



# Montgomery County ESD No. 10 Magnolia Fire Department

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**DATE:** March 23, 2023

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, March 23, 2023, at 3:33 p.m. inside the boundaries of the District.

**AGENDA ITEM:**

**1. Call meeting to order.**

At 3:33 p.m., Commissioner Smith 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.**

Larry Smith	President	Present
Charles McDonald	Vice President	Present
Kelley Violette	Secretary/Treasurer	Present
Laurie Clifton	Board Member	Present

**4 Commissioners were present thus constituting a quorum.**

Also present were Fire Chief Jeffrey Hevey; Business Manager Eloise Roberson; Assistant Chief of Operations Gary Pangarakis; Division Chief of Logistics & Planning August Naumann; Assistant Chief of Administration Chuck Grant; Division Chief of Training Jason Herrman; Battalion Chief Jeffrey Jackson; Training Captain Chris Thornton; Temporary Office Manager Walla Almasri; Assistant Office Manager Joanna Padilla; District Legal counsel John Peeler and Krystine Ramon of Coveler & Peeler, PC; Dennis and Ross Winker of Winkler Public Relations; Ryan Fortner of Revenue Management Services; Niraj (Nick) Shah of The Shah Group; Joe Mark Robinson of Robinson Group Realtors; Montgomery County Constable Deputy Eric Gray; and other Department Officers and Staff.

Commissioner McDonald led the Board in the Pledge of Allegiance to the U.S. Flag.  
Commissioner Smith led the Pledge to the Texas Flag.  
Commissioner McDonald gave the Invocation.

**3. To receive Public Comment. Texas law and District policy establish that members of the public may offer comments on any subject of concern to the public. District policy establishes time limits to address the Board: 3 minutes for items on the agenda; 2 minutes for items not on the agenda; or 1 minute if the person has spoken on the same topic at any of the two preceding meetings. Anyone who interrupts the meeting intending to prevent or disrupt the Board from conducting the meeting by interjecting comments after the Public Comment item has concluded are subject to removal from the meeting and premises under Texas law after receiving reasonable warning from the presiding officer.**

Commissioner Smith welcomed comments from the public. The board noted that no one had signed up to offer Comments.

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

No action was taken.

**The Board moved to address Item # 14.**

#### **14. To address sales tax matters, including reviewing monthly sales tax information.**

Ryan Fortner from RMS provided an update on sales tax collection and reported a 14% increase in February 2023 over February 2022. Mr. Fortner informed the Commissioners of monthly revenue from businesses that remitted, noting 701 were physical and 3,546 were e-commerce based; 85% of revenue came just from the cloud-based services. He reported that the increase in e-commerce and new residential and commercial development will keep bringing in a continuous flow of sales tax revenue for the District.

**The Board moved to address Item # 24.**

#### **24. To review and act on real estate matters, including but not limited to purchase, sale, lease, utilities, encumbrances, easements, platting and other matters related to real property.**

Joe Mark Robinson provided a summary of the contracts to purchase two (2) proposed properties for future fire stations. The Board reviewed the requirement of leasing the home on one of the properties back to the owner-residents to allow them time to move. Commissioner Violette suggested to have it rented out for one (1) year and then move to a month-to-month basis with a 60-day notice for when construction begins.

Based upon the timing of the need for the funds and factors related to the District's Debt Tax Rate, Mr. Peeler is to send out requests for proposals for acquisition financing with the loan secured by a pledge of property taxes rather than a traditional lien note to potential lenders and expects to have responses available for review at an upcoming Board meeting convenient to coordinate the scheduled closing. Nick Shah advised on there being a 40-60 day processing period for closing on real estate lending, compared to a 60-90 day period at the beginning of Covid. The Board instructed Mr. Peeler to request loans with payoff terms of 15 and 20 years for comparison.

Commissioner Violette would like to have a longer feasibility period included in the contracts, to allow the District adequate time for thorough review. Mr. Robinson noted that it is already in the contract and can be added on once a price is agreed on. The agreed amount was not to exceed \$15,000 per property. Commissioner Violette moved to approve both contracts with the provision for an option by Buyer to purchase additional feasibility review periods at a cost not to exceed \$15,000 per property. Second by Commissioner McDonald. Motion approved by a vote of 4 to 0.

