



# **OPERATING BUDGET**

**FOR FISCAL YEAR**

**OCTOBER 1, 2020 – SEPTEMBER 30, 2021**

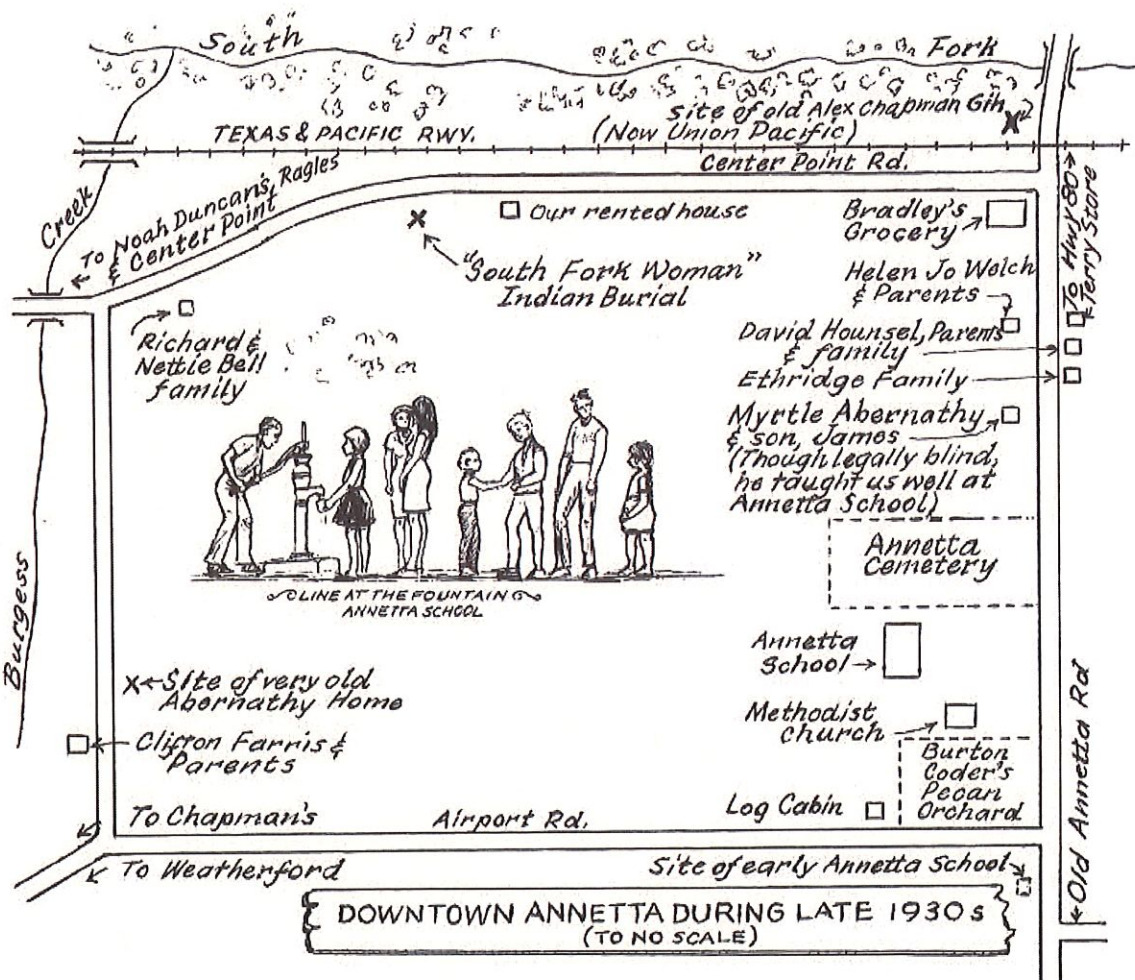
# TABLE OF CONTENTS

	<u>Page</u>
<b>Our Vision .....</b>	<b>3</b>
<b>Town Council .....</b>	<b>4</b>
<b>Letter from the City Council, Town of Annetta .....</b>	<b>5</b>
 <b>General Fund</b>	
Overview, Accomplishments and Goals .....	6-14
Fiscal Year 2020-21 Budget .....	15-18
 <b>Enterprise Fund</b>	
Overview, Accomplishments and Goals .....	19-24
Fiscal Year 2020-21 Budget .....	25-28
 <b>Crime Control and Prevention District Fund</b>	
Overview, Accomplishments and Goals .....	29
Fiscal Year 2020-21 Budget .....	30



# OUR VISION

The Town of Annetta will continue to uphold its commitment to preserving a safe, healthy and attractive quality of life for all of its residents while maintaining fiscal responsibility and planning for expected growth and the challenges that come with it. Annetta commits to being a vibrant community with a high standard of living that is complemented by a unique and beautiful natural environment that it seeks to preserve.



↑ Homer Norris, *Parker County Prairie Sketchbook* (2006)

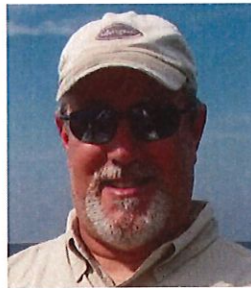
## TOWN COUNCIL



**Mayor,  
Bruce Pinckard**



**Place 1,  
Shane Mudge**



**Place 2,  
Danny Coffman**



**Place 3,  
Sandy Roberts**



**Place 4,  
Jim Causey**



**Mayor Pro-Tem,  
Place 5,  
Kent Stasey**





August 20, 2020

To the citizens of the Town of Annetta:

The Town of Annetta continues to provide quality service to the community while maintaining its commitment to efficient, conservative management of public resources. The Town also remains committed to grow in terms of professionalism and service levels **without** taxing the wealth of its citizens through implementation of an ad valorem tax. Reserve funds will be maintained at a responsible level in accordance with the Town of Annetta fiscal goals.

**Assumptions**

The proposed budget was developed following an extensive process involving input and feedback from the staff of the Town and vendors including the City of Hudson Oaks, as operator of the water and sewer systems.

The proposed FY 2020-21 budgets assume:

- The Town will continue to operate **without** an ad valorem tax.
- The Town’s sales tax revenues for FY 2020-21 will continue to increase over previous years due to increased on-line retail sales to Annetta homes, as well as home-based business activities.
- Franchise fee collections will remain stable.
- Special sales tax funding for street maintenance will add approximately \$20,000 to the budgeted amount for road repairs in 2020-21.
- A crime control and prevention program continues to move forward with approximately \$21,000 in voter approved funding through sales taxes collected in the previous year. This program provides citizen awareness training, avenues of communication and other resources to help maintain a low crime rate and high quality of life in the Annetta community.

**Planning for the Future**

The proposed budgets include funding and plans for:

- Continued maintenance and repair of the Town’s roughly 18 miles of roadways.
- Operations and maintenance programs (O&M) of the Town’s water and wastewater systems.
- Funding for capital improvements to the Town’s water and wastewater systems.
- New equipment and other facilities for the water and wastewater department, including long range investments to transition contractor-based operation to an in-house capability.
- Budgetary payroll increases related to new hires and council objectives.

