

# Operating Expenses Analysis

## Other ESD(Not Ector)

### Personnel Costs

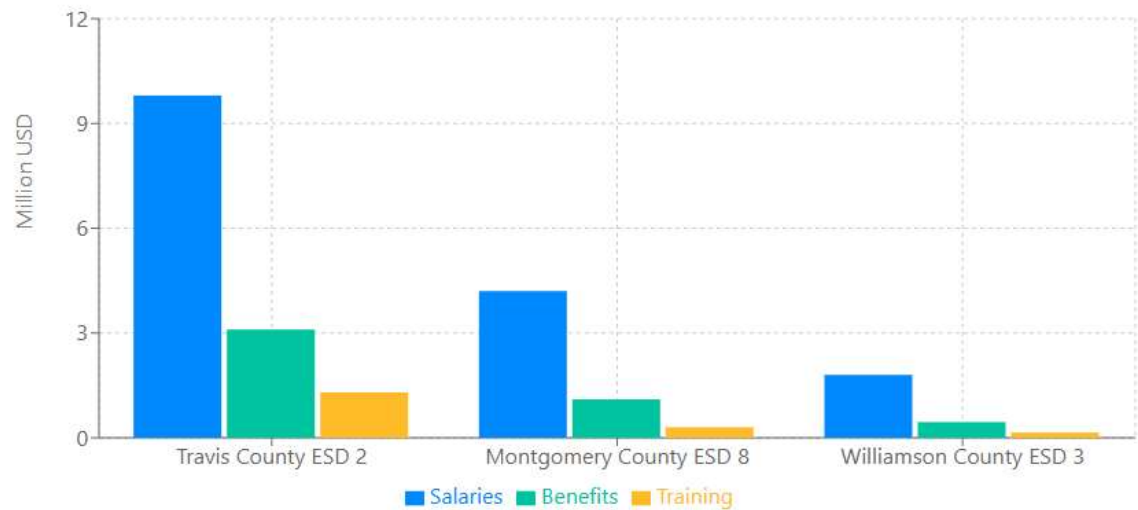
- Travis County ESD No. 2: \$14.2M (71% of district budget)
- Montgomery County ESD No. 8: \$5.6M (70% of district budget)

### Personnel costs breakdown:

**Salaries: 72%, Benefits: 21%, Training: 7%**

<u>Travis County ESD No. 2</u>	<u>Montgomery County ESD No. 8</u>
<ul style="list-style-type: none"><li>•13,029 calls in 2023</li><li>•68 years operation</li><li>•ISO Class Rating 1</li></ul>	<ul style="list-style-type: none"><li>•7,672 calls in 2023</li><li>•46 years operation</li><li>•ISO Class Rating 1</li></ul>

Personnel Costs by Category (Millions USD)

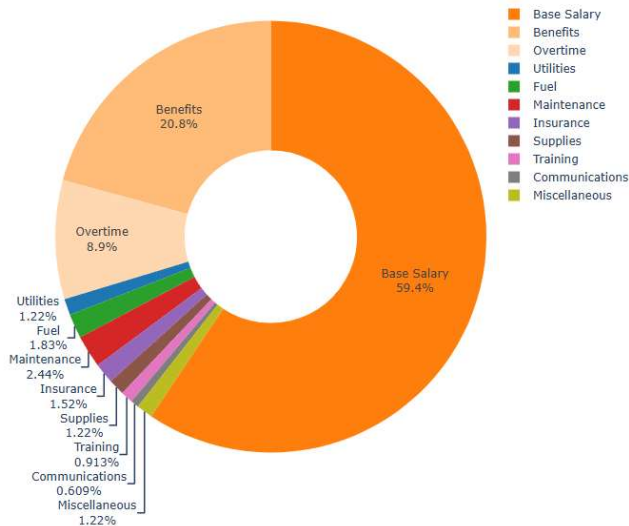


# From Original Feasibility Study

## Developed in February 2025

### Total Costs Per Station:

- Initial Capital Investment: \$9,207,000.00
- Annual Operating Cost: \$1,626,000.00
- Annual Staffing Cost: \$2,029,266.00
- Total Annual Cost Per Station: \$3,655,266.00



### Additional Future Revenue

The Oxy 1pointFive plant currently is operating under a 313 abatement but that facility will have a property value of roughly 2 billion dollars in 2045 when the abatement period expires that will allow the ESD to generate extra revenue without any other new properties being applied to Ector County. This will be an additional \$2 million a year in revenue that the ESD can leverage from a non-residential paying revenue generator.

**Schedule B - Estimated Market And Taxable Value (of Qualified Property Only)**

Date: 4/19/2022  
Applicant Name: 1PointFive P1, LLC  
ISD Name: Ector County ISD

