



Brazos County Emergency Services District No. 1

FINANCIAL PLAN FY 2026-30



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Acknowledgements

This Financial Plan would not have been possible without the guidance and assistance of the South Brazos County ESD 1 Board of Commissioners, the personnel of the South Brazos County ESD 1 Fire Department, and the volunteer members of the South Brazos County Fire Department. We wish to recognize those members for their commitment to the cost-effective delivery of fire-rescue and emergency medical services, and with the development and production of this Plan.

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County Judge

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Pct 1 Commissioner

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Pct 2 Commissioner

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Fire Chief

Chet Barker
Assistant Chief

Jon Collins
Assistant Chief

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General Manager

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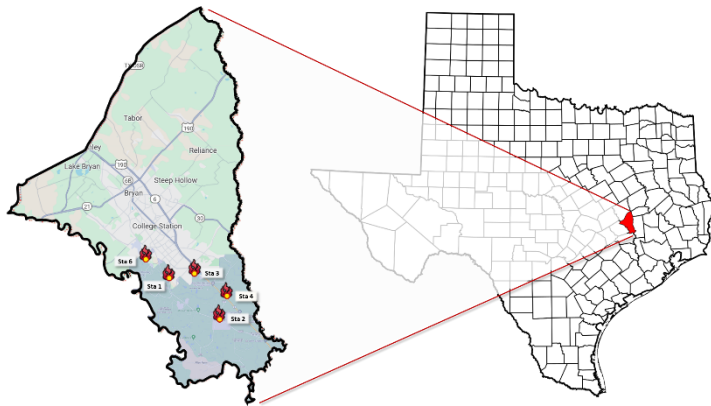
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Introduction

Brazos County Emergency Service District 1 (the “District”) is one of four ESDs in Brazos County, established by the Commissioners Court of Brazos County to provide fire and emergency medical care within the district’s service area. The resident population in the District’s 144-square mile service area is about 22,000, with a population density of about 153 two people per square mile.

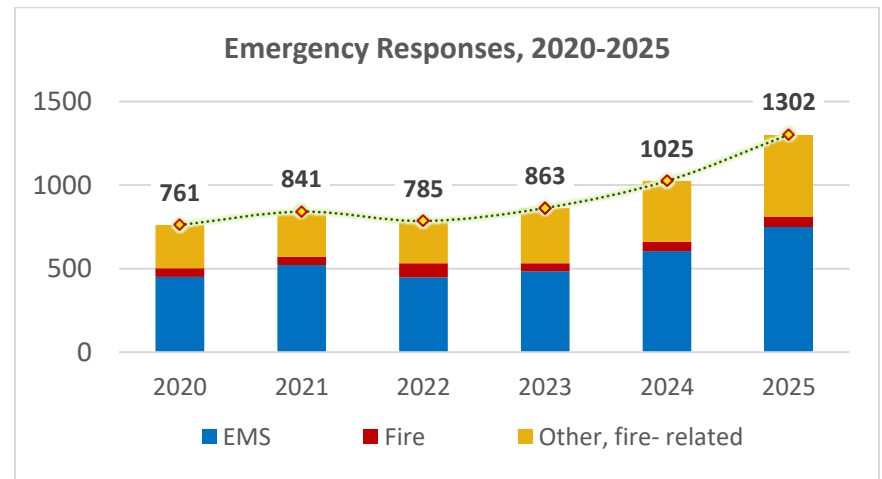
Figure 1. Brazos County ED 1 Service Area



The District contracts with the all-volunteer South Brazos County Fire Department (SBCFD) for emergency services within the district service area, collects ad valorem taxes and sales tax for the delivery of those services, and provides supplemental paid firefighter/EMTs. As such, the District operates as a combination department -- consisting of full-time, part-time firefighters, and volunteers -- from five stations strategically located throughout the District.