Respectfully submitted,

Bruce Pinckard, Mayor  
Shane Mudge, Place 1  
Sandy Roberts, Place 3

Kent Stasey, Mayor Pro-Tem, Place 5  
Danny Coffman, Place 2  
Jim Causey, Place 4

## GENERAL FUND

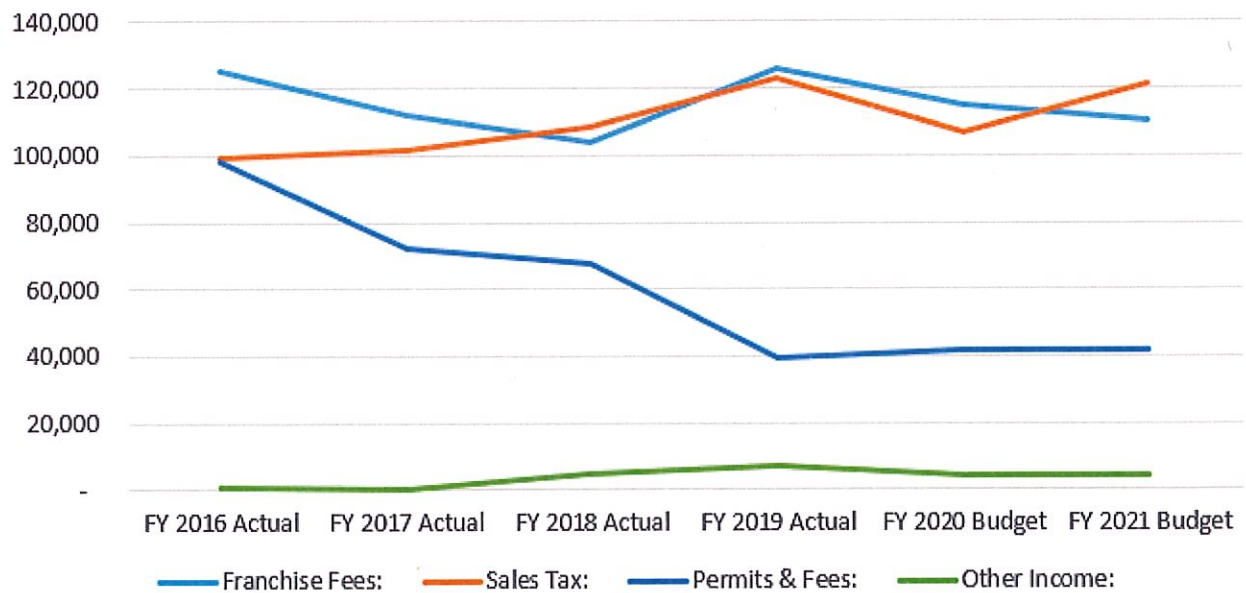
The General Fund accounts for activities related to city services and development including:

- Elections
- Building permits and inspections
- Public Information Requests
- Certificates of occupancy
- City Council information and meeting requirements
- Civil engineering and zoning
- General health and safety code regulations
- Franchisees that operate within the city limits
- Requests for public service
- City planning, mapping and ordinance review

As part of the day-to-day activities, our friendly staff will interact and meet with citizens, landowners, business owners and developers. Staff receive requests for services and information, answer questions and communicate with city leaders the needs that come before the Town. City staff will work to ensure that planned developments meet both the letter of the law and the community standard. The staff works in concert with the City Council and other committees to take proposed projects through the processes of design, review and consideration by both the Planning & Zoning Commission and the City Council.

### How does the Town of Annetta get its revenue?

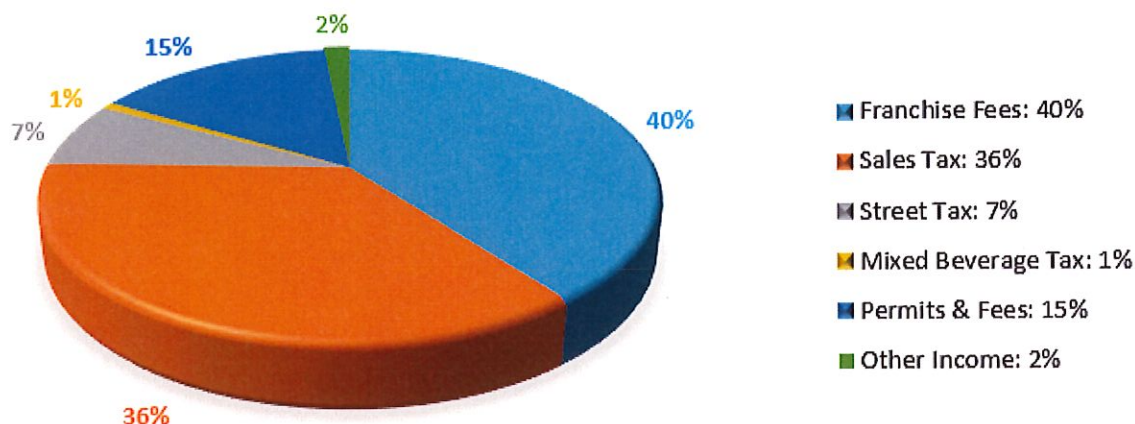
General Fund: Historical Revenue Trends





The Town of Annetta derives revenue primarily from franchise fees and sales taxes. Permit fees, although received as revenue, are paid out as a direct expense to contract service providers for building inspections. As illustrated above, permit fees continue to decline as the Town finds more efficient ways to process building permits and find more cost-effective providers of inspection services.

### GENERAL FUND: WHERE IS THE MONEY COMING FROM?



**Franchise fees** are monies paid to a municipality by utility and service providers for use of the roadways and easements in the Town. All cities receive franchise fees to help offset wear and tear from vehicular traffic, not only from those providers but from their customers as well. These fees are typically based on a percentage of the gross revenue within the defined service area of Annetta. For utility providers such as ONCOR and Tri-County, these fees may go up or down along with the price of energy needed to deliver electricity. For other service providers, the rate may be more stable.

