

**MEDINA COUNTY EMERGENCY SERVICE DISTRICT 1
PO BOX 1037
CASTROVILLE, TEXAS 78009**

MINUTES

WEDNESDAY, AUGUST 23, 2023, 7:00PM

Meeting Location: Courtroom of the Medina County Sub Courthouse at Precinct 2, 8366 FM 471 S, Castroville, TX

I. OPEN MEETING:

1. CALL TO ORDER and ROLL CALL:

President Marvin Dziuk called the meeting to order at 7:06pm, and established a quorum with Board Vice President Rodney Hitzfelder, Board Secretary Tom Page, and Board Assistant Treasurer Jenny Ferren present. Board Treasurer Terry Beck was absent. Fire Chief Clinton Cooke, Assistant Chief Sarah Windsor, District Administrator Polly Edlund, and District Analyst Ronda McNew were also in attendance.

1 – A. PLEDGE OF ALLEGIANCE and ANY SPECIAL GUEST(S) / RECOGNITION(S):

President Dziuk requested all in attendance to rise, face the United States flag and then the State of Texas flag and pledge their allegiance to each, respectively. President Dziuk thanked all for their loyal and patriotic participation. Following the Pledge of Allegiance, President Dziuk requested Chief Cooke to lead the assembly in prayer. Chief Cooke thanked the Lord for his many blessings and asked that His hand be on the Board as they make one of the more important decisions they are tasked to do. He prayed that their decisions honor the Lord as they strive to be thoughtful stewards of the taxpayers' funds. Chief Cooke asked the Lord to keep His hand on the firefighters, keeping them safe as they respond to emergency scenes, and always to bring glory to Him.

2. STATION FINANCING RFP – Review, Discuss, and Award of Financing Proposals for MCESD1 LaCoste Station Project:

At the previous Board meeting, District Administrator Edlund reported that the finance committee had prepared and sent a financial RFP to seven banks requesting proposals for the funding options for the LaCoste Station construction project. The RFP deadline to submit a proposal was August 22nd by 4:30pm. The Finance Committee reviewed the proposals received by the deadline and presented the board with a summary spreadsheet and copies of all the proposals submitted. The request was for \$4M in financing for 15 years, with an alternate 10-year option enclosed with the proposal. The committee received six responses to the request for proposal. Three of the banks declined to submit a proposal, and one offered only the 10-year financing option at a noncompetitive rate of 6.75%. Leasing 2 financial group offered both the 15-year and 10-year options at 4.97% for the 15-year, and 4.92% for the 10-year, with a \$40,000 origination fee with the first payment due October 1, 2024, and annual payments of \$388,433.97 on the 15-year proposal. Government Capital offered 15-year and 10-year options at 4.82% for the 15-year, and 4.58% on the 10-year, with a \$30,000 origination fee with a first payment option of September 1, 2024, or October 1, 2024. It was noted that this was a tax-exempt loan. The payment on the 15-year option with an October 1 payment was \$381,561.18. After reviewing all proposals submitted, the finance committee was in unanimous agreement that the committee would recommend financing Government Capital at the proposed rate of 4.82% on a 15-year financial option with the first payment due on October 1, 2024. After the finance committee's review process was completed, Chief Cooke requested additional information from Government Capital, to provide an amortization schedule on \$3.5M with the first payment due on October 1, 2024. This option had an annual payment amount of \$333,866.03 for 15 years. The loan is callable after 5 years with no penalty. Chief Cooke additionally noted that MCESD1 reduced the overall budget number for the LaCoste Station project down to \$4.5M for construction costs to include FF&E. This reduction allows the district to only finance \$3.5M, then contribute \$1M from a combination of reserves and funds within the 2023-2024 budget.

Commissioner Ferren moved to award the financing of the LaCoste station to Government Capital at the proposed fixed rate of 4.82% on a 15-year amortization with the annual payment of \$333,866.03, and the first payment due on October 1, 2024. Commissioner Hitzfelder seconded her motion. Following discussion and clarification regarding how to proceed to close the loan, the motion passed with a 3-0 vote.

3. BUDGET WORKSHOP:

3 – A. MCESD1 BOARD SUMMATION, FINAL DISCUSSIONS ON PROPOSED BUDGET AND PROPOSED TAX RATE FOR 2023-2024 BUDGET:

Chief Cooke stated some changes had been made to the proposed budget. These additional items noted were \$333,866.03 for the loan payment for the LaCoste Station construction, addition of a buffer of \$30,000 to fund any unscheduled overtime of personnel, addition of part-time staff to help with any unscheduled overtime and help offset any vacation/holiday time,

and a 5.5% cost-of-living increase for paid personnel. Chief Cooke reported that the two brush trucks on order would be ready for final inspection and delivery soon. Questions and concerns were presented and discussed by the board members with Chief Cooke providing pertinent facts and appropriate information. Chief Cooke confirmed that the current proposed budget was based on the \$0.0900/\$100 tax rate, the previous year's tax rate. After a period of discussion, President Dziuk with the board's unanimous approval, called for a motion to open the public hearing on the proposed tax rate for the 2023-2024 budget.