Figure 2. Emergency Responses, 2020-2025

Category	2020	2021	2022	2023	2024	2025
100: Fires	51	48	84	48	55	60
200: Overpressure	2	0	0	0	3	1
300: EMS/Rescue	451	522	448	484	605	752
400: Hazard	22	18	12	19	20	26
500: Service	52	59	54	74	77	210
600: Good Intent	160	158	158	201	201	194
700: False Alarm	21	36	28	34	62	57
800: Weather	2	0	0	2	1	2
900: Other	0	0	1	1	1	0
Total	761	841	785	863	1025	1302



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Initial Strategic Plan

In 2021, the District completed a 5-year strategic plan. That plan provided the District with a systematic and comprehensive approach to (1) evaluate community needs and expectations, (2) identify strategic priorities, and (3) define a timeline for critical actions and resource needs. The key initiatives from that plan were:

Initiative 1—Improve Response Time

- Hire Fire Chief FY 22
- Hire initial duty crew FY 23
- Hire second duty crew FY 27

Initiative 2—Ensure Equipment and Facilities are Safe and Reliable

- Develop 10-year capital plan FY 24
- Fund the capital plan Ongoing
- Implement the capital plan Ongoing

Initiative 3—Improve Critical Infrastructure

- Improve Roadway Conditions Long Term
- Improve mobile water supplies Long Term
- Improve centralized water supply Long Term

The Strategic Plan also included additional recommendations for optimizing cost-effective service delivery as identified in the District’s Long-Range Master Plan completed in 2019.

These recommendations included:

- Continue to explore best practices for delivery of fire and EMS while increasing financial and operational transparency.
- Continue to implement the recommendations suggested in previous plans and include a plan review as part of the annual budget process.
- Consider additional funding sources to support services that meet the needs and expectations of the community and people we serve.

Since that time, the District has modified and updated its plan as community and department needs and expectations have changed. However, this is the first formal update to the plan.

Planning Process

In July 2025, the District directed the Department’s senior leadership team (SLT) to prepare a comprehensive strategy to guide the organization’s activities over the next five-year strategic and operational planning period (FY 2026–2030). There are four elements to the framework of the revised plan:

- 5-year Strategic Plan
- 5-Year Operations Plan
- 10-year Capital Plan
- 5-year Financial Plan (This document)

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The intent of this Plan is to meet the needs and expectations of our community and the people we serve and to provide:

- (1) The District with annual updates to the multi-year plans for effective and cost-efficient delivery fire protection services and emergency medical services within the District;
- (2) Adequate funds to provide the resources necessary to deliver the desired level of fire protection services; and
- (3) Suggestions for continuous improvements in leadership, operational results, and financial stewardship.

Financial Framework

ABOUT THE FRAMEWORK

A well-designed financial framework can be a valuable planning tool for both internal and external audiences and stakeholders. Its structure captures plan content in an easy-to-understand format that can be summarized in an infographic or expanded to deliver detailed information about each action item.

The framework for the Financial Plan was developed around three basic goals:

- Identify community needs and expectations.
- Develop and implement transformational projects and initiatives.
- Ensure the long-term sustainability of strategic projects and initiatives.

In the Financial Plan, the guiding principles of mission, vision, values, expectations, and strategic priorities provides a foundation for each of the goals, perspectives, and action items in the plan. As such, it establishes priorities and ensures the most effective use of District resources.

Next, the financial plan incorporated the use of a “balanced scorecard” planning model to prioritize alignment with the organization's mission and public service goals. This approach helped define and track progress toward operational goals by balancing viewpoints -- or perspectives -- of community, financial, internal process, professional growth, and future sustainability.

In addition to creating an easily communicated structure, this approach resulted in a work plan that is achievable within the District’s current and planned resource and staffing levels. With this guide for future action in hand, the District will be able to address and overcome identified challenges in an effective and efficient manner.

The following figures describe the FY 2025-26 Annual Budget and the 5-Year Financial Plan.