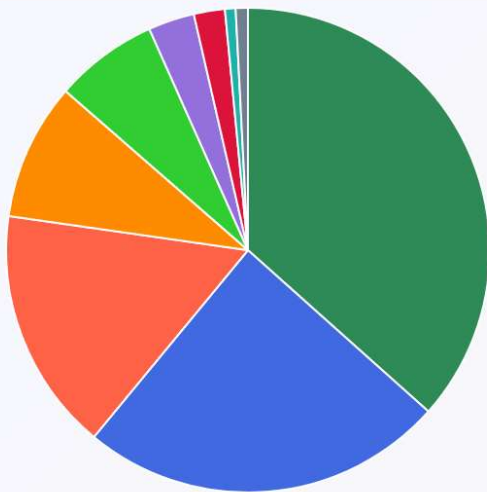
Form 50-296A  
Revised October, 2020

Year	Subst Year (YYYY-YYYY)	Tax Year (FY in actual use, YYYY)	Qualified Property		Estimated Market Value		Estimated Taxable Value	
			Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Market Value less any exemptions (based on the new assessment)	Market Value less any exemptions (based on the new assessment)	Final taxable value for 600 after all reductions	Final taxable value for 600 after all reductions
0	2022-2023	2022	\$0	\$0	\$0	\$0	\$0	\$0
1	2023-2024	2023	\$0	\$0	\$0	\$0	\$0	\$0
2	2024-2025	2024	\$0	\$0	\$0	\$0	\$0	\$0
3	2025-2026	2025	\$0	\$0	\$0	\$0	\$0	\$0
4	2026-2027	2026	\$0	\$0	\$0	\$0	\$0	\$0
5	2027-2028	2027	\$0	\$0	\$0	\$0	\$0	\$0
6	2028-2029	2028	\$0	\$0	\$0	\$0	\$0	\$0
7	2029-2030	2029	\$0	\$0	\$0	\$0	\$0	\$0
8	2030-2031	2030	\$0	\$6,076,000	\$28,924,000	\$2,100,000	\$32,900,000	\$35,000,000
9	2031-2032	2031	\$0	\$20,961,831	\$28,786,519	\$7,244,907	\$113,503,543	\$120,748,450
10	2032-2033	2032	\$0	\$182,323,229	\$9,529,471	\$66,471,162	\$1,041,381,538	\$1,107,852,700
11	2033-2034	2033	\$0	\$342,221,091	\$1,620,098,559	\$118,279,179	\$1,853,040,471	\$1,971,319,650



This would be a consideration of the board based on growth needs. Typically the growth trend is inline with the service needs and total property values should track towards a positive funding but the outlier referenced above should be considered as a potential hurdle that would require a possible voter approved increase above the \$0.05 per \$100 value for ESD 1 and 2.

# Single Station Capital Expenditures



■ Ladder Truck: \$1.8M ■ Fire Engine: \$1.2M ■ Rescue Vehicle: \$800K ■ Type 1 Ambulance: \$450K ■ PPE: \$340K  
■ Communications: \$152K ■ Medical Equipment: \$102K ■ Extrication Tools: \$35K ■ Station Alerting: \$40K

Fire Engine  
**\$1,200,000**

Rescue Vehicle  
**\$800,000**

Personal Protective  
Equipment  
**\$340,000**

Ladder Truck  
**\$1,800,000**

Medical Equipment (per  
ambulance)  
**\$102,000**

Extrication Tools (per rescue)  
**\$35,000**

Type 1 Ambulance  
**\$450,000**

Communications Equipment  
**\$152,000**

Station Alerting Systems  
**\$40,000**

Total Equipment Cost

**\$4,919,000**

# Year One Expense Projections

## CAPITAL EXPENSES (DEBT FINANCED Year 1)

Equipment/Facility	Quantity	Unit Cost	Total Cost
<b>EMERGENCY VEHICLES</b>			
Fire Engines	2	\$1,200,000	\$2,400,000
Ladder Truck	1	\$1,800,000	\$1,800,000
Type 1 Ambulances	4	\$450,000	\$1,800,000
Rescue Vehicles	4	\$800,000	\$3,200,000
<b>Vehicle Subtotal</b>			<b>\$9,200,000</b>
<b>TOTAL CAPITAL EXPENSES ESD #1</b>			<b>\$7,400,000</b>
<b>TOTAL CAPITAL EXPENSES ESD #2</b>			<b>\$1,800,000</b>
<b>EQUIPMENT</b>			
Medical Equipment (per ambulance)	4	\$102,000	\$408,000
Communications Equipment	1	\$152,000	\$152,000
Personal Protective Equipment	1	\$340,000	\$340,000
Extrication Tools (per rescue)	4	\$35,000	\$140,000
Station Alerting Systems	3	\$40,000	\$120,000
<b>Equipment Subtotal</b>			<b>\$1,160,000</b>
<b>TOTAL EQUIPMENT ESD #1</b>			<b>\$616,000</b>
<b>TOTAL EQUIPMENT ESD #2</b>			<b>\$544,000</b>
<b>STATION DEVELOPMENT - 5 YEAR PLAN</b>			
Station 1 -	1	\$5,000,000	\$5,000,000
Station 2 -	1	\$5,000,000	\$5,000,000
Land Acquisition (3 sites)	2	\$200,000	\$400,000
Site Preparation & Utilities	2	\$150,000	\$300,000
<b>Station Development Subtotal</b>			<b>\$10,700,000</b>
<b>Station Development Subtotal ESD #1</b>			<b>\$5,350,000</b>
<b>Station Development Subtotal ESD #2</b>			<b>\$5,350,000</b>
<b>TOTAL CAPITAL EXPENSES</b>			<b>\$21,060,000</b>
<b>TOTAL CAPITAL EXPENSES ESD #1</b>			<b>\$13,366,000</b>
<b>TOTAL CAPITAL EXPENSES ESD #2</b>			<b>\$7,694,000</b>

