

# Harris County Emergency Services District No.16

16810 Squyres Road, Klein, Texas 77379-7489

## MINUTES OF THE JULY 11, 2016 MEETING

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- 1 The regular meeting was called to order at 7:00 PM at the Klein Volunteer Fire Department (KVFD) Administration Building by Emergency Services District No. 16 (ESD or District) President Robert S. Farrell. Present were ESD members Herb L. Marker, Robert W. Carson, Mike A. Pate, and Steven T. Falkner. Present as guests were KVFD President Barry Blum, KVFD District Chief Josh Wenzel, KVFD Secretary Wendy Ray, KVFD Treasurer William Gleason, Brad Dill (of BD Realty), Nicole Pierce (of Coveler & Katz P.C.), Richardo Martinez (of Martinez Architects, LLC), and Landon Newtown (of Government Capital Corporation). Fire Chief David Bessolo, KVFD District Chief Rickey Benge, KVFD Administrator Rich Jones, and KVFD Senior Captain Daniel Rathe arrived respectively at 7:05 PM, 7:25 PM, 7:26 PM, and 8:18 PM.
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- 2 A motion passed unanimously to approve the June 13, 2016 meeting minutes as amended (Motion: Herb Marker; Seconded: Mike Pate).
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- 3 Unanimously approved as presented were the financial report for the period ending July 11, 2016 and the bills to be paid (Motion: Robert Carson; Seconded: Herb Marker). No certificates of cash time deposits needed to be rolled over.
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- 4 Landon Newtown presented the final bid results (Attachment 1) and payment schedule (Attachment 2) for a \$4,000,000 loan to finance the construction of Station No. 8.
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- 5 A motion passed unanimously to approve a resolution regarding the \$4,000,000 sales tax pledge loan from JP Morgan Chase & Co. at an interest rate of 1.65 per cent (Motion: Herb Marker; Seconded: Mike Pate).
- A motion passed unanimously to approve opening a new bank account at Compass Bank to serve as the District's construction account related to the loan proceeds. (Motion: Herb Marker; Seconded: Mike Pate).
- A motion passed unanimously to approve paying the fee for the services provided by Government Capital in securing the loan. (Motion: Herb Marker; Seconded: Mike Pate).
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- 6 A motion passed unanimously to authorize counsel to prepare and publish the Effective Tax Rate Notice (Motion: Herb Marker; Seconded: Mike Pate).
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- 7 Reviewing and taking action on 2016 appraisal valuations and commencement of adoption of 2016 tax rate, including review of 2016 effective tax rate calculations, and scheduling any necessary public hearings to adopt District 2016 tax rate, was tabled until the August 2016 meeting.
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- 8 Mike Pate advised that he and Steven Falkner will hold a semi-annual workshop with representatives of KVFD on Saturday, July 16 to discuss:
- KVFD's operating budget for the next three years;

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## MINUTES OF THE DISTRICT'S JULY 11, 2016 MEETING (Cont'd)

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- 8**  
(Cont'd)
- the five-year capital forecast,
  - whether KVFD will return money to the District; and
  - ancillary particulars.
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**9** Robert Carson, Herb Marker, and Mike Pate are working on the District's 2017 budget.

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**10** Brad Dill reported that:

- he continues to discuss with Municipal Utility District (MUD) No. 24 about the water supply line for the training facility;
- since the May meeting, he has not had any discussion with MUD No. 24 regarding the lease for Station No. 1; and
- he has not looked for an alternate site for Station No. 1.

Regarding Station No. 3:

- he obtained a survey showing the Homeowners Association's easement, copies of which he distributed to the Commissioners;
- the original owner has title to the road leading to the smoke house, so there is an easement in this area;
- we need a topographical map of the site, which will cost between \$2,000 and \$2,500 for Thomas Land Surveying to generate, that shows the wellhead and direction of water runoff;
- Water Control & Improvement District (WCID) No. 119 will discuss the costs of removing structures from the site at a meeting occurring concurrently with the District's July 2016 meeting;
- he sent letters to the adjacent land owners that addressed the fence issue.

Brad Dill distributed a summary sheet detailing whether the land owners are agreeable to our proposed course of action for the fences.

A motion passed unanimously for Thomas Land Surveying to provide a topographical map and locate the existing well head (Motion: Mike Pate; Seconded: Herb Marker).

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**11** KVFD personnel presented the Commissioners with documents that contained, among other things, the following information

- summaries of tactical, administration, and public relations activities during June 2016;
- summaries of the payroll and accounting reconciliation for June 2016;
- KVFD's budget and expenses by category; and
- the minutes for the KVFD May 2016 Board meetings.