Details of the Financial Plan are presented in the section beginning on page 9.

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Figure 3. FY 2026 Annual Budget

Line Item Description	FY 25 Budget	FY 26 Budget	Increase (Decrease)	% change
SUMMARIZED GENERAL FUND				
Revenue				
Property tax	1,044,254	1,123,520	79,266	7.6%
Sales tax	1,932,052	2,100,000	167,948	8.7%
Other	2,500	-	(2,500)	-100.0%
Total Revenue	2,978,806	3,223,520	244,714	8.2%
Expenses				
Administrative				
Commissioners	12,000	11,400	(600)	-5.0%
Professional fees	325,191	357,600	32,409	10.0%
Salaries and benefits	-	127,013	127,013	0.0%
Other admin personnel costs	-	500	500	0.0%
Admin fleet expenses	-	5,000	5,000	0.0%
Office expenses	32,965	27,650	(5,315)	-16.1%
Technology costs	58,150	121,940	63,790	109.7%
Community outreach	29,200	30,500	1,300	4.5%
Insurance	34,000	24,000	(10,000)	-29.4%
Administrative facilities expenses	13,250	-	(13,250)	-100.0%
Total administrative expense	504,756	705,603	200,847	39.8%
Operations				
Wages and benefits	1,416,934	2,086,445	669,511	47.3%
Other personnel costs	13,500	9,500	(4,000)	-29.6%
PPE and uniforms	80,800	75,300	(5,500)	-6.8%
Fleet operations	163,150	161,640	(1,510)	-0.9%
Equipment and hand tools	48,600	47,400	(1,200)	-2.5%
Firefighting supplies	16,000	34,800	18,800	117.5%
Training and education	41,850	28,400	(13,450)	-32.1%
Communications	16,000	17,600	1,600	10.0%
Facilities costs	59,000	73,040	14,040	23.8%
Total operational expenses	1,855,834	2,534,125	678,291	36.5%
Total expenses	2,360,590	3,239,728	879,138	37.2%
Cash flow (deficit) from operations	618,216	(16,208)	(634,424)	-102.6%

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Figure 4. FY 2026 Annual Budget, continued

Line Item Description	FY 25 Budget	FY 26 Budget	Increase (Decrease)	% change
Loan proceeds	2,095,000	-	(2,095,000)	-100.0%
Earnings on invested funds	166,134	155,000	(11,134)	-6.7%
Grants	-	2,500	2,500	0.0%
Sale of surplus assets	-	150,000	150,000	0.0%
Use of prior year loan proceeds	-	8,160,000	8,160,000	0.0%
Use of reserves	-	-	-	-
Total other sources of cash	2,261,134	8,467,500	6,206,366	274.5%
Other uses of cash				
Loan fees	-	-	-	0.0%
Land and stations	1,563,000	8,160,000	6,597,000	422.1%
Apparatus	300,000	-	(300,000)	-100.0%
Light vehicles	-	100,000	100,000	0.0%
Equipment	300,000	152,250	(147,750)	-49.3%
Contribution to reserves	716,350	39,042	(677,308)	-94.5%
Total other uses of cash	2,879,350	8,451,292	5,571,942	193.5%
Net other sources (uses) of cash	(618,216)	16,208	634,424	-102.6%
General Fund Cash Flow	-	-	-	
DEBT SERVICE FUND				
Revenue				
Property tax	353,084	929,323	576,239	163.2%
Earnings on invested funds	-	17,000	17,000	0.0%
Total revenue	353,084	946,323	593,239	168.0%
Debt service payments				
Land and buildings	-	691,885	691,885	0.0%
Fire apparatus	350,344	253,481	(96,863)	-27.6%
Total debt service payments	350,344	945,366	595,022	169.8%
Contribution to debt service reserve	2,740	957	(1,783)	-65.1%
Debt Service Fund Cash Flow	-	-	-	
DISTRICT CASH FLOW	-	-	-	
Forecast beginning cash		12,100,000		
Forecast ending cash		3,979,999		
Ending cash as % of operating expenses		122.85%		