<b>OPERATING EXPENSES</b>			Professional Services Subtotal	\$488,973
<b>Account</b>	<b>Description</b>	<b>Amount</b>	<b>PUBLIC OUTREACH</b>	
<b>SERVICE CONTRACT</b>			Advertising	\$1,000
	Odessa Fire Rescue Contract #1(Fire)	\$1,500,000	Public Relations	\$3,000
	Odessa Fire Rescue Contract #2(EMS)	\$1,500,000	Community Outreach: CPR & First Aid	\$5,000
	Volunteer Service Contract	\$500,000	<b>Public Outreach Subtotal</b>	<b>\$9,000</b>
	Mutual Aid	\$100,000		
	<b>Service Contract Subtotal</b>	<b>\$3,600,000</b>	<b>ADMINISTRATIVE TRAINING</b>	
			Admin Training	\$20,000
<b>PERSONNEL COSTS</b>			<b>OTHER OPERATING COSTS</b>	
	ESD Administrator	\$85,000	Miscellaneous Expense	\$500
	Administrative Assistant	\$55,000	Projects	\$25,000
	Finance Officer	\$65,000	Office Rent & Utilities	\$60,000
	Benefits (25% of salaries)	\$71,750	Office Supplies & Equipment	\$15,000
	<b>Personnel Subtotal</b>	<b>\$276,750</b>	<b>Other Operating Costs Subtotal</b>	<b>\$100,500</b>
<b>TECHNOLOGY &amp; COMMUNICATIONS</b>			<b>Training &amp; Certifications</b>	
	Software Purchases/License	\$1,700	Recruit Academy	\$225,000
	Data Backup Services	\$2,000	EMT Cert	\$45,000
	Fleet Software	\$4,000	Annual Recert	\$40,000
	KPI/System Status Software (Darkhorse)	\$10,000	Conferences	20000
	Remote Support	\$1,200	<b>Training &amp; Certifications Subtotal</b>	<b>\$330,000</b>
	System Management Software	\$2,000		
	Web Services (SSL, DNS, Domain)	\$850	<b>Fleet Maintenance</b>	
	Endpoint Protection Software	\$3,000	Outside Repairs	50000
	Technology Projects	\$10,000	<b>Training &amp; Certifications Subtotal</b>	<b>\$50,000</b>
	ERP and Payroll	\$3,000		
	Policy/Document Management Software	\$4,000	<b>INSURANCE AND RISK MANAGEMENT</b>	
	<b>Technology Subtotal</b>	<b>\$41,750</b>	General Liability	150000
<b>PROFESSIONAL SERVICES</b>			Workers Comp	36000
	Audit	\$30,000	Property Insurance	50000
	Legal	\$150,000	Vehicle Insurance	120000
	Background Checks	\$500	Professional Liabilities	50000
	Bank Charges	\$1,500	Risk Management	25000
	Consulting Services	\$200,000		
	Cell Service	\$4,000	<b>GRANTS AND ALTERNATIVE REVENUE</b>	
	Appraisal District Fees	\$77,973	Grant Writer Salary	75000
	State Sales Tax Collection Fees	\$0		
	Bookkeeping Fees	\$25,000	<b>FACILITY MAINT</b>	
			Janitorial Services	16000
			General Maint	15000
			<b>Facility Main Subtotal</b>	<b>31000</b>
			<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,453,973.00</b>
			<b>TOTAL OPERATING EXPENSES ESD #1</b>	<b>\$ 2,504,486.50</b>
			<b>TOTAL OPERATING EXPENSES ESD #2</b>	<b>\$ 2,949,486.50</b>

# Taxable Value Impact Analysis

Original Taxable Value

**\$10.9B**

New Taxable Value

**\$6.4B**



Value Lost

**\$4.5B**



Percent Lost

**41.3%**

## Tax Rate Scenario Analysis

Original Tax Rate:		<b>\$0.10 per \$100</b>
Original Annual Revenue:		<b>\$10.9 million</b>
New Revenue at \$0.10:	<b>\$6.4 million</b>	<b>-41.3%</b>

### Required Tax Rate to Maintain Revenue:

**\$0.170 per \$100**

\*\*\*This represents a **70% increase** in the tax rate to maintain the baseline of the original feasibility study\*\*\*



**Scenario 1: Both ESDs at \$0.05 per \$100 (Total: \$0.10 per \$100)**

Lower Income (25th percentile)

**\$51 annually**

Median Income (50th percentile)

**\$112 annually**

"Average" (Mean)

**\$144 annually**

ESD #1: \$0.05 + ESD #2: \$0.05 = Total \$0.10 per \$100

**Scenario 2: Both ESDs at \$0.10 per \$100 (Total: \$0.20 per \$100)**

Lower Income (25th percentile)

**\$102 annually**

Median Income (50th percentile)

**\$224 annually**

"Average" (Mean)

**\$288 annually**

ESD #1: \$0.10 + ESD #2: \$0.10 = Total \$0.20 per \$100

Lower 25<sup>th</sup> Percentile

**\$51,000**

Median (Middle)

**\$112,013**

Mean (Average)

