

Village Fire Department  
Regular Board of Commissioners Meeting  
Tuesday, October 4, 2022  
Minutes

**Amended**  
**VILLAGE FIRE DEPARTMENT**  
**Special BOARD OF COMMISSIONERS MEETING**  
**MINUTES**  
**Tuesday, October 4, 2022, 6:00 P.M.**

Present & Voting Were:

City of Hilshire Village	Commissioner Ron Presswood, Chair
City of Hedwig Village	Commissioner Matt Woodruff, Vice-Chair
City of Bunker Hill Village	Commissioner Keith Brown, Treasurer
City of Piney Point Village	Commissioner Zebulun Nash, Secretary
City of Spring Valley Village	Commissioner Allen Carpenter, member
City of Hunters Creek	Commissioner Rob Adams, member

Present Were:

City of Bunker Hill Village	Alternate Clara Towsley
City of Piney Point Village	Alternate Aliza Dutt
City of Hunters Creek Village	Alternate Pat McClellan
Village Fire Department	David Foster, Fire Chief
Village Fire Department	Marlo Longoria, Administrator
Village Fire Department	Katherine Stuart, Administrative Specialist
Randle Law Firm	Brandon Morris, Attorney

Not Present:

City of Hedwig Village	Alternate Doug Bergen
City of Spring Valley	Alternate Bo Bothe
City of Hilshire Village	Alternate John Cooper

**2. COMMENTS FROM THE PUBLIC –**

- None

**3. CONSIDERATION OF AND POSSIBLE ACTION ON THE FOLLOWING –** The Board will discuss and consider possible action on the following:

**A. Funding of Significant Incident**

Commissioner Presswood stated that from the last meeting there was some discussion or concerns brought to us by the chief on funding significant incidents. We, as the villages support the fire chief and the fire department. The safety of the citizens and residents is paramount. During a significant incident, a major hurricane or house/apartment fire, the fire chief and department should need extra funds. It is important for the villages to support them. In 2022/2023 a precedence was built on the fact that historically the VFD was not supposed to have a contingency budget and if they need extra funds for an overrun line item the cities have a contingency for significant incidents. In 2020 and 2021 the Fire Department had to support the community through this unusual time, a pandemic. The need to overrun several line items; daily employee testing for Covid, protective gear, and the staffing of rescue 2 due to the increased call volume. The practice is to have a zero-based budget, so when the department knew the final total of the deficit, they presented it to the commission when the books were closed. Although the potential for the overrun was presented verbally it may not have been presented accurately to the cities.

The only reason the meeting was called is that we as cities must let the fire chief know we support him if there is a budget overrun for unexpected events, we are going to supply the fund because we have the contingency. I spoke with the mayor of Hilshire, and they are very supportive. If the fire department has a significant incident and needs extra funds the fire chief would be supported. The most important thing is the citizens of the villages. Commissioner Presswood asked that the commission have a round table for the issue.

The Fire chief stated that during the last commission meeting, the question was asked if the city did not approve the budget amendment for our overrun last year and asked our attorney what could happen. The attorney said if this was a corporation the employee could be fired, if this was a government, you would be breaking the law. This is the concern; the fire department (FD) does not want to break the law. If FD has a hurricane next week, we do not have enough overtime to make it through the rest of the year. The FD certainly does not have enough time to write a budget amendment and get it out to the commission and then to the six cities for approval. Therefore, I called to request this meeting.

Commissioner Woodruff stated that it is not a question or agenda on whether the cities support the citizens or the fire department, the question is how we fund it. A significant incident results in personnel costs we have an overtime budget and per the last financial statement we were given there remains 100K of unspent overtime. So, if there was a significant incident next week and the fire chief (FC) needed to call in an extra shift, he has 100k available in the OT fund. Now, if we had multiple hurricanes, it might be at some point say we ate a lot of overtime during that hurricane. Therefore, we are going to run out of overtime in mid-December. At that point, we would reach out to the cities with a budget amendment to anticipate a shortfall. It is the feeling of our city to support

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and provide the citizens and the fire department with the support they need in a significant incident. It is the thought of our city that the FD budget should budget a reasonable amount of funds for unexpected situations. He stated that the FD should have a legitimate budget that the commission provides to the cities so that we don't have to anticipate that the minute something goes wrong that requires the commission to ask the cities for more funding.

