



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: January 10, 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 10, 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
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; Assistant Chief of Administration Chuck Grant; Division Chief of Logistics & Planning August Naumann; Division Chief of Training Jason Herrman; Battalion Chief of Training Chris Thornton; Battalion Chief 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; Ricardo Martinez from Martinez Architects; 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.

No Public Comments Received at this time.

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

At this time there were no presentations given.

5. To administer oaths of office for re-appointed commissioners.

Commissioner Charles McDonald and Commissioner Kelly Violette had their oaths of office and appointed officer oaths re-appointed by Krystine Ramon and notarized by Krystine Ramon.

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

The Board reviewed the minutes from the December 6th and 20th meetings. A motion to approve the minutes as written was made by Commissioner McDonald and seconded by Commissioner Clifton. The motion was approved.

7. To review, discuss and take action regarding review of the terms of the audit engagement with BrooksWatson & Co., PLLC.

The Board reviewed the terms for engagement for the upcoming audit from BrooksWatson & Co., PLLC. By general consent, the Board decided to approve the renewal.

8. 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 presented the following:

- Construction at Station 183 has been completed, with a substantial completion letter turned in. The station is having problems with gas and water heating which will be resolved before the upcoming freeze. The Montgomery County Hospital District removed its trailer from the premises of Station 183 on January 10, 2024.
- Project costs for both Station 183 and the Logistics Center will be a couple hundred thousand dollars over budget. This was due to the additional scope of work completed, such as the unexpected dirt work done early on. No further updates as to when the Logistics Center will be completed. Delays on further construction on the roof have occurred on account of the rain. About \$5,000.00 has been retained from the construction crew until they return to complete the job.
- Ricardo Martinez will be submitting the Station 183 remodel to Firehouse Magazine.

Ricardo reported on the following for Station 182:

- The building drawings are about 75% completed, with some of the focus being on the driveway, which TxDot prefers not to be touched. Less additional permitting will be needed. A twelve-month build time was given with a potential delivery date of Summer 2025.
- A building dedication for the Caraway family is being considered. A motion was made to create a subcommittee for honoring the Caraways by Commissioner Smith and seconded by Commissioner Violette. The motion was approved.
- A motion to allow Ricardo to go out for a construction manager at risk was made by Commissioner Violette and seconded by Commissioner Clifton. The motion was approved.
- A motion to go out for a loan for the Training Facility was made by Commissioner Clifton and seconded by Commissioner Cunningham. The motion was approved.
- A motion to pay the current construction costs for Station 183 from Martinez Architects (\$13,600.00) and LaW construction (\$807,471.72) was made by Commissioner Violette and seconded by Commissioner McDonald. The motion was approved.

The Board moved to address Item # 13.

13. 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.

14. 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 on this item.

15. 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 to the Board the General Ledger along with the following:

- Several significant one-time payments that are made on an annual basis were included for approval.
- Regarding the recent open enrollment, vision and dental are offered to members and families covered at 100%. Only two employees opted for the high deductible option among all the benefit-eligible employees for their medical plan.
- The IRS tax credits for the first and second quarters of 2022 are expected to be received in the coming weeks of which there was about \$117,000.00 in interest earned. Once received, the \$1.2 million received will be transferred to the reserve account. An advocate from ADP is working on resubmitting the third quarter for \$689,000.00, which will also incur interest.
- A final payment of \$45,850.00 for the payroll audit completed by ABIP advisors has not been Board approved. The remaining invoices will be presented at the next Board meeting.
- A condition for receiving the second payment of \$359,779.49 from the Montgomery County Hospital District is for their team to move into Station 183, which has been completed and is expected to be received soon.
- January 31st will be the last day for closing out 2023.

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

Krystine informed the Board of updating the District's Investment Policy, which will be tabled until the next Board Meeting once the officers have been elected.

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

Nick Shah is to attend the following meeting and present the quarterly audit. No further action was taken.