Key issues provided in the hereabove material included:

- KVFD has passed responsibility to the District for installing an electronic sign at Station No. 7;

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## MINUTES OF THE DISTRICT'S JULY 11, 2016 MEETING (Cont'd)

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- 11**  
**(Cont'd)**
- KVFD's lawyer is reviewing the draft Handbook for KVFD Employees and Members;
  - KVFD is starting a new training program so that new volunteers can receive training prior to the Recruit Academy that begins in January 2017;
  - KVFD is developing a mini training academy for Station No. 8 members;
  - KVFD has uncommitted funds of \$120,369.85 on hand;
  - over the last few months, 28 to 32 people have filled the 45 slots on Engine 301 - that is, some people are participating for more than one shift;
  - work continues on repairs to the damage at Station No. 7 caused by lightning;
  - Internet service has been restored at Stations No. 1, No. 5, and No. 6;
  - Engine 34 had a turbine failure and repair was completed under warranty;
  - work on installing EVIEWS along FM 1960 continues;
  - Brittney Hoover attended the NFPA Conference and Expo in June 2016; and
  - there were 14 public relations events during June 2016.

During the meeting, Rich Jones reported that:

- 19 EVIEW controllers have been installed along FM 1960;
- a couple of the EVIEW controllers are inoperable and they are looking to fix them;
- the two new pumpers should be ready for their final test sometime between August 25 and September 5;
- retired Station No. 4 and retired Station No. 5 have been gutted;
- retired Station No. 4 is available for storage;
- retired Station No. 5 is completely empty; and
- an ATF vehicle is stored at retired Station No. 6.

David Bessolo reported that:

- June was relatively calm;
- an airplane piloted by a student had a duck go through the plane's windshield; and
- they are working on a program whereby an engine in addition to Engine 301 will operate from 6 AM to 6 PM on the weekends.

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**12**      Reviewing, discussing, and taking action on matters intended to maintain and/or improve the District's ISO certification was tabled until the August 2016 meeting.

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**13**      Reviewing, discussing, and taking action on submittals by the Department of request(s) for necessary purchases related to the provision of emergency services pursuant to District Budget was tabled until the August 2016 meeting.

## MINUTES OF THE DISTRICT'S JULY 11, 2016 MEETING (Cont'd)

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- 14** A motion passed unanimously to authorize the Board President to sign an Interlocal Agreement for a Combined Radio Channel Dispatch System (Motion: Mike Pate; Seconded: Herb Marker).
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- 15** Mike Pate advised that the final review of the plans for Station No. 8 had been completed recently and he expected they will be resubmitted to Harris County Engineering on Tuesday, July 12.
- Mike Pate also advised he expected to forward the Commissioners a timeline of activities for Station No. 8 in the near future.
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- 16** Richardo Martinez distributed draft exterior, floor, and site plans for the renovated Station No. 2. He also distributed a proposed project budget of \$1,283,146; which included the project total, contingency, and fee; preliminary budget proposal from S.B. Thomas Construction, LLC for remodeling the station. He then advised:
- installation of the new trailer went smoothly;
  - he talked to station personnel to identify their wants and needs;
  - they agreed that all work to the station will remain within the existing footprint;
  - one bay will be available for the station's engine or ladder during the remodeling process; and
  - an ADA inspector will examine the site shortly to confirm or deny the belief that an elevator will not be required.
- David Bessolo advised they will need access to two bays while the remodeling is in progress. Richardo Martinez said they will see what they can do.
- Rich Jones asked about how security will be addressed at the station.
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- 17** Reviewing, discussing, and taking action on BRW Architects' feasibility study for Station No. 3 was tabled until the August 2016 meeting.
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- 18** Reviewing, discussing, and taking action on the payment of capital funding pursuant to current budget forecast was tabled until the August 2016 meeting.
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- 19** Reviewing, discussing, and taking action on a proposed 10-Year Financial Forecast for the District and Department needs was tabled until after the semi-annual workshop to be held on July 16, 2016.
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- 20** Reviewing, discussing, and taking action for the sale or disposal of surplus and/or salvage property pursuant to Texas Local Government Code, Subchapter D §263.151 *et. seq.* was tabled until the August 2016 meeting.
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- 21** The upcoming meeting was set and confirmed for August 8, 2016.
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- 22** No one from the public commented.
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## MINUTES OF THE DISTRICT'S JULY 11, 2016 MEETING (Cont'd)

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- 23 Potential items needing to be on the agenda for the August 2016 meeting include reviewing, discussing, and taking action on:
- 2016 appraisal valuations and commencement of adoption of 2016 tax rate, including review of 2016 effective tax rate calculations, and scheduling any necessary public hearings to adopt District 2016 tax rate;
  - submittals by the Department of request(s) for necessary purchases related to the provision of emergency services pursuant to the service provider contract and District budget;
  - the payment of capital funding pursuant to current budget forecast and service agreement with KVFD;
  - the sale or disposal of surplus and/or salvage property pursuant to Texas Local Government Code, Subchapter D §263.151 *et. seq.*;
  - BRW Architects' feasibility study for Station No. 3;
  - the design for the new Station No. 8;
  - a proposed 10-Year Financial Forecast for the District's and Department's needs;
  - the remodeling of KVFD Station No. 1 and Station No. 2; and
  - the plan to improve the District's ISO certification.
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- 24 The Commissioners did not conduct an executive session pursuant to Chapter 551 of the Texas Government Code.
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- 25 At 9:33 PM, a motion to adjourn passed unanimously (Motion: Herb Marker; Seconded: Robert Carson).