Commissioner Adams stated that he did not disagree with the statements from Commissioner Woodruff.

Continued discussion with alternate McClellan

Commissioner Presswood stated historically the Commission has always told the Fire Department that there is no need for a contingency, just go to the cities if the fire has a shortfall due to a significant incident.

Commissioner Carpenter stated that historically the commission has gone back to their respective cities and asked for what is needed. The fire department is on a lean budget, and they have never needed an operating reserve because the cities have an operating reserve. The Cities should have an excess of about 4 months of operating reserve. Spring Valley has never said we do not have the funds to give primary care to residents. To alleviate the cost of going back to the cities for the past few years the commission has used the EMS revenue. The EMS revenue has been used for the "needs" of the fire department. This FD is not asking for money because of frivolous spending, but for one emergency in particular staffing the second ambulance. Historically, this commission has told the chief do what you need to. The funding mechanism should be the contingency of the cities. If the commission wants to have a reserve for emergency funds, then we as the commission need to change it. The funds that FD is asking for are for an emergency not frivolous spending. The Commission asked for extra funds to staff the 2<sup>nd</sup> ambulance which was not in the budget and was not discretionary. The Chief asked at the time for commission direction on the increased volume and that staffing the 2<sup>nd</sup> ambulance would be his recommendation. The commission directed the fire chief to do what you need to do, and the commission would tell the council and the chief would keep the commission updated. The commission needs to collectively tell the Fire Chief whom I believe has the direction he has been receiving for the past 12 years that you do what you need to do to provide emergency services to the residents of the village and the community. We will figure out the funding mechanism. What he was asking for was non-discretionary and I think we need to give him the leeway to decide on the fly, he is not buying ping-pong tables, a helicopter, or a plane he is trying to pay for overtime or additional fuel. I don't think he needs to be hampered by a budget amendment. If the commission decides to make a contingency reserve. He has the authority to move forward with those as he sees fit under the direction of the fire commission in an emergency.

Attorney Brandon Morris, if a contingency reserve is built into the budget, it would be under the direction of the fire commission according to the interlocal agreement.

Alternate Dutt stated that Piney Point fully supports a contingency account and supports the fire chief in planning for an emergency incident.

Commissioner Brown stated that the commission has 14 months to address this perceived problem. It is not an emergency for the commission now. The Commission has had 2018 Harvey, a 3-year

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pandemic, and a freeze maybe the OT line item should be budgeted differently. There are a lot of ways to fix this issue.

Commission Presswood stated that the issue is not if we have money in the budget for overtime it is if there is a popup hurricane and an apartment fire and it exhausts the OT budget. The concern is that if between meetings and issue occurs and the OT budget is exhausted what does the fire chief do?

Commission Woodruff stated that the budget currently has 100k this can address a hurricane or a building.

Chief Foster stated that staffing an additional significant incident would exhaust our budget. The fire department has 63K in the budget and last month the fire department spent 43k in one month. I think if the department spends 20k in September, October, November, and December that is 80k we have wiped out the overtime budget. My concern is that if I come back to the cities and the FD overspent the budget I could be arrested. Therefore, the meeting was called, I just want to be assured that if there is a hurricane 100k in OT I will not be arrested or I will not be fired. The Randle law office has written a letter that states that this would not happen, but it has become a concern.

Commissioner Woodruff stated that if we are in the situation where we do not enough money in the budget to get through the next month there is a problem, we have an obligation of the commission to go back to the cities to seek an amendment not to spend the money and tell them later. If it is reasonably foreseeable and we are doing a run-rate every month. It is important to have a run rate in the budget and YTD run rate. The minute the commission sees an issue arise that moment the commission would take the budget amendment to the cities.