**\$143,816**

# Fire & EMS Service Analysis - 2024

ETJ Boundary Impact on Call Volume and Tax Revenue



## Fire Department Calls

Inside ETJ

804

Outside ETJ

233



Inside ETJ Outside ETJ

77.5% of fire calls are inside ETJ



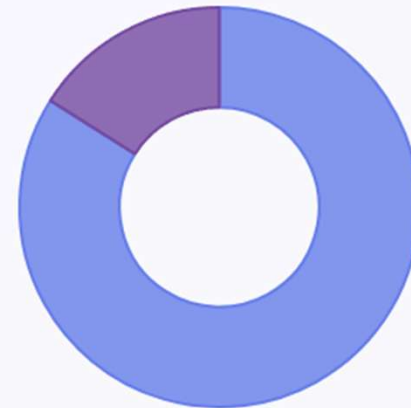
## EMS Calls

Inside ETJ

3,949

Outside ETJ

755

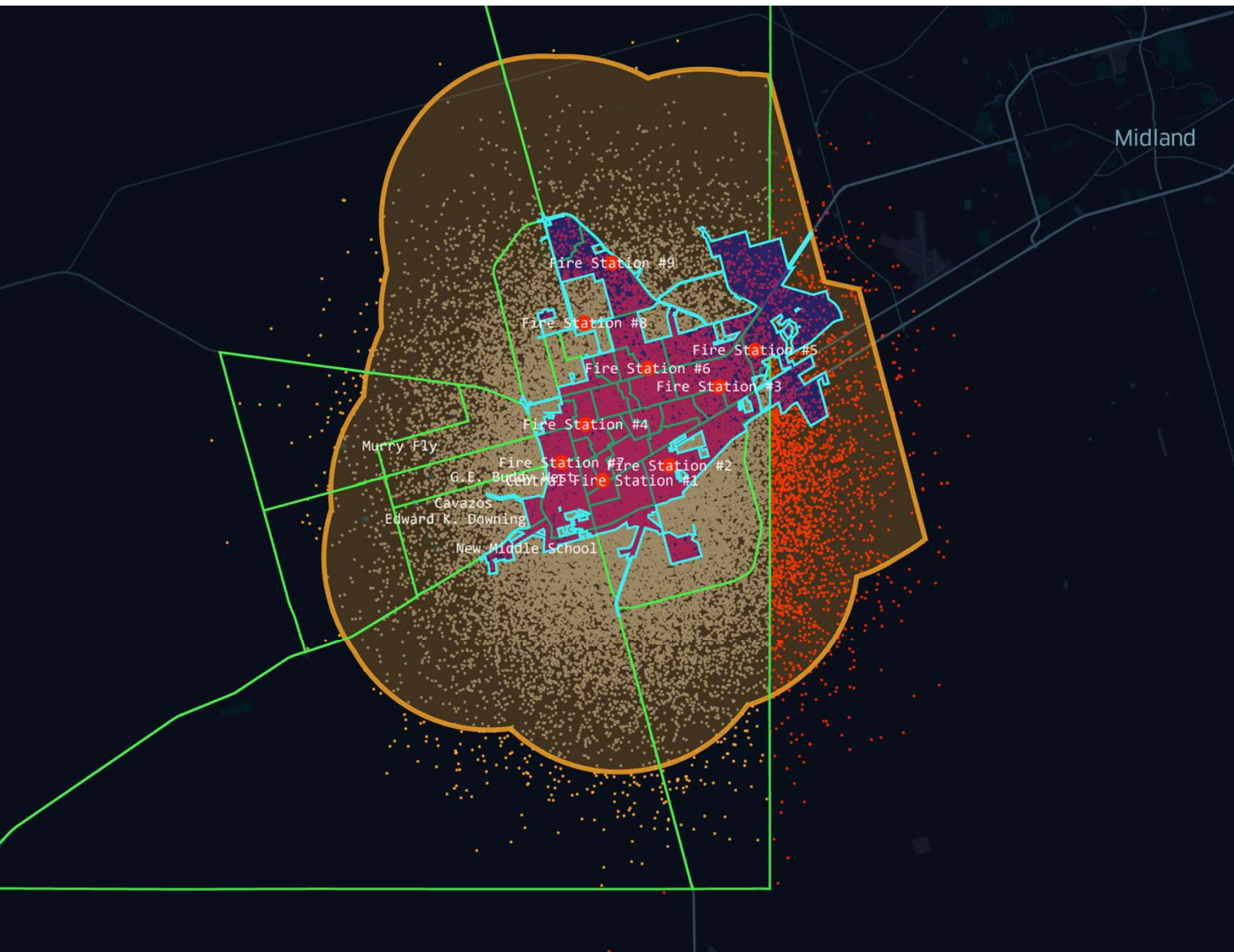


Inside ETJ Outside ETJ

84.0% of EMS calls are inside ETJ

Despite losing 41.3% of taxable value from areas outside the ETJ, **81.7% of all service calls** (5,741 out of 7,033 total calls) still occur within the ETJ boundaries. This means the remaining taxable base must support nearly the same service demand with significantly less revenue capacity.