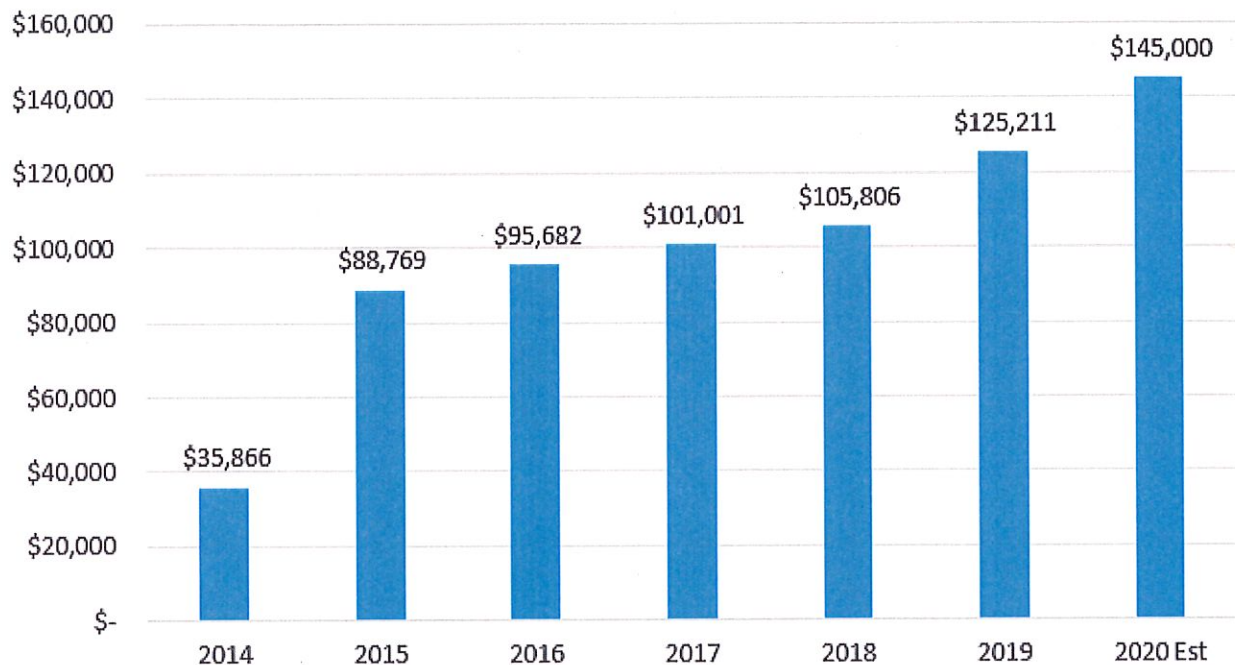
The ability for the Town to manage maintenance of these roadways is not only advantageous to the utility and service companies who operate within the corporate limits, but also to the residents who enjoy those services. This could not otherwise occur without some form of replacement income to keep roadways in good condition in all weathers.

In 2020, the Town of Annetta continued an auditing process of these payments by franchise fee providers to ensure that fees collected are adequate to provide upkeep of these roads and easements within the Town. These audits have led to a recent increase in total receipts as addresses within the Town are reconciled with payments in order to ensure completeness. As energy costs have declined relative to expenses related to road repairs, it has been important to constantly evaluate the Town's relationships with these providers. Review of agreements with these providers has also led to negotiations that provide beneficial increases to the citizens in the form of fairly written, auditable contracts, future rate adjustments and accurate collections. The most notable increase in franchise fees however, came after 2014 voluntary annexation of residents into Annetta. The increase to the Town in the number of homes which were already in our community added greatly to the ability of Annetta to bring aging and previously ignored infrastructure into repair.

**Sales taxes** are largely generated by home-based businesses and online sales of products delivered to an address within the Town. The portion of total sales taxes collected by Annetta is small (1%), but the total dollar amount indicates a healthy economic community. Sales taxes income accounts for over 40% of the revenue generated in Annetta each year within the General Fund. The total sales tax rate collected in Annetta is the same as most other Texas cities.

Sales Tax	Tax Rate
State of Texas:	.0625
Parker County:	.0050
Annetta, Town:	.0100
Annetta Street Maintenance:	.0025
Annetta Crime Control:	.0025
<b>Total Sales Tax:</b>	<b>.0825</b>

### Fiscal Year Sales Tax Revenue



In 2020, the Town once again audited sales tax collection information from the State Comptroller to insure completeness and correctness. This review process has been beneficial as the Town discovered some Annetta businesses had that portion of their sales tax collections erroneously going to another city. This was due to the State Comptroller’s Office having incorrect information. The Annetta City Council and staff are always working to benefit Annetta citizens.

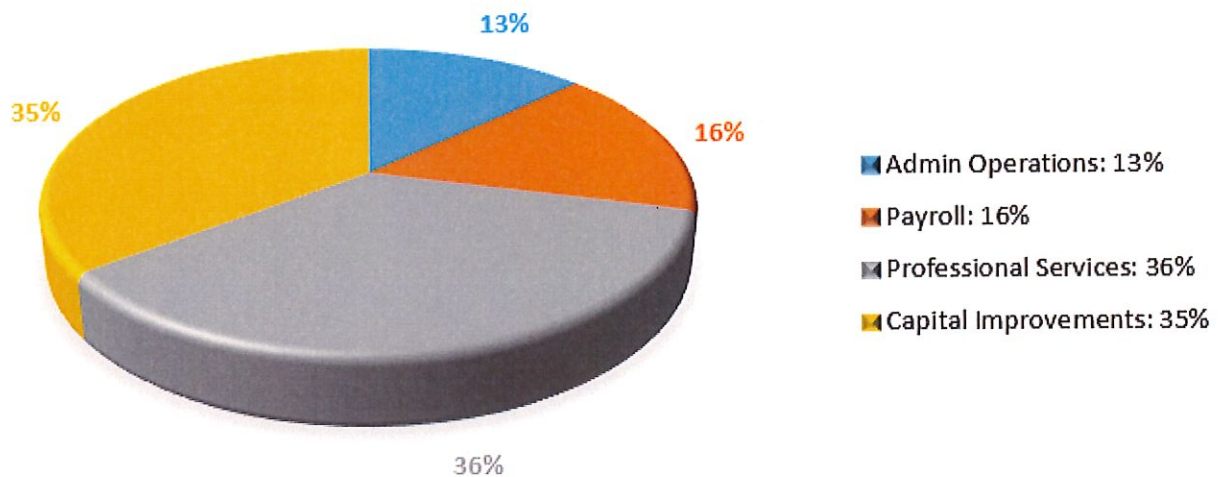
Also noted in the graph this year is street tax collections. The voters have overwhelmingly approved continuance of this very small percentage of sales tax (.25%) which can only be spent on road projects within the taxing area. In previous years, this was included in the graph as part of total sales tax collections, but we have broken it out this year for clarity.



## Where are the areas of expense related to running the Town?

The below graph illustrates the areas of historical expenditure trends of the Town.

### GENERAL FUND: WHERE WILL THE MONEY GO?



The General Fund has three notable and consistent areas of expenses. In the 2020-21 Budget, administrative operations and employee costs together account for about 29% of the General Fund expenses with professional services such as legal, engineering and consulting planned for roughly 36%. Capital improvements makes up the remaining 35% and includes road and road related projects.

