



# Montgomery County ESD No. 10 Magnolia Fire Department



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**DATE:** February 07, 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, February 07, 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.

Charles McDonald	Vice 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; Assistant Chief of Administration Chuck Grant; Division Chief of Logistics & Planning August Naumann; Division Chief of Training Jason Herrman; Battalion Chiefs Adam Vulgamott, Jay Smith, and Jeffrey Jackson; Office Manager Rhonda Reinholz; Assistant Office Manager Joanna Padilla; District Legal counsel Krystine Ramon of Coveler & Peeler, PC; Ross Winker of Winkler Public Relations; District human resources consultant Angela Zacharias from Organizology LLC; Niraj (Nick) Shah of The Shah Group; 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 McDonald 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.

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

There were no Promotions to present at this time.

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

After reviewing the Minutes of prior meetings, Commissioner Cunningham made a motion to approve the minutes, and Commissioner Clifton seconded. The motion was approved.

**6. 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 August Naumann requested approval of \$36,000.00 to replace 3 air conditioner units for stations 187, 188, and 189 as their current units are not efficient enough. Commissioners Clifton and McDonald requested he seek out at least two additional bids. Once selected, this expense will be taken out of the capital expenses.

Krystine Ramon discussed the available options for the Burn Building loan: 7, 10, and 15-year loans for an estimated \$1.1 million, and whether to pledge the loan or take it out regularly. Eloise requested for any pre-construction costs such as surveying, design and engineering, be included in the loan proposal. Funds will

By general consent, the Board decided to pledge the loan debt.

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

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

No action was taken.

**12. 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.**

No action was taken.

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

Eloise Roberson presented two General Ledgers and requested approval to pay bills and invoices from January 1 to January 31 and February 1 to February 7. An invoice included was from Abip Advisors for \$40,000.00. Krystine Ramon has contacted Abip to schedule a meeting but has received no response.

Commissioner Violette made a motion to pay the bills on the General Ledger for the dates January 1 – 31, and Commissioner Cunningham seconded. The motion was approved.

Commissioner Clifton made a motion to pay the bills on the General Ledger for dates February 1 – February 7, and Commissioner Cunningham seconded. The motion was approved.

Eloise informed the Board that February's sales tax collection for the month of December would be deposited the following day, totaling \$949,738.79, which is about \$43,000.00 more than the previous year. It was also communicated that \$1.2 million was transferred back into the Reserve account.

Once the budget for 2024 has been amended and approved, the proceeds for current debt services will be moved into a TexPool account to earn interest. By general consent, the board approved moving current debt services to the TexPool account to earn interest.

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

Nick Shah reported to the Board that his group is working on the last quarter for the remaining tax refund of 2022. A comparative of 2022-2023 actuals and 2023 budgeted vs actuals was revised. A manual adjustment was also made to adjust a \$4.2 million deposit made on January 2<sup>nd</sup> for Ad Valorem. Two items that Nick brought to the board's attention were under-budgeted revenue, \$20.3 million budgeted vs actual \$22.1, and for expenses \$1.75

million overage from payroll. Overall, revenue was over by \$1.8 million, and expenses were over approximately \$1.75 million, so about \$53-54,000 in net earnings.

Eloise explained the tax year for Ad Valorem is from October 1 to September 30<sup>th</sup> of the following year, compared to the District's fiscal year, which is January 1-December 31. This requires accountants to adjust and properly audit old versus new money received. She advised that the District align its fiscal year alongside the Montgomery County Appraisal District fiscal year.

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

Eloise had anticipated receiving \$23.6 million for the fiscal year from January 1st to December 31st on the amended budget. This will now change as the fiscal year is updated. A report from the Tax assessor-collector was provided to show how much ad valorem has been collected as of January 31, \$10,360,476.68. A printout of money received into the ad valorem account was also provided, which shows a total of \$10,686.391.25 collected to date. It was previously budgeted to receive \$12.1 million, and it is now anticipating receiving an additional \$1.5 million dollars to that which was already budgeted. This additional revenue is expected to come from tax collection from previous years.

In regard to debt service, the district is \$15.6 million in debt, having recently made a payment of \$340,998.21 on February 1. The schedule of payments for all current debts has been included.

Commissioner Violette made a motion to change the District's fiscal year to October 1 – September 30, and Commissioner Clifton seconded. The motion was approved.

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

No further action was taken.

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

Ross Winkler has been working on the grand reopening of Station 183, which is scheduled for February 15, 2024, at 4 PM. There has been a great response and input from the community on social platforms. Local elected officials and community partners, including the Chamber of Commerce, Commissioner Charlie Riley, HEB, The Meeting Place, and Chick-fil-A, are to attend and support the event.

**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.**

Chief Grant informed the Board of a mid-mount tower and four engines being on order. January of next year is when the engines are expected to be seen. Chief Hevey has requested Chief Pangarakis, Chief Naumann, and the mechanic which units are next in line for repairs, which can be used as a reserve, and which can be rid of.

Eloise requested approval of a construction bill for US Digital and Alert Wiring for station 183, totaling \$2,800.00. Commissioner Violette made the motion to approve the payment of the construction bill, and Commissioner Clifton seconded. The motion was approved.

Also mentioned is a confirmation of a transfer for payment of \$821,071.72 for Martinez Architects and Law Construction, approved at the previous meeting.

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

The District's IT provider, Qzip, was recently acquired by a new firm, Shape Integrations.

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

Fire Chief Hevey reported a few minor structure fires. He also mentioned the awards dinner, at which he recognized several firefighters for their achievements and awards.

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

Eloise informed the Board that the ADP contract had been terminated. She has been collecting and backing up data for archival purposes, as access will be terminated in 90 days. Angela Zacharias recommends employees save their personal information and check stubs while they still can.

Angela provided updates on the progress being made in Paycor, such as adding benefits, policies for several roles, and time. Longevity pay is still being worked on in terms of how it should be paid or if to have the policy scrapped. There was an issue with Aflac deductions that occurred during the recent payroll, which is being corrected.

Also discussed was the conundrum of the Commissioner's checks for their attendance at meetings and other district business. It was recommended to have the Commissioner's checks run at the same time as when payroll is being processed.

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

Chief Hevey informed the Board of the boat that recently sold for \$800.00 which was recently picked up.

**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.**

No action was taken.

**24. To review and act on administrative policies and procedures.**

***The Board agreed to enter into Closed Session at 4:52 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.**

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

**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.**

**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 re-convened Open Session at 6:31 p.m.***

***The Board re-opened Item # 21***

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

Commissioner Violette made a motion to pay the remaining firefighters, and Commissioner Clifton seconded. The motion was approved.

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

February 21, 2024, at 3:30 pm

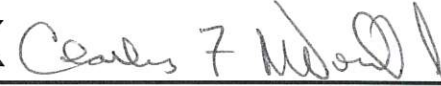
March 06, 2024, at 3:30 pm

March 20, 2024, at 3:30 pm

**26. Adjournment.**

With no further business to come before the Board, the Board unanimously agreed to adjourn the meeting at 6:34 pm

X   
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Commissioner Larry Smith  
President

X   
\_\_\_\_\_  
Commissioner Charles McDonald  
Vice President