

MINUTES OF MEETING OF THE BOARD OF COMMISSIONERS

August 9, 2023

THE STATE OF TEXAS

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COUNTY OF MONTGOMERY

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MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 4

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The Board of Commissioners (the "Board" or the "Commissioners") of Montgomery County Emergency Services District No. 4 (the "District") met in regular session, open to the public, at Needham Fire Rescue, Co. ("NFR") Station No. 61, 9430 State Highway 242 East, Conroe, Texas 77385, the regular meeting place of the District, on Wednesday, August 9, 2023, at 11:30 a.m.; whereupon, the roll was called of the members of the Board, to-wit:

Brian Arceneaux	President
Gary Landrum	Vice President
Mark Abbey	Secretary
Raymond Veit	Treasurer
Karen Keels	Assistant Secretary/Treasurer

All members of the Board were present at the meeting, except Commissioner Abbey, thus constituting a quorum. Also attending the meeting were the following District employees: Fire Chief Kevin Hosler; Chief Randy Doyle, Assistant Chief of Administration; Chief William Dicker (via videoconference), Assistant Chief of Operations; Battalion Chief Richard Sanguedolce; Mrs. Alison Doyle; Ms. Emily Daley; Mrs. Kelly Sipp; Ms. Terri Johnson; Messrs. Colwyn Lee, Ken Carrizal and Don Landvogt. District consultants in attendance were: Ms. Regina D. Adams and Ms. Meredith King (via videoconference), attorneys, and Ms. Raechel Rodriguez (via videoconference), legal assistant, of Radcliffe Adams Barner PLLC (the "Attorney" or "RAB"), attorney for the District; and Mr. Bill Blich (via teleconference) of Blich Associates, Inc., financial advisor for the District.

WHEREUPON, the meeting was called to order at 11:31 a.m. and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

PUBLIC COMMENT

There were no public comments.

DISTRICT STAFF AWARDS, RECOGNITIONS AND/OR PROMOTIONS

There were no staff awards.

APPROVE MINUTES

The Board considered approval of the minutes of the July 12, 2023 regular and July 21, 2023 special Board meetings, which were previously distributed to the Board. Upon motion by Commissioner Keels, seconded by Commissioner Veit, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the July 12, 2023 regular and the July 21, 2023 special Board meetings.

MINUTES AND FINANCIAL STATEMENTS OF NFR BOARD OF DIRECTORS MEETING

The Board then reviewed the minutes and financial statements of NFR's prior Board of Directors meeting. A discussion ensued regarding storm damage.

REVIEW NFR BUDGET FOR FISCAL YEAR ENDING ("FYE") SEPTEMBER 30, 2024 (THE "2024 NFR BUDGET")

Chief Hosler then reviewed with the Board the proposed 2024 NFR Budget, noting that the cumulative expense line items have decreased by \$156,615.00. The Board reviewed NFR's financial needs for the next fiscal year and its anticipated expenses.

STATUS OF STATION NO. 61 CONSTRUCTION

Chief Hosler reviewed with the Board the status of design and construction activities.

The Board reviewed Pay Application ("PA") No. 12 from Grossman Design Build ("GDB") in the amount of \$502,020.14 in connection with Station No. 61 construction.

The Board also reviewed Change Order ("CO") No. 14 in the additive amount of \$20,400.00 to rework utilities which was approved at the June 14, 2023 Board meeting, then revised and approved at the July 12, 2023 Board meeting. It was noted that GDB still needed to provide the revised CO to the District. The Board also reviewed CO No. 15 in the deductive amount of \$20,066.00 for savings on tile for the first (1st) floor.

Chief Hosler reported that Montgomery County Municipal Utility District No. 15 ("MCMUD No. 15") sent a contractor to install the water meter vault. Chief Hosler went on to report that the contractor dug up the District's fiber lines, septic lines and electrical conduit drops and was unable to locate the water line(s) and after further investigation, the water line was located under the driveway. Chief Hosler noted there would be a meeting later in the day to discuss a resolution to these issues.

Upon motion by Commissioner Landrum, seconded by Commissioner Keels, after full discussion and the question being put to the Board, the Board voted unanimously to approve PA No. 12 in the amount of \$502,020.14 and CO No. 15 in the deductive amount of \$20,066.00.

TEMPORARY STATION NO. 63 CONSTRUCTION

Chief Hosler reported that the District filed the applications for necessary permits, which were accepted. Chief Hosler went on to report that the District was awaiting approval from the Montgomery County Fire Marshal to proceed with the installation of the sprinkler system.