### Notable Accomplishments, FY 2019-20

#### Continued commitment to road repairs and street maintenance.

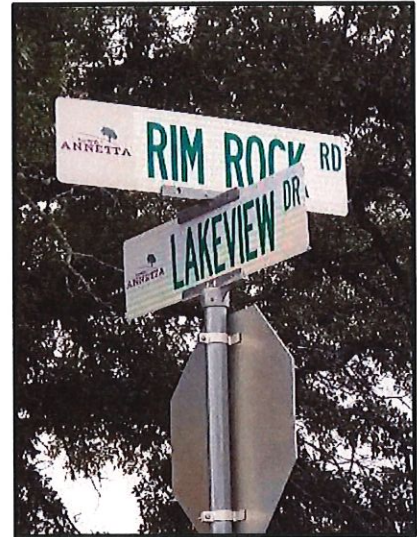
The Town of Annetta has a working plan to upgrade and maintain all the roads in the Town and it has again committed substantial resources in the amount of \$84,225 in this next budget cycle. Road repairs are reflected in the budget under capital improvements.

This past year, the Town kept its commitment to aggressively finance the repair and maintenance of the roads in our Town. City Council members and staff often meet with citizens and personally inspect conditions to address concerns over both road surface and drainage issues. This is also one aspect of determining each year's road projects as complaints are filed and reviewed through a grading process.

Due to the way our community has developed over the last three decades, little attention was given to drainage issues before 2014. The effect poor drainage has on private property as well as roads when not dealt with has a high and recurring cost due to undermining road surfaces causing pre-mature wear. This has changed as Annetta continues to improve policies and standards to protect from poorly planned developments. Older neighborhoods are being closely monitored and where possible, improvements will be made to help create a better condition moving forward.



The Town of Annetta’s new logo and branding not only reflect the Annetta Vision, but is now associated with a higher standard of living. If you haven’t done so, please visit the Town’s website at [www.annettatx.org](http://www.annettatx.org) and view the video of citizens speaking about what Annetta means to them! Each fiscal year, we are budgeting for new street signs with the Town logo and gradually swapping out the old signs.



### Planning for the Future

#### Aledo Independent School District, Elementary School No. 6



The Town of Annetta is working closely with the Aledo Independent School District and their engineers in the planning and permitting of Elementary School No. 6. The new school will be located in Annetta east and adjacent to the Annetta Community Storage on FM 5. The elementary school will occupy approximately 800 students and is projected to open in the Fall of 2021.



**The 3<sup>rd</sup> Annual Annetta Cleanup Day:**

This year's event was another tremendous success with many citizens coming out to clean up the Town. Afterwards, everyone shared a meal and conversation to better know their neighbors. The General Fund supports the cost of trash bags, refuse pickup and the meal. Volunteers give of their time and sponsors provide safety vests and pickup tools.

**Other Town improvements:**

The Town of Annetta administration building continues to improve with the help of the Parker County Master Gardeners. This past November, the gardeners donated a replacement redbud tree that was destroyed due to high winds. We would like to extend our heartfelt thanks for all they do!

Landscaping flourishes with the drip irrigation system in place which is proving that plants can be kept healthy and vibrant while effectively reducing water loss that would normally occur through evaporation. Healthy soil also means less maintenance.

This year again saw many neighbors come to use the benches built in front of Town Hall and even use the beautiful landscaping as a backdrop for photos of their pets and children.



↑ Texas Redbud Tree Donated by Parker County Master Gardeners on 11/6/2019.



↑ Master Gardener, Gay Larson, with Christmas wreath made by Parker County Master Gardeners and displayed at Town Hall.

### Annetta Monarch Butterfly Waystation:

In July, the Town of Annetta reinforced its pledge to remain a “Monarch Butterfly Waystation.” By instituting a native plant program that naturally helps support Monarch Butterflies as they migrate from Canada to Mexico, the Town hopes to set an example of how a little effort can make a big difference. More plants have been added by the Parker County Master Gardeners that are drought resistant, as well as a valuable source of energy for these beautiful creatures.

This was the Town’s 4<sup>th</sup> year to participate in the program. We are pleased to see many citizens come and enjoy the Monarch Butterflies as they pause at Town Hall along their journey.



A **Monarch** Waystation is an intentionally-managed garden that provides food and habitat for the struggling **Monarch butterfly** population. As a rule, a waystation must include at least 2 types of Milkweed, the 'host' plant for **Monarchs**. Jun 17, 2016

The monarch butterfly or simply monarch is a milkweed butterfly in the family Nymphalidae. Other common names depending on region include milkweed, common tiger, wanderer, and black veined brown. It may be the most familiar North American butterfly, and is considered an iconic pollinator species. [Wikipedia](#)

**Scientific name:** *Danaus plexippus*  
**Phylum:** Arthropoda  
**Class:** Insecta  
**Order:** Lepidoptera  
**Kingdom:** Animalia  
**Lifespan:** 2-6 weeks [journeynorth.org](#)

### Bearcat Nation 101:

The Town of Annetta once again participated in the annual Bearcat Nation 101 event. This well attended venue provides local organizations a chance to welcome new residents to the school district.

The Annetta booth is always very popular as people new to the area get familiarized with the various cities and towns with the Aledo ISD. Our favorite comment: “We just bought a house to get into the AISD but **Annetta** is our eventual goal.”



← Mayor Pro-Tem, Kent Stasey, ready to meet visitors at Bearcat Nation 101.



### Troop 75 Boys & Girls:



The Town of Annetta appreciates Troop 75 Boys & Girls for their dedicated service.

In May, the Troop replaced the weathered flags at Town Hall and in June, a flag retirement box was installed at Town Hall as part of an Eagle Scout Project. When this project was presented to City Council, donations for the entire project were made by several City Council members.

← Scout, Houston Story, and Mayor, Bruce Pinckard, at the flag retirement drop box.

### Toys for Tots:



It was another successful year for Toys for Tots with Annetta citizens donating several bicycles and many toys. This program is run by the United States Marine Corps Reserve which distributes toys to children whose parents cannot afford to buy them gifts for Christmas.



### Other things the Town of Annetta is always working on:

Annetta has a Business Continuity Plan that goes to work in case of emergencies or natural disaster to keep vital systems running. This Spring, we were faced with the COVID-19 Pandemic. The Town's staff continued to work in the office during the pandemic. In order to continue providing safe, personal separation to protect from potential exposure of COVID-19 and in compliance with Parker County declarations of local disaster, the office was closed to walk-ins from March 23 through May 1. The staff continued to allow visitors by appointment only during that time.

The Town's Business Continuity Plan is reviewed and updated every year.

- Financial policies are reviewed and updated to be compliant with state law and sound business practices.
- Staff and elected officials attend local and area events in order to hear from citizens and answer questions in order to better represent the Town.

- Continuous review and upgrade of policies and ordinances help to address issues of concern and to curtail the negative effects of unregulated growth.
- Quarterly budget reviews by the City Council will again be scheduled in FY 2020-21 to more effectively communicate financial information to citizens, manage upcoming project expenses and to more closely monitor changes in financial performance in both the General and Enterprise Funds.
- Staff and council/committee members attend training and continuing education programs to help them in their roles serving the great citizens of Annetta.

