

MINUTES OF MEETING OF THE BOARD OF COMMISSIONERS

August 11, 2021

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §
MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 4 §

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 61, 9430 State Highway 242 East, Conroe, Texas 77385, the regular meeting place of the District, on Wednesday, August 11, 2021, at 11:30 a.m.; whereupon, the roll was called of the members of the Board, to-wit:

Brian Arceneaux	President
Roxann McDaniel	Vice President
Mark Abbey	Secretary
Raymond Veit	Treasurer
Karen Keels	Assistant Secretary/Treasurer

All members of the Board were present, except Commissioner Veit (who attended the meeting via videoconference, but did not deliberate or vote on any matter on the agenda), thus constituting a quorum. Also attending the meeting were: the following District employees: Chief Kevin Hosler; Chief Randy Doyle, Assistant Chief of Administration; Chief William Dicker, Assistant Chief of Operations; Mrs. Alison Doyle; Ms. Emily Daley; and Mr. Colwyn Lee. District consultants in attendance were: Mr. Paul Kullman of AG|CM, Inc. ("AG|CM"); Mr. Brian Grossman of Grossman Design Build LLC ("Grossman"); and Ms. Regina D. Adams of Radcliffe Bobbitt Adams Polley PLLC (the "Attorney" or "RBAP"), attorneys for the District. Attending via videoconference were: Lieutenant Tristan Murphy; Ms. Sholeh Abedinzadeh, attorney, and Ms. Hannah Slaven, paralegal, of RBAP; and Mr. Bill Blich of Blich Associates, Inc. ("Blich"), financial advisor to the District.

WHEREUPON, the meeting was called to order at 11:42 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.

APPROVE MINUTES

The Board considered approval of the July 14, 2021 regular meeting minutes and July 29, 2021 special meeting minutes, which were previously distributed to the Board. Upon motion by Commissioner McDaniel, seconded by Commissioner Abbey, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor with Commissioner Veit abstaining, to approve the July 14, 2021 regular meeting minutes and July 29, 2021 special meeting minutes, as presented.

MINUTES AND FINANCIAL STATEMENTS OF NFR BOARD OF DIRECTORS MEETING

Chief Hosler reported that the NFR Board of Directors was unable to meet on its regularly scheduled date due to members being out of town. Chief Hosler noted that the meeting has been rescheduled for August 17, 2021.

TREASURER'S REPORT

Commissioner Veit next presented, but did not deliberate on, the Treasurer's Report. Upon motion by Commissioner McDaniel, seconded by Commissioner Abbey, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor with Commissioner Veit abstaining, to approve the Treasurer's Report.

ADOPT BUDGET FOR FISCAL YEAR ENDING ("FYE") SEPTEMBER 30, 2022 (THE "2022 BUDGET")

Chief Hosler presented to and reviewed with the Board the proposed 2022 Budget. Ms. Adams explained that the Board was not required to adopt the 2022 Budget presently, but may do so if the Board is satisfied with the 2022 Budget, as presented. A discussion ensued regarding various line items, including the current \$25,000 administrative fee previously discussed, but Chief Hosler noted such fee would no longer be needed in the 2022 Budget, as items previously covered by the fee would otherwise be covered in the 2022 Budget.

Further discussion ensued regarding the proposed NFR FYE September 30, 2022 budget, with Chief Hosler explaining that the NFR FYE September 30, 2022 budget would still cover expenses such as part time labor, auditing, morale expenses and additional training. Chief Hosler further explained that the payments to NFR would come from either the ad valorem tax revenue or sales tax revenue. Chief Hosler stated that he would present the NFR FYE September 30, 2022 budget at the September Board meeting.

Upon motion by Commissioner Abbey, seconded by Commissioner McDaniel, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor with Commissioner Veit abstaining, to adopt the District's 2022 Budget, as presented.

MONTHLY INVOICES AND PAYMENTS

Mrs. Doyle then presented to and reviewed with the Board monthly invoices and pending payments for authorization. In response to a question, Chief Hosler explained that an invoice from Crossland Services was for a survey of the Station 64 septic system. Upon motion by Commissioner Abbey, seconded by Commissioner McDaniel, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor with Commissioner Veit abstaining, to approve monthly invoices, as presented.

SALES AND USE TAX REPORT

Mrs. Doyle reviewed the Sales and Use Tax Report with the Board. Upon motion by Commissioner Abbey, seconded by Commissioner McDaniel, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor with Commissioner Veit abstaining, to

accept the Sales and Use Tax Report.

TAX ASSESSOR-COLLECTOR'S REPORT

Mrs. Doyle presented to and reviewed with the Board the monthly Tax Assessor-Collector's Report. Ms. Adams stated she requested that the District include this report on the agenda monthly so the Board can review the property tax collections regularly, as well as how collections for the present year compare to prior years. The Board noted that 98.99% of 2020 taxes have been collected as of July 31, 2021.

