

**MINUTES OF THE JULY 18, 2024 MEETING OF THE
FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 10**

A Meeting was duly called of the **FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 10**, which was held on July 18, 2024, at Fairchild Fire Station, located at 8715 Fairchilds Rd., Richmond, Texas 77469.

The meeting was called to order at 7:00 P.M. by Commissioner **BRIAN SATSKY**, president.

1. A roll call of commissioners was made under Agenda Item 1, and a quorum was confirmed, with Commissioners **BRIAN SATSKY, RUSSELL STRATMAN, RICHARD BREWER, MATT CYRUS, and SHELBY ARMSTRONG** being present. Also present were Josh Shed, Fire Chief of the Fairchild Fire Department, Fatmir Dukic, Assistant Chief, and Howard Katz, attorney for the District. Also present was Chip Sutton, an attorney with Linebarger Goggan Blair and Sampson.

The Board considered the Minutes of the prior meeting. After review, Motion was made by Mr. **Stratman**, seconded by Mr. **Cyrus** to approve the Minutes of the prior meeting. After discussion, the Motion was approved by a vote of 5 to 0.

2. **Public comment.** None was offered.

3. **Approve contracting with VFIS for a Treasurers Bond, District liability insurance, management liability insurance, and other related insurance coverages.**

Mr. Katz presented the insurance proposal submitted by VFIS. The coverages provided and the insurance quotes are for General Liability, Management Liability, Auto, Crime, and Excess Liability. The total premiums quoted equaled \$4,238.00, of which \$2,750.00 was for excess liability. The Board discussed the coverages offered, and decided that the excess coverage can be deferred for future consideration. After review, Motion was made by Ms. **Armstrong**, seconded by Mr. **Cyrus** to approve obtaining from VFIS insurance coverages for General Liability, Management Liability, Auto,

and Crime, and decline for now Excess Liability for the time being. After discussion, the Motion was approved by a vote of 5 to 0.

4. **Receive a report concerning 2024 District tax rolls and preparation of District tax bills by the Fort Bend County Tax Assessor and Collector, and take any required action.**

Mr. Katz presented the updated Preliminary Tax Roll as prepared by Fort Bend CAD. He said that the real property accounts were in the report, and that the business personal property have now been added and coded. Mr. Katz reported that the initial preliminary values showed taxable property values of approximately \$500,000,000.00. He said that the most recent preliminary values (including property accounts under protest) are approximately \$530,000,000.00.

5. **Discuss and take action on Fiscal Year District budget.**

Mr. Katz presented a revised draft budget. He said the draft showed revenue of \$503,500.00, calculated at a ten cent tax rate, with a 95% collection rate, plus P&I of \$7,000.00, and based on the updated tax rolls of \$530,000,000.00, and expenses of \$33,000.00, for a net of \$472,500.00 for fire department operations and capital. After review, Motion was made by Mr. **Brewer**, seconded by Mr. **Cyrus** to approve the draft budget. After discussion, the Motion was approved by a vote of 5 to 0.

Without objection, the Board addressed Agenda Items, 12(a)-(f) - 15.

12. **Section 2254.1036, Government Code, Notice of Contingent Fee Agreement:**

Mr. Katz addressed the matter of the imposition and collection of delinquent taxes and imposition of penalties and interest. He said that property taxes are due from the date of assessment and timely paid if paid by January 31. After that date taxes monthly interest of 1% per year is incurred, and if not paid by June 30, additional penalties are assessed. He said that for collection of delinquent taxes and penalties, the District must hire an outside attorney. He introduced Chip Sutton, an attorney with the firm Linebarger

Goggan Blair and Sampson. Mr. Sutton outlined the services performed by his firm to collect delinquent District taxes. He said that the District's taxes are billed on the consolidated county tax bill. He said after February 1, collection outreach is done by the firm to collect the unpaid taxes, plus interest. He said that taxes unpaid by July 1 for real property, are collected by a lawsuit. The penalty imposed in that event is 20%, which are the attorney's fees for the collection effort through a lawsuit. Mr. Sutton also outlined to necessary findings and orders relevant to hiring the delinquent collection law firm where the fee is based on a contingency, where the delinquent tax payer pays the attorney's fees from the 20% penalty.