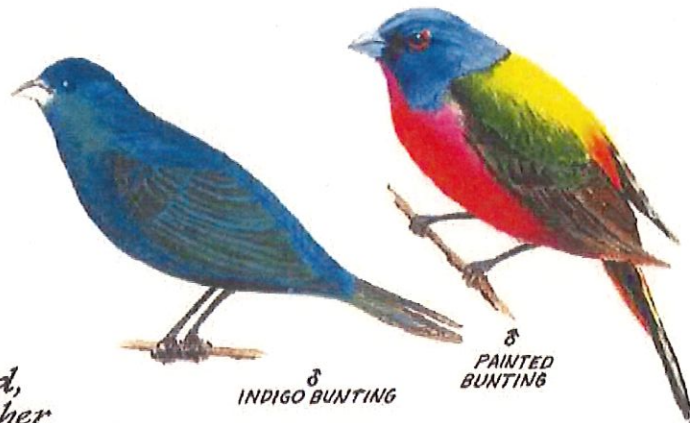
### *JEWELS AT ANNETTA*

*In 2006 we have, for the first time, seen Indigo Buntings at our feeders. They prefer to eat on the ground. Science tells us that, like Peacocks, their feathers have no local color. Instead, light is refracted by feather components, appearing deep blue.*

*Painted Buntings are more common here, but so shy 'til we only see them at the feeder. All the small birds seem to prefer white millet.*

*On rare occasions we see a Vermillion Flycatcher. The males look like a sparrow with a cool red breast.*

*And we should never take for granted all our wondrous Cardinals. They prefer to eat black sunflower seeds.*



♂  
INDIGO BUNTING

♂  
PAINTED BUNTING



♂  
CARDINAL

7

↑ Homer Norris, Parker County Prairie Sketchbook (2006)



**Town of Annetta  
Fiscal Year 2020-2021 Budget Worksheet  
General Fund**

	Budget	
	FY 2019-20	FY 2020-21
<b>Income</b>		
<b>3200 · Total Franchise Fees</b>		
3250 · HB 1777 - ROW	50	50
3210 · Electrical		
3212 · Tri-County	40,000	40,000
3211 · ONCOR	35,000	35,000
<b>Total 3210 · Electrical</b>	<u>75,000</u>	<u>75,000</u>
3230 · Sanitation	25,000	25,000
3240 · Telephone	15,000	10,000
<b>Total 3200 · Total Franchise Fees</b>	<u>115,050</u>	<u>110,050</u>
<b>3100 · Sales and Use Taxes</b>		
3130 · Sales Tax 1%	85,000	99,150
3120 · MBGRT	2,000	2,000
3140 · Streets .25%	20,000	20,000
<b>Total 3100 · Sales and Use Taxes</b>	<u>107,000</u>	<u>121,150</u>
<b>Total 3310 · Building Permits</b>	37,000	37,200
<b>3300 · Other Income</b>		
3800 · Variance and Special Exceptions	500	750
3305 · Contractor Registration Fees	2,000	1,500
3700 · Platting Fees	2,000	2,000
3301 · Interest Income	4,000	4,000
3302 · Miscellaneous Income	200	200
3303 · Other - Income	100	100
<b>Total 3300 · Other Income</b>	<u>8,800</u>	<u>8,550</u>
<b>From Capital Reserve</b>	<u>24,575</u>	<u>-</u>
<b>Total Revenue</b>	<u>292,425</u>	<u>276,950</u>
<b>Expense</b>		
<b>5500 · Committees</b>		
5511 · Comprehensive Zoning	1,000	3,500
<b>Total 5500 · Committees</b>	<u>1,000</u>	<u>3,500</u>
<b>5100 · Admin &amp; Other Operations</b>		

5280 · Facilities Expense		
5284 · Cleaning and Sanitation	250	250
5283 · Supplies	150	150
5282 · Equipment Repairs & Maint.	150	150
5281 · Small Tools	200	200
<b>Total 5280 · Facilities Expense</b>	<b>750</b>	<b>750</b>
5256 · Memberships, Dues & Fees	500	500
5267 · Subscriptions & Publications	100	100
5110 · Bereavement and/or Recognition	250	250
5150 · Town Branding & Identification	1,000	1,000
5210 · Insurance		
5211 · General & Property Liability	3,500	3,500
5212 · Health/Life/Dental	2,750	2,750
5213 · Worker's Compensation	400	400
<b>Total 5210 · Insurance</b>	<b>6,650</b>	<b>6,650</b>
5120 · Contributions (EPCL)		
EPC Library	1,000	1,000
<b>Total 5120 · Contributions (EPCL)</b>	<b>1,000</b>	<b>1,000</b>
5230 · Office Equipment		
5233 · Copier Maint Contract	650	650
5231 · New/Replacement	750	750
5232 · Supplies	1,500	1,500
5234 · Software Maint & Upgrade	4,000	4,000
<b>Total 5230 · Office Equipment</b>	<b>6,900</b>	<b>6,900</b>
5260 · Utilities (Admin Building)		
5262 · Electric	800	900
5264 · Telephone	800	900
5263 · ISP	400	500
5265 · Web Hosting and e-mail	225	225
5261 · Cell Phones	225	225
<b>Total 5260 · Utilities (Admin Building)</b>	<b>2,450</b>	<b>2,750</b>
5270 · Vehicle Expense		
5275 · Mileage Expense	400	500
5274 · Vehicle License & Inspection	25	25



5272 · Fuel	200	200
5273 · Vehicle Maintenance	1,000	1,000
5270 · Vehicle Expense - Other	100	100
<b>Total 5270 · Vehicle Expense</b>	<b>1,725</b>	<b>1,825</b>
5201 · Advertising and Notifications	575	750
5250 · Security	300	300
5202 · Building Maintenance	1,250	1,250
5125 · Credit Card Fees	500	750
5130 · Elections	5,500	5,500
5135 · Filing Fees	100	100
5140 · License/Permits/Fees	1,500	1,500
5240 · PO Box Fees/Postage	100	100
5145 · Postage	100	100
5245 · Public Events	-	-
5155 · Travel/Meals/Training	3,000	1,000
<b>Total 5100 · Admin &amp; Other Operations</b>	<b>34,250</b>	<b>33,075</b>
<b>5300 · Payroll Expenses</b>		
5320 · Payroll Taxes		
5322 · FICA - Medicare	539	539
5324 · State Unemployment	189	189
5323 · FICA - SS	2,303	2,303
<b>Total 5320 · Payroll Taxes</b>	<b>3,031</b>	<b>3,031</b>
5304 · Retirement	3,699	3,699
5305 · Salaries	37,150	37,150
<b>Total 5300 · Payroll Expenses</b>	<b>43,880</b>	<b>43,880</b>
<b>5600 · Professional Services</b>		
5607 · Planning Consultant	5,000	5,000
5606 · Code Enforcement Officer	500	500
<b>Total 5660 · Development Projects</b>	<b>6,000</b>	<b>8,000</b>
5640 · Other Financial	2,000	2,000
5601 · Audit Financial	3,000	3,000
5602 · Building Inspections	36,000	36,000
5610 · Engineering		
5614 · Plat Review	500	500
5611 · Civil Planning	7,500	7,500
5610 · Engineering - Other	1,000	1,000

