



Montgomery County ESD No. 10

Magnolia Fire Department

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DATE: January 24, 2024

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 Wednesday, January 24, 2024, 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
Jeffrey Cunningham	Assistant Secretary/Treasurer	Present
Kelly 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; Division Chief of Training Jason Herrman; Battalion Chiefs Adam Vulgamott and Jeffrey Jackson; Office Manager Rhonda Reinholz; Assistant Office Manager Joanna Padilla; Quartermaster Ray Chavers; District Legal counsel Krystine Ramon of Coveler & Peeler, PC; Dennis Winkler and Ross Winker of Winkler Public Relations; Ryan Fortner from Revenue Management Services; District human resources consultant Angela Zacharias from Organizology LLC; Nick Shah from the Shah Group; Montgomery County Constable Deputy Eric Gray; and other Department Officers and Staff.

Commissioner Smith 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.

A member of the public, Paul Gastineau, inquired about the financial aspects of the budget and who is in charge of putting it all together. Business Manager Eloise Roberson explained her qualifications and work process.

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

Lieutenant Andrew Heinson, whom Battalion Chief Jay Smith nominated, was presented with the Employee of the Quarter Award.

5. To elect District officers.

The Board Members discussed whether changes in their current roles need to be made. Commissioner Cunningham made a motion to keep officers as they are, which was seconded by Commissioner Violette. The motion was approved 4 to 0.

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

There were no minutes presented for approval at this time.

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.

Commissioner Smith and Commissioner Violette were given a tour of the Maintenance and Training facilities currently under construction and are satisfied with the progress so far. No further action was taken.

The Board moved to address Item # 12

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

No action was taken on this item.

13. 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.

The tenant residing at the Dobbin Huffsmith property is in the process of moving out. No further action was taken.

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

Legal Counsel Krystine Ramon informed the Board on staying compliant and having an Investment Policy on file. Each year the Board has to adopt and ensure there is an Investment Policy in place. A motion was made by Commissioner Clifton and seconded by Commissioner Violette to adopt the Investment Policy as written by legal counsel and keep Commissioner Violette as the Investment Officer. The motion was approved.

Business Manager Eloise Roberson presented to the Board the District's General Ledger. Items to make note of included large payments for annual premiums as well as large deposits made from MCHD (\$359,779.41 construction costs), VFIS claim management for reimbursement of \$8,358.40, and rent collected (\$10,000.00 Woodlands Elite Cheer Company). Tax credits from Quarters 1 and 2 are \$1,211,536.02, of which \$1.2 million will be returned to the TexPool Reserve account.

A pending payment for the payroll audit completed by Abip for \$45,850.00 was discussed. The \$45,000.00 was the remaining payment for the audit, and the additional \$850.00 for an additional follow-up meeting. Krystine Ramon advised that the \$40,000.00 portion should be paid. Meanwhile, she will be reviewing the contract and follow up with Abip regarding the additional \$850.00. A motion to pay Abip \$40,000.00 was made by Commissioner Cunningham and was seconded by Commissioner Violette. The motion was approved.

A motion to pay the District bills was made by Commissioner Violette and was seconded by Commissioner Clifton. The motion was approved.

15. To receive a report from Shah Group Consulting, Inc and act as appropriate to the District's budget.

Nick Shah from Shah Group Consulting presented on the District's financials. There is about \$400,000.00 left to be received from the IRS for tax credits from the third quarter. Interest income from investments and savings accounts received the previous year equaled just about the same interest paid out in interest on loans. Nick and his team have reconciled and reviewed the District's budget but have not had a chance to review it. The Shah Group will present its audited budget at the next meeting on February 7, 2024.

As of December 31, 2023, there is \$4.4 million in cash and investments. This amount does not include the \$1.2 million from tax revenue. \$6.4 million has been spent on construction costs and \$1.3 million for the new ladder truck. There was a growth of \$8 million in assets and \$7.4 million in debt, of which \$600,000.00 has been paid. Eloise Roberson will be creating a new account for setting aside funds for debt pledges.

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

No further discussion was had.

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

Ryan Fortner informed the Board of changes being made to the Monthly Sales Tax Report and will be taking recommendations as to what the Commissioners would like to see. He is still working on gaining access to information that is currently only available to the state.

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

Ross Winkler has been in talks with Chuck Grant and members of the Chamber to settle on a date and time for the Station 183 reopening. A tentative date of February 15th between 4-6 PM was given.

19. 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.

Chief Grant, along with other firefighters, is in South Dakota to review the purchase of three new Fire Trucks. The time frame for build orders is about one year out. Currently, Ladder 186 is out of service from ladder damage.

20. To review and act on information technology ("IT") matters, including engagement of consultants.

No changes from IT vendor Qzip are expected to be made in the next 2-3 months. Funds have been set aside for when Matt Potter is able to begin full-time with the Department.

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

Fire Chief Hevey had the following to report:

- Brookshire Brothers held a campaign in several stores where donations were collected for the Magnolia Fire Department. A total of \$850.00 will be split between all Stations.
- Current firefighter staffing is at 42. With the current heavy rain, Chief Naumann is to act as Command by Station 183.
- Two updated policies were presented for approval, Part-Time Firefighter and Part-Time Captain. Minor changes were made, such as updating the letterhead. HR will review the updated policies and advise on any amendments needed prior to getting Board approval.

22. To review and act on payroll procedures and policies, including implementation of services for same.

An agreement to add an EDI feature to Paycor's payroll process will cost an additional \$5,078.00. This additional cost brings the total to over \$49,999.00, which is the minimum amount required to bypass RFQs. Angela Zacharias will be getting in contact with a Paycor representative to try and negotiate a better price. Commissioner Violette made a motion to pay the new contract not to exceed \$49,999.00, which was seconded by Commissioner Cunningham. The motion was approved.

Angela Zacharias also addressed longevity pay and what changes, if any, should be made. Changes such as the possibility of doing away with it or having to also include Part-Timers. Angela Zacharias, along with Legal Counsel Krystine Ramon, will meet with David Manley for advice on how to best proceed with this topic.

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

Division Chief of Logistics & Planning August Naumann reported on both Ladder Truck 181 and a boat being up for auction on GovDeals. Ladder Truck 181 recently sold for \$30,000.00, and the boat sold for \$800.00.

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

No action was taken at this time.

- 25. To engage a law firm or other investigator to conduct an investigation regarding employment and personnel issues.**

No action was taken at this time

- 26. To review and act on administrative policies and procedures.**

Chief Hevey reports on receiving positive feedback on the new shift schedule (48/96). No further action was taken.

- 27. To review and act on scheduling District meetings.**

February 7, 2024, at 3:30 pm

February 21, 2024, at 3:30 pm

The Board agreed to enter into Closed Session at 5:22 p.m. on the following agenda items:

- 28. 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.**

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

- 30. 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.**

- 31. 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.**

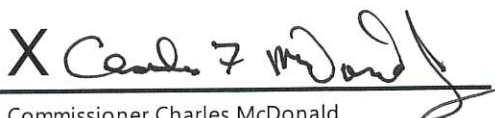
The Board re-convened Open Session at 6:00 p.m.

- 32. Adjournment.**

With no further business to come before the Board, the Board unanimously agreed to adjourn the meeting at 6:02 pm.

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Commissioner Larry Smith
President

X 

Commissioner Charles McDonald
Vice President