

SMITH COUNTY EMERGENCY SERVICES DISTRICT TWO

7:00 P.M. * Monday * April 23, 2018

107 W Longview * Arp, Texas 75750

1. CALL TO ORDER

President Randy Melton called the Smith County ESD #2 board meeting to order at 7:00 p.m. Roll was called; five commissioners were present, Randy Melton, Charles Wilson, Paul Perryman, Leroy Biggers, and Earl Drott. He certified that a quorum was present.

2. PRAYER AND PLEDGE

Commissioner Paul Perryman led the meeting in prayer and President Melton led the Pledge of Allegiance to the United States and Texas flags.

3. RECOGNITION OF GUESTS

President Melton welcomed all guests to the meeting.

4. PUBLIC COMMENTS

President Melton stated 2 guests signed up for public comments and both will be speaking during the item their public comment is for, Jackson Heights Fire Chief Mike Van Winkle will be speaking during Item #8 and Flint Gresham Asst. Chief Keith Tate will be speaking during Item #13.

5. CONSENT AGENDA

Charles Wilson made a motion to approve the (a.) minutes of the March 26, 2018 regular meeting as written; (b.) the March 2018 financial report; 2nd by Paul Perryman; motion carried 5-0.

6. PAYMENTS AND REIMBURSEMENTS

Earl Drott made a motion to approve payment of bills: (a.) Current bills/quotes/checks over \$2,000; Card Service Center \$13,407.85 – District Credit Card; Price International \$2,064.59 – Dixie E-1 Repairs, \$4,120.51 – Dixie E-1 Repairs, \$5,147.33 – R/S Transport; Siddons Martin \$2,190.86 – Winona E-1; Southern Tire \$2,484.00 – J/H B-2; Checks Over \$2,000.00 – Ck #16691 \$2,092.02 Eagle Fuel & Oil, Ck #16699 \$4,001.72 Metro Fire, Ck #16765 \$3,828.73 Eagle Fuel & Oil, and all disbursement checks over \$2,000 in this month's check register included in the financials; 2nd by Leroy Biggers; motion carried 5-0. (b.) Contract payments made – no action necessary: Gollob Morgan Peddy \$2,045.00 – District Accounting Services; Mobile Communications \$2,738.25 – District Paging Services; Nextiva \$2,252.25 – District Phones/Fax; Reliant Energy \$3,666.56 – District Electric; Suddenlink \$2,662.56 – District Internet Account; TML May 2018 \$6,214.72 – Employee Medical Insurance; Verizon \$2,113.66 – District Wireless Account; SCESD2 Payroll \$63,686.72 – Date 03/29/2018, \$66,471.68 – Date 04/13/2018.

7. SQUYRES, JOHNSON, SQUYRES AUDIT REPORT FOR YEAR ENDING 9/30/2017

President Melton introduced Wayne Barton with Squyres, Johnson, Squyres; the firm that performed the Smith County ESD #2 annual audit for the year ending 09/30/2017 and turned the floor over to him. Mr. Barton introduced Aaron Carver, the manager in charge of the audit. In the audit report, he stated that the only change for the year on performing governmental audits was to add a report on tax abatements for the entity; this report does not change any of the financial statements. He stated that there were no transactions entered into by SCESD2 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions were recognized in the financial statements in the proper period and they encountered no significant difficulties in dealing with management in performing and completing the audit. SCESD2 was given a good audit opinion, which is the best you can receive. They did not identify any deficiencies in internal control that they consider material weaknesses. There was one deficiency in internal control to be a significant deficiency: 2017-001 – Budget: The amount of capital expenditures exceeded the amount budgeted

which also caused the total expenditures to exceed the budget. The board should amend the budget before the expenditures that exceed the budget are made. They recommend for the board to amend the budget when the board approves an expenditure that cause the budget to exceed the amount currently budgeted. This is an improvement over last year where there were three significant deficiencies.

