

1. Establish quorum and call to order: President D. McJunkin established a quorum and called the meeting to order at 8:00am. Commissioners present were: B. Warren, K. Stacy, E. Krenek and T. Kuykendall. Guests present were Fort Bend County ("FBC") Pct. 3 Commissioner, Andy Meyers, Robert Pechukas with FBC Pct. 3; Regina Adams with Radcliffe Bobbitt Adams Polley pllc, the District's attorney; Kaye Townley with Municipal Accounts and Consulting, the District's bookkeeper; Natalie Ridley with Breedlove & Company, the District's auditor; and Mr. Thomas Hughes.
2. Citizens Inquiry:
3. Review and approve minutes from May 21, 2019 and June 4, 2019 meetings: Commissioner K. Stacy motioned to approve all minutes as presented; Commissioner T. Kuykendall seconded the motion; all voted AYE, motion passed.
4. Presentation of Fiscal Year Ended December 31, 2018 District audit (the "Audit"): Ms. Ridley reviewed the Audit with the Commissioners. After her presentation and explanation of GASB accounting, she asked if there were any questions or comments. B. Crone commented under Note #6 Contractual Agreements the dates in the last sentence were reversed and should be March 27, 2017 and May 21, 2018, respectively. Commissioner McJunkin asked if reimbursements to the Fulshear-Simonton Fire Department created any difficulties with the preparation of the Audit and she responded they had not. Ms. Ridley stated that one fund went over FDIC limits and it was with Wallis State Bank. She concluded by stating that no subsequent events had occurred that would require recognition or disclosure in the financial statements and the District's financials were clean. Commissioner B. Warren motioned to accept the Audit as presented with the one correction in Note #6; Commissioner E. Krenek seconded the motion; all voted AYE, motion passed.
5. District Real Estate and Construction Matters: Commissioner Meyers asked if the District could move item c up for discussion.
 - a. Review procedures for property exchange including approve letter agreement between District and Twinwood Development ("Twinwood") regarding correction to the prior property exchange: This was discussed in executive session to consult with the District's attorney regarding real property and legal matters.
 - b. Review appraisals on FM 1093 property: This was discussed in executive session to consult with the District's attorney regarding real property and legal matters.
 - c. Review options for sale of land owned by District on FM 1093 (the "Property") including sale to FBC or third parties: Commissioner Meyers began by requesting that the Property (approximately 12 acres) be donated to FBC for use as a park and in exchange, FBC is offering: a driveway location variance for the benefit of the remainder of the District's property, detention constructed and maintained by FBC on the Property for the benefit of the District's improvements on the remainder of its property and roadway improvements around the District's property. Commissioner Meyers added that he believed the intangible value to the District donating the Property to FBC for the benefit of the community is difficult to determine. Commissioner Meyers went on to say that FBC Precinct No. 3 does not have a significant budget for park improvements and that historically he locates 501(c)(3) non-profit sports organizations to operate and maintain FBC Precinct No. 3 park facilities and the particular organization that he is interested in operating the proposed park on the Property builds and maintains cricket pitches. Commissioner Meyers added that he would like to work out a long-term resolution with the District, including the

potential for a long-term lease by FBC of the Property from the District, subject to the additional terms outlined above. Commissioner Meyers reiterated that he looks for governmental and non-profit partnerships to fund FBC Precinct No. 3 projects, as Precinct No. 3 does not have the funds allocated to purchase real property, and referenced Barker Reservoir Park as an example of working with the local municipal utility district and Willow Fork Drainage District on such project.

Commissioner McJunkin stated that State law provides that if the District donates property its use must benefit the public purpose of the District (emergency services) and that, as of the Board meeting, the District cannot give him an answer regarding the future disposition of the property in question. Commissioner McJunkin stated that the District is implementing a capital improvement plan with the tax revenue it has generated by planning for future stations, etc. He added that the District has a fiduciary duty to its taxpayers, but that he would like to resolve the matter and move forward. Commissioner Meyers discussed the Facility Bond that FBC Commissioners Court is considering and noted that building roads is his primary goal, but the Facility Bond could assist with parks.