Motion by Commissioner McDonald and second by Commissioner Violette to approve payment of the earnest money for each contract to the title company upon full execution of the contracts. Motion approved by a vote of 4 to 0.

Motion by Commissioner Violette and seconded by Commissioner McDonald to authorize the Board president to engage consultants to conduct survey, Phase I environmental and geotechnical studies of both properties as part of the feasibility review. Motion approved by a vote of 4 to 0.

Upon a motion made by Commissioner Violette and seconded by Commissioner Clifton, the Board agreed to seek options for loans of 15-20 yrs.

**The Board moved to address Item # 6.**

**6. To review and act to grant property tax exemptions for 2023.**

The Board asked Mr. Peeler to review the procedures for setting tax exemptions, and he reminded the Board of the approaching deadline for setting property tax exemptions for 2023. Upon motion by Commissioner McDonald and second by Commissioner Violette, the Board unanimously agreed to keep the same exemptions as the previous year: -0- for general homestead, \$50,000.00 for those Over 65, \$50,000 for those with a qualifying Disability.

**The Board moved to address Item # 16.**

**16. To review and act on the engagement of consultant(s) to prepare forecasting on District growth, property tax revenue, demographics or related information for long-term planning.**

No action was taken. Item tabled until next meeting.

**The Board moved to address Item # 25.**

**25. To review and act on District legislative priorities.**

Commissioner Smith reported: on Tuesday, March 21, 2023, the following attended the 88<sup>th</sup> Legislature Regular Session in Austin, TX: Commissioners Smith and Clifton, Business Manager Eloise Roberson, Division Chief of Logistics & Planning August Naumann, Assistant Chief of Administration Chuck Grant. The purpose of attending was to meet with Legislators and staff and express the importance and value ESDs bring to their communities. Commissioner Smith is requesting assistance in creating a team that will look into bills that will affect ESDs. Both Mr. Peeler and Chief Hevey have contacts whom they will reach out to for assistance in the matter. A thank you letter from the ESD will be sent out to those Legislators and staff whom we were able to connect with.

**The Board moved to address Item # 23.**

**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, fire suppression staff, executive staff and Fire Chief.**

Mr. Peeler reported on the assignment from the Board to review concerns with how the District pays firefighters. He offered the following recommendations:

1. To replace the current system of balanced paychecks with a transition to paying actual hours worked and PTO taken per period.
2. To assign and implement a team for developing formal policies to implement the change. Ideally, this team will have a representative from every rank involved.
3. To engage an accounting firm in reviewing ESD 10s (2022 to current) pay cycles to ensure that no firefighter has been under or overpaid. An RFQ would be needed if the \$50,000 budget is exceeded.

Chief Herrman also proposed a change to the current FSLA cycle, which is a 28-day cycle. Mr. Peeler recommended a change from 28 to 14.

Commissioner Violette delegated BC Jeffrey Jackson to work with the Winkler group in drafting a letter explaining to the firefighters these changes to come. Dennis Winkler advised that the committee should be who presents the proposed changes to the firefighters at the next Board meeting.

Upon a motion made by Commissioner Violette and seconded by Commissioner McDonald, the committee will meet to present the policy and procedures for the transition in payroll methodology at the next board meeting. Motion was approved by a vote of 4 to 0.

**5. To review and act on improvements, repairs, maintenance and construction of facilities, including but not limited to permits, utilities, architectural or engineering services, selection of contractors, approval of costs/budgets for projects, and payment of construction related bills.**

Assistant Chief of Administration Chuck Grant provided updates on several projects: station 183 was reported to have an 8" concrete slab when it should be 4" and is working to have that fixed.

Regarding the water line project at Station 187, Chief Grant recommended the escrow account be closed out after payment to the contractor resulting in a refund of \$58,624.19 to the District. Motion by Commissioner Violette to approve the payment and close the escrow account and seconded by Commissioner Clifton. Motion was approved by a vote of 4 to 0.

Division Chief of Training Jason Herrman provided an update on the RFP for the burn building, reporting it is in the process of being reviewed by counsel prior to being sent out to prospective bidders.

