



Montgomery County ESD No. 10

Magnolia Fire Department

18215 Buddy Riley ♦ Magnolia, Texas 77354

Office (281) 356-3288 ♦ Facsimile (281) 356-1572

www.magnoliafire.org ♦ www.magnoliaesd.org ♦ mvfd@magnoliafire.org



DATE: July 27, 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, July 27, 2023, at 3:30 p.m. inside the boundaries of the District.

AGENDA ITEM:

1. Call meeting to order.

At 3:30 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
Jeffrey Cunningham	Assistant Secretary/Treasurer	Present
Kelly Violette	Secretary/Treasurer	Present
Laurie Clifton	Board Member	Present

5 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; Division Chief of Training Jason Herrman; Assistant Chief of Administration Chuck Grant; Training Captain Chris Thornton; Battalion Chief Jeffrey Jackson; Assistant Office Manager Joanna Padilla; District Legal counsel John Peeler of Coveler & Peeler, PC; Ross Winker of Winkler Public Relations; Niraj (Nick) Shah of The Shah Group; Ryan Fortner of Revenue Management Services; Joe Mark Robinson of Robinson Group Realtors; Ricardo Martinez from Martinez Architects, LP; 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 Cunningham 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.

No Public Comments were received, but Commissioner Smith notified the firefighters in attendance that abip would not be present today to report on the firefighter payroll audit, but that abip is expected at the next meeting. He apologized on behalf of the Board for not having a report to present.

The Board moved to address Item # 4

4. To commemorate the Magnolia Volunteer Fire Board with bronze plaque for Station 181 on Buddy Riley Boulevard.

The Board, staff and public in attendance moved outside to the fire truck bay. Chief Hevey presented the bronze plaque to Commemorate the Magnolia Volunteer Department Executive Fire Board. Battalion Chief Paulk spoke about his time with the Department Executive Fire Board and thanked the Commissioners for the honor. Also present were Executive Fire Board members from the Magnolia Volunteer Department: Bill Wright and Larry Simmonds. [The meeting then moved back to the conference room.]

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

Chief Hevey informed the Board of upcoming promotions for 3 Lieutenants and 6 Engine Operators to be presented at the next Board Meeting. Also scheduled is the graduation of the 17 newly hired Full-Time Firefighters set on Friday, August 25, 2023.

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

No prior minutes to approve.

The Board moved to address Item # 13

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

Nick Shah presented the following on the Quarterly Audit:

- The internal audit of the general ledger for 2022 is complete and has been sent to the District auditors, BrooksWatson & Co for review as part of the District's required annual audit.
- The District is currently over budget financially and has received over two hundred thousand (\$200,000.00) in revenue.
- The District is currently under budget thirty thousand (\$30,000.00) for sales tax.
- Payroll tax refund, out of 4 quarters amended, 3 have been received and processed. A refund of four hundred thousand (\$400,000.00) for the third quarter has been received.

Eloise Roberson also provided an update on the Audit for 2022. Three separate accounts from the District's previous bookkeepers have been found to have discrepancies, such as unaccounted-for transactions. She reassured the Board that Shah Group and staff are aware of the issue and will address it moving forward.

The Board noted the need for the monthly reports to include a year-to-date budget versus actual report.

Commissioner Clifton inquired as to why there were two separate payments for the Winkler group, to which Ms. Roberson informed her they were payments for two separate months. Commissioners Clifton and Violette would like to go over the agreement/proposal the District currently holds with the Winkler group with the possibility of making changes or terminating.

Ms. Roberson also updated the Board on the audit being conducted for the Full-Time Firefighters. The auditors are wrapping up the part-time and volunteer portions and will be attending the next ESD Meeting to present their findings. Commissioner Clifton requested that payment for their services so far be held until the next ESD meeting. John Peeler advised the Board that holding the payment for two weeks should not be considered a breach of the contract.

A motion to approve the payment of District bills but to hold payment for abip was made by Commissioner McDonald and seconded by Commissioner Cunningham. Motion was approved.

The Board moved to address Items # 15 and # 17

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

17. To review and discuss sales tax revenue and review matters related to a potential election to increase the sales tax rate and reasons to consider same.

Ryan Fortner presented his report on sales tax matters.

- Total allocations in 2023 - \$5,800,574.01
- Average monthly allocation during 2023 - \$826,653.43
- June 2023 represents a 9% increase in taxpayers compared to June 2022.
- February 2023 reflected 4,247 taxpayers, the highest number of taxpayers in the history of MCESD 10, with expectations to be exceeded in 2024.

Mr. Peeler and Mr. Fortner also informed the Board of a meeting with a consultant from the City of Magnolia regarding potential sales tax revenue sharing. They reviewed the history of such inquiries from the City. Mr. Fortner also summarized his ongoing review of some unexpected absences from the taxpayer report.

Mr. Fortner noted he will be sending Mr. Peeler's office an updated contract with an increased cost for services for review for 2024.

The Board moved to address Item # 14

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

Eloise Roberson informed the Board that the District is in the beginning stages of planning the 2024 budget. The current debt held is \$1.7 million, with the next payment scheduled in December for about three hundred thirty thousand (\$330,000.00). A proposed projection of the Districts' 2024 revenue/income was presented with both a 10% (\$23,625,000.00 budget) and 12% (\$25,625,000.00 budget) increase in total revenue. Mr. Peeler expressed concern about the projections and advised a lower revenue number for planning prior to the certified values being released by the central appraisal district. Ms. Roberson requested the Board provide direction on how much of an increase to select for budgeting. The Board agreed upon a 7% revenue increase for preliminary budgeting. Ms. Roberson also informed the Board of quotes from vendors to be collected by command staff and turned in for 2024's budget.