Commissioner Presswood stated that the problem is, we do not know what the number would be for the amendment. The department can ask for a budget amendment at the moment the line item is over, but it most likely will be incorrect. If there is a budget amendment after the budget has been zeroed out and the audit is complete. You have a more accurate account for the budget amendment. If the money is over then the money just goes back to the cities.

Commissioner Woodruff stated there is no sin in not spending all the money in the budget. If the budget is under that time the balance would roll over into the next year. This is a cash asset reducing the amount the cities are responsible for in the next year.

Commissioner Nash stated the commission cannot approve this and we would have to go back to the cities

Commissioner Woodruff stated we have a responsibility to provide an accurate budget to the cities and stated that he wanted to make it clear that he is not suggesting a contingency fund just to fund each line item appropriately. If the budget is a surplus the commission and the cities would collectively approve a budget amendment to reduce the next year's assessments.

Commission Presswood stated that is what was done, and the commission met several budget workshops and discussed significantly overtime. So, the issue isn't is the budget set up right, it is if there is an overrun. At the last meeting Chief was left thinking that if the shortfall in the budget, he would go to jail. Commissioner Woodruff stated he understood and that would not happen. The

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reason we met today was not to talk about the budget. We have the ability to talk about the budget next year 2024 that addresses all of these, we could even talk about the 2023 budget and issue more money if we think it necessary for overtime or whatever that hasn't been discussed. What happens if we walk out of this room and we get a popup hurricane, something else happens and he has to go spend the money and he spends over 60K, do we call a special meeting and try to get everyone involved.

Alternate Towsley stated that the commission needs to think about if it 60K or 80K the commission needs to ask the cities to create a reserve if the instance that something significant does happen and the FD need funds.

Commissioner Woodruff stated that it seems to me that the fire chief is requesting more money because there is not enough money in the OT budget for this year.

Chief Foster stated that we very carefully manage our budget. The amount spent extended past our forecasted amount on the budget because the position wasn't approved until August. That is why we spent more money in August than anticipated. We certainly have money in our salaries, about 84K in our salaries. At the end of the year, we always do a budget reconciliation. My concern is that if we have a hurricane with 64K I don't have time if there a hurricane 3-4 days out at the best to get everyone together and submit a budget amendment.

Commissioner Woodruff stated that it is understood and that is why the commission needs to fix this or fund the budget appropriately.

Commissioner Carpenter stated that he does not disagree with what Commissioner Woodruff is stating just the presentation seems to state that something was done wrong and that is what he disagrees with. It has been done this way because we, collectively as a commission, were directed that way and we directed the fire chief who works for the fire commission we directed him to do that. The budget is an estimate and incidents do occur that cause the budget to have an overage or surplus. Historically, the budget is skeleton and collectively that is what the villages said they wanted.

Mayor Pappas stated when did money ever come back? When we have ever had a dime that wasn't spent, tell me when something that is budget doesn't get spent. He also said that the EMS fund has become an emergency fund.

Commission Nash stated that the commission has recently used the ambulance to fund items. The Commission offers it back to the cities the cities have told us that they don't want the ambulance revenue sent back to them.

Mayor Pappas stated when in recent history has it ever come and not become a fund for emergency purposes.

Commission Nash stated 7 years ago the commission sent the money back.

Chief Foster stated that Mr. Smyers was on the commission, the department regularly sent money back to the cities and he got vocal that we were building too much money in our budget. We were budget-padding. That is when we began deducting 100K from our salaries because usually we have

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salary savings. When the department followed Mr. Smyers, former Bunker Hill commissioner, direction our budget became very tight and getting it where it is today. That is when that stopped. We do our budget; we look at how much Marlo is going to make next year and if she gets a pay increase and we have all those numbers for all employees. Mayor Pappas stated so does everyone else. The commission set the budget as everyone else does, so it is not like we are fiscally irresponsible. It is just very tight because historically that is the way the cities have requested.

