



Montgomery County Emergency Services District No. 10

DATE: July 14, 2022

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 Fire Department, Station 181, 18215 Buddy Riley Blvd, Magnolia Texas 77354 on Thursday, July 14, 2022 at 2:30 p.m. inside the boundaries of the District.

AGENDA ITEM:

1. Call Meeting to order

At 2:41 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 Assistant Chief of Operations Gary Pangarakis; Business Manager Eloise Roberson; Office Manager Rhonda Reinholz; Assistant Chief of Administration Chuck Grant; Division Chief of Training Jason Herrman; Division Chief of Logistics and Planning August Naumann; Battalion Chief and Montgomery County Professional Firefighters Association IAFF Local 4183 Jeff Jackson; Battalion Chief Adam Vulgamott; Captain Michael Cockrell; Lieutenant Andrew Heinson; District Legal Counsel John Peeler of Coveler & Peeler, PC; Dennis & Ross Winkler of Winkler Public Relations; Nick Shah and Sharron Buckley of the Shah Group; Jessica Preece with ADP Workforce Management; Tim Krause with Texas County & District Retirement System ("TCDRS"); and Montgomery County Constable Deputy Eric Gray arrived at 3:20 p.m.

Members of the public were Vivian Kahla, Irene Collins, and Paul Gregory; Members of the public arriving after the meeting convened were Laurie Clifton and Cyndie Phillips.

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

Commissioner McDonald led the Pledge to the Texas Flag.

Commissioner Cunningham gave the Invocation.

3. To receive public comment.

Commissioner Smith welcomed everyone to the meeting.

Commissioner Smith invited comments from the public.

Paul Gregory expressed his opposition to the District's zero homestead property tax exemptions. He expressed his concerns in rising inflation rates and is unaware of the protocol and requests that the District establish a group to assess the District's goals in the interest of the citizens and the District. He also stated that the District and all agencies are receiving a 35% revenue increase based on the recent property appraisal. Upon the Board's and the District's legal counsel response the citizens want to help support the District, however as taxpayers we are also concerned. The District and the citizens need to understand each other on what's taking place.

Legal Counsel advised Mr. Gregory that the deadline for the District setting exemptions has passed and explained that the District is allowed to establish committees or working groups, but are limited to two (2) Commissioners without it being a posted meeting. The Board isn't part of the 35% property tax increase and the District's portion of the property tax is minimal. He explained that even though the total appraised value may go up by 35%, because of the restrictions in SB2 regarding the calculation of the voter approval rate it is incredibly unlikely that the District will reap a 35% increase in property tax revenue without the taxpayers having to give approval. Just because property evaluation has gone up does not mean every taxing entity will benefit that amount of increase. The Appraisal District notified the tax office yesterday that the Appraisal District is not going to meet the full certification by the tax code deadline so instead the Appraisal District will be issuing a certified estimate as allowed by the tax code law in SB2. The District will still be meeting on the proposed tax setting schedule. The first tax meeting will be held on August 8, 2022 at 4:00 pm.

The Board recognized Mr. Gregory's concerns, as we are all residents paying the exact same taxes and advised him that this topic is addressed on an annual basis to which it will be revisited next year.

Irene Collins and Vivian Kahla addressed the Board to propose a Tupperware Fundraiser to help meet the needs of the fire department. The fundraiser flyer is for a new fire truck, but the flyer can be changed to better fit the fire department's needs noting that the funds raised can be used upon discretion of the fire department as long as it stays in this firehouse and is used toward something that makes the fire department's jobs better to serve the community. We have had to use the fire department and we would like to pay back the community. We were born and raised in Port Boliver, where volunteer agencies are prevalent. There will be a specific account where 10% of the earned profit of Tupperware sales will be allocated directly to this department. We would also need permission to allow the distribution of flyers and advertisement on behalf of the fire department.

The District's legal counsel advised the Board that the District is allowed to accept donations. The Board was in agreement to form a Committee comprised of Commissioner Smith and Chief Hevey with a request to allow legal counsel to coordinate with the committee before any flyers or advertisements are done.