As of 09/30/2017 SCESD2 was in good financial position with total assets of \$9,004,454, total liabilities of \$1,168,287 leaving a net position of \$7,836,167. For this same period the cash deposits totaled \$2,100,491. Budgeted income \$4,969,555; Actual income \$5,241,066; \$271,511 over the budgeted amount. Budgeted expenditures \$5,494,082; Actual expenditures \$5,616,635; (\$122,553) over budget.

President Melton asked for a motion to accept the audit report, Earl Drott stated that this is a 39-page document; he did not want the board to vote on it until they had sufficient time to go over it. Mr. Drott made a motion to table voting on accepting the 09/30/2017 audit report from Squyres, Johnson, Squyres until the May board meeting; 2nd by Leroy Biggers; motion carried 5-0.

8. SEALED BIDS FOR 166 SCBA AIR PACKS

President Melton stated Flint Gresham VFD received a Federal Assistance to Firefighters Grant for \$574,910 to purchase SCBA Air Packs, the grant and cost share were approved by the board at the September 25, 2017 regular meeting. On April 13, 2018 at 2 p.m., 3 sealed bids for 166 SCBA Air Packs were opened from Casco (MSA) \$968,760.00, MES (Scott) \$821,307.18 and Metro Fire (Scott) \$820,756.50. President Melton turned the floor over to Jackson Heights Fire Chief Mike Van Winkle who signed up for a public comment. Chief Van Winkle stated he would like to see all of the air packs have voice amplifiers so the firefighters can hear each other better and that he agrees with the recommendation Chief Rozell is going to make. Chief Rozell stated in March a meeting was held with a representative from each department, 2 different vendors for Scott and 1 vendor for MSA. Presentations were made from each vendor and the next week the VFDs were able to test out the designed air packs from Scott and MSA. The vote was unanimous for the Scott Pack and it turned out well with the Scott Packs from Metro Fire being the lowest bid. He wanted to explain why the bids were so different, they are completely different brands and when designing the packs they tried to make them as similar as possible. He stated he would recommend the Scott Air Packs from Metro Fire for \$820,756.50. Earl Drott made a motion to approve purchasing 166 SCBA Air Packs from Metro Fire for \$820,756.50; 2nd by Paul Perryman; motion carried 5-0.

9. RESCINDING ITEM #15 FROM MARCH 23, 2018 BUDGET AMENDMENT, TRANSFER MONEY BACK TO BUDGET RESERVES - EMERGENCIES

Chief Rozell stated he would like the board to rescind the budget amendment made during the March 23, 2018 meeting, Item #15 to transfer money into the Budget Reserves – Emergencies. This would provide the funds to purchase the SCBA Air Packs. Charles Wilson made a motion to approve rescinding the March 23, 2018, Item #15 Budget Amendment, transfer of money back to Budget Reserves - Emergencies ; 2nd by Earl Drott; motion carried 5-0.

10. BUDGET AMENDMENT INCREASE THE 2017/2018 BUDGET BY \$900,000

Chief Rozell stated he would like to increase the 2017/2018 budget by \$900,000 to pay for the SCBA Air Packs. They cost \$820,756.50, but some of the air compressors at the stations will need to be changed out to handle the high compression bottles. He would also like to purchase some of the voice amplifiers that Chief Van Winkle asked for in his public comment on Item #8. He stated he is asking to raise the budget by \$900,000 to purchase everything needed for the air packs. SCESD2 will loan Flint Gresham VFD the \$820,756.50 to purchase the SCBA Air Packs in full. Flint Gresham VFD will receive \$574,910 in grant money to give back to SCESD2, but the air packs have to be purchased before receiving the grant check. SCESD2 will have \$79,243.50 left to have the station air compressors updated and purchase the additional equipment needed for the air packs.

Paul Perryman made a motion to approve increasing the 2017/2018 Budget by \$900,000 for the SCBA purchase; 2nd by Charles Wilson; motion carried 5-0.

11. PURCHASING LAND IN THE CITY OF ARP TO RELOCATE ARP VFD STATION #1

The board went into closed session at 7:55 p.m. to discuss purchasing land in the City of Arp to relocate Arp VFD Station #1. The board returned from closed session at 8:12 p.m.. Leroy Biggers made a motion to authorize Chief Rozell in moving forward with placing a bid on a piece of property in the City of Arp for \$65,000, in addition to any fees that might be associated with the purchase of the land; 2nd by Charles Wilson; motion carried 5-0.