Respectfully submitted:

HARRIS COUNTY EMERGENCY SERVICES DISTRICT No. 16



  
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Steven Falkner  
District Secretary  
E-Mail: [sfalkner@hcesd16.org](mailto:sfalkner@hcesd16.org)

# ATTACHMENT 1 FINAL BID RESULTS FOR A \$4,000,000 LOAN



## Harris County ESD #16 Sales Tax Revenue Note, Series 2016 \$4,000,000 Final Bid Results

	<u>Term</u>	<u>Average Coupon</u>	<u>Misc. Fees</u>	<u>Interest Cost</u>	<u>Paying Agent Fee</u>	<u>Total Interest &amp; Fees</u>	<u>Notes</u>
Chase Bank	10	1.650%	\$3,500	\$375,340.17	\$0	\$4,378,840.17	
National Bank	10	1.680%	\$4,300	\$372,773.33	\$300/yr. = \$3000	\$4,380,073.33	Level principal payments = higher payments in early years
National Bank	10	1.740%	\$3,800	\$396,265.67	\$0	\$4,400,065.67	
National Bank	10	2.132%	\$0	\$488,250.11	\$0	\$4,488,250.11	Requires a DSRF of \$449,000
National Bank	10	2.260%	\$5,800	\$518,577.09	\$0	\$4,524,377.09	Assumes a .25% rate discount for deposit relationship

**ATTACHMENT 2  
LOAN PAYMENT SCHEDULE ASSUMING PAYMENTS MADE  
CONSISTENT WITH THE JPMORGAN & CHASE CO. RATE**

Harris ESD #16									
Sales Tax Revenue Note, Series 2016									
Dated Date = 07/29/2016									
Delivery Date = 07/29/2016									
Dates	Redemptions	Proceeds	Coupon	Rate	Yield	Price	Interest Amount	Total Debt Service	Fiscal Year Debt Service
02/15/2017	-	-	-	1.650	1.650000	100.000000	36,116.67	36,116.67	437,116.67
08/15/2017	368,000.00	368,000.00	-	1.650	1.650000	100.000000	33,000.00	401,000.00	-
02/15/2018	-	-	-	1.650	1.650000	100.000000	29,984.00	29,984.00	-
08/15/2018	377,000.00	377,000.00	-	1.650	1.650000	100.000000	29,984.00	406,984.00	436,928.00
02/15/2019	-	-	-	1.650	1.650000	100.000000	26,853.75	26,853.75	-
08/15/2019	384,000.00	384,000.00	-	1.650	1.650000	100.000000	26,853.75	410,853.75	437,707.50
02/15/2020	-	-	-	1.850	1.650000	100.000000	23,685.75	23,685.75	-
08/15/2020	390,000.00	390,000.00	-	1.850	1.650000	100.000000	23,685.75	413,685.75	437,371.50
02/15/2021	-	-	-	1.850	1.650000	100.000000	20,468.25	20,468.25	-
08/15/2021	397,000.00	397,000.00	-	1.850	1.650000	100.000000	20,468.25	417,468.25	437,936.50
02/15/2022	-	-	-	1.650	1.650000	100.000000	17,193.00	17,193.00	-
08/15/2022	403,000.00	403,000.00	-	1.650	1.650000	100.000000	17,193.00	420,193.00	437,386.00
02/15/2023	-	-	-	1.650	1.650000	100.000000	13,868.25	13,868.25	-
08/15/2023	410,000.00	410,000.00	-	1.650	1.650000	100.000000	13,868.25	423,868.25	437,736.50
02/15/2024	-	-	-	1.650	1.650000	100.000000	10,485.75	10,485.75	-
08/15/2024	417,000.00	417,000.00	-	1.650	1.650000	100.000000	10,485.75	427,485.75	437,971.50
02/15/2025	-	-	-	1.650	1.650000	100.000000	7,045.50	7,045.50	-
08/15/2025	424,000.00	424,000.00	-	1.650	1.650000	100.000000	7,045.50	431,045.50	438,091.00
02/15/2026	-	-	-	1.650	1.650000	100.000000	3,547.50	3,547.50	-
08/15/2026	430,000.00	430,000.00	-	1.650	1.650000	100.000000	3,547.50	433,547.50	437,095.00
<b>Total</b>	<b>4,000,000.00</b>	<b>4,000,000.00</b>					<b>375,340.17</b>	<b>4,375,340.17</b>	<b>4,375,340.17</b>
<b>Grand Tot</b>	<b>4,000,000.00</b>	<b>4,000,000.00</b>					<b>375,340.17</b>	<b>4,375,340.17</b>	<b>4,375,340.17</b>

  

TIC (incl. all expenses) ....	1.90245831%	Average Coupon .....	1.65000001%	IRS Form 8038-G NIC = 1.650000% (with Adjstment of \$0.00).
TIC (Arbitrage TIC) .....	1.64993497%	Average Life (Yrs) ...	5.69	NIC = 1.650000% (with Adjstment of \$0.00).
Bond Years .....	22.747 89	WAM (Yrs) .....	5.686972	

HARRIS16: NEW2016CHASE

07/07/2016 @ 15:39 V10.44