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Figure 5. 5-year Financial Plan

South Brazos County ESD 1		Projected				
Financial Forecast VAR + de minimus V3.1	FY 26	FY 27	FY 28	FY 29	FY 30	
Property tax	VAR	DMR	DMR	DMR	VAR	
Valuation, existing property	2,858,817,324	3,129,551,199	3,412,028,758	3,708,630,196	4,020,061,706	
Valuation, new property	121,707,627	120,000,000	120,000,000	120,000,000	120,000,000	
Total valuation	2,980,524,951	3,249,551,199	3,532,028,758	3,828,630,196	4,140,061,706	
Tax Rate						
M&O Tax Rate	0.040644	0.052666	0.064314	0.062913	0.058258	
I&S Tax Rate	0.031731	0.029092	0.033125	0.037087	0.041742	
Total Tax Rate per \$100 valuation	0.072375	0.081758	0.097439	0.100000	0.100000	
GENERAL FUND REVENUE						
Property Tax Revenue, @ 98% collection rate	1,204,435	1,699,435	2,248,421	2,382,799	2,385,939	
Sales Tax Revenue	2,100,000	2,310,000	2,541,000	2,795,100	3,074,610	
Other	-	-	-	-	-	
Total Recurring Revenues	3,304,435	4,009,435	4,789,421	5,177,899	5,460,549	
Administrative Expenses	855,880	923,168	957,026	1,057,194	1,121,161	
Operating Expenses	2,525,259	3,120,978	3,274,574	5,012,907	5,222,122	
Total Operating expenses	3,381,139	4,044,146	4,231,600	6,070,101	6,343,283	
Cash flow (deficit) from operations	(76,704)	(34,711)	557,821	(892,202)	(882,734)	
Other Sources /Uses of Cash						
Sources						
Interest earnings	155,000	208,306	230,282	258,064	217,364	
Other receipts	2,500	-	-	-	-	
Loan proceeds	150,000	1,000,000	1,500,000	2,500,000	850,000	
Total Other Sources	307,500	1,208,306	1,730,282	2,758,064	1,067,364	
Uses						
Land	375,000	1,271,500	-	-	-	
Building construction	6,774,880	-	-	-	-	
Building renovation	-	-	-	-	-	
Apparatus	-	-	1,500,000	2,500,000	850,000	
Support Vehicles	50,000	435,000	160,000	-	-	
Other equipment	147,000	69,100	72,455	179,878	79,372	
Total Other Sources	7,346,880	1,775,600	1,732,455	2,679,878	929,372	
Cash flow (deficit) from other sources/uses	(7,039,380)	(567,294)	(2,173)	78,186	137,992	
Total General Fund Cash Flow	(7,116,084)	(602,005)	555,648	(814,016)	(744,742)	

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Figure 6. 5-year Financial Plan, continued