12. PURCHASING HOSE AND EQUIPMENT

Battalion Chief Kelcey Trotty stated SCESD2 has not purchased hose in 2 to 3 years; he recently distributed the last of the hose in stock. He received four quotes for fire hose, nozzles, and hand tools SCESD2 needs to keep in stock: Lone Star Emergency Group \$21,096.25, MES \$20,047.54, Metro Fire \$19,600 and NAFECO \$18,536.85. Earl Drott made a motion to approve purchasing hose and equipment from NAFECO for \$18,536.85; 2nd by Leroy Biggers; motion carried 5-0.

13. INFORMATION REGARDING THE EMS CONTRACT WITH SMITH COUNTY

President Melton stated this item is on the agenda because there were some comments during the last meeting about it as well as comments since then. He stated he counts this as a public comment session for anyone who would like to speak on this item, 3-minute comments for a total of 30 minutes. He turned the floor over to Flint Gresham Asst. Chief Keith Tate who signed up for a public comment on this item. Asst. Chief Tate stated this has been an issue discussed amongst the VFD Chiefs for several years; the reason for it causing concern now is the ETMC purchase by Ardent Health and UT Health. The contract for EMS services between Smith County and ETMC EMS was signed in 1992 and has not been revisited since then. He stated we owe it to the county to put out an RFP for contracted EMS Services, either by this board or the County Commissioners. President Melton opened the floor for public comments from the few ambulance services that attended the meeting. Bobby Sanders with AMR stated he thinks it is time to look into different and possibly better ambulance services for Smith County. He stated AMR runs 15 operations in Texas and is the largest provider in the nation; you would have better coverage for your citizens if you went out for RFPs to see what other companies are out there. Curtis Smith with Acadian Ambulance stated he agrees with AMR and the VFD Chiefs, this is something that needs to be addressed; to see what else is out there and what options you have. Stan Holden, CEO of Champion EMS stated he wants to reaffirm what has already been said and as an organization they would be very interested in responding to any request for proposals issued by the SCESD2 board, the County Commission, or the Tyler City Council. Chief Rozell stated he spoke with Ken Campbell and was told SCESD2 is not responsible for EMS Services, but can be because it is included in the SCESD2 Creation Papers. No motion necessary.

14. LONG RANGE PLANNING COMMITTEE AND SUB-COMMITTEES

Arp Fire Chief Mack Arnold stated there is nothing to report from long range planning but the trucks and equipment are being taken care of and everything is looking good.

15. DIRECTOR OF IT REPORT

Director of IT, Larry Locke, stated that 111 support tickets have been completed since the last meeting. He stated 1 camera installation needs to be done and the camera project will be completed.

16. CHIEF OF OPERATIONS REPORT

Chief Rozell stated SCESD2 had a disaster drill over twin tornadoes on April 18 and it lasted for 4 hours. He stated they worked on the communication system, inner operability frequency, high band repeater and everything worked flawless. He is very proud of everyone that was involved in the drill.

17. PRESIDING OFFICER REMARKS

President Melton stated the next SCESD2 board meeting would be at 7 p.m. on May 21, 2018, the third Monday instead of the fourth because of Memorial Day. He thanked Arp Fire Chief Mack Arnold for having this month's SCESD2 Board meeting at Arp VFD Station #1 and stated that his service to the citizens of Arp and SCESD2 is appreciated.

18. CLOSED SESSION

The board went into closed session at 7:55 p.m. to discuss Item #11.

19. RETURN TO OPEN SESSION

The board returned to open session at 8:12 p.m.

20. ADJOURNMENT OF MEETING

President Melton stated the next board meeting would be at Smith County ESD #2, 14128 SH 110 South, Whitehouse, Texas 75791; Monday, May 21, 2018 at 7:00 p.m.; he declared the meeting adjourned at 8:15 p.m.

Respectfully submitted by: _____
Paul Perryman, Secretary/Treasurer