Accounts on 10/5/21;
- Larry Smith number 164 for Reimbursement of Per Diem for SAFE-D Conference in the amount of \$195.00.

Ms. Roberson presented the Director of Finance October 2021 Report and reported on the following topics:

- at the end of the third quarter and will be calculating the 3rd quarter workers compensation premium. Dollar value available after the 15th.
- Tax Policy News – remind MVFD employees they contribute to social security and they will not change upon transition and also to consider an appointment with 457 plan administrators so they can get the best financial advice in regards to the 457 plan. Career employees will have a retirement plan and social security.
- September 30, 2021 GL and Rolling Budget 3rd Quarter 2021 noting the explanation of expenses included on the report.
- Noted the relation between the budget payroll amount vs actual payroll expenses. The Department has spent 86% of the payroll budget as of October 1, 2021. The Department had excess funds in the payroll account to cover payroll expenses which had not been adequately noted in the funding arrangement between the District and Department for 2021. Prior to Chief Hevey, the Department did not allocate for each person that was hired which resulted in a shortfall. Upon authorization from the Executive Fire Board, transferred \$700,000.00 in excess funds to cover payroll.
- The Department's audit was not completed due to the CPA firm's inability to complete as contractually obligated. The CPA Firm reassigned the work to an outside vendor. Ms. Roberson noted that she did not want to move forward without notifying both the District's and the Department's Board of Directors and receiving direction from the Executive Fire Board.
- Chief Hevey included in discussions with a number of payroll companies.
- Submitted 2022 estimated Department budget to Municipal Accounts.

Assistant Chief Grant noted that he is still researching fuel tanks and have contacted several vendors.

Chief Hevey mentioned his hiring plan for 2021 and 2022 and an immediate need for a Captain in the Training Division. After consulting with counsel, the Board was in agreement to hire the Training Captain as ESD employee

immediately rather than having the Department hire for the position and then transition the employee to the District in January.

Ms. Roberson noted that she and Chief Hevey have been in discussions with a number of payroll companies. They assure us that we will be ready in the first week of November to begin the contract.

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

Chief Hevey noted the new boat for Station 183 has arrived. In the process of researching process and vendors to sell or auction the vehicles designated for disposition.

The Board was in unanimous agreement to approve the 2021 Capital Payments presented in the October 14, 2021 Bookkeeper Report:

2716 to Triad Marine & Industrial Supply, Inc. in the amount of \$28,323.29 for 2nd Rescue Boat:

2718 to Metro Fire Apparatus Specialists, Inc. in the amount of \$116,402.00 for Rescue Truck Equipment;

2719 to Metro Fire Apparatus Specialists, Inc. in the amount of \$96,736.00 for Rescue Truck Equipment;

2720 to Magnolia Volunteer Fire Department in the amount of \$691.70 for Coax Internet Cable paid by the Department:

2724 to Magnolia Volunteer Fire Department in the amount of \$11,922.71 for 12 Gas Detectors paid by the Department.

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.

No action was necessary.

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 ESD October 2021 and MVFD October reports with special mention to the Board on the following topics:

- Attending the Volunteer and Combination Officer Symposium November 11-14, 2021 in Clearwater Beach Florida
- Volunteer and Part-Time Firefighter interviews concluded
- Commissioner Smith and I regularly attend WMPID meetings
- The SCBA's were purchased by the Department
- Packages have been put together for vehicles designated for disposition
- One of our older Tankers had an electrical fire during the freeze. The engine is seized. Basically worth parts. Maintenance division has expressed interest to keep and use for parts for the 3 vehicles we have like that.
- Handbook is ready for approval.
- Eloise Roberson is working on the 4th quarter budget
- Administrative staff and Command staff has been very diligent in constructing the 2022 budget
- Noted hiring, facility, equipment, and personnel needs detailed in his report

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

No action was necessary.

16. 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.

Chief Hevey gave a verbal update of the IT Server, Microsoft Licensing, Email, and Backup Internet status. Email has been migrated from the web hosted email to Office 365 Government email system.

Assistant Chief Herrman submitted a contract for gas meter service contract to be reviewed by legal counsel. Discussion ensued about entering into a multi-year contract where to 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.

The Board was in agreement to enter into Closed Session.

18. 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 5:35 pm and reconvened for regular business at 6:38 pm.

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

The Board entered into Closed Session at 5:35 pm and reconvened for regular business at 6:38 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.

20. 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 did not convene in Closed Session on this item.

21. 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.

The Board was in agreement to address item #23 before addressing item #22.

23. 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.

Upon a motion duly made by Commissioner Schultz and seconded by Commissioner McDonald, the board unanimously approved the Employee Handbook as presented.

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

Legal Counsel provided a verbal update on Station 181 Roof Settlement where to no action was necessary on this topic.

24. To review and act on real estate matters, including but not limited to purchase, sale, lease, utilities, encumbrances, easements and engaging consultants for feasibility and other necessary property review.

No action was necessary.

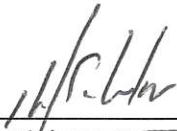
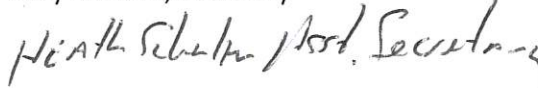
25. To review and take action on scheduling District meetings.

This topic was addressed on Item 9.

26. ADJOURNMENT

There being no further business to come before the Board, the Board unanimously agreed to adjourn the meeting at 6:40 pm.


Larry Smith, President


Kelly Violette, Secretary

Heath Schultz, Asst. Secretary