South Brazos County ESD 1		Projected				
Financial Forecast VAR + de minimus V3.1	FY 26	FY 27	FY 28	FY 29	FY 30	
Total General Fund Cash Flow	(7,116,084)	(602,005)	555,648	(814,016)	(744,742)	
Beginning Cash	12,323,728	5,207,644	4,605,639	5,161,287	4,347,271	
Ending Cash	5,207,644	4,605,639	5,161,287	4,347,271	3,602,529	
FORECAST RESERVE BALANCE	5,207,644	4,605,639	5,161,287	4,347,271	3,602,529	
Allocated emergency (10%)	520,764	460,564	516,129	434,727	360,253	
Contingency	2,603,822	2,302,820	2,580,644	2,173,636	1,801,265	
Unallocated reserve	2,083,058	1,842,256	2,064,515	1,738,908	1,441,012	
Minimum reserve	3,381,139	4,044,146	4,231,600	6,070,101	6,343,283	
Reserve as % of total operational expenses	154.0%	113.9%	122.0%	71.6%	56.8%	
DEBT SERVICE FUND						
Property Tax Revenues	945,738	945,366	1,169,993	1,419,907	1,728,134	
Earnings on Invested funds	-	-	-	-	-	
Total Revenues	945,738	945,366	1,169,993	1,419,907	1,728,134	
Debt Service Payments	945,366	945,366	1,169,993	1,419,907	1,728,134	
Net Debt Service Fund Surplus (deficit)	372	-	-	-	-	
Total Cash Suplus (deficit)	(7,115,712)	(602,005)	555,648	(814,016)	(744,742)	
Total Revenue	3,611,935	5,217,741	6,519,703	7,935,963	6,527,913	
Total Expenses	10,728,019	5,819,746	5,964,055	8,749,979	7,272,655	
Total Cash Flow	(7,116,084)	(602,005)	555,648	(814,016)	(744,742)	
Debt-to-Income ratio	28.6%	23.6%	24.4%	27.4%	31.6%	

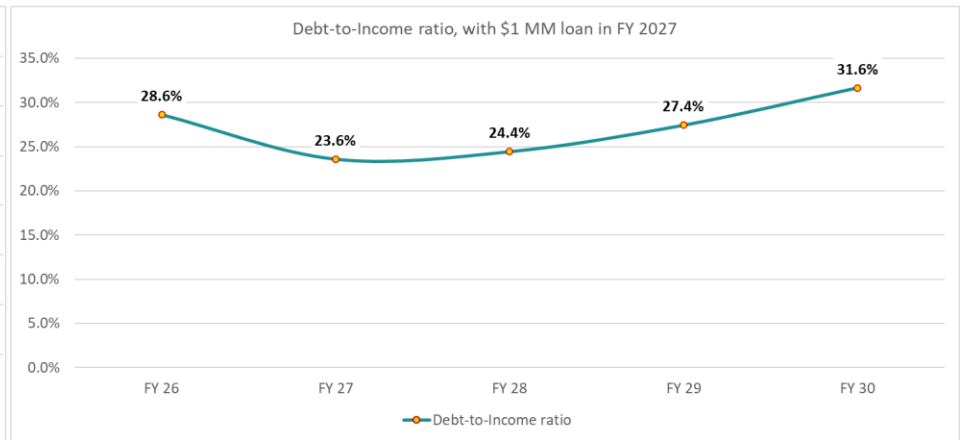
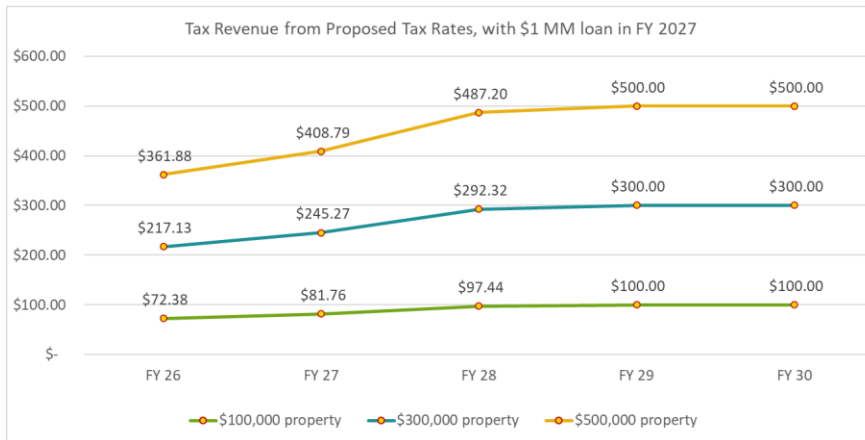
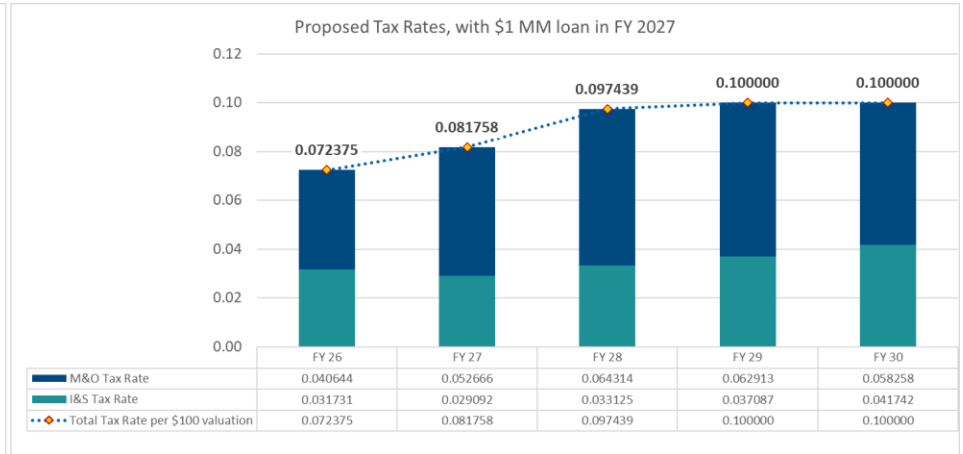
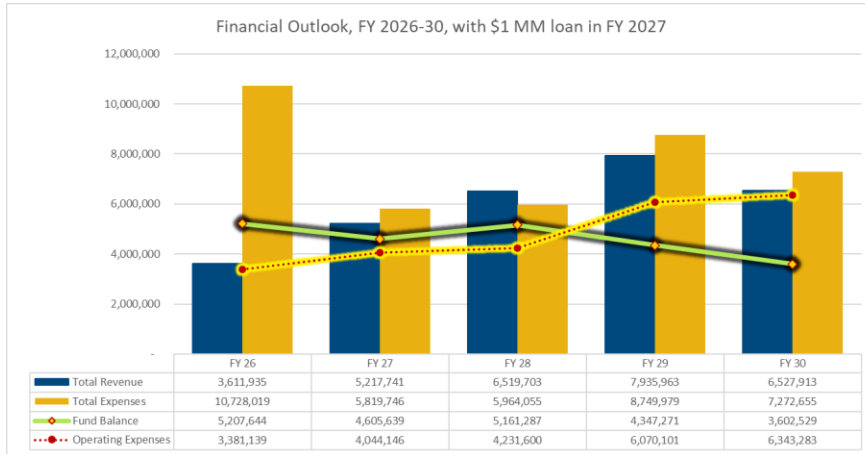
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5-year Financial Plan, charts