**≠** Value Lost  
**\$4.5B**

**↓** Percent Lost  
**41.3%**

Lower 25<sup>th</sup> Percentile  
**\$51,000**

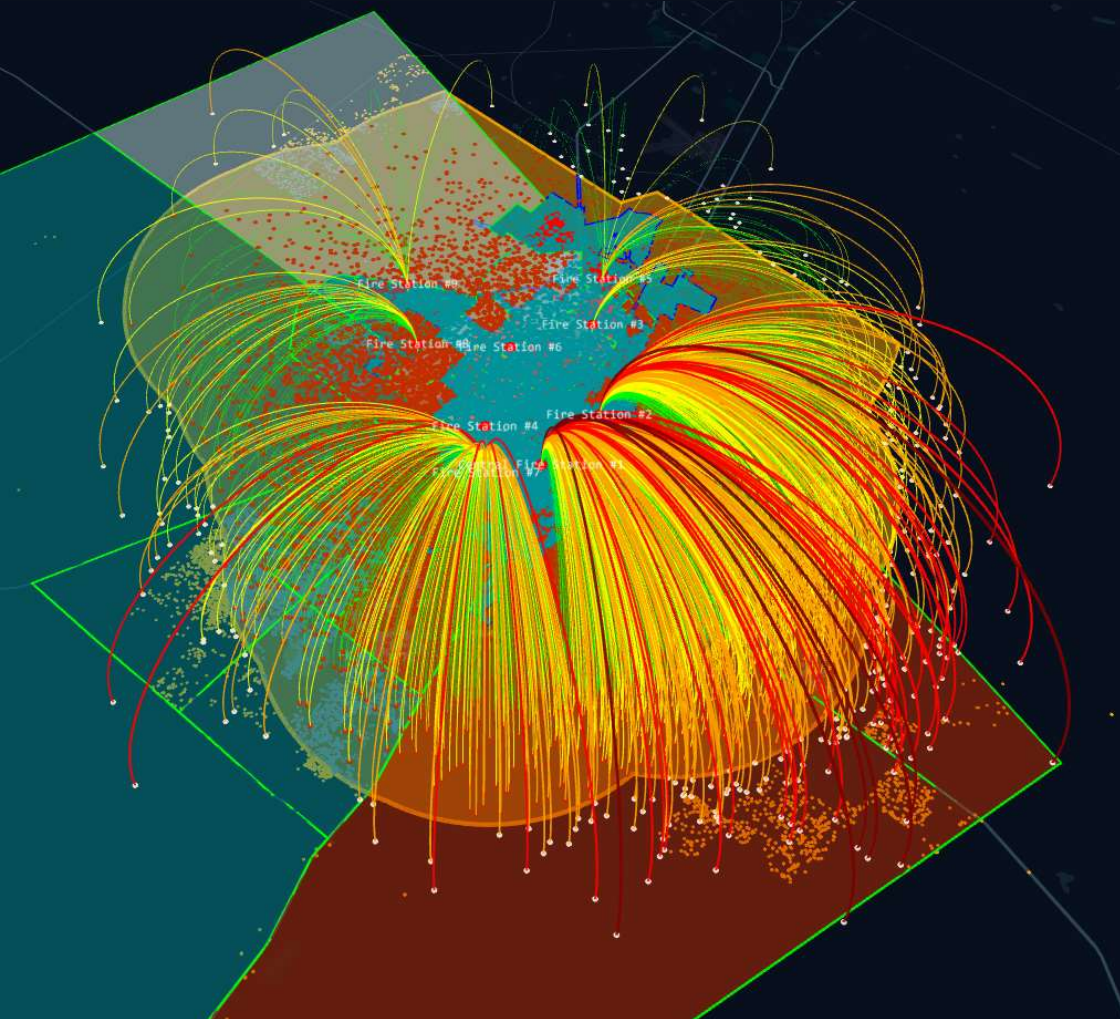


Median (Middle)  
**\$112,013**

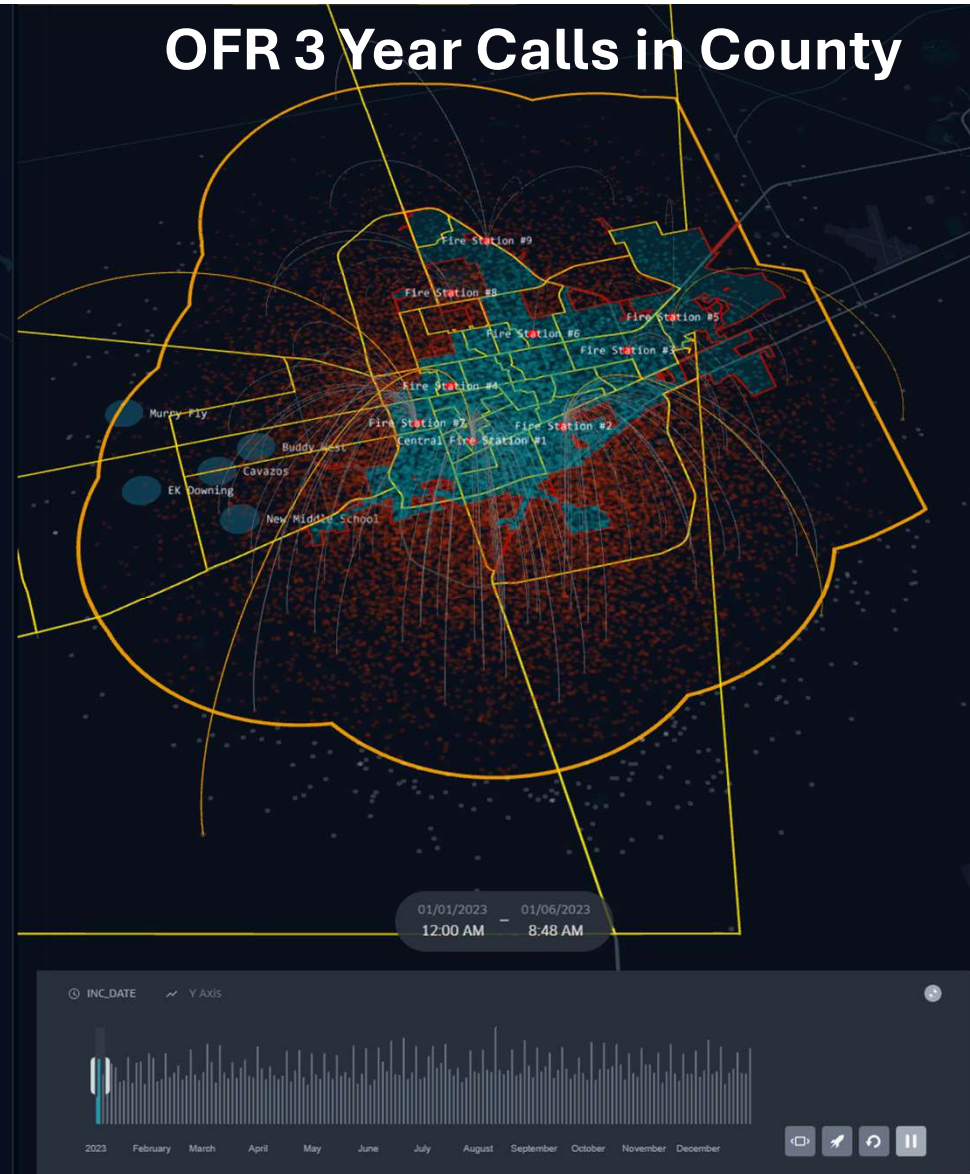


Mean (Average)  
**\$143,816**

## OFR Response With Drive Time Greater Than 12 Minutes



## OFR 3 Year Calls in County





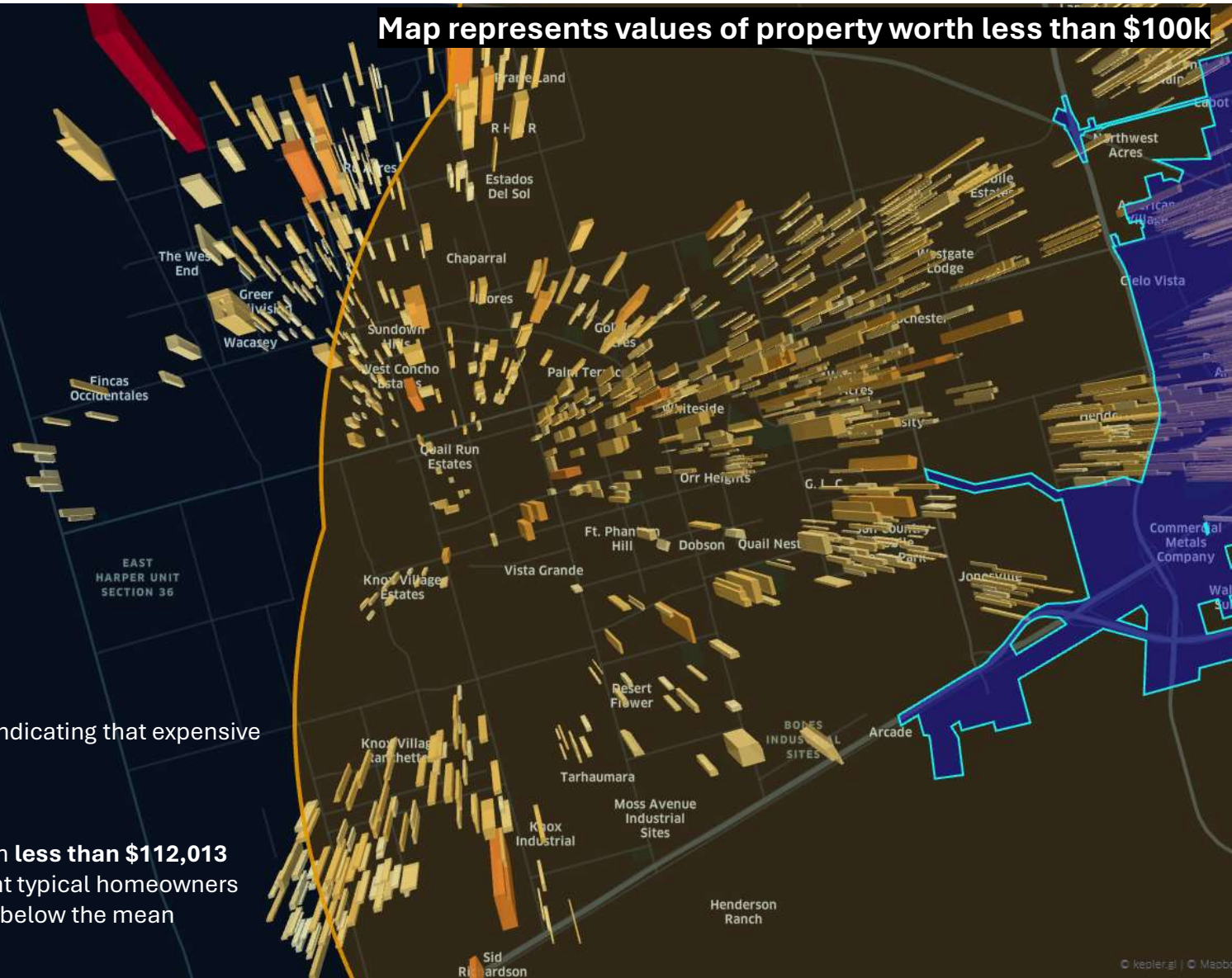
Total Properties  
**19,371**

Mean (Average)  
**\$143,816**

Median (Middle)  
**\$112,013**

Gap (Mean – Median)  
**\$31,803**

Map represents values of property worth less than \$100k



**The mean is 28% higher than the median**, indicating that expensive properties pull the "average" up significantly.

This means:

- 50% of homeowners live in properties worth **less than \$112,013**
- The "average" of \$143,816 doesn't represent typical homeowners
- Lower-income residents are clustered well below the mean

# Senate Bill 2 Revenue Cap

Legislative Session: 86(R)

Senate Bill 2  
Effective: See below

Senate Author: Bettencourt et al.  
House Sponsor: Burrows et al.