Total 5610 · Engineering	9,000	9,000
5655 · Surveying/Mapping	1,000	1,500
5630 · Legal	30,000	30,000
5635 · Mowing & Grounds Keeping	2,500	2,500
5600 · Professional Services - Other	1,500	1,500
<b>Total 5600 · Professional Services</b>	<b>96,500</b>	<b>99,000</b>
<b>5700 · Capital Improvements</b>		
5750 · Yard Improvements - Thunderhead	1,000	1,000
5720 · Building Fund	10,000	10,000
5730 · Community Beautification	770	770
<b>5710 · Roads</b>		
5713 · Shoulder & Drainage Ditch	10,000	10,000
5712 · Street/Road Reconstruction	85,450	70,000
5711 · General Pot Hole Repair	3,500	3,500
5710 · Roads - Other	4,575	725
<b>Total 5710 · Roads</b>	<b>103,525</b>	<b>84,225</b>
5740 · Signage and Related	1,500	1,500
<b>Total 5700 · Capital Improvements</b>	<b>116,795</b>	<b>97,495</b>
<b>Total Expense</b>	<b>292,425</b>	<b>276,950</b>
<b>Net Income</b>	<b>-</b>	<b>-</b>



## ENTERPRISE FUND

### Program of service:

The Water and Wastewater Department provides Town of Annetta customers with safe, clean and reliable drinking water and a dependable and efficient sewer system.



The Town of Annetta water system maintains a SUPERIOR RATING with the State of Texas. A little over 9 years ago, the situation seemed nearly impossible as the condition of infrastructure had not been maintained by the previous owners and reliability was poor, operational costs were high and citizens were in mandatory, year-round outdoor watering restrictions. Annetta is pleased to announce that for the 7<sup>th</sup> consecutive year there have been no long-term outdoor watering restrictions. In recent years, the department has successfully increased overall water production capabilities, reduced water loss, improved wastewater treatment capabilities and continues to provide a level of service that is enviable to other communities.

On April 28, 2020, the Town's elevated water tower took a direct hit from a lightning strike. In an earlier day, this would have created havoc for our water customers with service interruptions but instead, they only experienced some great video and pictures of an incredible natural event.

The Annetta Wastewater Treatment Plant put into service in 2016 continues to operate efficiently and economically. The Town will make additional improvements to visual screening in 2020-21, add backup power capabilities to some lift stations to help in periods of electrical outages and add/improve SCADA capabilities and alarms for better operational control. In addition, wastewater sampling and laboratory work required by the state will soon be done on-site in a re-purposed building left over from the old Wastewater Treatment Plant. This will speed up testing results for reporting further reducing the need for costly outsourcing. The new plant is still able to return 100% of the treated wastewater to the ground by virtue of oxygenated ponds and then irrigation on the Split Rail Golf Course. This results in less need for additional groundwater pumping than would otherwise be utilized and is a smart way to help sustain our natural resources.

As always, we encourage responsible use of resources available to us but are happy to be able to provide our citizens with an adequate supply of water during the high demands of a hot Texas summer.

The Town of Annetta again sees no need to adjust rates for service in 2020-21 even as other local cities are forced to raise prices or subsidize rates with property taxes.

In an effort to reduce sound created by the blowers in the Wastewater Treatment Plant, a covering for the blowers was installed this Spring.



## Revenue

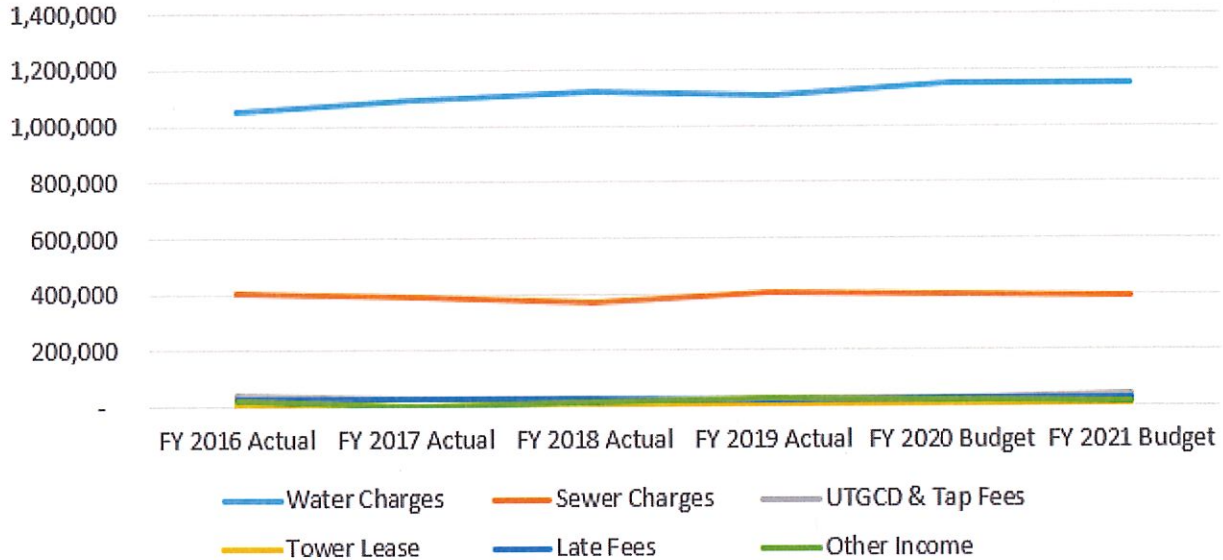
Customers of the utilities pay for the service through usage charges. Annetta has no property tax to subsidize utilities or other infrastructure requirements likewise, all revenue generated by the utilities stay within the utilities and are not used for other purposes. Water usage accounts for the bulk of the revenue through a tiered rate structure that includes a base rate for all customers. Base rates alone could never meet the costs associated with operations and maintenance along with debt service, therefore consumption in the warmer months makes up the difference and allows the utility to function as a stand-alone enterprise.

The Annetta Water System continues to operate smoothly through periods of both planned maintenance and emergency repairs.