Figure 7. 5-year Financial Plan charts



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Financial Outlook

FY 2026 Annual Budget

Revenues

The District has experienced significant growth in its two main revenue sources -- property tax and sales tax -- between 2021 and 2025. Combined, these components provided approximately 86% of the operating revenue of the District.

The property tax rate of an Emergency Services District operating under Section 775 of the Health and Safety Code is limited to \$.10 per \$100 of valuation. Recent State legislation, SB2, was enacted to minimize the impact of the annual increase in property values on the tax bills of property owners in the state. This legislation limits the growth in property tax revenue on the prior year assessed properties to 3.5 percent.

In 2025, the District adopted a voter-approval tax rate of \$0.072375 which includes a rate of \$0.040444 for M&O and an I&S tax rate of \$0.031731. This effective rate is estimated to add \$79,000 in additional property tax revenue in FY 2026.

Sales taxes are projected to increase by 8.7 percent, or about \$177,000 in FY 2026.

This will result in an overall 8.2 percent increase in revenue, or about \$450,000 in FY 2026.

Expenses

Total expenses are expected to increase by 37 percent, or about \$900,000 in FY 2026.

This will result in a projected negative cash flow of about \$16,200. This amount will be taken from reserves to produce a net cash flow of \$0 for FY 2026.

The annual operations budget is summarized in the following figure.

Figure 8. FY 2026 Annual Operations Budget Summary

Description	FY 2025, \$	FY 2026, \$	% change
Property taxes	1,044,254	1,123,520	7.6%
Sales tax	1,932,052	2,100,000	8.7%
Total Revenue	2,978,806	3,223,519	8.2%
Admin Expenses	504,756	705,603	39.8%
Operating Expenses	1,855,834	2,534,125	36.2%
Total Expenses	2,360,590	3,239,728	37.0%
To/From Reserve	618,216	-16,208	-101.7%
Net Cash Flow	0	0	0

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Projections

General Fund Revenues

- Property valuation growth was calculated using a 5% growth over the prior year valuation and adding \$120 million as new property value annually.
- I&S property tax rate is calculated on forecast annual debt service.
- M&O property tax rate utilizes “voter approval” tax rate in FY 26 and FY 30 and “de minimus” tax rate in FY 27, FY 28, and FY 29.
- Sales tax revenue is forecast to grow at annual rate of 10%.

General Fund Expenses

- Salaries anticipate the following staffing:

2026

- Add three full-time lieutenants and three full-time drivers/operators to establish second paid crew.
- Reduce number of part-time firefighter positions from five to three.
- Add one full-time paid assistant fire chief and one full-time administrative manager position.

2027

- Add two full-time firefighter positions.

2029

- Add three full-time lieutenants, three full-time drivers/operators, and three full-time firefighters to establish third paid crew.
- Add three full-time battalion chief positions.
- Operating expenses are forecast to increase 3% annually.

Other Receipts

- Interest revenues forecast based on prior year’s cash balance.
- Anticipate \$150,000 from the sale of Station 1
- Loan proceeds from financing only firefighting apparatus (aerial, pumpers, tenders) and forecast construction of additional station in future years.

Other Expenditures

Capital expenditures from \$9,000,000 loan funds.

1) Station 1	\$5,000,000
2) Station 4	\$3,163,000
3) Station 6	\$1,504,000
Total	\$9,667,000

Other capital expenditures are included in the FY 2026 v 3.1 worksheet. Support vehicles and other equipment costs are anticipated to be funded from debt and operating revenues.

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Debt Service Fund

The debt service fund is forecast to break even during the forecast period.

Summary

The assumptions used in developing the forecast include the current legislative voter approval rate allowing for an increase in property tax revenues of 3.5% annually. Future legislative action reducing this growth rate may have significant negative impact on this forecast.

The forecast projects that a reasonable reserve balance will be maintained throughout the forecast period.

All projections are estimates that are based on current assumptions and are subject to change based on revised assumptions, estimates, and projections.

References

“FY 2026-30 Strategic Plan,” Brazos County ESD 1 , Feb 2026.

“FY 2026-30 Operations Plan,” Brazos County ESD 1 , Feb 2026.

“FY 2026-35 Capital Plan,” Brazos County ESD 1 , Feb 2026.

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“Texas Emergency Services Districts: Financial Reserves Study.” Cetner on Municipal Capital Markets, The University of Texas at Austin, Dr, Martin Luby, Emily Guthrie, Libby Morris, and Matthew Zachary, April 2025.

Additional reference information was available from these agencies and associations.

- Commission on Fire Accreditation International (CFAI)
- Federal Emergency Management Agency (FEMA)
- Insurance Services Office (ISO)
- Texas A&M Forest Service (TFS)
- Texas Commission on Fire Protection (TCFP)
- Texas Department of State Health Services (DSHS)
- Texas Emergency Management Association (TEMA)
- Texas Fire Chiefs Association (TFCA)
- Texas State Firefighters’ and Fire Marshals’ Association (SFFMA)