The Board thanked both ladies.

The Board readdressed this topic after Item #23 due to members of the public arriving after late

Laurie Clifton requested clarification about the date and tax increase statement on the District's website. She read the current tax increase statement posted on the District's website, "THE TAX RATE WILL EFFECTIVELY BE RAISED BY 5.56% AND WILL INCREASE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00. She stated that there is no date on the tax statement. The Board deferred to the District's legal counsel whereto Mr. Peeler explained that it is last year's tax statement, the District has not addressed this year's tax rate. The issue with the effect on the \$100,000.00 home is a number that the District gets from the tax office. When the legislature put that statement in the tax code and that the tax statement has to be included in the tax orders and posted on the websites, however it didn't explain exactly how it is computed. The tax rate is interpreted differently by the tax offices throughout the state. The statement on the District's

website came from the local tax office. The District is not doing anything deliberately to mislead the tax payers, we are simply working with the information received from the local tax office based upon their interpretation of Chapter 26 of the tax code. Mr. Peeler advised Ms. Clifton that he can't speak for the local tax office and can only point her towards the local tax office in Conroe for further clarification.

The Board also confirmed that the language in the tax statement is received from the local tax office.

Cyndie Phillips requested the location of ESD 8 noting that in one of their workshops they mentioned they receive a maximum 10% property tax revenue.

The Board and District Staff engaged in discussion where to explained that ESD 8 is South Montgomery County and our District's growth, response area, number of fire stations, and sales tax revenue in comparison to ESD 8 is vastly different.

Commissioner Schultz went on record addressing Ms. Clifton directly that there is no plan now or in the future for any type of bond to be issued. There was a question directed to our attorney and he relayed to us that we can pledge equipment, property, sales tax, prop tax or create a bond, of which we have no plans on doing any type of bond now or in the future

4. Presentation of Certificates for Promotions, Recognitions and Appointments of District firefighters, fire officers and administrative staff.

Commissioner Smith made the following statement on behalf of all of the Commissioners: He commended the Magnolia Fire Department's Full-Time, Part-Time Employees and Volunteers for their extraordinary work during this record setting heatwave, especially during the July 4th holiday. The staffing level showed that there were less firefighters than needed over the holiday weekend, so Chief Hevey challenged the employees and the volunteers to sign up for shifts and they did so because we have improved the quality of our professionals, employees, and volunteers and we have committed to providing them with resources and working conditions that they need. Our firefighters stepped up and braved the very hot conditions, they took precautions, and they made a significant difference in the outcome of several incidents, to quote Chief Hevey. Also quoting Chief Hevey on the emphasis of the Awards Appreciation, thank you to our members, I am proud of our men and women, and thankful that they are dedicated & committed professionals. When we were sworn in as Commissioners of ESD 10 in early 2021 our objectives were to provide tools & resources needed by the firefighters to save lives, protect property, and allow firefighters to execute their job safely and effectively. During the process a lot of that included working with Chief Hevey, the command staff, and firefighters, to understand and meet the needs while being good stewards of the tax payers dollars. We have been successful in recruiting new professional firefighters and you will hear more on that as we go along. Lastly, I'd like to say that our goal for our culture and commitment to you is to be open and transparent. That is why we have held two (2) meetings a month for the past year, held three (3) Open Houses, and the Commissioners have conducted numerous visits to the fire stations and Magnolia Fire Department events. You can come to our meetings, you can ask questions, you can raise concerns and we will address it as we can. We recognize you, your input, your views on how to improve the District better, and to better serve you, whether it be by public comment or individual conversation, as we are your neighbors, we answer to you, and we are going to be responsible. Thank you for your dedication, commitment and your professionalism. In addition, each Commissioner has comments which will be made part of the District records and available via Public Information Act Request for anyone wishing to receive them.

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

Staff reported that they intend to present minutes for review at the July 25th meeting.

The Board was in agreement to address item #23 before addressing item #6.

