



Montgomery County ESD No. 10

Magnolia Fire Department

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DATE: April 13, 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, April 13, 2023, at 3:38 p.m. inside the boundaries of the District.

AGENDA ITEM:

1. Call meeting to order.

At 3:38 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 Assistant Chief of Administration Chuck Grant; Business Manager Eloise Roberson; Division Chief of Logistics & Planning August Naumann; Division Chief of Training Jason Herrman; Training Captain Chris Thornton; Office Manager Rhonda Reinholz; Assistant Office Manager Joanna Padilla; District Legal counsel John Peeler of Coveler & Peeler, PC; Dennis and Ross Winker of Winkler Public Relations; Niraj (Nick) Shah of The Shah Group; Senior Vice President Candy Emmerich and Assistant Vice President Luis Bonilla of First Financial Bank; 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 were received.

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

Bryan Perry, the District's new Community Risk Reduction (CRR) officer was introduced to the Commissioners and Staff. His start date with the ESD begins on April 24, 2023.

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

Upon a motion duly made by Commissioner Cunningham and seconded by Commissioner Clifton, the Board unanimously approved the following Minutes of the District's Regular Meetings as Presented: March 9, 2023 and March 23, 2023. The motion carried.

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 Grant and Jacob Pillion with LaW Constructors, presented to the Board the current status, including progress and delays, on the Station 183 renovation and Logistics facility: MCHD has requested additional work to be done at Station 183, they will provide \$609,000 in payment towards the requested additions and modifications; the detention pond is being worked on in order to meet permit requirements; Change Proposals with no request to increase costs at this time were discussed including mold remediation, landscaping plans, larger retaining wall for storm water quality management; some subcontractors have been replaced; the concrete pad for the proposed burn prop was not in the original scop of the project; currently estimates approximately \$200,000 in additional costs for the approximately \$8,000,000 project.

Chief Grant also presented information on Station 187, commenting on the current status of sprinklers and septic system. He also informed the Board that a request for proposals electrical work for Stations 181, 186, and 187 is being developed.

Ms. Roberson noted that the projected Logistics facility projected increase of \$200,000 can be paid using the interest gained from the loan account.

Motion to approve Changes Proposals without additional cost, as presented, was made by Commissioner Violette and seconded by Commissioner Cunningham. Motion was approved by a vote of 4 to 0.

Motion by Commissioner Violette and second by Commissioner Cunningham to approve Pay Application No. 2 from LaW in the amount of \$236,032.25 as presented. Motion was approved by a vote of 4 to 0.

Motion by Commissioner Cunningham and second by Commissioner Clifton to approve pay application from Martinez Architects in the amount of \$9,640.00 as presented. Motion was approved by a vote of 4 to 0.

The Board Moved to Address Item # 12

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

First Financial Bank representative, Luis Bonilla presented to the Board forms for their new signature cards. The Board approved by general consent the execution of new signature cards with First Financial and any other depository or financial institution as necessary to reflect the current Board membership.

Nick Shah from the Shah group reported on their quarterly audit of the District's financials. He noted that ADP filed payroll taxes under the EIN of the Magnolia Volunteer Fire Department rather than the EIN for the District; he indicated his willingness to assist on the review of District firefighter payroll for 2022 – present but noted that he has not received a request for proposals or clear parameters for the review.

The Board generally discussed the procedures they would like followed for the review and the process for selecting a consultant to perform the review, including the concerns of cost associated with an open-ended review. The Board asked Chief Chuck Grant is to assemble a group that will put together questions and concerns for the review process and report back to the full Board at the next meeting. The Board noted that if necessary, Mr. Peeler will then work with staff to draft and send out the Request For Qualifications.

Business Manager Eloise Roberson presented the General Ledger and bills to be paid. Motion to pay district bills was made by Commissioner Violette and seconded by Commissioner Cunningham. Motion was approved by a vote of 4 to 0.

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

Staff presented information on requested Budget amendments:

Chief August Naumann has requested an increase in budget for Station Supplies as well as for Apparatus Maintenance. The increase in spending comes from bottled water ordered for all stations. Second, three (3) of our oldest engines (E187, E188, and E189) needing major engine repairs. The Board recommended a change in the current PM schedule for the apparatus'.

A request by the Quartermaster, Ray Chavers, to increase the current uniform allowance was also submitted. The current budget for 2023 is \$115,000.00 with an estimated expense to be \$85,050.00 and the proposed cost increase of \$17,100.00, which will leave an estimated balance of \$12,850.00. Commissioner Clifton recommended Chief Grant create a subcommittee to prioritize needs vs. wants. She expressed her concern about prioritizing a focus on safety before uniforms.

Chief Jason Hermann submitted a request for additional funding for the following:

Gear Purchase (Bunker)

- \$30,000.00 for additional purchase of Wildland PPE to outfit at least 20 additional employees prior to year-end.

Capital Request

- \$14,000.00 to remodel the Station 181 Administration copy room.
- \$49,999.00 to upgrade all audio-visual components in the Station 181 Training Room. This will be beneficial for future training as well as the 24+ ESD meetings held throughout the year.
- \$5,000.00 to purchase and stock a vending machine in the Station 181 Training Room for hosting classes.

Eloise Roberson presented information regarding the YTD Budget performance. Mr. Peeler asked about the funding for the proposed Budget amendments, noting that current projections show a decrease in sales tax and property tax versus the amounts for both categories in the approved 2023 Budget.

