MINUTES OF AUGUST 25, 2025 PUBLIC HEARING AND SPECIAL MEETING ON TAX INCREASE
ECTOR COUNTY EMERGENCY SERVICES DISTRICT NO. 2

A special public meeting was duly called by the Board of Commissioners of **Ector County Emergency Services District No. 2** on **August 25, 2025,** which was held at the **Kellus Turner Park Community Center** located at **2261 W. Sycamore Dr., Odessa, Texas 79763.**

CALL MEETING TO ORDER.

The meeting was called to order at 6:30 p.m. Those Commissioners present were:

John Turner	Present
Kevin Searcy	Present
Randy Lighfoot	Present
Heather Burks	Present
Patti Kappauf	Present

Also present at the meeting was Melissa Wiggins (attending remotely) of Coveler & Peeler, P.C., and other members of the public attending in person.

TO RECEIVE PUBLIC COMMENT AND CONDUCT THE PUBLIC HEARING/OPEN FORUM TO ALLOW INTERESTED PARTIES TO ADDRESS THE BOARD OF COMMISSIONERS AND BE HEARD REGARDING THE PROPOSED PROPERTY TAX RATE SETTING.

The Board first opened the floor to public comment for the Public Hearing related to the District's proposed property tax rate setting.

First to speak was Mr. Jay Davidson who stated that the formation of two (2) Districts had been deceitful based on ambiguous ballot language, and without the community understanding that they would be taxed by both entities at rates up to $0.10 each. Mr. Davidson noted that while the idea of Emergency Services Districts was not inherently negative, taxing at such high rates would be wrong. He then requested the Board consider a maximum rate of $0.05 as indicated during the creation campaign, and additionally opined that it would be unfair to charge current residents of the territory the full cost of building new stations which would be used to the benefit of future residents as well. Mr. Davidson closed his comments by again requesting a $0.05 tax rate and pointing out that additional revenue would be received by the EMS District from patient transport services.

Next to address the Board was Ms. Sylvia Rodriguez-Sanchez of West Odessa. Ms. Rodriguez-Sanchez also questioned the process and calculations that led to the District's proposed tax rate, reiterating that the District's creation campaigned on a $0.05 tax rate. She informed the Board that many people had asked how they had been able to vote for or against the District if they were not being considered and would not be receiving services. She lastly noted that a new school was being built in the area which residents felt should be covered by fire suppression and EMS services.

Next to speak was Ms. Ally Bowling. Ms. Bowling informed the Board she had been opposed to the District's formation and noted that the emergency services she would be receiving through the District would not change compared to the county, but that her tax payments would increase regardless. She next asked if the Board had workshopped the budget as she often did as a member of other committees and organizations in the area. She thanked the Board for their willingness to serve but asked them to hold a workshop to discuss the Board and justify the proposed tax rates and budget figures rather than "rubber stamping" the more expensive plan being presented.

Mr. Will Kappauf then addressed the Board requesting a rate of $0.05 per $100 valuation for each District and noting increasing taxes across the county. He compared Ector County taxes to the City of Dallas and noted the difference between the two (2) areas, as well as the smaller District territory compared to its originally anticipated footprint. Mr. Kappauf further stated that because areas outside of the ETJ were not the responsibility of the District, and that taxes would be assessed on the full value of a home rather than its homestead value, he would prefer each District to set a maximum rate of $0.05 per $100 valuation.

Next to speak was Mr. Jeff Russell who also noted that the District's creation had campaigned on a $0.05 rate, but that the recently proposed rate had doubled, despite the territory shrinking. Mr. Russell questioned what caused the discrepancy between the original financial projections and current proposed tax rate and budget, and commented that with the higher rate, citizens would be heavily taxed between the county and District. He echoed Mr. Kappauf's call for a $0.05 rate until true expenses were known, and to focus on building stations that were immediately needed for the District without overburdening the community.

Ms. Michele Spinks spoke last, informing the Board that she had voted in favor of creating the Districts based on the understanding that there would be a $0.05 cap on the property tax rate, but not knowing that homestead exemptions would not be applied. She noted concerns regarding the potential tax rate and budget discussion due to personal circumstances and encouraged the Board to hold a workshop to discuss matters further.

At this time, Mrs. **Kappauf** made a Motion to table action on the District's budget and tax rate and hold a public meeting to discuss and address the budget before its adoption. She noted that no workshop for the budget had previously been held, though the Board had received the budget information electronically prior to the meeting.