The Board moved to address Item # 7

7. 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.

Chief Hevey and August Naumann provided updates for the ongoing construction projects.

- Station 184, more rooms are getting painted, and lumber has been purchased for the lockers. Commissioner Clifton questioned why the additional cost for lumber, Chief Naumann informed her that the firefighters decided to build lockers themselves which will also bring down the total cost.
- Station 183 is having its new appliances delivered altogether.
- Station 185 recently had a porch fall apart, repairs will be included in the upcoming budget.
- Station 182 is having minor plumbing repairs.
- Station 187 is about a third done with construction, including the retention pond.
- Stations 181, 183, 187, and 189 are having sprinkler work done.

A motion to pay construction bills for LaW Construction & Consulting LLC and Martinez Architects, LP was made by Commissioner McDonald and seconded by Commissioner Violette.

The Board moved to address Item # 12

- 12. To review and act on matters related to lawsuits, claims against the District, or Public Information Act requests.**

No further action was taken.

The Board agreed to enter into Closed Session at 4:56 p.m. on the following agenda items:

- 8. 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.**
- 9. To meet in Closed Session pursuant to Government Code §551.072 to deliberate regarding real estate matters.**
- 10. 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.**
- 11. 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 re-convened Open Session at 6:40 p.m.

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 and other matters related to real property transactions, including engagement of realtor(s)/broker(s) and acquisition financing.**

Upon returning from closed session the Board addressed the following real estate items.

- To authorize the President to execute a contract for the purchase of property upon consultation with counsel and realtor. Commissioner Violette made a motion and Commissioner McDonald seconded. The motion passed.
- To authorize the release of Twenty thousand dollars (\$20,000.00) in earnest money upon execution of the contract by President Smith and the Seller. Commissioner Violette made a motion and Commissioner McDonald seconded. The motion passed.
- To authorize Joe mark Robinson secure a boundary survey. Commissioner Violette made a motion and Commissioner McDonald seconded. The motion passed.
- To approve of Martinez Architects proposal to perform feasibility studies for the purchase. Approved by general consent.

The Board moved to address Item # 16

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

Ross Winkler presented his firm's work with the Department so far this year, as well as complying with Commissioner Clifton's request to provide a plan for the rest of the year.

- Announcing the new ladder truck and to share with the community, one possibility would be to partner with a local business such as HEB.
- Covering the open house for Station 183 once construction is complete.
- Provide factual and easy-to-understand talking points about upcoming tax rates to the community.
- To work on monthly internal communications within the Department, possibly with alternative mediums.

The Board moved to address Item # 18

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.

Specifications for a new ladder truck and three (3) new pumpers have been sent out to multiple HGAC cooperative purchasing program participating vendors, and we expect to have quotes by the end of September. Once the purchases have been finalized, the expected arrival date of these new trucks will be sometime in 2025-2026.

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 further action was taken.

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

Fire Chief Hevey presented on the following:

- Seventeen (17) Full-Time Firefighters will begin their 4 weeks of training beginning Monday, July 31, 2023. With the increase of full-timers, the Department has plans to have forty-four (44) full-timers on duty throughout the stations.
- A recent fire that involved the rescue of several dogs and a koi pond was covered by local media. Two (2) Firefighters were injured on site.
- Structure fires have increased, not only pertaining to mobile homes. One such fire was on account of improper fireworks disposal.
- Command Staff will be working on the upcoming budget, discussing needs vs. wants.
- Station 184 will soon be staffed with Full-time firefighters.
- Chief Master Mechanic Jack Maignaud will be back to work on Monday. Mechanic Tatyana Knudsen will be returning from her military leave and go straight to TEEX Training.

21. To review and act on mutual aid agreements.

No action was taken.

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

Chief Naumann reported on a recent training session in which a watercraft from Station 184 was damaged. An insurance report has already been filed, and quotes for a new apparatus have been requested. A request to have the watercraft added to be sold as salvage was made. A motion to add the watercraft to be sold as salvage was made by Commissioner McDonald and seconded by Commissioner Violette.

Also reported, offers have been received for the tanker with the broken engine as well as for the hydratek via internet auction site.

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.

Chief Hevey and the Districts' HR representative have been going back and forth on revising the employee handbook. Recently added two (2) Standard Operating Guidelines (SOGs) relating to Social Media and Attire in the workplace.

Commissioner Clifton inquired as to how employees will find out and be able to contact the newly hired HR representative. Commissioner Violette requested Ross Winkler to create an announcement introducing the representative.

25. To review and act on scheduling District meetings.

August 10, 2023 at 3:30 p.m.

August 24, 2023 at 3:30 p.m.

26. Adjournment.

With no further business to come before the Board, the Board unanimously agreed to adjourn the meeting at 7:11 pm

X Charles F. McDonald
Commissioner ~~Larry Smith~~
President
Vice President
Charles McDonald

X Kelly Violette
Commissioner Kelly Violette
Secretary / Treasurer