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

Jessica Preece, ADP Workforce Manager Specialist presented the highlights and overview of the ADP Workforce Manager & Advanced Scheduling Program emphasizing eliminating manual data entry & errors, utilize online Kiosk, implement firefighter shift schedules per the District's requirement, and reducing paper process, noting that our organization will receive full training of the new system. Presentation Breakdown:

Organizational Goals: Bring all time and attendance to ADP, Reduce Manual Processes

Challenges: Manual Processes, Overtime Tracking, Scheduling

What's needed from HR: Implementation of ADP;

Recommendation: ADP Workforce Manager & Advanced Scheduling (Copyright © 2019 ADP, LLC. Proprietary and Confidential)

- The workforce management value proposition
 - o Improve payroll accuracy
 - o Control labor costs
 - o Simplify compliance
 - o Boost productivity
 - o Workforce management is one of the critical ways HR helps drive profitability
- Typical workforce management processing tasks – Manual vs. ADP Workforce Manager
 - o Employee Time Collection
 - o Supervisor Management
 - o Payroll Administration
 - o HR Management
 - o General Administration
- ADP Account Team
 - o Implementation Support
 - o Ongoing Support
- IMPLEMENTATION METHODOLOGY
 - o Analyze
 - o Build
 - o Go
- ADP Time and Attendance Pricing
 - o Estimate using District's current data and equipment
- Pricing – Recurring Fees and Considerations
 - o Monthly Processing using current employee data
 - o Total Annual Investment; Workforce Now Services; Includes Workforce Manager Time and Attendance
 - o Other Considerations; Implementation Setup Fees
 - o Total Other Considerations; Estimated Total Setup Fees including Discount

Ms. Preece addressed questions by District Staff noting she will send the training video link to Ms. Roberson to distribute to District staff accordingly. Ms. Roberson also explained that the new system is a direct result of previous District discussions addressing time and attendance. The implementation process will not be as long as indicated in the presentation, as we are currently using an existing ADP program therefore the new system will essentially be an integration process. Chief Pangarakis noted that the implementation methodology mainly pertains to the scheduling requirements.

Commissioner Smith noted that the District will work to immediately correct payroll errors as quickly as possible within their power.

Tim Krause, TCDRS Employee Services Representative presented information to the Board:

The District has been a part of this plan since 2016, came here today to give background on TCDRS and how it works. We will be celebrating 55 years.

TCDRS Overview

- Set Up for Success
 - o Created in 1967 by the Texas Legislature
 - o Receives no funding from the State of Texas
 - o Over 800 participating employers
 - o Operating costs average 0.23% of assets
 - o Managed independently by a nine-member board of trustees that are appointed by the Governor and meet on a quarterly basis
- TCDRS Does Retirement Right
 - o Savings based benefit
 - o Responsible plan funding
 - o Flexibility and local control. TCDRS is not a one-size fits-all system. Each employer maintains its own customized plan of retirement benefits. Employers have the flexibility and local control to select benefits based on their workforce needs and budgets.
- Savings-Based Benefits
 - o 7% is deposited into employee account and earns 7% annually (4%-7 %percentage rate is set by employer)
 - o Each employee saves for their own retirement; The employee's savings earn interest at an annual compounded rate of 7%. This amount is set by legislation and does not fluctuate with market ups and downs.
 - o Final account balance matched at retirement. Current matching is 200%. Once an employee retires, they receive a benefit payment for life that is based on their final account balance and employer matching.

Members are saving for their own retirement over the length of their careers. Benefits are based on the final employee savings balance and employer matching. By contrast, benefits in traditional pension plans are based on a final average salary calculation and length of career, which can cause an unplanned increase in employer costs if employees receive a late-career promotion or earn excessive overtime.
- Average Employee Profile:
 - 56 years old with 8 years of TCDRS service
- Benefits Texas:
 - o \$1.9 billion in benefits paid in 2021
 - o Benefits paid in Montgomery County \$60,210,696;
 - o Supports - \$2.9 billion in total economic output; 19,364 jobs created; \$1.7 billion added to Texas GDP
- Your Plan of Benefits
 - o Employee deposit rate : 7% pre-tax
 - o Employer matching rate: 200% (Pay 2 to 1 at retirement ONLY)
 - o Vesting: 5 years of service: We have proportionate service time with the State of Texas Teachers Retirement System (TRS), Texas Municipal Retirement System (TMRS), Judicial Retirement System (JRS), and City of Austin, which all will count towards vesting period;
 - o Retirement Eligibility:
 - Age 60 with 5 years of service
 - Rule of 75 (must be vested)
 - 20 years of service at any age