Mr. **Searcy** advised that he and Ms. **Burks** were authorized by the Board to manage negotiation matters regarding service providers to the District, which included budgetary considerations. He pointed out that a quorum of Commissioners could not meet to discuss items without calling a full meeting, though all Commissioners were within their rights to address the budget as needed and suggest alterations or additions at any time. He explained to the meeting attendees that the budget as presented represented combined costs for both ESD 1 and ESD 2 as they would be sharing the territory and station locations when established, and that the budget being presented included plans to build a cash reserve since actual revenue figures had not yet been determined.

Mrs. **Kappauf** reiterated that no Budget Committee had been formed by the Board to develop the budget. Mrs. **Kappauf** then restated her previous Motion to table action on the budget and tax rate, and to allow the Board to hold another meeting to review and discuss the budget prior to its adoption. At this time, Mr. **Lightfoot** seconded Mrs. **Kappauf's** Motion to table discussion of the District's tax rate and budget. President **Turner** then called for a vote, and the Motion failed by a vote of 2 to 3, with Mr. **Searcy,** President **Turner,** and Ms. **Burks** opposed.

CONCLUDE PUBLIC HEARING.

At this time, Mr. **Searcy** made a Motion, seconded by Mrs. **Kappauf,** to close the Public Hearing. Thereafter, the Motion passed by a vote of 5 to 0.

TO CONSIDER AND ADOPT THE DISTRICT'S 2026 BUDGET.

Mr. **Searcy** then opened the discussion regarding the District's budget, inviting Board members to discuss the documents which had been provided, and to ask questions or request clarifications as needed. Mrs. **Kappauf** began by addressing questions and comments submitted by the public during the Public Hearing. She first explained that two (2) Districts had been formed to allow fire and EMS services to be provided separately without risking a combined revenue cap of $0.10, and to allow for growth in the community. She then noted that while the initial feasibility study indicated tax rates of $0.05, it was not intended to be deceitful to the public.

Mrs. **Kappauf** next shared that Mr. Searcy volunteered his time to create the first feasibility study and that data was presented to the Ector County Commissioners' Court to demonstrate the feasibility of the District so the matter could be placed on the May 2025 election ballot. Mrs. **Kappauf** further reminded the public that both Districts had been voted on in an open election and clarified that a majority of voters in the area outside of the ETJ had voted against the ballot measure and thus were not part of the Districts' service territory.

Mr. **Searcy** agreed that residents outside of the Districts also needed service and advised that mutual aid services could be available in the future but had not been established yet. He also noted that areas outside of the District were not being taxed for services they were not receiving.

Mr. **Searcy** next addressed the budget and feasibility study and informed those present that the original plans had been modeled using information from similarly sized Districts in other counties and considering the costs of hiring personnel and building multiple stations across the territory. He also noted the original estimated value of the larger territory was over $10,000,000,000 but had now been reduced by approximately forty-three percent (43%). To accomplish the goals set out in the original study, the Districts' combined tax rates would need to equal at least $0.17. Adopting a rate of $0.10 for each District would give the Districts approximately $12,800,000 in revenue to build reserves and begin working to construct stations in the territory for fire and EMS services. When asked by Mr. Davidson, Mr. **Searcy** stated that funds in the budget had been allocated to service contracts, but that the exact cost of those contracts was unknown and still under negotiation. He added that the budget was only a ceiling to work under and that specific allocations could be altered as needed with Board approval.

Mr. **Searcy** next advised that while mutual aid agreements would allow the Districts to help provide services to communities outside of their territory, funding was important to provide those services, but that taxing rates were capped by law, and additional legislation was currently being considered which would potentially lower available rates in the future. He suggested adopting the higher rate to capture funding up front for both Districts and stated that the rate could always be lowered in the future. The Districts would most likely not receive tax revenues until January 2026 and would use part of those funds to establish reserves for ongoing projects and goals. Mrs. **Kappauf** further added that based on advice from the Texas State Association of Fire and Emergency Districts (SAFE-D), Districts should maintain cash reserves equal to six (6) months to one (1) year's operational expenses.

Mrs. **Kappauf** next questioned the information used to estimate the current budget figures and was told the total taxable value for each District was provided by the county Tax Office. She also pointed out the community's expectation of being taxed on homestead values, rather than fully appraised values. Next, Mrs. **Kappauf** stated that the updated budget and District plan aggressively planned to build two (2) stations in the first year, with a third to follow in the next. She inquired about ways to lower the projected operating costs, rather than passing the burden of meeting the proposed budget onto the taxpayers.