ACCEPT EXCESS COLLECTIONS FOR 2020; CERTIFICATION FOR DEBT SERVICE COLLECTION RATE FOR 2021-2022

Mrs. Doyle reported that she received certification from Tammy McRae, Tax Assessor-Collector for Montgomery County and the District, stating that debt tax collections for 2020 has exceeded one hundred percent (100%) by \$6,248, and that the Board must accept such certificate of anticipated collection rate for 2021-2022 and excess debt tax collections for 2020. Upon motion by Commissioner Abbey, seconded by Commissioner McDaniel, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor with Commissioner Veit abstaining, to accept such certificate from the Tax Assessor-Collector.

REVIEW 2021 CERTIFIED VALUES; DISCUSS PROPOSED TAX RATE; HEAR FINANCIAL ADVISOR'S RECOMMENDATION

The Board next reviewed the 2021 certified values of the District, noting that the certified taxable value of the District shows an increase of 12.74% from the previous year.

Mr. Blich next discussed with the Board his recommendations regarding a proposed 2021 tax rate, explaining the various rate classifications and how each might affect the average ad valorem tax bill. Mr. Blich noted that the No-new revenue rate would be \$0.0837/\$100 in value, the voter-approval rate would be \$0.0946/\$100, and the de minimis rate would be higher than the District's \$0.10/\$100 in value constitutional threshold.

Upon motion by Commissioner McDaniel, seconded by Commissioner Abbey, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor with Commissioner Veit abstaining, to propose a total 2021 tax rate of \$0.10/\$100 in value.

AUTHORIZE PUBLICATION OF PROPOSED 2021 TAX RATE AND SET PUBLIC HEARING

The Board next discussed the publication of the proposed 2021 tax rate and the date for a public hearing regarding same. Upon motion by Commissioner McDaniel, seconded by Commissioner Abbey, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor with Commissioner Veit abstaining, to authorize the Tax Assessor-Collector to publish notice of the proposed 2021 tax rate and schedule the public hearing on same for September 8, 2021 at 11:30 a.m. at Station 61.

ENGAGEMENT OF ARBITRAGE COMPLIANCE SPECIALISTS, INC. ("ACS")

Ms. Adams explained that in compliance with the District's post-Issuance Tax Compliance Policies, she recommended that the District engage ACS to monitor the income on the District's tax-exempt debt. Upon motion by Commissioner McDaniel, seconded by Commissioner Abbey, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor with Commissioner Veit abstaining, to engage ACS.

AMENDED AND RESTATED SERVICE AGREEMENT WITH NFR

The Board tabled this item until the September Board meeting.

STATUS OF STATION 61 CONSTRUCTION

Chief Hosler next reported that the District's Construction Committee and Grossman were close to reaching a conclusion on design and cost for the Station 61 construction. Mr. Grossman explained that he was hesitant to project pricing as groundbreaking was not likely until the beginning of 2022, and labor and materials pricing is currently unstable.

FIRE CHIEF'S REPORT

Chief Hosler reviewed the Fire Chief's Report with the Board, a copy of which is attached hereto. Chief Hosler reported that the District and NFR responded to 223 calls for emergency service, 19 of which were out-of-District, with an average response time of 6:35 minutes. Chief Hosler also reported that he has hired one (1) new part-time and three (3) new full-time firefighters, but he is waiting for uniforms to arrive before they start training.

Chief Hosler also updated the Board regarding development in and around the District, noting that several restaurants were now complete and more were under construction, as well as a professional building and hotel. Chief Hosler stated that five (5) new residential developments were also under construction. Chief Hosler noted that the District will likely need to construct another station in the next three (3) to five (5) years.

LEGISLATIVE UPDATE

Ms. Adams presented to and reviewed with the Board the 87th Legislative Session Update prepared by RBAP and responded to questions from the Board regarding same. An extensive discussion ensued.

Commissioner Arceneaux exited the meeting during this discussion.

PERSONNEL MATTERS

EXECUTIVE SESSION

Pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, specifically Section 551.071 regarding personnel, Commissioner McDaniel convened the Board in Executive Session at 1:41 p.m. to review personnel matters. The persons present

in Executive Session were: Commissioners Arceneaux, McDaniel, Abbey and Keels; Chief Hosler; and Ms. Adams. Commissioner Arceneaux reentered the meeting during Executive Session. The Board reconvened into regular session at 2:13 p.m., at which time no action was taken by the Board.

MISCELLANEOUS

The Board briefly discussed attendance at the SAFE-D conference occurring September 16th to 18th, with Ms. Adams noting that the conference would provide the necessary training for Commissioners who need to meet their biannual training requirements.

There being no further business to come before the Board, upon motion by Commissioner McDaniel, seconded by Commissioner Abbey, with all Commissioners present voting aye, the meeting was adjourned at 2:20 p.m.

PASSED, APPROVED, AND ADOPTED this 8th day of September, 2021.



Secretary, Board of Commissioners