- Partial Lump-Sum Distribution
- What You Provide at Retirement (The following chart shows the estimated TCDRS benefit as a percentage of final salary prior to retirement for a new hire:
 - 22% Hired at 55, Retired at 65
 - 35% Hired at 50, Retired at 65
 - 49% Hired at 45, Retired at 65
 - 68% Hired at 40, Retired at 65
 - 85% Hired at 35, Retired at 65
 - Assumptions:
 - Employees are new hires and will work for you until retirement
 - Your current plan provisions will remain in effect through employee's retirement
 - Current laws governing TCDRS will continue as they are
 - Graded salary scales give bigger raises early in careers, with smaller raises later in careers (see Summary Valuation Report at www.tcdrs.org)
 - Based on Single Life Benefits
- Responsible Plan Funding

A key difference with TCDRS is that employers pay 100% of their required contributions every year. This ensures that the necessary funds will be there when the time comes to pay benefits.
- Investment Income Funds Benefits
 - Investments Drive Our Success. For every dollar TCDRS pays to its retirees, 74 cents comes from investment earnings. Estimated: 74¢ Investment Earnings, 15¢ Employer Contributions, 11¢ Employee Deposits
- Diversified Portfolio Reduced Risk; As of March 2022
- Investment Returns (Net of All Fees) As of Dec. 31, 2021
- Achieving Long-term Investment Goals (Net of All Fees)
- Your Plan Funding
 - Employer Rate for 2023: 10.87% of payroll
 - Your rate does two things:
 - Investing for your current employees'
 - Paying down your liabilities within 20 years
- Your Plan Rate Change: 2022-2023
 - Reason for Rate Change 2022-2023
 - 2022 Rate 11.13%
 - Plan changes adopted TBD
 - Investment returns: -0.20%
 - Elected rate/lump sum: 0.00%
 - Demographic and other changes: 0.14%
 - Assumptions and methods: -0.20%
 - 2023 Rate 10.87%
 - December 31, 2021 Funded Ratio 104.1%
- Ways to Help Keep Rates Stable
 - Here's How:
 - Maintain or adjust your benefit levels
 - Contribute at a higher elected rate
 - Make an additional employer contribution
- Estimated Future Contribution Rates 2023-2028
- Flexibility and Local Control

Employers can adjust benefit levels to meet their workforce needs and budgets. This level of flexibility is not standard in most traditional retirement plans, which make it difficult or impossible for employers to lower costs when needed. | You Make the Call Each Year: Employee Contribution Rate / Employer Matching Rate
- When You Review Your Plan

- Dec. 31: Actuaries take a snapshot of your plan
- May 1: Rate information and Plan Customizer available
- July: TCDRS Annual Conference
- Dec 15: Plan changes due
- Jan 1: New rate goes into effect
- What's Next
- We are Here to Help!
 - Employer Services
 - Information regarding plan options
 - Rate information and analysis
 - Special plan studies
 - Education opportunities
 - Annual Conference: July 21-22, 2022
 - Free webinars
 - Contact Information
 - Phone: 800-651-3848
 - Email: EmployerServices@tcdrs.org
 - Website: www.TCDRS.org/employer

Tim Krause addressed questions by Commissioners and District Staff. The District's current employer contribution is 11%, however the District still matches the employee TCDRS contributions 200%, effective upon actual retirement. The 2023 employer contribution rates are based on 2021 year-end account balance. The employee earns a 7% return no matter what the market fluctuations are more or less. The District bears the responsibility of the employee 7% return. The District is currently over funded at 104%.