After review, Motion was made by Mr. **Stratman**, seconded by Mr. **Cyrus** to approve Agenda Items 12(a)-(f).

- a. The Agreement to be considered is necessary for collection of the delinquent taxes owed and/or to become owed to the District to be collected in the most effective manner. The District desires that such delinquent tax, penalties and interest be collected as provided in the Texas Tax Code.
- b. The Linebarger Goggan Blair & Sampson, LLP firm is fully qualified to provide this representation, being the largest delinquent tax collection law firm in the State of Texas, as well as the United States, and having been engaged in this specialized legal service for more than 40 years. In addition, the Linebarger Goggan Blair and Sampson, LLP firm possesses infrastructure and technology, such as call center technology, that the District will enjoy.
- c. Linebarger Goggan Blair & Sampson, LLP has represented emergency services districts for many years with competence and professionalism, in the collection of delinquent ad valorem taxes. Further Linebarger Goggan Blair & Sampson, LLP represents Fort Bend County in the collection of the County's delinquent tax, penalties and interest, and the District tax is part of the consolidated County tax bill.
- d. The specialized legal services required by this agreement cannot be adequately performed by the attorneys and supporting personnel of the District due to the high cost of implementing the appropriate infrastructure and technology and employing sufficient in-house attorneys and staff with the level of experience and competence necessary to perform these activities.

e. Linebarger will be compensated on a contingent fee basis as provided in the Texas Tax Code Sections 6.30, 33.07, 33.08, 33.11, and 33.48. These Texas Tax Code sections specifically provide for an additional penalty on delinquent taxes to compensate collection attorneys. A contract to pay inside or outside attorneys on an hourly basis would represent an additional cost to the District.

f. Entering into the proposed agreement is in the best interests of the residents of the District because the delinquent taxes will be professionally and competently collected without the additional costs to the District of implementing infrastructure and technology, and employing in-house personnel or paying outside counsel on an hourly fee basis which would otherwise be required.

After discussion, the Motion was approved by a vote of 5 to 0.

13. **Consideration and action on Approving Agreement regarding Linebarger Goggan Blair & Sampson, LLP as being fully qualified as special counsel to perform all legal services necessary to collect unpaid delinquent ad valorem taxes as provided in the Section 6.30 of the Texas Tax Code.**

After review, Motion was made by Mr. **Stratman**, seconded by Mr. **Cyrus** to approve Agenda Item 13. After discussion, the Motion was approved by a vote of 5 to 0.

14. **Consideration and action to approve an Agreement for Tax Collection Services with Linebarger Goggan Blair & Sampson, LLP after having provided adequate notice as required by Section 2254.1036 of the Texas Government Code, and authorizing the Board President to execute said Agreement.**

After review, Motion was made by Mr. **Stratman**, seconded by Mr. **Cyrus** to approve Agenda Item 14. After discussion, the Motion was approved by a vote of 5 to 0.

15. To review and take action on imposition of additional penalty on delinquent District property taxes pursuant to Sections 6.30, 33.07, 33.08, 33.11, and 33.48, Tax Code, and adoption of a Resolution regarding same.

After review, Motion was made by Mr. **Stratman**, seconded by Mr.

Cyrus to approve Agenda Item 15, imposing additional penalties on delinquent District property taxes pursuant to Sections 6.30, 33.07, 33.08, 33.11, and 33.48, Tax Code. After discussion, the Motion was approved by a vote of 5 to 0.

6. Discuss and take action on a 2024 District ad valorem tax rate, including:

(a) Address the proposed 2024 tax rate.

Following review of the updated District tax rolls, the Board reviewed proposing a 2024 ad valorem tax rate. After review, Motion was made by Mr. **Brewer**, seconded by Ms. **Armstrong** to propose a 2024 District ad valorem tax rate of \$.10/\$100. After discussion, the Motion was approved by a vote of 5 to 0:

<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>
Satsky	None	None
Stratman		
Brewer		
Cyrus		
Armstrong		

(b) Schedule public meeting to vote to adopt 2024 tax rate.

