

**SOUTHWEST LEON COUNTY
EMERGENCY SERVICES DISTRICT NO.2
2024 ANNUAL REPORT**

Presented to:

LEON COUNTY COMMISSIONERS COURT

December 30, 2024

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 2024.

OFFICERS:

2024 ESD No. 2 Commissioners (Current Terms):

Hank Dembosky – President (01/2024-12/2025)

Skip Smith – Vice-President (01/2022-12/2024)

Judy Bryant – Secretary (01/2023-12/2024)

Colleen Majoue - Treasurer (01/2024-12/2025)

Claren Kotrla – Asst. Treasurer (01/2023-12/2024)

All Commissioners are current with required training and CEU's.

PROPERTY TAX and SALES TAX RATE AND VALUE:

Current Property Tax Rate = \$0.1000/\$100.00 (an increase from 2023 to the maximum allowed)

2024 Net Taxable Property Value = \$ 346,350,126 (Up only \$61,706 from 2023)

Sales Tax Rate = 1.500%

2024 Sales Tax revenue received from the Comptroller's Office = \$105,097

INITIATIVES & ACCOMPLISHMENTS:

1. This year the ESD renewed its contract with the Hilltop Lakes Volunteer Fire Department/Emergency Medical Services (HTL VFD/EMS) in the amount of \$310,000.00, a \$20,000 increase over the previous year. This is a 7% increase over the previous year but only 58% of their VFD/EMS budget. While we were able to close this gap by keeping operating expenses down to only 10.5% of the total ESD property tax budget, it is only 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. It should be noted that the Security contract between the HTL VFD/EMS and the HTL POA ended 5/2024. They anticipate beginning 2025 with a \$80,000 shortage. Between their reserved and ours, we anticipate no loss of service.
2. The ESD continues to benefit from the 1.5% Sales and Use Tax which District voters overwhelmingly approved in 2022. During 2024, over \$100,000 has been received, well exceeding expectations. In June the Board voted to amend the HTL VFD/EMS contract that allowed them to purchase a brand-new ambulance through a 5-yr. loan that the ESD makes the monthly payments on.
3. Last year, the Board of Commissioners encouraged the development of a FEMA Community Emergency Resource Team (CERT). This year, two additional trainings were held, and Leon County CERT – Hilltop Lakes Chapter, participated in numerous activities within and outside the District, increasing name recognition. Two ESD commissioners (Smith and Dembosky) are members. CERT is planning additional trainings and activities for 2025.
4. Changes are anticipated with major commercial projects now beginning in the District. Developments such as the solar farm and battery storage facility hope to bring increased appraised property values to the ESD. If so, then more funding for the VFD/EMS will result. However, they will also bring a significant amount of congestion to the area due to an

increase in construction traffic on local roadways and additional residents into the District during the construction period. The increase in activity, plus the new technology being built, will bring added risk to all first responders in the District. The ESD is actively working with the developers and our fellow ESDs on training and planning to mitigate the risks to our first responders with these new projects.

Budget

The approved budgets for FY2023/2024 and 2024/2025 can be found in Exhibit A.

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 2023-2024 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, 2024. The audited financials, which include the Independent Auditor's opinion, accompany this report.

CHALLENGES FACING ESD NO.2

Even with increased property tax revenues, income will not come close to bridging the funding gap that we need. We may be two years away from seeing the increased revenues promised from the solar plant, longer for battery storage. When the Hilltop Lakes POA ended the security contract with the VFD/EMS in May, an important funding source for them was lost. Still the ESD expects to keep Fire and EMS operating 24 x 7. That is because board members cover many operational costs themselves and only spend money on what is mandated. The same is true for the HTL VFD/EMS board. The ESD still encourages community residents to donate on their monthly water bill and has increased how we communicate with District residents (see Exhibit B) at no additional costs. Along with the risks associated with the proposed construction activities stated above, replacing non-working capital equipment remains 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

Website: <https://www.safe-d.org/southwest-leon-county-emergency-services-district-no-2/>