The District doesn't have to pay the 14% matching. When the employees retire they get 14% so the District doesn't have to fill in the gap now so, the District gets a cost savings now.

The District will never be asked after the fact to pay after the actuarial rates have been determined. They have the potential to decrease or increase each year based on actuarial information.

The Board accepted the TCDRS 2023 Employer Contribution Rate of 10.87% by unanimous consent.

The Board readdressed this topic after Item #17.

Division Chief Herrman informed the Board of the RFQ for Annual health screening for our members of which it has been approved by Chief Hevey and legal counsel and request the Board's approval for posting. Ms. Roberson noted that this a budgeted item.

Upon a motion duly made by Commissioner Schultz and seconded by Charles McDonald, the Board unanimously approved the RFQ for Annual Health Evaluations.

The Board was in agreement to readdress Item #3 before addressing Item #6

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

The Board was in agreement to discuss Items #6 and #7 together.

Ms. Roberson noted that is the end of the 2nd Quarter and noted that representatives of the Shah Group are in attendance and has prepared the quarterly audit from data provided by staff for the months of April, May, and June through June 30, 2022.

Nick Shah reported on the following items:

1st quarter we were playing catch up and trying to understand what the other firm did; We are now at a point where we are very comfortable starting July 1, 2022 we are directly changing all the reporting and very happy with the progress; Revenues have gone up by 12.6%; Expenses have gone up by 5.39%; We created a budget review based on primary data; We now have a more precise budget that we will utilize and will be able to present; Each line item that will be presented to you will reflect what the budget vs actual were from 3rd quarter on; Payroll is a bit higher; He provided his input on the TCDRS retirement plan. If the employer pays the 14% matching to the 7% employee contribution there is no real growth allocation. The District needs to push for a lower contribution so that the growth can absorb and can pay for the pay out at retirement. We have broken it down and will work with Ms. Roberson.

Ms. Roberson provided a report that lists the loan payments that were made. We have one (1) more loan payment in November and then it will be paid off. She noted that she is working with the District's legal counsel to provide him data that he needs to secure the upcoming loan options.

District's legal counsel reported that the RFP's have gone out and the loan proposals are due the Tuesday before the next Thursday meeting.

Ms. Roberson advised the Board that the financial reporting is still new, so if there is any kind of data they need she will provide it. She noted that it is basically like a checkbook; The list of vendors that we paid is outlined by vendor and how much we paid to them since the beginning of the year to the end of the quarter; She provided up to the minute expenditures from January 1 to present; Trying to be as transparent as possible, so you as Commissioners understand the kind of money that is going out of this department.

Ms. Roberson requested Nick Shah to verify the money in the investment accounts where he reported the balance in bank accounts is \$7.752 million and the balance in the investment accounts is \$2.4 million for a total of \$9.993 million.

Ms. Roberson directed the Board to the reports she placed in the Dropbox for the 1st quarter the District has spent \$9.4 million. The District has a budget of \$17.13 million, will have \$8.6 million for the remainder of the year. The Board can accommodate those expenditures and overages by reallocating the funds, which the Board plans on doing at the next meeting.

Nick Shah reported that they have a draft of the 2021 Audit and are currently reviewing. Ms. Roberson noted that she also placed it in the Dropbox and has been working with the auditor to which she was told that it's a clean audit and he has no questions.

Upon a motion duly made by Commissioner Schultz and seconded by Commissioner McDonald, the Board unanimously approved the financial report as presented.

Ms. Roberson reported to the Board that the final \$250,000.00 was transferred from MVFD Operations to the District on June 30, 2022.

Upon a motion duly made by Commissioner Schultz and seconded by Commissioner Cunningham, the Board unanimously approved to pay the District bills as presented.

7. To receive a report and act as appropriate to revise District budgets.

This topic was discussed on Item #8.

8. To review and act on District insurance policies.

No action was necessary.