Historical income and expense information is provided below:

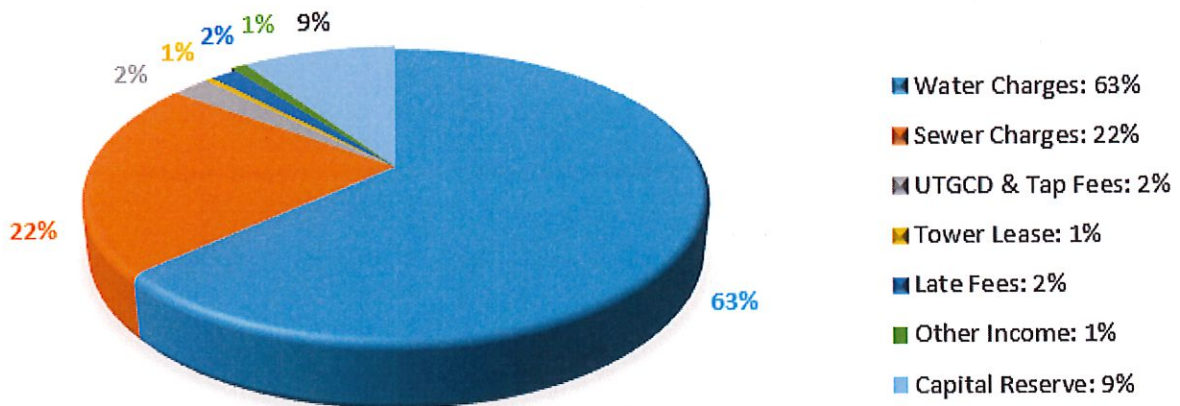
### Enterprise Fund: Historical Revenue Trends



As illustrated in the graph above, the Annetta Water and Sewer Systems have operated in a very stable and responsible manner while undergoing a program of continuous improvements that have resulted in higher performance and reliability. While revenue is predicated on customer usage, operations and maintenance (O&M) activities are conservatively managed to ensure customer needs are met adequately regardless of weather conditions or infrastructure shortcomings that might negatively affect performance. Maintaining adequate reserves is an important aspect of operational stability as well as rate stabilization.

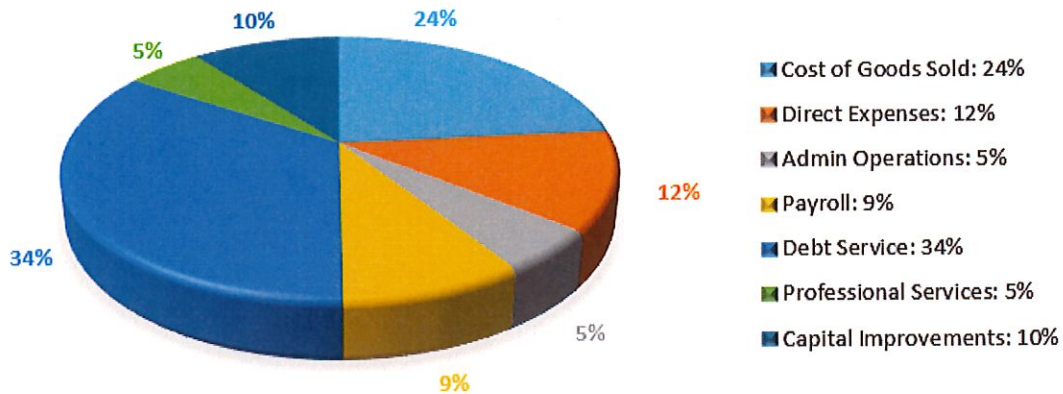
Below is a summary of the budgeted cash inflow and outflow areas of the Enterprise Fund for 2020-21:

### ENTERPRISE FUND: WHERE IS THE MONEY COMING FROM?





## ENTERPRISE FUND: WHERE WILL THE MONEY GO?



The largest category of expense for 2020-21 remains long term debt. This debt is in the form of bonds which have a set schedule for repayment and retirement. As recently as 2016, the Annetta City Council elected to call all the debt available that could be refinanced at a lower rate. This enabled the customers to realize a savings over the next 20 years of over \$600,000. This success story was largely made available due to the improvement in systems reliability and performance and the prudent management of the Town's finances which resulted in an improved bond rating from BBB to A. The current City Council remains committed to capitalize on future opportunities that may be beneficial to the customer. Having adequate reserves allows the Town to target future call dates as well as avoid incurring any more debt should a large, unforeseen expense occur.

The next largest area of expenses includes all the costs of operating the systems including expenses related to repairs, treatment, utilities and contract services. Repair costs have been stable as Annetta remains committed to continuously monitor and improve systems as well as perform routine maintenance. Timely repairs of necessary infrastructure reduce interruptions to the customers and keep costs lower. Each of the well sites have been brought back from the neglect of previous ownership to an industry standard however most of the transmission lines throughout the system are approaching 35 years of age and are showing signs of needing more frequent attention. Appropriate budgeting for these repairs is critical to delivering high quality service on a consistent basis.

### Capital Improvements

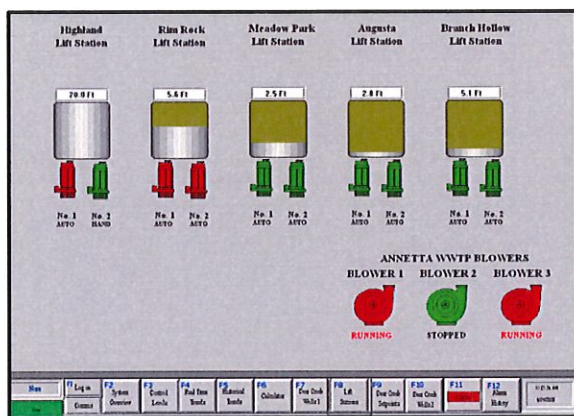
Capital improvements are planned based on best value and return for the customer in both the long and short term. This takes considerable evaluation from consulting engineers as well as the City of Hudson Oaks as contract operator. These evaluations focus on pushing down recurring and future costs regarding labor and/or contract services.

### Automated Metering Infrastructure

Last year, a new Automated Metering Infrastructure (AMI) was deployed allowing Annetta to realize considerable improvement in both accurately measuring consumption at the customer level as well as

production from well sites. This wise investment will forever curtail the need for the labor necessary to read water meters and input data for billing. The implementation of AMI reduces meter reading from 3 persons for 2 ½ days each billing cycle to a data download that only takes a few minutes. Administratively, what was a several-day process of manually entering meter readings followed by an account usage analysis and then finally to invoicing has been reduced to only a few minutes of upload time. A wonderful side benefit is that customers are now notified much earlier of unusual consumption related to plumbing leaks and so they can make repairs more quickly not only saving water but avoiding higher than usual water bills. After installation of the AMI meters throughout the system was completed, the town performed an operational audit and review of the entire system within the first year. By working with customers who provided solid feedback technicians were able to verify and changeout any meters that were not performing as they should. Where applicable, customers were credited for unused amounts that had been previously metered. Annetta also has moved the water bill printing in-house rather than through a third-party contractor which allows for water customers to receive their bills in a more timely manner while also saving on costs associated with this service.

