

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT #28
MINUTES OF THE BOARD OF COMMISSIONERS MEETING
May 15, 2015**

Members in Attendance:

Dan Langford, President
Morris Bradley, Treasurer
Jim Chatterton, Secretary

Mike Jones, V. P.
Dan Dronberger, Asst. Treasurer

Others in Attendance:

Howard Katz, Attorney, Coveler & Katz
Fred Windisch, Fire Chief

Excused: Teresa Griffin, Office Manager

CALL TO ORDER

Dan Langford called the May 15, 2015 ESD Board Meeting to order at 5:00 p.m.

MINUTES

Dan Langford asked if there were any changes or corrections to the minutes for the April 20, 2015 meeting. No changes were brought forward, Dan Dronberger made a motion to accept the minutes as written; Mike Jones seconded with unanimous approval of the board.

FINANCIALS

Morris Bradley handed out two reports, one showing the 2015 Budget YTD through March 2015, and the second one is the revised budget we adopted at the last meeting. This revised budget we put in \$140K in for the New Station 63. Through March, there are two charges deducted from that amount that total \$48,600. This revised budget shows us contributing \$641K toward cash at year end.

Morris reported on the April 2015 Checking Account with a beginning balance of \$ 2,537,338.25, 8 deposits totaling \$116,182.21 (interest of \$2,557.48 included); and 10 checks/debits totaling \$359,150.73 for an ending balance of \$2,294,369.73. The Money Market Account had a beginning balance of \$ 411,747.58, with an interest deposit of \$67.69 for an ending balance of \$411,815.27. The Sales Tax Money Market Account had a beginning balance of \$603,680.51 with 2 deposits of \$99,232.56 (interest of \$109.01 included) for an ending balance of \$702,913.02.

Total for the 3 accounts is \$3.4 million.

We have 3 bills to pay as follows:

McCall Gibson, et al	\$ 8,000.00	Interim 2014 Audit Bill
BRW Architects	33,660.00	Services through March 31, 2015
PVFA	230,000.00	Operating Funds Draw

Mike Jones made a motion to pay the bills as presented and accept the Financial Reports. Jim Chatterton seconded the motion with unanimous approval of the board.

FIRE CHIEF'S REPORT

Fred reported on Station 62 payment and payoff. He provided the Board with an email on April 29th from Cindy Harris with Prosperity Bank that gave both the original amortization on the Station 62 loan and the recalculated schedule based on the last payments received and going forward. The estimated payoff through November 20th would be \$1,704,313.79, which equates to a savings of \$480K in interest. FCW said in his opinion, it is going to be tight to pay that in November. We may have to opt to pay a large portion in November and then pay off in April 2016 because of cash flow.

Until we get closer, Fred thinks it is too early to make a decision. Mike Jones commented he thinks the rules say we need to retain 3 months minimum reserve, and that we cannot use any of the money from the Sales Tax revenue as we will use it for collateral for the Station 63 loan. Mike asked that we put on the agenda for next month to make a \$400K payment out of the ad valorem tax and then see where we are in November. Since it is on the agenda tonight, Mike recommended just going forward and approving the \$400K to pay on the principle. Mike Jones made a motion to authorize a payment of \$400K on the principle; Dan Dronberger seconded the motion with unanimous approval of the board.

[Howard Katz joined the meeting.]

FCW brought Howard up to date on the subject of us wanting to pay off the Station 62 loan and the background discussed. The principle right now is \$1.7 million.

FCW reported that we received an \$8K donation from Firehouse Subs and bought the rescue struts. We did a PR for them and have pictures of same in the Spring Observer and also on our Facebook page.

We have a long term member who is having health issues and will need a kidney transplant. He wants to cash out his LOSAP account to make it through and we would fund him \$3K out of the Firefighter Relief Fund. He would repay the entire amount as soon as he gets the funds from the LOSAP, maybe in August 2015. A committee met and approved the funding.

SCBA Fund: We have set up a new CD and funded it with \$30K for 15 months at an interest rate of 0.55%. Teresa will get the paperwork tomorrow when she returns.