REVIEW AND APPROVE PURCHASE OF FURNITURE, FIXTURES AND EQUIPMENT ("FFE") FOR ANY APPLICABLE STATION, AS NECESSARY

Chief Hosler presented to the Board a proposal from The WEBstaurant Store, LLC ("WS") in the amount of \$4,797.50 for the purchase of 42 stacking chairs and 15 folding seminar tables. Chief Hosler also presented to the Board a proposal from Velocity Business Products ("VBP") in the amount of \$4,421.58 for furniture for the administrative staff. Additionally, Chief Hosler presented a proposal from Workspace Resource ("WR") in amount of \$3,189.00 for the purchase of a u-shape desk and hutch. Upon motion by Commissioner Keels, seconded by Commissioner Landrum, after full discussion and the question being put to the Board, the Board voted unanimously to accept the proposals from: 1) WS in the amount of \$4,797.50; 2) VBP in the amount of \$4,421.58; and 3) WR in the amount of \$3,189.00.

Ms. Adams inquired about the Terms and Conditions in the VBP proposal. Ms. Adams noted that, if the District signs the proposal agreeing to the Terms and Conditions, then a Form 1295 from VBP would be required and the Terms and Conditions should be reviewed.

Mrs. Doyle noted that a proposal was received from WR for approximately \$3,300.00 to move District FFE from storage and reassemble same. Mrs. Doyle stated that a proposal for such service would be presented at a future Board meeting.

TREASURER'S REPORT

Commissioner Veit next presented to and reviewed with the Board the Treasurer's Report. A discussion ensued regarding the Texas Intrastate Fire Mutual Aid System ("TIFMAS") account, including the process of reimbursement and TIFMAS payroll. Chief Hosler reviewed various ongoing TIFMAS deployments. Upon motion by Commissioner Landrum, seconded by Commissioner Keels, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Treasurer's Report.

Mr. Blich entered the meeting via teleconference at this time.

MONTHLY INVOICES AND PAYMENTS

Mrs. Doyle then presented to and reviewed with the Board monthly invoices and pending payments for approval. Upon motion by Commissioner Veit, seconded by Commissioner Keels, after full discussion and the question being put to the Board, the Board voted unanimously to authorize payment of the monthly invoices, as presented.

REVIEW FYE SEPTEMBER 30, 2024 BUDGET (THE "2024 BUDGET")

Chief Hosler presented to and reviewed with the Board the proposed 2024 Budget, noting that all revisions discussed during the 2024 Budget workshop were included. A discussion ensued regarding the Vehicle/Equipment Maintenance expense line item. Mrs. Doyle noted the total expense increase to the 2024 Budget was \$1,167,946.00.

REVIEW 2023 CERTIFIED TAXABLE VALUES; DISCUSS PROPOSED 2023 TAX RATE, REVIEW 2023 TRUTH IN TAXATION INFORMATION AND HEAR FINANCIAL ADVISOR'S RECOMMENDATION

The Board next reviewed the 2023 certified taxable values of the District, noting that the certified taxable value of the District shows an increase of 19.86% from the previous year.

Mr. Blich conveyed to the Board his recommendations regarding a proposed 2023 tax rate, explaining the various rate classifications and how each might affect the average ad valorem tax bill. Mr. Blich noted that the voter approval rate was \$0.0862 per \$100 assessed valuation and the *de minimis* rate was \$0.0966 per \$100 assessed valuation. Mr. Blich recommended the District propose the *de minimis* rate of \$0.0966 per \$100 assessed valuation. Ms. Adams noted that if the Board chose to set a rate above the voter approval rate, but not above the *de minimis* rate, an automatic election would not be triggered but a petition for an election was still possible. A discussion ensued regarding the financial and procedural impacts of the various tax rate options.

REVIEW THE 2024 BUDGET (CONT.)

Upon motion by Commissioner Landrum, seconded by Commissioner Veit, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the 2024 Budget.

AUTHORIZE PUBLICATION OF PROPOSED 2023 TAX RATE AND ESTABLISH PUBLIC HEARING DATE, AS NECESSARY

The Board next discussed the publication of the proposed 2023 tax rate and the scheduling of the public hearing regarding same. Upon motion by Commissioner Keels, seconded by Commissioner Landrum, after full discussion and the question being put to the Board, the Board voted unanimously to propose a total 2023 tax rate of \$0.0966 per \$100 in assessed valuation, authorize the Tax Assessor-Collector to publish notice of the proposed 2023 tax rate and schedule the public hearing on same for September 13, 2023 at 11:30 a.m. at Station No. 61.