9. To address sales tax matters, including reviewing monthly sales tax information.

The Board reviewed the July 2022 Sales Tax Report prepared by Revenue Management Services where to no action was necessary.

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

Ross Winkler reported that Division Chief Herrman and firefighter Walter Sassard have been assisting them with the name, content, and design of the Department newsletter. The name of the newsletter will be Magnolia360. Walter Sassard has a photography background and creative background to assist with the design. He came up with the name which is Magnolia 360. It will have information about Commissioners, life events of members, training, logo designs. An email address has been set up, which is Magnolia360@magnoliafire.org. Anyone can send information to add to the newsletter, and pictures from incidents they responded to. Mr. Winkler reported the newsletter received information from a couple of firefighters that saw a kid having a birthday, so they stopped and participated in the kids birthday party. Also, the newsletter received information that a church brought breakfast to one of the firehouses. That kind of information will be included in the newsletter. It will contain a Message from the Fire Chief, and a Message from the Board so the firefighters know what is happening in the department, which will improve communication and transparency. There is a meeting next week with Chief and Herrman to finalize the 1st edition of the newsletter.

11. To review and take action on all matters related to transition by the District to direct provider of services, including transfer of assets from Magnolia Volunteer Fire Department to the District.

The District's legal counsel provided an update noting there is still some remaining real estate items but unfortunately Mr. Thrower was unavailable due to personal reasons. They are in progress but not finished yet.

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

The District's legal counsel reported that the loan proposals for the Construction Loan will be reviewed at the next meeting.

13. 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.

Ms. Roberson reported that they are supposed to meet with the IT candidates next week to do a walk through so the Department can show them our stations and address some of our needs and educate themselves on how the Department currently operates.

14. To receive a report from District Fire Department Chief and staff regarding Fire Department activities and operations.

Ms. Roberson reported that Chief Hevey had some concerns and requests for increases for some staff members at the last meeting but can be addressed at the next meeting.

Commissioner Shultz asked Division Chief Herrman for the most recent new hire applicant update. The Board then requested a comparison of Class 1 to Class 2 data.

Chief Herrman reported that all interviews have been completed for Class 2022-2. Fourteen (14) candidates completed the interview process and successfully completed the PAT test. The candidates will move on to the next round. The last one should be finished on the 22nd of July. Tentatively the scheduled start date is August 1, 2022. The new firefighters will be in orientation for 3 weeks and then staff the stations.

Class 2022-1 – nine (9) of the twelve (12) Full-Time Firefighters were internal that went from part-time to full-time

Class 2002-2 – two (2) were internal that went from part-time to full-time and the remaining Full-Time Firefighters were outside applicants.

The Board asked for the hiring timeline.

Chief Herrman reported that the last hiring round was a thirty (30) day online job posting. The previous round was a sixty (60) day online job posting; then in 3 – 4 weeks we schedule interviews. Class 2022-2 was interviewed two (2) weeks ago. We changed a few things to try to streamline but at the same time we also wanted to give candidates an opportunity to give employer a minimum two (2) week notice. We have to make sure we check all required boxes.

Chief Herrman reported that the total hiring time is a 3 month timeline. It's never fast enough. There is a total of 5 that pulled because they took a job offer already in process. There are other departments that have gone to a non-stop hiring process

Commissioner Schultz commented that as a board we asked Chief Herrman to compare prior years back to 2017 the percentage of unstaffed stations. He reported the following data:

2017	15.6
2018	11.4
2019	7.4
2020	8.3
2021	3.3
2022	1.5 currently

Before the current Board took over the total shifts not staffed was 561 then in 2021 when the new Board and Chief took over, it dropped to 221 and currently at 49 through June this year. Chief Herrman gave credit to Division Chief Vulgamott tracking this data on his own.

He noted that by hiring more people the payroll costs go down because the overtime decreases.

15. To review, discuss and act on the disposition of surplus and/or salvage property including but not limited to the process to dispose of same.

Chief Herrman reported that the fire truck the Board elected to donate is getting a few things buttoned up prior to leaving the District.