BBQ Cook-Off: The cook-off went well; they won 5 more trophies this year. They are going to be losing the front they have been using, and want to build their own front for this coming year and purchase a 21-24 ft. trailer to store all the cook-off items in. That would be done with non-ESD funds from the PVFA.

Cook-Off Reconciliation: Next month FCW should have the reconciliation finished for the cook-off. He thinks they made some profit.

Public Safety Tracking: This software was purchased from the donation we received from Circle K. It is installed and working even better than we expected. We are finding things we would not have before its use.

PVFA Audit: The audit is in process, you will see when it is complete. We will see a large reduction in assets from the PVFA resulting from the transfer of Station 63 to ESD 28.

Traffic Signals: Fred reported he knows they are ordered and should come in any time now.

Staffing Study: FCW is still working on.

Station 61 Roof Modifications: The metal caps were installed to eliminate any leaking and have been paid for.

Compressor Station 63: We can remove from the agenda for now. It is going to be months before we need to make this decision. Just a reminder, the compressor is 21 years old and we cannot find parts for it any longer.

The fire reports are included in the Minutes package.

Station 63 Title Transfer & Replatt: Leave on the agenda until we get through the construction process.

Station 63 Construction

FCW reported that BRW is on top of the project. Howard Katz discussed the various types of loans available for the building (\$4 million); the traditional construction loan that is real estate backed, or one backed by pledged sales tax revenue. With using the pledged sales tax revenue, we would have less closing cost, no appraisal (although Howard thinks we should have one anyway) and very often they will fund the money right away rather than a long lead time. Howard suggests putting the funds in a designated account, which makes it easier for the Auditor and also easier for us to track.

Mike Jones asked Howard how much should be in the sales tax account. Howard said none of the funds would be restricted, we would just not use for another loan. We would still be liable for the loan, but it would be an unsecured credit

Howard commented that we may go out for bid August 19th for financing and want the proposals back about the same time the following month.

We will put financing of Station 63 construction on the agenda, decide what kind of loan to use and move forward in that direction keeping Howard apprised.

Mike Jones commented that we would want the option to do an early payoff. Howard's feeling is that sometimes it is better NOT to do an early payoff, but to have a loan against 'cash' that is maybe in a CD; then as you are making payments, you are still earning interest on that money. At the end of the day when it's all complete, that account money is still there. It only would make sense on the construction loan though,

not on the pledged sales receipts loan. Howard commented that he would like to be back at the June Board Meeting to see what the Board decides.

Howard discussed with the Board and reported on the legislative session this year and various subjects. Relative to the HB 973 Commissioners' Compensation, it looks like it is going to pass.

Geotechnical Fee

Asbestos study was done on the 14th, cost was \$2800.

Storage POD's and Temporary Housing

Are both future items, we will keep on the agenda and report when there is action.

New Shed

The shed design and permit application is in with the County now, so we are moving forward.

Insurance Renewal Date Change

VFIS asked if we would pay a 6 month invoice premium to get the date of this policy lined up with January 1 from now on. No one had any objection, Mike Jones made a motion to approve and Morris Bradley seconded with unanimous approval of the Board.

2014 ESD Audit

We have the final audit for 2014, just need a motion to accept and execute signatures on the Management Letter so it can be provided to the auditors. Mike Jones made a motion to approve the ESD 28 2014 audit, Dan Dronberger seconded with unanimous approval of the board.

ESD 11 Update

FCW did not attend last month. They are asking questions on the attendance of one board member. Fred will advise the board when he gets updated.

Review and take action on Granting Exemptions for 2015 (attached)

In your board package was this year's Granting Exemptions. Last year's numbers were:

- 0- for homestead
- \$30,000 for over 65
- \$75,000 for disability

Dan Dronberger made a motion to keep the numbers the same as last year. Jim Chatterton seconded the motion with unanimous approval of the Board.

Report on the President's participation in the Emergency Response Leadership Coalition

They did not attend the meeting because of the Cook-Off.

MOTION TO ADJOURN

A motion to adjourn was made at 6:09 p.m. by Mike Jones. Jim Chatterton seconded the motion with unanimous approval of the board. The next meeting will be on Monday, June 15, 2015 at 5:00 p.m.



Jim Chatterton Secretary