II. PUBLIC HEARING:

1. OPEN HEARING ON MCESD1's PROPOSED TAX RATE FOR 2023-2024 BUDGET:

Commissioner Hitzfelder moved to open the public hearing on the district's proposed tax rate for the 2023-2024 budget. Commissioner Ferren seconded his motion, the motion passed with a 3-0 vote. President Dziuk opened the public hearing at 7:40pm.

1 – A. WELCOME CITIZENS and REVIEW COMMENT PROCEDURES:

President Dziuk reviewed the hearing procedures; however, no citizens were present for the hearing.

1 – B. CITIZEN COMMENTS:

None.

2. CLOSE PUBLIC HEARING:

Commissioner Page moved to close the public hearing. Commissioner Hitzfelder seconded his motion, the motion was approved with a 3-0 vote. President Dziuk closed the public hearing at 8:06pm.

III. RECONVENE IN REGULAR MEETING OPEN SESSION:

1. OPEN MEETING: CALL TO ORDER and ROLL CALL:

President Marvin Dziuk reconvened the meeting at 8:07pm, and confirmed quorum with Board Vice President Rodney Hitzfelder, Board Secretary Tom Page, and Board Assistant Treasurer Jenny Ferren present. Board Treasurer Terry Beck was absent. Fire Chief Clinton Cooke, Assistant Chief Sarah Windsor, District Administrator Polly Edlund, and District Analyst Ronda McNew were also in attendance.

2. MCESD1 BUDGET 2023-2024 – DISCUSSION, ACTION, and RESOLUTION OF ACCEPTANCE:

At the conclusion of the Budget discussions, President Dziuk requested a vote on the adoption of a resolution of acceptance to approve the proposed 2023-2024 budget. Commissioner Ferren moved to accept the 2023-2024 proposed budget as discussed and presented. Commissioner Hitzfelder seconded her motion and the motion passed with a 3-0 vote.

3. MCESD1 TAX RATE(S) – DISCUSSION, ACTION, AND RESOLUTION OF ACCEPTANCE:

There was discussion regarding the amount of tax levied on an average homestead with the current tax rate compared to that at a higher rate. At the current tax rate, if it was adopted the same as last year, the increase in property valuations would increase the amount of property tax levied on the average homestead. Chief Cooke explained how MCESD1 provided services to 'new properties' before getting any tax money to offset those costs. The Board noted there had been a higher-than-average increase in property valuations this year, and Medina County Appraisal District had reported an overwhelming record number of protests. Growth and development concerns mentioned by members of the board included the need for additional fire stations to serve the people in growing areas of MCESD1. After much discussion, President Dziuk called for a vote to approve the proposed 2023 tax rate. Commissioner Hitzfelder moved that the property tax rate be increased by the adoption of a tax rate of \$0.0900/\$100 valuation, which is effectively a 14.65 percent increase in the tax rate (the % by which this tax rate exceeds the no-new-revenue rate). This tax rate will raise more property taxes for maintenance and operations than last year's tax rate. Commissioner Page seconded his motion, and the motion was approved with a 3-0 vote. It was noted that the property tax rate was the same rate as last year; however, due to the increase in valuations, the rate would generate more revenues for the district.

4. OLD BUSINESS – DISCUSSION and POSSIBLE RESOLUTIONS ON THE FOLLOWING:

Chief Cooke reported on the Stead Fire. Chief Cooke stated that the reimbursement resolution for the LaCoste Station had been finalized and a notice to proceed was granted for construction to begin on August 28, 2023.

5. NEW BUSINESS – INTRODUCTION OF ANY NEW BUSINESS:

5 – A. SET NEXT MONTH’S MEETING(s) – September 13, 2023

The next regular meeting of MCESD1 will be at 7:00pm on Wednesday, September 13, 2023, in the Courtroom of the Medina County Sub Courthouse at Precinct 2, 8366 FM 471 S, Castroville, TX. The exact date and time will be confirmed when the agenda is posted.

5 – B. SALES TAX AGREEMENT WITH THE CITY OF LACOSTE:

President Dziuk reported that the City of LaCoste had made contact with the District about starting discussion on the Sales Tax Issue. It was his recommendation that a committee be appointed to handle this issue, and a copy of the Castroville Sales Tax agreement be made available to all members of the board for review. After a short discussion, District Administrator Edlund was asked to put this item on the September agenda.

6. ADJOURN (MOTION):

Commissioner Page moved to adjourn the meeting. Commissioner Hitzfelder seconded his motion, and the motion passed with a 3-0 vote. President Dziuk adjourned the meeting at 8:13pm.

RESPECTFULLY SUBMITTED,



POLLY EDLUND, DISTRICT ADMINISTRATOR

MCESD1 PRESIDENT



MARVIN DZIUK