***The Board moved to address Item # 11.***

**11. To review and act on lawsuits and claims or Public Information Act requests.**

No action was taken.

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

Business Manager Eloise Roberson presented the General Ledger. Included were the proceeds received from the surplus property auction, \$3,172.75.

Also presented were the new full-time firefighters which have received a conditional offer of employment. Ms. Roberson added that it is expected to see a decrease in payroll from bringing in these new hires, as it will lower the amount of Overtime distributed across current full-timers.

Motion to pay district bills was made by Commissioner Violette and seconded by Commissioner McDonald. Motion was approved by a vote of 4 to 0.

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

A budget revision is to be done for the budget rebalance and be ready in July.

***The Board moved to address Item # 15.***

**15. To review and act on public outreach and communications, including reports from consultants and District Committees on same.**

Ross Winkler presented updates to the Magnolia 360 publication which was sent out on March 9, 2023, with the next publication which is set to go out will be in June and will feature events from March thru May. Mr. Winkler attended the strategic planning committee meeting which occurred on March 7<sup>th</sup> and is working on certain projects discussed then. He informed the Board of the postings submitted to the papers in regard to the RFQs for both Legal and HR services. A 2022-2023 ESD Year in Review is also in the works and with that, he would like to get in contact with the local news media to cover the graduation ceremony of the newly hired full-time firefighters.

***The Board moved to address Item # 17.***

**17. To review and act on engagement of District legal counsel.**

Mr. Smith announced the firms which have submitted qualifications for the position of District legal counsel and which will be reviewed by the Board:

Carlton Law Firm of Austin

Coveler & Peeler, PC of Houston

Thompson and Horton of Houston

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

Fire Chief Hevey provided an update on the apparatus: a new ladder truck is planned to be ordered in the next following months; specifications are being worked on and will be completed in the next 45 days; 60 days out for the fire engine. Once these two apparatuses are completed, it is estimated to be a 5-6 year wait for a 3<sup>rd</sup> ladder truck.

Also mentioned, station 184 (which is a volunteer station) is next in line to become the next full-time fire station. Until then, updates will have to be made in order to accommodate the full-time crew that will be assigned there.

**19. To review and act 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.**

No action was taken.

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

Chief Hevey provided an update on the Texas Fire Chiefs conference he recently attended. Also mentioned were other fire chiefs, captains, and staff that has recently gone to some kind of conference or training. Chief Hevey makes it known that there are many opportunities for staff to be able to attend conferences and other opportunities for job related training.

Eleven (11) new hires for Full-time Firefighters have a start date of March 27, 2023.

Community Risk Reduction (CRR) interviews are to take place on March 24, 2023. We have five (5) applicants for this position.

A conditional job offer was sent out to our Assistant Vehicle Maintenance Technician candidate in which they have until Friday, March 24, 2023, by noon to accept the offer.

**21. To review and act on mutual aid agreements with emergency services providers.**

Fire Chief Hevey informed the Board that Waller-Harris ESD 200 is currently not prepared for a formal agreement on mutual aid.

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

Ms. Roberson presented the total proceeds received from the auction of surplus inventory:  
**\$3,172.75.**

Chief Herrman informed the Board that staff will present information to add more surplus inventory for disposition via auction in the near future.

**The Board agreed to enter into Closed Session at 6:20 p.m. on the following agenda items:**

**7. 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 6:20 p.m.

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

The board entered into Closed Session at 6:20 p.m.

**9. 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 Session discussion of the matters if they are present at the meeting.**

The board entered into Closed Session at 6:20 p.m.

**10. 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 entered into Closed Session at 6:20 p.m.

**The Board re-convened Open Session at 7:09 p.m.**

**26. To review and act on scheduling District meetings.**

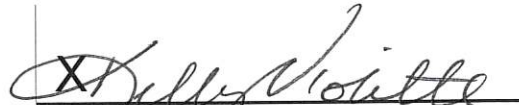
Regular meeting to be held on April 13, 2023, at 3:30 p.m.

**27. Adjournment.**

With no further business to come before the Board, the Board unanimously agreed to adjourn the meeting at 7:10 p.m.



Commissioner Larry Smith  
President



Commissioner Kelley Violette  
Secretary / Treasurer