Mr. Katz explained that the District can adopt a tax rate at a called meeting, following notice published in the newspaper. Mr. **Satsky** noted that previously the Board had discussed August 12 as a convenient day. Mr. Katz said that will work as long as the certified tax rolls are received in time for the required newspaper notice to run. After review, Motion was made by Mr. **Cyrus**, seconded by Mr. **Stratman** to schedule the public meeting to adopt the 2024 tax rate for August 12, at 7:00 p.m., at the fire station. After discussion, the Motion was approved by a vote of 5 to 0.

7. Review and take action on development of a District website and authorize engagement of an IT and website consultant to assist with same.

The Board addressed engaging an IT firm to design the website, develop, host, maintain and operate the District's website, including posting meeting notices, meeting minutes, tax notices, emergency services agreements, etc. Mr. **Stratman** delivered his report, and presented proposals. He said there are a few firms that work with emergency services districts and other local governments. Mr. **Stratman** said his recommendation is Infinity Services, LLC, and presented a contract. The Board reviewed the proposals. After review, Motion was made by Mr. **Stratman**, seconded by Mr. **Cyrus** to approve making a contract with Infinity Services, LLC for District website services. After discussion, the Motion was approved by a vote of 5 to 0.

8. **Approve designation of District bank depository.**

The Board addressed designating a District bank depository for the District checking account, plus other services. Mr. **Cyrus** delivered his report. He discussed the banks reviewed, and he said his recommendation was Amegy Bank. He said the bank can do a depository pledge agreement and other services unique to public funds and security. After review, Motion was made by Mr. **Cyrus**, seconded by Mr. **Stratman** to approve designating Amegy Bank as the District's bank depository. After discussion, the Motion was approved by a vote of 5 to 0.

9. **Receive a committee update regarding contracting with Fairchild Fire Department as the District emergency service provider, establish goals and terms of contracting and establishment of a committee and/or workshops to address relevant contract matters.**

This item was tabled for a later meeting.

10. **Approve research of an operations tax anticipation loan with pledge of 2024 tax revenue.**

The Board discussed any upcoming District financial matters and the upcoming needs of the Fairchild Fire Department. There was no action on this item.

11. **Review and take action on development of a District Records Management Program.**

Mr. Katz discussed the requirement under the Texas Local Government Code for the establishment of a Records Management Program, to set forth the controls, storage, destruction and management of the District's public records. He also explained that the District Secretary, Ms. Armstrong, would be the Records Management Officer, and District Counsel would serve as the District Records Liaison. After review, Motion was made by Ms. **Armstrong**, seconded by Mr. **Cyrus** to approve adoption of the Records Management Program, and designation of Commissioner Shelby Armstrong as the District Records Management Officer, and Mr. Katz as Records Liaison. Mr. Katz said he would forward the proper documentation to the Texas Library and Archives Commission. After discussion, the Motion was approved by a vote of 5 to 0.

17. **Schedule future regular and special District Board meetings and workshops.**

No action was taken under this Item.

18. **Discuss operating procedures and designation of Board member duties.**

Mr. **Satsky** handed out an outline of officer duties for review.

No action was taken under this Item

16. **Executive Session: The Board may retire to Executive Session any time after the meeting opens and prior to adjournment for the purpose of consultation with legal counsel pursuant to Chapter 551.071 of the Texas Government Code (or on matters which require confidentiality under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas), and/or discussion of real estate acquisition and matters pursuant to Chapter 551.072 of the Texas Government Code, and/or personnel matters pursuant to Chapter 551.074 of the Texas Government Code. Action, if any, will be taken in open session.**


Mr. Katz requested an executive session for consultation under

Chapter 551.071, Texas Government Code.

The Board entered executive session at 8:45.

The Board concluded executive session at 8:47.

There being no further business brought before the Board, upon Motion made the meeting adjourned at 8:48 P.M.



Secretary of the Board