

**SOUTHWEST LEON COUNTY
EMERGENCY SERVICES DISTRICT NO.2
2022 ANNUAL REPORT**

Presented to:

LEON COUNTY COMMISSIONERS COURT

January 17, 2023

The purpose of this report is to provide the Leon County Commissioners Court with an overview of the operations of Southwest Leon County Emergency Services District (ESD) No. 2 during the calendar year 2022.

OFFICERS:

2022 ESD No. 2 Commissioners (Current Term):

Hank Dembosky – President (01/2022-12/2023)
Ruth Hime – Vice-President (01/2021-12/2022)
Claren Kotrla – Secretary (10/2021-12/2022)
Tiffani McKinney - Treasurer (01/2022-12/2023)
Janey Shannon – Asst. Treasurer (01/2021-12/2022)

PROPERTY TAX RATE AND VALUE:

Current Tax Rate = \$0.10/\$100.00

2022 Net Taxable Property Value = \$309,600,400
(Up \$39,566,100 from 2021)

INITIATIVES & ACCOMPLISHMENTS:

1. This year the ESD renewed its contract with the Hilltop Lakes Volunteer Fire Department/Emergency Medical Services in the amount of \$255,000.00. This is a 16% increase over the previous year but is less than half of their VFD/EMS budget. While we were able to close this gap by keeping operating expenses down to only 9.6% of the total ESD property tax budget, it is through the continued use of EMS and other personnel as Security Officers that has made it possible for the Fire Department to provide full 7/24 emergency services to the community.
2. The major effort during the past year was having a measure on the ballot of the 11/08/22 election, requesting voter approval to levy a 1.5% Sales and Use Tax on goods and services in the ESD. The rationale was to take advantage of the large number of online packages that are delivered within the ESD. Our research showed that many of these online orders were charged a higher sales tax (8%) than what should be charged (6.75%). Voter turnout was large (70+%) and the measure passed handily, 849 to 156. A byproduct of the effort was to raise community awareness about the financial position and needs of the ESD. This continued when we addressed the community at the annual meeting of the Hilltop Lakes Property Owners Association.
3. Through the efforts of Commissioner Ruth Hime, the ESD was able to acquire bunker gear to equip our volunteer firefighters. In December, Ruth completed her 10th year of service as an ESD commissioner. We have reaped the benefit of her initiative, leadership, and consul. She will be missed.

AUDITED FINANCIAL STATEMENTS:

This year, ESD No. 2 again engaged the services of Breedlove & Co., P.C., of Spring, TX, to conduct the audit of the 2021-2022 financial statements. We received an unqualified (clean) opinion on the fair representation, in all material respects, of its statement on financial position and operations for the fiscal year ended September 30, 2022. The audited financials, which include the Independent Auditor's opinion, accompany this report.

CHALLENGES FACING ESD NO.2

While we expect to see returns from the sales tax election by midyear, the income will not come close to bridging the funding gap that we need. By now, the Pecan Prairie Solar Plant should have been operational, but it has yet to break ground. Our request for ARPA funds was rejected by the county. Every day we run the risk of interrupted EMS service, due to the age (23+ years) of our ambulance/MICU. The ESD still encourages community residents to donate on their monthly water bill. The Security Service has been working well and providing about a third of the funds needed, but this only helps the EMS stay operational 24/7. We are desperately searching for funding to replace the aged ambulance, and a broken-down 30+ year old fire engine. Sadly, even if we had the money today, there's over a two-year waiting period to get new equipment. Replacing non-working capital equipment is our greatest challenge and most serious risk to the community we serve.

QUESTIONS:

Questions regarding this report may be referred to me by phone or email. (512-789-8745 or hdembosky@aol.com)

Respectfully Submitted,

Hank Dembosky, President
Southwest Leon County ESD No.2