



Montgomery County ESD No. 10 Magnolia Fire Department

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DATE: September 7, 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, September 7, 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
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 Chief of Training Chris Thornton; Battalion Chief Jeffrey Jackson; Office Manager Rhonda Reinholz; Assistant Office Manager Joanna Padilla; District Legal counsel John Peeler and Krystine Ramon of Coveler & Peeler, PC; Dennis Winkler and Ross Winker of Winkler Public Relations; Eric Huddleston and Margie Dowdy from abip accounting firm; District human resources consultant Angela Zacharias from Organizology LLC; Melanie Davis from Better Bookkeepers; 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 Received.

The Board moved to address Item # 24.

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

There were no promotions at this time.

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

Minutes of the August 10, 2023, August 24, 2023, and August 31, 2023, meetings were presented for approval. Upon a motion made by Commissioner McDonald and seconded by Commissioner Clifton, the Board approved the prior meeting minutes with a minor revision to the August 24th draft minutes. 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.

Commissioner Clifton inquired about Station 184's requests for station supplies. Chief Naumann will send them an Amazon Link that will allow them to pick and choose preferred items. He will also provide Commissioner Clifton with the list of items as she mentioned organizations wanting to donate to the Department.

Assistant Chief Grant provided an update on Stations 187 and 183.

- Station 187's construction is "on track" and will have AC installed shortly, while Station 183 is having appliances and furniture delivered and installed. He also had Matt Potter (IT Specialist) scope out the remodeled station for the upcoming IT infrastructure.
- The retention pond is a week out from completion and will have electrical and plumbing in the upcoming weeks.
- The Coe Loop and Patricia Lane properties have completed surveys, and the finalized feasibility reports will be submitted the following week.

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.

Business Manager Eloise Roberson presented the General Ledger and District bills for review. Also presented was an update on the collected Sales tax by the District, which has been the largest amount thus far: \$917,228.06. Commissioner Clifton made a motion to pay the District bills, seconded by Commissioner Cunningham. The motion was approved.

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

Eloise Roberson presented an updated draft of the District's 2024 Annual Budget to the Board. Commissioner Clifton inquired as to when the budget will be finalized, to which Eloise Roberson responded that it will be sometime in November. She noted that the District is still awaiting information, such as updated healthcare rates, in order to provide a finalized budget.

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

Ryan Fortner was absent from today's meeting. However, Eloise Roberson was able to provide an update on the sales tax collected: \$917,228.06.

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

Ross Winkler presented on the following:

- Graduating class 23-02 received positive publicity.
- Captain Bryan Perry has ongoing communication with HEB to present the new Ladder Truck to the public.
- Planning on engaging a Harris County Representative to implement similar ideas regarding fire reports received to Magnolia 360.

Commissioner Clifton inquired about the Winkler invoices previously requested. Dennis Winkler reassured that the most recent invoice was turned in, which included greater detail.

17. 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 informed the Board that the District is working with Ford Motors to acquire two (2) F150 trucks. These will be used to replace existing assigned Battalion Chiefs trucks.

18. 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.

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

Fire Chief Hevey and Chief Naumann provided updates on current apparatus maintenance:

- Engine 187 has an oil leak in the engine
- Preventative Maintenance (PM) on Engine 182
- The new Ladder Truck is expected to be in service around the 14th once crews have completed their required training for it. Once completed, a ceremony to transfer the Ceremonial Bell from the old Ladder truck to the new one will take place in recognition of the Magnolia Volunteer Members, led by David Ward.

Fire Chief Hevey presented the following:

- Burn Ban – About 90-95% of District residents are abiding by the ban rules.
- Recent grass fires by Coe Loop, Waller, and one by 1488 and Kuykendahl Rd, which the District provided assistance to. The fire by 1488 and Kuykendahl Rd had two other Districts assisting in putting out the fire, which is suspected to have been started by a beaver. The Waller fire had one reported firefighter injury.
- A fuel leak has taken a ladder truck out of service.

The Board moved to address Item #s 21-23 out of order

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

Chief of Logistics and Planning August Naumann reported that the Hydratrek did not sell through Rene Bates Auctioneers. The apparatus has since then been posted for auction on the GovDeals website, where the current bid stands at \$10,000.00. The auction will last twenty-one days (21) with a reserve set to \$40,000.00. Chief Hevey noted that L-181 will eventually be listed on the same site.