Commissioner Stacy asked where the non-profit corporation is based and Commissioner Meyers responded it is based in Cinco Ranch. Commissioner Stacy asked if any other non-profit corporations have come forward to assist with FBC park development in in the Fulshear-Simonton area. Commissioner Meyers said they had not. Commissioner McJunkin asked if other types of playing fields would be included in the proposed park, such as baseball or soccer.

Commissioner Warren stated the issue is the Board's fiduciary responsibility to taxpayers who pay \$0.10 per \$100 valuation for emergency services and the District has to get value in return for any disposition of property and that the District cannot legally donate property without the ultimate use of such property benefitting the public purpose of the District.

Chief Meier referenced the retention/detention issue. Commissioner Meyers stated that the retention and detention improvements to the Property to serve the District's remaining property could be worked out. Mr. Pechukas added that he has been reviewing the detention needs for all proposed improvements for FBC and the District with the FBC Engineer. Ms. Adams and Commissioner McJunkin asked Commissioner Meyers if the District could be provided with a request letter or memorandum of understanding ("MOU") from FBC regarding the proposed transaction, because without some documentation of the request, it is difficult for the Board to effectively consider this matter further. Commissioner Meyers responded he would have the FBC Attorney prepare a proposal or MOU and submit same to the District.

Commissioner Meyers and Mr. Pechukas left the meeting at 8:40am.

The Board then discussed a long-term lease option, how to establish value for FBC related improvements and what detention would be required for the entirety of the District property at full build-out. Chief Meier reminded the Board of interest from others to purchase the Property. Commissioner McJunkin suggested a workshop with Commissioner Myers office, the FBC Engineer, District representatives and the District's civil engineer regarding the District's proposed project so that all parties have an understanding of the scope and scale of the EOC/Station/Training Facility project.

- d. Potential action on disposition of 12 acres of District property: This was further discussed in executive session to consult with the District attorney regarding the Property and legal matters.
 - e. Status of EOC and Fire Training Facility design and construction: This was discussed in executive session to consult with the District attorney regarding real property and legal matters.
 - f. Review future station locations: This was discussed in executive session to consult with the District attorney regarding real property and legal matters.
 - g. Status of Temporary Station #4: nothing new to report.
6. Bookkeeper's Report, including authorize payment of bills: Ms. Townley presented the Bookkeepers Report. B. Crone asked Ms. Townley to verify the percentage of taxes collected for the tax year. Ms. Townley stated that she will verify and let Ms. Crone know. The Commissioners asked how much the Wallis State Bank fund had gone over the FDIC limit and Ms. Townley replied \$300 over. Ms. Townley added that the Texas Class fund had earned \$6,000 in interest since the investment. Commissioner E. Krenek motioned to approve the Bookkeeper's Report, as presented; Commissioner K. Stacy seconded the motion; all voted AYE, motion passed.

Moved to Agenda Item #9

9. Review FBC Appraisal District exemptions for 2019 tax year: Commissioner McJunkin reviewed what tax exemptions are available to the District and that currently the District implements the statutorily-required veteran disability exemption, and no others are offered. After some discussion and the Commissioners noting that the District does not have any other sources of revenue, such as sales tax, B. Crone stated that the Board must vote at the current meeting to either continue with the current tax exemption policy or set additional tax exemptions. Commissioner Kuykendall said that, currently, there are too many variables to consider adding tax exemptions and the District should continue as-is. Commissioner T. Kuykendall motioned to continue with the current policy of no non-statutory tax exemptions for the District; Commissioner E. Krenek seconded the motion; all voted AYE, motion passed.
10. TCDRS unfunded liability: Commissioner Warren reminded the Board of the decision made last year when starting with TCDRS to fund the employee accounts for past years of service. That amount is \$836,922.24 in UAAL. Commissioner Warren further explained that the rate on the fund would increase in 2020 to 12% as a result of the UAAL and he recommends paying this liability in full. Commissioner E. Krenek motioned to approve paying the entire UAAL balance and amend the budget for this expenditure; Commissioner B. Warren seconded the motion; all voted AYE, motion passed.
11. Employee Insurance Benefits renewal: B. Crone began by stating that the Aflac policy rates will not change. After review of the insurance renewal options with the broker, the recommendation is to continue with the same benefits plan but do away with the FSA option as only one employee participates. B. Crone stated for the current policy year the employee budget allowance is \$1,700/per employee per month and District staff is requesting an increase to \$1,800/per employee per month with HSA not to exceed allowable limits. Open enrollment is set for the second week of July. Commissioner E. Krenek motioned to maintain the current coverage level with keeping the same plan for the new term with an increase to \$1,800/per employee and not to exceed HSA limits; Commissioner K. Stacy seconded the motion; all voted AYE, motion passed.