EXHIBIT A
FY 2024-2025 Approved Budget
Southwest Leon County Emergency Services District No. 2

Operating Expense	FY 23/24	FY 24/25
Advertising – Normangee Star	220	225
Appraisal District Fees – Leon Co.	7,500	10,000
Tax Assessor Fees – Leon Co.	3,250	3,500
Filing Fees, County Clerk – Leon Co.	110	75
Background Checks – HTL/VFD	55	75
Bank Charges	60	100
Dues & Subscriptions – SAFE-D	350	350
Dues & Subscriptions – Other	0	100
Insurance – Liability & Workers Comp	2,200	2,300
Legal & Professional Fees – TCLF	7,500	7,500
Legal & Professional Fees – Audit	5,000	5,250
Office Expenses	200	250
Office Expenses – Postage & Box Rental	200	125
Office Expenses – QuickBooks	400	800
Supplies	100	100
Office Expenses – laptop, printer	0	1,350
Training SAFE-D Conference @ \$750/ea.	4,000	4,000
Travel – Mileage (at State Rate)	0	250
Total ESD Operating Expense	31,145	36,350
HTL VFD/EMS Contract	290,000	310,000
TOTAL	\$ 321,145	\$ 346,350

FY 24/25 Fiscal Year = October 2023 thru September 2024

FY 24/25 Projected Income vs Expenses

Property Tax Income (LCAD Certified Roll)	\$346,350
Property Tax Expenses	\$346,350
Net Income	0

Sales Tax Income	\$55,000
Sales Tax Expenses (Ambulance Payments)	\$45,876
Net Income	\$ 9,124
Other Income	
Gartland PILOT	\$8,500
Bank Account Interest	\$5,500
Net Income	\$14,000

Projected TOTAL NET INCOME for FY 24/25 = \$23,124

EXHIBIT B

Southwest Leon County Emergency Services District No.2

What's an Emergency Services District? Your ESD is a Unit of Government, established by the State of Texas. Our sole purpose is to provide Fire and Emergency Medical Services to the people in our District. The District includes all of Hilltop Lakes, plus it stretches south to Wealthy, west to the Navasota River, north to Vanetia, and east about halfway to Flynn. The District covers over 80 square miles.

The ESD is funded by your property taxes ... \$100 per \$100,000 value. If you own a \$300,000 home, then you provide \$300 to the ESD. That's less than \$1 a day for 7 by 24 Fire and Emergency Medical Services. In 2022, our voters approved a sales tax. Hilltop now has a brand-new ambulance because of it.

The ESD does not provide the services. We contract with the Hilltop Lakes Volunteer Fire and Emergency Medical Services. Their Board of Directors, the all-Volunteer Fire Staff, along with the EMS paramedics and technicians, operate the fire station that provides us all with the highest level of service. They do a fantastic job!

And that is not easy, because tax funding only provides a little over half of what is needed to run our Fire and EMS. The rest comes from ambulance insurance revenue, grants, fundraising, and donations that y'all give through the Water Department. The POA maintenance fees you pay do not pay for the Fire and EMS services.

Both the ESD Board of Commissioners and the Fire/EMS Board of Directors are all volunteers. The firefighters are all volunteers. We're your neighbors. Y'all can sleep well at night, knowing that an ambulance or fire truck is only minutes away.

2024 ESD Officers

President	Hank Dembosky	512-789-8745	hdembosky@aol.com
Vice-Pres.	Skip Smith	214-356-5394	wfskip2013@gmail.com
Treasurer	Colleen Majoue	713-818-4583	colwog@sbcglobal.net
Secretary	Judy Bryant	936-245-2323	judyb1001@hotmail.com
Asst Treas.	Claren Kotrla	979-220-3568	kotrla@flash.net

Website: <https://www.safe-d.org/southwest-leon-county-emergency-services-district-no-2/>

The ESD meets on the 3rd Tuesday of the month at 6pm at the Fire Station.