

FEB 10 2014



JOHNSON COUNTY ESD #1

2451 SERVICE DRIVE
CLEBURNE, TEXAS 76033

January 27, 2012

JAN 31 '14 4:58:28

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 the ESD Board should provide a written report not later than February 1 to the Commissioners Court regarding the District's budget, tax rate, and debt service for the preceding fiscal year.

ESD Annual Budget for FY2013-14

- Projected revenue: \$ 3,945,154 (Includes \$185,000 from reserves)
- Projected expenditures: \$ 3,945,154

ESD Revenue has fallen over \$900,000 over the last 4 years. The past three years the ESD had absorbed these reductions but for 2014, the ESD was forced to slightly reduce department funding. The reduction in service provider funding was even after ESD Commissioners voted to subsidize the budget by using \$185,000 from our reserve account. Since the ESD is not able to increase the tax rate without an election, funding continues to be a source of concern moving forward. This reduction in funding has forced the ESD to postpone several strategic initiatives until funding levels can be restored. ESD Commissioners are evaluating all available options for restoring revenue to pre-recession levels. 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, office administration, as well as two full-time firefighter/engine crews.

The tax rate for the ESD is \$0.060000/\$100. The ESD did not exceed our effective tax rate or our rollback tax rate for FY2014.

Our financial condition is solid and we currently have no debt, nor did we have any debt in FY2013.

Additionally, ESD accomplishments for 2013 are listed below for your information:

- The ESD began transitioning to the new county 700 radio systems. The first phase is completed with the purchase 156 handheld radios along with upgrading our dispatch equipment for this new system.
- The ESD executed contracts with the sixteen service providers to provide Fire/EMS first responder services to the citizens of our county.
- The ESD expanded EMS training with delivery of most classed at individual fire departments on their meeting nights.
- The ESD built and opened Station 83, a new ESD Volunteer Fire Station at CR 913 and Hwy 121. This station was strategically positioned to handle the 121 growth corridor. This station also housed ESD staffed Engine 290 which operates Monday through Friday.
- Purchased a Fire Engine and Brush truck for Station 83.
- Expanded weekend staffing plans for volunteer departments for Friday, Saturday and Sunday with 50% of the departments in the ESD staffed up on any given weekend.
- Obtained our secondary PSAP and upgraded all 911 interfaces and systems for the ESD Dispatch Center.
- Continued to try and position Johnson County for the adoption of a Regional Dispatch Center; working with other stakeholders to explore all options.
- Keene Fire Department elected to move all fire dispatch operation including EMD dispatching to Johnson County ESD.
- Entered formal negotiations with the City of Cleburne for dispatching services for Cleburne fire operations. An interlocal agreement has now been signed and the ESD will be beginning dispatching Cleburne fire as of February 5, 2014.
- ESD call volume continues to grow. In 2013, the ESD handled 9,871 calls.
- We are currently in the search process for a new Executive Director as a result of the resignation of Mike Johnston.

Thank you for your support and encouragement over the last year. The ESD appreciates its relationship with the Commissioners Court and will endeavor to enhance that relationship in 2014. 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,



Jack Watson, President
Keith Kelly, Secretary Treasurer