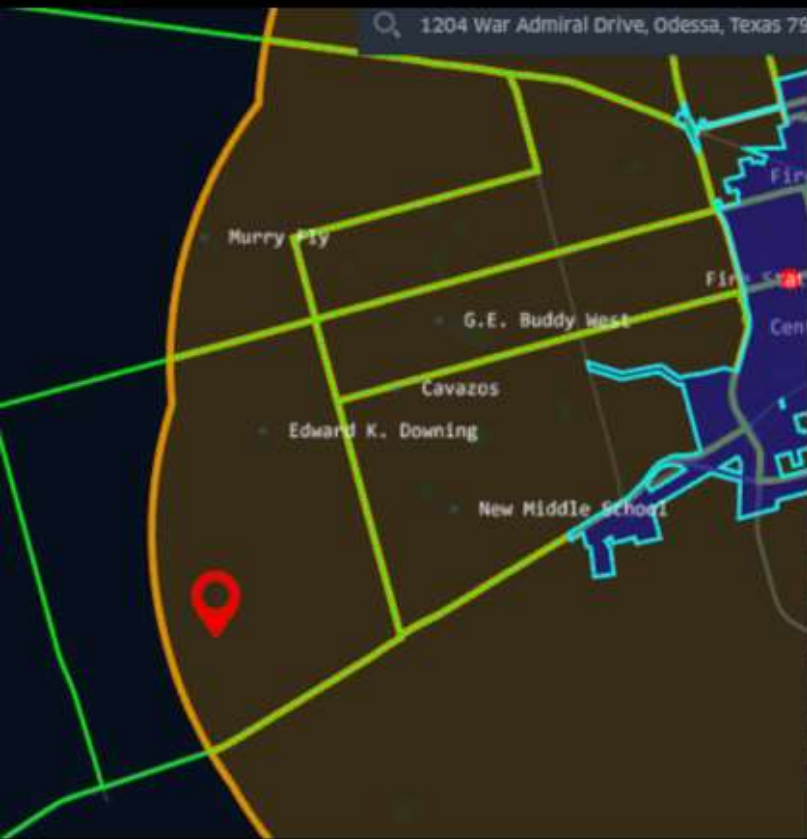
Senate Bill 2, the Texas Property Tax Reform and Transparency Act of 2019, amends session law and the Tax Code, Government Code, Health and Safety Code, Local Government Code, Special District Local Laws Code, and Water Code to revise the manner by which the property tax rates of a taxing unit, other than a special taxing unit as defined by the bill, are set by:

- reducing the amount that the property tax revenue collected may increase year over year from eight percent to 3.5 percent;
- requiring voter approval of an adopted tax rate that exceeds that 3.5 percent cap;
- providing for the imposition of an amount of taxes before that cap applies; and
- providing for the rollover of unused revenue growth to three years.

Revenue Cap Projections					
Fiscal Year	Base Revenue	Maximum Increase (3.5%)	Revenue Cap	Projected Revenue	
FY 2025	\$10,000,000	\$350,000	\$10,350,000	\$10,350,000	
FY 2026	\$10,350,000	\$362,250	\$10,712,250	\$10,712,250	
FY 2027	\$10,712,250	\$374,929	\$11,087,179	\$11,087,179	
FY 2028	\$11,087,179	\$388,051	\$11,475,230	\$11,475,230	
FY 2029	\$11,475,230	\$401,633	\$11,876,863	\$11,876,863	
FY 2030	\$11,876,863	\$415,690	\$12,292,553	\$12,292,553	
FY 2031	\$12,292,553	\$430,239	\$12,722,793	\$12,722,793	
FY 2032	\$12,722,793	\$445,298	\$13,168,090	\$13,168,090	
FY 2033	\$13,168,090	\$460,883	\$13,628,974	\$13,628,974	
FY 2034	\$13,628,974	\$477,014	\$14,105,988	\$14,105,988	

