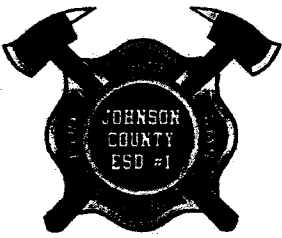


JAN 12 2015



JOHNSON COUNTY ESD #1

2451 SERVICE DRIVE
CLEBURNE, TEXAS 76033

January 5, 2015

Commissioners Court, County of Johnson
2 N. Main
Cleburne, Texas 76033

Honorable Roger Harmon
County Judge

This letter is respectfully submitted in compliance with the Health and Safety Code, Section 775.036 (a) (4) that each ESD Board should provide a written report not later than February 1 each year to the Commissioners Court regarding the District's budget, tax rate, and debt service for the preceding fiscal year.

ESD Annual Budget for FY2014

- Projected revenue: \$3,760,154
- Actual revenue collected: \$3,998,274
- Projected expenditures: \$3,598,033

A large portion of the ESD budget is designated for distribution to fire departments across the county, as they are providers of fire protection through contractual obligation with the ESD. As with any organization, personnel costs are also a large portion of the budget. The ESD's personnel costs include operation of the Dispatch Center, Administration, and Career Firefighters. We finished the budget year with a surplus. Surplus funds were transferred to reserves/fund balance

The tax rate for the ESD is \$0.060000/\$100. The ESD did exceed our effective tax rate by \$ 0.00057 but we did not exceed our rollback tax rate for FY2015. We currently have no plans to increase the tax rate. After several years of decreasing tax revenues, this is the first year in the last several that the ESD has seen a slight increase in tax revenue.

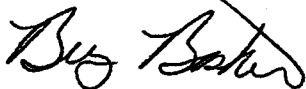
Our financial condition is excellent and we currently have no debt other than leases on two fire engines. The new station 83 in the northwest portion of the county was constructed with existing reserve funds.

Additionally, ESD accomplishments for 2014 are listed below for your information:

- A new Executive Director was hired for the ESD. Burney Baskett, a native of Johnson County, began work in March.
- Our Communications/Dispatch Center is now in its third year of operation. In 2014 it began dispatching for Cleburne Fire Department. We have had excellent feedback from their staff on this transition.
- Our Volunteer Staffing Plan (weekend staffing) which began in April 2012 continues to be successful with regard to providing increased service levels to citizens with reduced response times.
- Contract renewal for FY2015 with previous service providers for fire protection – disbursements to service providers were kept at the same level after several years of small reductions in order to compensate for a series of reductions of revenue/tax assessments.
- Annual audit of ESD finances submitted to Commissioners Court before mandated deadline.
- Established budget goals and forecast for FY2015 and Quarterly Budget Review process to ensure fiscal integrity.
- We formally transitioned to the 700mz radio system. This allows all fire departments in the county to talk to one another and makes us inter-operable with the region.
- Our Honor Guard participated in many local and regional activities.
- Opened Station 83 along the Chisholm Trail Parkway to serve the NW portion of the county.

I personally want to thank everyone in the county for the support and encouragement over the last year. It really made it special to "come home". The ESD appreciates its relationship with the Commissioners Court and will endeavor to enhance that relationship in 2015. If there are questions about anything within this letter, or anything else regarding ESD operations and practice, please let me know. I will be glad to report to a Commissioners Court meeting, or meet individually to discuss your concerns.

Sincerely,



Burney Baskett
Executive Director

cc: ESD Board