Commissioner Nash stated when Mayor Pappas was on the commission this is when we started this, we work up the budget to the minutest detail and then we arbitrarily removed 100K out of the budget at the request of two former council members who did not like the fire department finishing the year underbudget. We have a very tight budget.

Commissioner Carpenter stated that for several years the commission has discussed the EMS revenue and if the funds should go back to the cities. The interlocal does not mandate whether the money should go back to the cities or what it should be used for it just simply stated that we are permitted to collect funds for the emergency services. Historically, it has been returned to the cities so rationally that makes sense. However, the commission has found other important issues that we have had to spend money on. Doing that we have not had a true reflection of what the FD really cost, so if we can keep that revenue and build that into the budget and not go back make amendments. This budget may give an actual impact we are having on the cities. The administrative overhead of requesting this to a make an amendment there is no value in. It has been used as an "emergency fund" according to Mayor Pappas, but the EMS revenue has prevented the cities from having to increase the assessments made to the FD.

Commissioner Carpenter and Commissioner Woodruff stated that the EMS revenue should be placed in the budget to offset the cost to the cities for budgeted line items.

Commissioner Presswood stated that if we continue the status quo this year and next year the way things have been done we really don't have to do anything. If an emergency arises the commission and FD would go back to the cities and request what is needed.

Attorney Morris stated that if an emergency comes up and it is foreseeable it goes back to the cities.

Commissioner Presswood states that if the FD gets a pop-up hurricane or significant incident and the 60K is spent. A discussion needs to occur at the next meeting to discuss these items. The Fire Chief needs to know that the commission supports him if something should happen, and the cities will find the funding mechanism. Looking forward, if the commission wants to start a contingency or discuss the EMS revenue going back to cities

Commissioner Carpenter stated that we are telling the chief that if a significant incident occurs "you do what you feel like you need to do to operate the fire department" in a contingency. The direction is to spend what you need to spend to operate this facility.

Commissioner Brown stated that if there is a significant incident and you overspend a category there is not a city that would not support you. The Commission will discuss at the next meeting a significant incident occurs.

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Chief Foster asked the three Mayors; Mayor Pappas, Mayor Lord, and Mayor Buesinger in the meeting, "Are we okay?" Mayor Pappas stated what we have always done, how long have you been here? Again, he asked how long have you been here? Chief Foster replied 12 years. Mayor Pappas stated what have you ever asked for that we haven't given you. Yes, you have the support.

Chief Foster stated he was ensuring that if he asked for additional funding, he would not go to jail. He also stated that we, the fire department, send the budget analysis every month to the cities so that they know where the FD is financially and then a discussion occurs in the Fire Commission meeting. The pandemic has caused the budget to be strained, however each line item is discussed.

Commissioner Carpenter stated the topic was funding a significant issue. He asked Chief David Foster; do you have a clear understanding of the direction of the commission that employees you that you can do in a significant incident and have your questions been answered?

Chief Foster stated yes.

Commissioner Carpenter asked for a motion to end the discussion; moved by Commissioner Presswood; seconded by commissioner Nash.

Commissioner(s) Woodruff, Brown, and Adams "ayes", "noes" none

4. **EXECUTIVE SESSION** – The Board of Commissioners will retire into Executive Session as authorized by Chapter 551; Texas Government Code, to discuss the following matters:

Commissioner Presswood asked for a motion to move into executive session at 6:52 p.m.

A. **Legal Implications Related to Funding of Significant Incidents**

5. **ACTION – CLOSED SESSION** – The Board of Directors will discuss and consider any actions necessary on items discussed in Executive Session

Commissioner Carpenter asked to pass on executive session no discussion will occur.

A. **Legal Implications Related to Funding of Significant Incidents**

6. **NEXT MEETING DATE**

October 26,2022

7. **ADJOURNMENT**

Commissioner Carpenter moved to adjourn at 06: 57 p.m. seconded by Commissioner Nash.

**MOTION CARRIED UNANIMOUSLY**

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Respectfully submitted.

Commissioner Ron Presswood, Chair

Attest:

Commissioner Zeb Nash, Secretary