

**ESD 8 Minutes September 2<sup>nd</sup>, 2014 at PFD Station One, 801 Bee Creek Road, Briarcliff, TX. 78669 6:30 PM.**

**ESD 8 Board Members Present:** Russ Munsch, Gail Zahara, Karen Fromel, Kristy Quigley. David Streilein absent.

**Staff Present:** Chief Gerry Deming, ESD Manager Mike Claypool, Battalion Chief Bruce Perkins, Matt Brown, Cody Fojtik, and accounting advisor Bob Dilley.

**Call to Order** by Board President Russ Munsch at 6:31 P.M.

**Secretary's Report** – the minutes for June 30<sup>th</sup> were not complete. The Board requested an update of the minutes to reflect the pre-payment penalty and if we were in compliance when we signed the contract. The Board voted to update the minutes 4 – 0.

**Treasurer's/ Manager's/Chief's financial report:**

a) Truth in Taxation process - Mike delayed discussion to item #2 in new business.

b) 2013-2014 Budget Outlook – Bob informed the Board that we are \$54,000 above projected revenue for the year because of increased sales tax collections. In May we adopted a defined contribution plan for healthcare benefits that increased costs in that area.

c) 2014-2015 Budget Draft. – 2015 budget for October 1<sup>st</sup> is projecting increases in property tax and sales tax. The budgeted Payroll includes phase 2 pay increases that could make us more competitive in salary to other ESD fire departments. Benefits in the new plan adopted are estimated to increase benefits expenses from \$35,000 to \$63,000 for insurance. The Travis County Appraisal District calculated our Effective Tax Rate as \$0.0989/\$100 valuation. Mr. Claypool and Board Members Zahara and Munsch have recommended that we keep the existing tax rate of \$0.998/\$100 valuation, or there would be an estimated \$11,000 loss in property tax revenue. In order to adopt a rate above the Effective Tax Rate, state law requires the Board to advertise and hold a series of two public hearings prior to the Board meeting for adopting the tax rate. See further discussion below.

The current bank balance is \$696,928. Mr. Claypool advised the Board that it is recommended that an ESD have a minimum reserve of 3 – 4 months operations reserve. He stated that a very rough estimate of average monthly costs is \$200,000.

Mr. Dilley stated correctly that we are receiving essentially no interest income from our current depository, and suggested that the ESD look into FDIC insured certificates of deposits for our operations and capital expenses reserves. Chief Deming says that other ESDs do use CD's. Mike and Bob will look into it.

There was a brief discussion of capital expenses that are not addressed in the budget at this time. They include : a) the need to upgrade significantly station 802, b) installation of sprinkler systems in stations

1 and 2, d) upgrade or replace station 803 (will still be paying on other trucks), and d) a need for at least one new tender.

e) There currently is \$18,000 in uncollected billings for fire emergency service for an out of control fire at a citizen's property. The citizen originally made agreement to make payments but he never has followed the agreement. President Munsch commented that the collections agency might hit limitations because the fire was over a year ago. The Board requested that Chief Deming talk to Fire Recovery collections.

**Fire Chief's Report:**

a) The Village of Briarcliff wants an emergency manager and has asked Chief Deming if he could be it. The ESD Board requested that Chief Deming invite the Mayor to come to a meeting of the ESD Board to discuss this responsibility. There would be no pay for performing these duties, and the Chief would volunteer to help write emergency plans. The Board would like to discuss with the village any liability or exposure that could be incurred for the Chief in this position.

b) Department Update – in order to install a dormitory sprinkler system, the county requires an engineer to design the installation before we can get a quote. The Chief estimated a maximum cost of \$5000 for the design, which would be paid out of 2014 budget.

c) Chief Deming discussed that he is proposing a Training Officer – Operations position in the budget wish list for 2014-2015. The accountant estimates the cost for this position is \$16,000 for this part time administrative position. The Chief needs to create a job description.

**Old Business:**

Report from the ESD 8 representative on the County ESDCC group and associated action – There will be no county fire department.

Report from PFD representative on latest CAFCA and ESSAT issues and action if needed – Travis County may give departments a sum of money based on performance and have ESDs merge.

Report from PFD Firefighters' Union, Local 4820, and action if needed – Matt Brown says that there are four things that the union would like to see in the 2014 - 2015 budget: 457 match, longevity, add 6% to phase two pay raises, and accelerate phase two to entire implementation of the raise in December.

**Public Comment:** Mr. Claypool commented on the fine job done by Page Graves in the Auxiliary.

**New Business:**

**2014-2015 Budget Draft/Revisions/Adoption schedule**

Effective Tax Rate/Analysis and Discussion/Decision Regarding Property Tax Rate: Hearing Schedule in September – 1<sup>st</sup> step is to publish the hearing announcement and schedule in the Lake Travis View

September 11<sup>th</sup>. First Hearing: Thursday, 9/18 at 6:30 PM. Second Hearing: Monday 9/22 at 6:30 PM.  
Board Meeting to adopt the property tax: Monday, Sept. 29 at 6:30 PM.

The proposed taxing rate was discussed. A motion was made to keep the current ad valorem tax rate of \$.0998/\$100 valuation. Gail motion to approve, Christy 2<sup>nd</sup>. The Board voted 5 - 0 in favor of holding public hearings for adoption of the above tax rate.

**Station Repairs:** Chief Deming requested that the Board approve a transfer from the Training budget account of \$7,750.00 for driveway concrete work at Station 2. The concrete in a section of the driveway is collapsing and rebar is sticking out. It will take approx. 8 days to repair. We are under budget in training because of Auto Aid and free training, so we are able to move these funds. The Board voted 5 – 0 to approved the transfer of funds to station repair.

The Board went into Executive Session at 7:33 PM..

Back to Meeting 8:03

Adjournment at 8:04.

Next ESD 8 Board Meeting is scheduled for September, 29<sup>th</sup> at 6:30 P.M.