The Board generally discussed the projections for revenue, how maintenance and operations funds and debt service funds are used, and how the District's \$8,000,000 loan for the Station 183 and Logistics facility was taken out too late in 2022 to be used in the calculation of a debt rate for 2022, and how the District will have a debt rate component for 2023's tax rate. Commissioner Clifton suggested the development of a detailed 5-year plan to clearly define needs versus wants for future budgets. Staff noted that the Strategic Planning Committee has just started its work and plans to include members of the public, though Chief Grant noted that the Committee does not currently plan to review smaller operational costs.

No further action was taken.

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

The Board reviewed the current sales tax report from Ryan Fortner, noting the April 2023 allocation of \$759,008.70 is a 7% increase over April 2022's \$732,115.11.

No further action was taken.

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

Dennis Winkler presented the Magnolia 360s *Year in Review*. A preliminary draft was handed out for feedback and recommendations. Ross Winkler would like to invite reporters to the firefighters' graduation on April 21, 2023. He has also been assisting in combing through legislative bills that could potentially affect the ESD.

16. To review and act on engagement of District legal counsel.

RFQs for the District's legal services were discussed. Commissioner Clifton requested to go to the closed session to discuss information she had received during her evaluation of the Qualifications received, but the Board noted that evaluation of a contractor rather than employee should be conducted in open session. Commissioner Clifton then asked several questions regarding the actions of the District and advice of counsel for those actions which had

occurred related to several issues. She questioned why there was no posting for the Fire Chief position after former Chief Vincent resigned, to which Mr. Peeler advised that there are no legal requirements to post said position. Commissioner Clifton also questioned the relationship the firm Coveler and & Peeler may have had with Fire Chief Hevey prior to him being brought on to ESD 10. Mr. Peeler informed the Board that while the firm Coveler & Peeler provided counsel to ESD 48, he was not assigned to that ESD. He noted that he had advised the prior Board to bring in Chief Hevey as an interim Fire Chief at ESD 10 based upon a request for advice from the former Board members. He noted that Chief Hevey first served as interim Fire Chief when former Chief Vincent was on administrative leave and that Chief Hevey was later engaged by the current Board, prior to Commissioner Clifton's appointment, for one (1) year, and that after that one year period the Board voted to retain him under a new contract.

Commissioners Cunningham, Violette, and Smith noted their agreement with the summary provided by Mr. Peeler, noted that Coveler & Peeler's work has been great during their tenure, and see no problem in retaining their legal counsel. A motion to retain Coveler & Peeler as the Districts legal counsel was made by Commissioner Cunningham and seconded by Commissioner Violette. The motion was passed by a vote of 3 in favor.

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

No action was taken.

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 noncapital items and expenses.

No action was taken.

The Board Moved to Address Item # 23

23. To review and take action to solicit proposals for human resources services.

The Board reviewed the RFQs for human resources received; HCBS- Human Capital Business Solutions and Angela Zacharias from Organizology LLC.

No further action was taken. Tabled until reviewed for the next meeting.

24. 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 Granted noted that the Magnolia Fire Department's newest Full-Time Firefighters, Class 2301 have been focused on PT training and building positive morale. He noted the graduation is to take place on April 21st, and Mr. Peeler commented on a public notice has been posted for the event.

Chief Herrman commented on ESD 3s burn building having been recently fixed and he plans to resume training once available.

Chief Herrman along with Captain Thornton will attend a job fair at Cy-Fair College on May 5th in hopes of attracting potential new hires for full-time firefighters.

25. 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.

After Closed Session the Board took actions on real estate matters.

Motion by Commissioner Violette and second by Commissioner Clifton to approve the feasibility review proposal from Martinez Architects for the feasibility review of the properties on Dobbin Huffsmith and Honea Egypt and to approve \$1,500 requested for a building inspector for additional feasibility review. The motion was approved by a vote of 4 to 0.

The Board entered into Closed Session at 6:40 PM 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 6:40 PM

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 6:40 PM

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 6:40 PM

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 6:40 PM

The Board re-convened Open Session at 7:19 PM

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

No action was taken.

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 Grant noted he has stepped in for Fire Chief Hevey, who is recovering from surgery. Chief Grant discussed the ladder truck inspection in Nebraska scheduled to take place on April 23rd and hopes for it to be in service by early to mid-May. He noted the Department plans to publicly present the new ladder truck in a ceremony commemorating its entry into service which will be coordinated with the Winklers. He noted that of the Department is reviewing possibly selling an old ladder truck in hopes of bringing in at the very least \$60,000.

He presented information on electrical work to be done in order to install the Aquafuel equipment.

He presented additional updates to note: Chief Hevey is doing well after his surgery and is expected to make a quick recovery; Assistant Chief of Operations Gary Pangarakis is expected to return to service on Monday April 17th.

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.

No action was taken.

26. To review and act on scheduling District meetings.

The next Regular Meeting is to be held on April 27, 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 7:21 p.m.

A handwritten signature in black ink, appearing to read "L. R. Smith", written over a horizontal line.

Commissioner Larry Smith
President

A handwritten signature in black ink, appearing to read "Kelly Violette", written over a horizontal line.

Commissioner Kelly Violette
Secretary / Treasurer