Ross Winkler entered at 4:24 pm

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

Eloise presented for Board review, an amended operating budget for 2024. Previously requested line items have been added so as to clarify spending. The sales tax revenue projection has been reduced to \$10.7 million so as to be more conservative. It is anticipated to receive \$12.199 million in Ad Valorem, including the amount that has been pledged for debt services for a total estimated \$23.6 million to be collected for the year. Other points to note:

- With the recently approved wage schedule, wages have increased to \$15.491 million.
- Apparatus maintenance cost is budgeted at \$484,675.00. Costs are high due to an aging fleet. All but the new ladder truck will soon be out of warranty, and repairs must be paid out of pocket.
- Krystine suggests scheduling a budget workshop before the next ESD meeting to further finalize the budget and costs.
- Commissioner Smith requested to have 'Unencumber Revenue' updated to 'Construction Costs.' Commissioner Violette requested to have the District's Debt Service listed on separate line items.

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

No action was taken on this item.

19. To review and act on public outreach and communications, including reports from consultants and

District Committees on same.

Ross Winkler reported that local media outlets took notice of the recent Take Charge campaign. He will also be working with having members of the Chamber attend the re-opening of Station 183.

20. 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 Hevey and Chief Naumann are working on securing two F-150 trucks for the Battalion Chiefs.

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

No action was taken on this item.

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

Fire Chief Hevey reported that December had been a slow month regarding calls.

- There were about two fires that were caused by lithium battery misuse. Chief Herrman and Captain Perry are continuously working on spreading safety information.
- The Strategic Planning Committee took place on December 5th, which had members of the community in attendance, providing valuable input.
- The Christmas parade featured the old American LaFrance fire truck, and riding the truck was the old Logistics chief as well as one of the current mechanics and their children dressed in old fire gear.
- Fire Chief Hevey attended a Fire Chiefs workshop in San Antonio focusing on mental health and cancer.
- December 26th will be Chief Hevey and his bride's 48th wedding anniversary.

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

Chief Grant reported on the recent payroll and payroll process. The first payroll processed through Paycor was completed with a reported 1.7% error rate with seven firefighters being affected. An estimated 80% of the payroll written policy and procedures have been completed. Commissioner Smith has requested an overview on the policies and procedures once completed.

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

Division Chief of Logistics & Planning August Naumann reported that the boat posted for auction recently sold for \$800.00. The Ladder Truck's current bid is at \$12,900.00, with a \$30,000.00 set for reserve.

25. 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.

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

No action was taken at this time

27. To review and act on administrative policies and procedures.

Krystine advised the Board of a request made to have the Board Meeting documents available at least 72 hours before the meeting takes place. The Board was informed of information not always being readily available. Krystine will follow up with Eloise to set up a procedure.

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

28. To review, discuss and act on compensation of commissioners.

After discussing House Bill No. 2815, the Board was in agreement to increase the Commissioner's Stipend from \$150.00 to \$221.00, not to exceed the yearly limit of \$7,200.00. A motion to adopt the stipend increase was made by Commissioner McDonald and seconded by Commissioner Clifton. The motion was approved. Further discussion as to when and how Commissioners will be paid their stipends (live check or direct deposit) was had.

29. To review and act on scheduling District meetings.

January 24, 2024, at 3:30 pm

February 7, 2024, at 3:30 pm

The Board agreed to enter into Closed Session at 5:12 p.m. on the following agenda items:

30. 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.

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

32. 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.

33. 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.

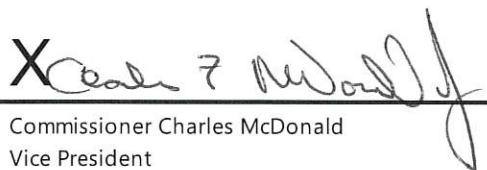
The Board re-convened Open Session at 7:08 p.m.

34. Adjournment.

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

X 

Commissioner Larry Smith
President

X 

Commissioner Charles McDonald
Vice President