20. To review and act on payroll procedures and policies, including engagement of consulting services for same.

Melanie Davis from Better Bookkeepers presented a proposal for services: Services include assisting HR representative Angela Zacharias with payroll procedures as well as assisting the Business Manager, Eloise Roberson, with the District's bi-weekly payroll; Better Bookkeepers is comprised of a small team of 20 employees and is currently working with three other ESDs.

The Board and counsel noted that the annual cost for Better Bookkeeping fall under \$50,000.00/year, and therefore a formal Request for Proposals is not necessary. A motion to engage Better Bookkeepers was made by Commissioner McDonald and was seconded by Commissioner Clifton. The motion was approved.

The Board moved to address Item #s 22 & 24 together

22. 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.

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

Chief Hevey informed the Board of working alongside HR in updating policies and procedures.

Angela Zacharias reported she has been working on the following:

- Updating the payroll process, which is estimated to be 50% complete.
- Over the last two weeks, Chief Hevey sent over two more policies that need to be examined before being included in the handbook.
- She has received a handful of complaints: 3 Bullying, 1 Payroll, 8 Pay Scale, 1 PTO Accuracy, 5 Cost of Living, and 3 Retaliation/Fear of (no official complaint reported).

Commissioner Smith inquired as to why there are several unreported complaints, to which Ms. Zacharias clarified and explained that those individuals have confidentiality concerns and fear retaliation. This led to a discussion of individuals bypassing the chain of command, to which Ms. Zacharia stated she has no reason to believe the chain of command was bypassed. Ms. Zacharias noted that the District having had no previous HR representative, there is no previous baseline in which to compare the number or frequency of complaints, but she expects complaints to be higher than expected for our Department size. Chief Hevey informed the Board that he has not received many, if any, complaints. A general discussion ensued regarding the current policies and procedures on complaints going through the chain of command and the potential need to revise said polices.

23. To receive report from accountants abip, P.C., regarding review of payroll records and take necessary action on same.

Eric Huddleston presented the payroll review report for January 2022 through May 2023. An explanation as to how abip reached their findings was given: staff interviews, access to QuickBooks Time and ADP Accountants Connect, and reviewing the payroll process and policies. Along with their findings, inconsistencies in policies and practices were noted, and recommendations for improvement were also given. Mr. Huddleston noted:

- Overpayments and underpayments resulting from “smoothing” practices, system processing, and human error.
- Personnel Policies that are inconsistent with job descriptions, payroll advisories, or current practices.
- The absence of internal controls impacted the review process, potentially increasing the risk of inaccuracies or compliance issues.
- The need to explore automation and streamlining of payroll processes.

Once the report was presented, there was an outburst from a member of the public in regard to not having been given the detailed report. Commissioner Smith informed the member that the detailed report contains personal information, which will need to be reviewed by the legal counsel before being distributed and treated individually. Ross Winkler is to collaborate with Chief Chuck Grant in sending out a memo to those in the Department once the report is ready to be shared.

Commissioner Smith reassured and reiterated that all who were underpaid will be taken care of, and those who were overpaid will not need to pay back a cent. Once the report is dispersed, each individual will have a chance to review their own information. While no resolution will come out of the current meeting, Commissioner Smith would like all to send any questions pertaining to the matter to Assistant Office Manager Joanna Padilla. Mr. Peeler expressed the need to review the report summary before making it publicly available. The Board unanimously agreed to have the summary presented to all Department staff upon confirmation from counsel that no confidential information was implicated. The Board also unanimously approved the invoicing for professional services as presented by abip.

The Board agreed to enter into Closed Session at 5:11 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 5:53 p.m.

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

No further 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.

The Board instructed John Peeler to on send out RFPs to secure acquisition financing for the real property currently under contract.

A motion to release the additional \$5,000.00 for the feasibility period extension on the Coe Loop property was made by Commissioner Clifton and seconded by Commissioner McDonald. The motion was approved.


25. To review and act on scheduling District meetings and items to be added to meeting agendas.

September 20, 2023, at 3:30 pm

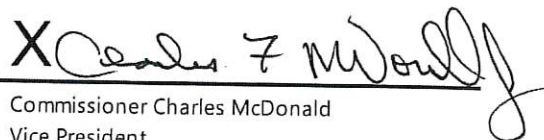
October 5, 2023, at 3:30 pm

26. Adjournment.

With no further business to come before the Board, the Board unanimously agreed to adjourn the meeting at 5:53 p.m.



Commissioner Larry Smith
President



Commissioner Charles McDonald
Vice President