Ms. Roberson addressed the Board noting that she and Chief Grant have been working on a project for the use of capital funds whereto she presented the MDC and Fire Ground Accountability Project for the Board's consideration as a 2022 Capital Expenditure as this project will upgrade the radios. She noted that at the second meeting in May the Board approved to close the CD we had with Frontier Bank for \$240,000.00 and also transfer \$14,335.80 to fund items in a Capital Budget. Chief Grant has requested that we consider using these funds to pay for the radio upgrades. Chief Grant noted that it relates to last year when our air packs went out we used a system called Grace Accountability. The Grace Accountability System had reached end of life and it all had to go back and we have been looking for a system to replace it. The Grace Accountability was attached to the air packs. We found a Motorola Accountability System. This system expands our ability to track our firefighter's. We will know where they are and what they are doing when they become immobile. This will follow the firefighter wherever they have their radio. Our biggest mutual aid partners are already using and we can't join in with them because of our radios are outdated. The other portion is existing MDC's need replaced and Chief Hevey is interested in expanding to more vehicles and get better use out of them.

Ms. Roberson reported that the District has a total of \$436,000.00 in Miscellaneous Assets. Utilizing the \$240,000.00 and \$14,335.80 there will be some funds left over and will have enough to not increase our total expenditures.

The Board requested an RFQ and a more detailed report at the next meeting. Ms. Roberson noted that any time that there is an expenditure outside of our budget it will come before the Commissioners for approval.

16. To review and act on improvements, repairs, maintenance and construction of District facilities, including utilities, architectural or engineering services and selection of contractors.

The District's legal counsel reported that at the last meeting the Board approved the execution of contract documents with LaW Construction, the construction manager, but also at the last meeting there was a presentation about how the scope of the overall project had changed causing the change of \$5.8 million in budget costs which is why the construction loan RFP was for \$8 million instead of \$5 million. LaW Construction have concerns about the change in scope of the project and requesting the Board's consideration of Rev 3 of the contract. Rev 3 is the same contract but shows a larger footprint of the Logistics and Maintenance Facility and total anticipated budget being over \$5 million so legal counsel requested the Board to approve the revision based on those two (2) items.

Upon a motion duly made by Commissioner Schultz and seconded by Commissioner Cunningham, the Board unanimously approve the revision based on the two (2) aforementioned items by legal counsel and executed the Rev 3 contract.

Martinez Architects provided the Board with a Design Progress Report for Magnolia Fire Station 183 Renovation & Logistics Center which consisted of the following information:

Budget - 75% Review: \$7,500,000 - 7,750,000 current budget figures

Recommendations: Proceed with \$8,000,000 loan amount with anticipation of not requiring full amount.

However, escalation and cancellation of contracts have impacted products supply chain and project costs.

Schedule:

7/22 Martinez Architects to publish documents

7/25 Issue for Permitting / Building

8/18 LaW Construction receives bids

8/25 Present Guaranteed Maximum Price (GMP) to MC ESD 10

17. To review and take action on an interlocal agreement with Montgomery County Hospital District ("MCHD") regarding MCHD's participation in the planning, design or construction of District emergency services facilities, including financial terms of such participation.

The District's legal counsel reported that he needs to get with Chief Hevey and Mr. Martinez on what the overall scope of services so then they can work with MCHD to structure the agreement. No contract was ready for action today.

The Board was in agreement to readdress Item #23 before addressing Item #18.

The Board was in agreement to enter into Closed Session after readdressing Item #23.

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 convened in Closed Session on this item from 4:51 p.m. to 5:52 p.m.

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

The Board convened in Closed Session on this item from 4:51 p.m. to 5:52 p.m.

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 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 convened in Closed Session on this item from 4:51 p.m. to 5:52 p.m.

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.

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

No action was necessary.

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

No action was necessary.

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

Regular Meeting on July 28, 2022 at 3:30 p.m.

26. ADJOURNMENT

There being no further business to come before the Board, the Board unanimously agreed to adjourn the meeting at 6:00 p.m.


Larry Smith, President


Kelly Violette, Secretary