12. Review and approve Employment Contract between the District and Fire Chief Meier: moved to executive session.
13. Review and adopt Order Establishing Computer Equipment and Allowance Policy: B. Crone reported she had worked with R. Adams on this policy. Ms. Adams went through the policy and Commissioner Krenek stated he thought it all looked good. Commissioner T. Kuykendall motioned to adopt the policy as presented; Commissioner B. Warren seconded the motion; all voted AYE, motion passed. Chief Meier discussed quotes that were received for the new computer equipment. In keeping with the current computer platform used by the administrative office and board, several Apple quotes were included in the discussion. It would be for the purchase of 5 MacBook Airs for commissioners and 4 MacBook Pros for office staff. The approximate cost is between \$21,000-\$22,000 total. Commissioner E. Krenek motioned to approve the purchase of Apple MacBook Airs and MacBook Pros as presented, not exceeding \$22,000; Commissioner T. Kuykendall seconded the motion; all vote AYE, motion passed.
14. Legislative update by RBAP: Ms. Adams stated that the implementation of SB2 in the 2020 tax year is still being processed and the rollback rate could vary based on the development status of the District. Ms. Adams added that the criminality of a "walking quorum" legislation amending the Texas Open Meetings Act appears to still be vague and she urged the Commissioners to be diligent regarding avoiding "walking quorums".
15. District Administration Report: B. Crone reported that the District entered into a lease agreement for a new copier with Stargel Equipment. Ms. Adams stated that she reviewed the associated contracts and made several revisions. B. Crone stated that the lease has been approved and executed.
16. Fire Chief Run Report: Chief Meier presented his report and stated there had been a total of 186 calls for the month of May. Chief Meier also provided a brief review of the incident in the Tamarron subdivision over the Memorial Day weekend.

*Moved Back to Agenda Item # 7

7. Swearing in of Assistant Chief: Commissioner K. Stacy administered the Oath of Office to Assistant Chief Wade Goates and Fire Chief Herc Meier.
8. Appoint Department Head for Texas Commission on Fire Protection: Commissioner B. Warren motioned to appoint Fire Chief Meier as Head of Department; Commissioner K. Stacy seconded the motion; all voted AYE, motion passed.
17. Adjourn to Executive Session to discuss matters concerning pending or contemplated litigation, consultation with attorney, real property, or personnel, as authorized pursuant to Texas Government Code, Section 551.071, et seq: The Board adjourned to executive session at 10:10am and reconvened to general session at 11:04am.

Commissioner T. Kuykendall motioned to approve the employment contract between the District and Fire Chief Meier with noted changes; Commissioner B. Warren seconded the motion; all voted AYE, motion passed. Commissioner E. Krenek motioned to approve and authorize the execution of the letter agreement with Twinwood regarding the 1.4-acre/3-acre

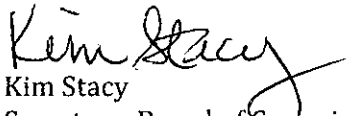
land exchange, subject to further necessary revisions as discussed in executive session;
Commissioner T. Kuykendall seconded the motion; all voted AYE, motion passed.

Commissioner T. Kuykendall left the meeting at 11:06am.

Commissioner E. Krenek motioned to authorize District staff to approach and negotiate for the purchase of certain property for a future station location as discussed in executive session;
Commissioner B. Warren seconded the motion; all voted AYE, motion passed.

18. Adjourn: Commissioner K. Stacy motioned to adjourn the meeting; Commissioner B. Warren seconded the motion; all voted AYE, motion passed. Meeting adjourned at 11:15am.

Passed and approved this 20 day of August, 2019.



Kim Stacy
Secretary, Board of Commissioners