# What Budget Shortfalls Return

## 1204 War Admiral Drive West Odessa





### Verified Largest Reduction

**54.0%**

Montgomery County MUD 89

### Most Common Pattern

**School Districts**

Due to state compression

### Verified Entities

**25+**

With TRUE reductions

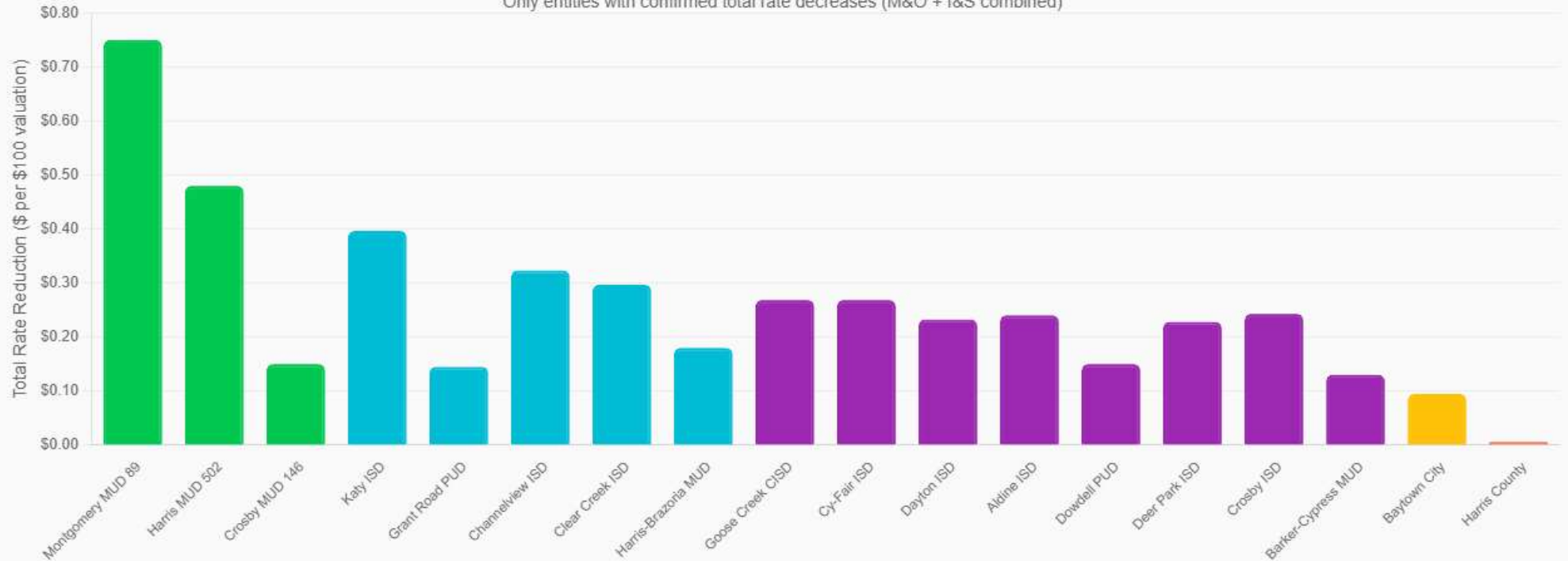
### Data Period

**2019-2024**

Most recent verified data

### Verified TOTAL Property Tax Rate Reductions

Only entities with confirmed total rate decreases (M&O + I&S combined)





ENTITY NAME	CATEGORY	STARTING TOTAL RATE	2024 TOTAL RATE	TOTAL REDUCTION	% CHANGE	TIMELINE	VERIFICATION STATUS
Montgomery County MUD No. 89	MUD	\$1.3900	\$0.6400	\$0.7500	-54.0%	2003 → 2024	✓ VERIFIED
Harris County MUD No. 502 (Towne Lake)	MUD	\$1.5000	\$1.0200	\$0.4800	-32.0%	2019 → 2024	✓ VERIFIED
Katy ISD	SCHOOL DISTRICT	\$1.5166	\$1.1200	\$0.3966	-26.1%	2019 → 2023	✓ VERIFIED
Cy-Fair ISD	SCHOOL DISTRICT	\$1.3555	\$1.0869	\$0.2686	-19.8%	2020 → 2024	✓ VERIFIED
Aldine ISD	SCHOOL DISTRICT	\$1.2744	\$1.0340	\$0.2404	-18.9%	2020 → 2024	✓ VERIFIED
Channelview ISD	SCHOOL DISTRICT	\$1.3138	\$0.9904	\$0.3234	-24.6%	2020 → 2024	✓ VERIFIED
Clear Creek ISD	SCHOOL DISTRICT	\$1.2659	\$0.9690	\$0.2969	-23.5%	2020 → 2024	✓ VERIFIED
Crosby ISD	SCHOOL DISTRICT	\$1.4783	\$1.2352	\$0.2431	-16.4%	2020 → 2024	✓ VERIFIED
Dayton ISD	SCHOOL DISTRICT	\$1.1996	\$0.9669	\$0.2327	-19.4%	2020 → 2024	✓ VERIFIED
Deer Park ISD	SCHOOL DISTRICT	\$1.3496	\$1.1213	\$0.2283	-16.9%	2020 → 2024	✓ VERIFIED
Goose Creek CISD	SCHOOL DISTRICT	\$1.3411	\$1.0725	\$0.2686	-20.0%	2020 → 2024	✓ VERIFIED

# Budget Adoption Recommendation

Ector County Emergency Services District	
Annual Operating Budget - Cash Model	
Fiscal Year 2025	
<b>BUDGET SUMMARY</b>	
Total Revenue	TBD(Set by Tax Rate)
<b>Total Operating Expenses</b>	<b>\$5,453,973</b>
Total Capital Expenses (Debt Financed)	\$768,955
Total Capital Expenses (Cash)	\$0
<b>Total Budget Recommendation 2026(\$2,888,963.81 +\$3,333,963.81)</b>	<b>\$6,222,928</b>
<b>Net Surplus(Year 1 only)</b>	<b>\$6,655,679</b>

## ESD #1

BUDGET SUMMARY	
Total Revenue	TBD
Total Operating Expenses	\$2,504,486.50
Total Capital Expenses (Debt Financed)	\$384,477.31
Total Capital Expenses (Cash)	\$0.00
Net Surplus	\$3,550,339.74
<b>Total Budget Recommended 2026 ESD #2</b>	<b>\$2,888,963.81</b>

## ESD #2

BUDGET SUMMARY	
Total Revenue	TBD
Total Operating Expenses	\$2,949,486.50
Total Capital Expenses (Debt Financed)	\$384,477.31
Total Capital Expenses (Cash)	\$0.00
Net Surplus	\$3,105,339.74
<b>Total Budget Recommended 2026 ESD #2</b>	<b>\$3,333,963.81</b>

BUDGET VALIDATION RESULTS		
Key Performance Indicators		
Per Capita Cost	\$90.90	Target: \$80-120
Insurance as % of Operations	7.90%	Target: 11-15%
Debt Service Coverage Ratio	3.66	Target: >1.25
Tax Rate (per \$100)	TBD	Max: \$0.20