Mr. **Searcy** reiterated that the current budget had been developed based on information from the county and Odessa Fire and Rescue (OFR), as well as comparable ESDs throughout the state. He further advised that as developments and population figures increased across the District, call volumes would similarly increase, along with costs related to all the above. Mrs. **Kappauf** reiterated that the fast pace of the proposed budget was unnecessary and that the public was concerned about high tax rates. She also pointed out Odessa Fire and Rescue's budget was not excessive and noted that volunteers and first responders were dedicated to providing emergency services regardless.

Mr. **Searcy** conversely pointed out that the current salary cost of $800,000 spent on ten (10) Department members did not include funding for equipment, insurance, or facilities, but that District's budget would account for those items as well. He also noted that if a tax rate was not adopted this year, revenues would be delayed until 2027.

President **Turner** reminded the Board of their deadline to secure services to the area and added that those services would be improved through contracts with the District. Mrs. **Kappauf** suggested that Districts funds were never meant to increase funding to OFR for the services that were already being provided at the same level. She noted the current legislative session's focus on potentially lowering tax rates, along with the community's displeasure with the suggested higher tax rates. Mr. **Searcy** advised that funding from the District would help bring emergency services outside of the city and into the county, while fairly compensating first responders, and providing the opportunity to improve existing facilities and build new facilities in areas that needed them.

There being no further discussion, Mr. **Searcy** made a Motion, seconded by President **Turner,** to adopt the budget for Ector County ESD No. 2 as presented. Thereafter, the Motion passed by a vote of 4 to 1, with Mrs. **Kappauf** opposed.

TO ADOPT THE DISTRICT'S 2025 TOTAL AD VALOREM TAX RATE.

At this time, Mrs. **Kappauf** made a Motion to adopt the District's Maintenance and Operations tax rate at $0.05 per $100 property valuation, with a debt rate of $0.00 per $100 property valuation, for a total 2025 Ad Valorem tax rate of $0.05 per $100 property valuation for Ector County ESD No. 2. Ms. **Burks** requested discussion, prior to a vote on the Motion.

Mr. **Searcy** first noted that adopting a lower rate would impede the District's ability to take on debt and construct new stations quickly, as well as potentially impact service agreement terms with local providers. Ms. **Burks** added that without District owned stations, the County and City would need to be involved in service provision which would be impacted by the Districts' tax rates, though Mrs. **Kappauf** advised that the budgets could be amended to allocate funds differently as needed for such concerns. She further noted that when the formation of both Districts was first considered, the plan did not include incurring immediate debt, and only spending funds that were readily available even though doing so would require more time to construct stations and complete overall goals for each District. She also stated out of four hundred (400) existing Districts in the State, only two (2) other counties contained overlapping Districts which also adopted similar rates.

At this time, President **Turner** asked for a second to Mrs. **Kappauf's** original Motion. There being none, President **Turner** stated the Motion failed for lack of a second.

Mrs. **Kappauf** then made a Motion to adopt a rate of $0.08 per $100 property valuation for Ector County ESD No. 2.

Mr. **Searcy** requested discussion, prior to a vote on the new Motion, stating at a rate of $0.08, the Districts would have a combined $0.16 to achieve the goals as presented in the completed feasibility study which already demonstrated a required minimum combined income of $0.17. He noted the loss of anticipated tax base value from mineral valuation in the area, and the loss of the initial territory outside of the ETJ led to a considerable loss in potential revenue and resources for the Districts, and opposed the adoption of the rate as presented in order to meet the Districts' goals.

Mr. **Lightfoot** further addressed the loss of approximately twenty percent (20%) revenue at an adopted rate of $0.08 per District, noting that starting low would require the Board to request additional tax funding from the community later on. Further comments were forthcoming from members of the public attending the meeting, though President **Turner** called a point of order and returned to the Board's discussion.

There being no further comment, Mr. **Lightfoot** seconded Mrs. **Kappauf's** Motion to adopt a rate of $0.08 per $100 property valuation for Ector County ESD No. 2. Thereafter, the Motion passed by a vote of 3 to 2, with Mr. **Searcy** and President **Turner** opposed.

TO MEET IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE §551.071 TO CONSULT WITH LEGAL COUNSEL

The Board did not meet in Closed Session to consult with legal counsel.

TO ADJOURN THE MEETING.

There being no further business brought before the Board, Mrs. **Kappauf** made a Motion, seconded by Ms. **Burks,** to adjourn the meeting at 8:01 p.m. Thereafter, the Motion passed by a vote of 5 to 0.

The foregoing minutes were reviewed and approved by the Board of Commissioners on October 6, 2025.

ECTOR COUNTY EMERGENCY SERVICES DISTRICT NO. 2

By: Heather Burks

Heather Burks
District Secretary