CONSIDER AND ACCEPT EXCESS COLLECTIONS FOR 2022 DEBT SERVICE AND CERTIFICATION OF DEBT SERVICE COLLECTION RATE FOR 2023 – 2024

Ms. Adams reported that the District received certification from Ms. Tammy McRae, the Montgomery County Tax Assessor-Collector, that the anticipated debt tax collections for 2023 was equal to 99.88% and that the Board must accept such certificate of anticipated collection rate for 2023 – 2024. Mr. Blich recommended setting the anticipated debt tax collections rate for 2023 – 2024 at 100%. The actual debt tax collections for 2022 was equal to 99.88% which was less than the anticipated debt tax collection of 100% and, therefore, there was zero dollars (\$0.00) in excess

debt tax collections. Upon motion by Commissioner Arceneaux, seconded by Commissioner Landrum, after full discussion and the question being put to the Board, the Board voted unanimously to accept such certification from the Tax Assessor-Collector and set the debt service collection rate at 100% for 2023 – 2024.

Mr. Blich exited the meeting at this time.

SALES AND USE TAX REPORT

Mrs. Doyle reviewed with the Board the Sales and Use Tax Report. Upon motion by Commissioner Landrum, seconded by Commissioner Keels, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Sales and Use Tax Report.

REVIEW AND APPROVE INTERLOCAL AGREEMENT BETWEEN MONTGOMERY COUNTY, TEXAS AND THE DISTRICT REGARDING USE OF AIRBOAT ("AIRBOAT ILA")

Chief Hosler presented to and reviewed with the Board the Airboat ILA. Chief Hosler noted that the airboat would be owned by the County, but in the possession of the District. Chief Hosler further noted that the District would also be responsible for liability insurance coverage. A discussion ensued. Upon motion by Commissioner Keels, seconded by Commissioner Veit, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the Airboat ILA.

REVIEW AND ACCEPT GENERAL LIABILITY, PROPERTY AND WORKERS' COMPENSATION INSURANCE PROPOSALS (EXPIRES SEPTEMBER 30, 2023)

Mrs. Doyle requested the Board table this matter.

REVIEW AND ACCEPT EMPLOYEE MEDICAL AND DENTAL INSURANCE PROPOSALS (EXPIRES SEPTEMBER 30, 2023)

Mrs. Doyle requested the Board table this matter.

CONDUCT ANNUAL EMPLOYEE EVALUATION OF CHIEF HOSLER AND DISCUSS RENEWAL OF CONTRACT FOR EMPLOYMENT OF FIRE CHIEF (EXPIRES OCTOBER 1, 2022)

The Commissioners noted this matter would be discussed during Executive Session.

FIRE CHIEF'S REPORT

Chief Hosler then reviewed the Fire Chief's Report and the status of operations with the Board. Chief Hosler reported that, in July, the District and NFR responded to 200 service calls, 18 of which were out of District, with an average response time of 6:30 minutes.

REVIEW AND ADOPT AMENDMENTS TO THE DISTRICT'S POLICIES AND PROCEDURES ("P&P") MANUAL

Ms. Adams updated the Board on the status of RAB's review of the District's P&P Manual. Ms. Adams noted that Standard Operating Procedures ("SOP") Nos. 101 – 110 would need to be finalized before the review of all subsequent SOPs could be completed.

REVIEW MEMORANDUM ON 88TH LEGISLATIVE SESSION

Ms. Adams presented to and reviewed with the Board the 88th Legislative Session Update prepared by RAB and responded to questions from the Board regarding same. An extensive discussion ensued.

REVIEW PERSONNEL MATTERS

It was noted that personnel matters would be reviewed in Executive Session.

REVIEW DISTRICT REAL ESTATE MATTERS

There were no real estate matters.

EXECUTIVE SESSION

Pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, specifically Section 551.074 regarding personnel matters, Commissioner Arceneaux convened the Board in Executive Session at 1:52 p.m. The persons present in Executive Session were: Commissioners Arceneaux, Landrum, Veit and Keels; Mrs. Doyle; and Chief Hosler.

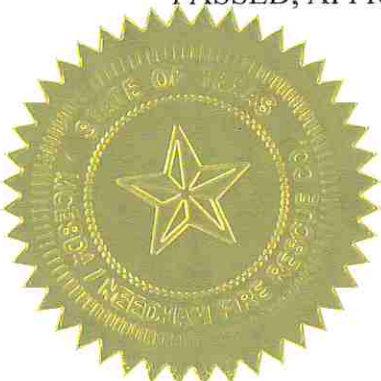
Chief Dicker and Ms. Adams exited the meeting at this time.

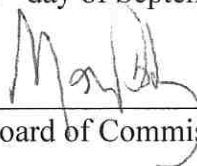
RECONVENE IN OPEN SESSION

The Board reconvened in open session at approximately 2:38 p.m., at which time no action was taken by the Board.

There being no further business to come before the Board, and upon motion by Commissioner Veit, seconded by Commissioner Landrum, after full discussion and the question being put to the Board, the Board voted unanimously to adjourn the meeting at 2:39 p.m.

PASSED, APPROVED, AND ADOPTED this 13th day of September, 2023.




Secretary, Board of Commissioners