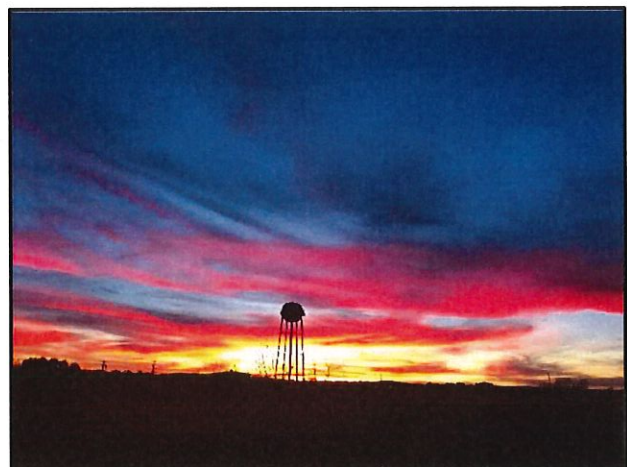
### SCADA



We have continued the installation of SCADA (Supervisory Control and Data Acquisition) at more well sites and wastewater lift stations. SCADA is infrastructure that monitors and allows for real-time adjustments regarding production at various well sites from remote positions. This addition helps to keep labor costs lower by reducing the need for multiple on-site visits each day to individual sites.

### Planning for the Future

In a fast-growing area like East Parker County and particularly in the highly desirable Aledo ISD, towns and cities must remain vigilant to protect and preserve our resources for future use. The pressures of new development place additional burden on the availability of groundwater. This is a difficult problem to solve as the state legislature is slow to address the issues associated with rampant growth and often work against local citizen’s abilities to manage their own destiny. Parker County leads the state in new water wells being drilled which not only poses the risk of reduced water availability to current users but also adds to





the likelihood of potential contamination of our groundwater. As the local provider of both water and sewer services, Annetta has a legal responsibility mandated by the State of Texas to provide services to those requesting it where available and within the Annetta CCN (Certificate of Convenience and Necessity). Problems often arise as to how best to manage such a valuable resource into the future yet the Town remains committed to finding reasonable solutions to these concerns in order to continue to provide adequate quantities of water for its customers.

A transition plan continues to develop which will allow Annetta to one day manage the daily operations of both water and sewer systems which is still done by contract with the City of Hudson Oaks. This plan works to provide reasonably obtainable goals, acquire necessary systems and equipment and develop staff training in order to meet customer expectations. A big first step in meeting that goal is to continue to invest in items that push back against the rising needs for additional labor as the customer base grows.

Over the next couple of years, the department will take steps to:



↑ Panther Creek Development (in the Town's ETJ) will add 26 new water meters.

- Continue to prepare for expected growth in the service area by increasing capital through developer negotiated impact fees and cost assessments;
- Continue to plan for and obtain training and expertise in the operation of the water and sewer systems;
- Continue to plan for and acquire equipment and facilities necessary to provide reliable and effective operation of both the water and sewer systems;
- Reduce water loss through proper maintenance, conservation and public education; and
- Continue to work to further diversify the community's water sources to handle an increase in demand volatility.

It has been, and will continue to be, the goal for the Town of Annetta to operate the water and sewer system in a manner that maximizes the service, quality and availability of this most precious resource while minimizing the cost, disruption and impact to the lives and financial welfare of its citizens. As we have tried to lay out this budget presentation, Annetta does not generate excess revenues by charging exorbitant rates. The customers will never see the Town wasting your hard-earned money on frivolous projects or high-cost operations, nor will the Town maintain financial reserves beyond what is fiscally responsible. Rates are set at what it costs to operate the system and maintain the quality that our citizens deserve.

The Annetta approach is to continue managing the system in such a way that provides what the citizens need at a rate that ensures we continue moving in a positive direction without the need for a property tax. We believe that this budget furthers that goal.



**Town of Annetta  
Fiscal Year 2020-2021 Budget Worksheet  
Enterprise Fund**

	Budget	
	FY 2019-20	FY 2020-21
<b>Income</b>		
<b>3400 · Water/Wastewater Income</b>		
3422 · Water System Revenue	1,150,000	1,150,000
3410 · Sewer System Revenue	395,000	392,000
3415 · Late Charges & Fees	30,741	30,741
3423 · Water Tower Communicate Lease	8,000	8,000
3421 · Water & Sewer Tap Fees	1,500	15,000
3420 · UTGCD Fee	27,000	29,000
From Capital Reserve	-	170,210
<b>Total 3400 · Water/Wastewater Income</b>	<u>1,612,241</u>	<u>1,794,951</u>
<b>3300 · Other Income</b>		
3301 · Interest Income	25,000	16,781
<b>Total 3300 · Other Income</b>	<u>25,000</u>	<u>16,781</u>
<b>Total Income</b>	<u>1,637,241</u>	<u>1,811,732</u>
<b>Cost of Goods Sold</b>		
4720 · Waste Water Samples	8,250	8,250
4710 · Water Samples	6,250	10,000
<b>Total 4700 · Sampling/Testing</b>	14,500	18,250
4100 · System Supplies/Chemicals		
4140 · Water System Supplies	12,000	20,000
4130 · Water System Chemicals	6,500	7,600
4120 · Sewer System Supplies	1,500	3,000
4110 · Sewer System Chemicals	5,000	5,000
<b>Total 4100 · System Supplies/Chemicals</b>	25,000	35,600
4200 · Contract Operation of System	243,000	253,407
4300 · System Utilities		
4320 · Water System Utilities	52,000	52,000
4310 · Sewer System Utilities	40,000	40,000
<b>Total 4300 · System Utilities</b>	92,000	92,000

4500 · UTGCD Fees	27,000	29,000
<b>Total COGS</b>	<b>401,500</b>	<b>428,257</b>
<b>Enterprise Fund Revenue</b>	<b>1,235,741</b>	<b>1,383,475</b>
<b>Expense</b>		
5085 · Repair Site Restoration	3,000	3,000
5065 · Statement Mailing	4,000	4,000
5061 · Rental Equipment - Sewer System	1,000	3,000
5062 · Rental Equipment - Water System	1,000	3,000
<b>Total 5060 · Rental Equipment</b>	<b>2,000</b>	<b>6,000</b>
5070 · Tools & Equipment Purchases	1,000	2,000
5050 · Maintenance and Repair		
5057 · Tank Inspections	4,500	4,500
5056 · Generator Maintenance & Repair	4,000	4,000
5055 · Water Well Repair	22,000	20,000
5054 · WWTP Repairs & Maintenance	50,000	50,000
5053 · Water System Maint & Repairs	22,000	22,000
5052 · Water Plant Maint & Repairs	85,000	75,000
5051 · Sewer System Maint & Repairs	25,000	30,000
<b>Total 5050 · Maintenance and Repair</b>	<b>212,500</b>	<b>205,500</b>
<b>Total 5000 · Direct Expenses</b>	<b>222,500</b>	<b>220,500</b>
5100 · Admin & Other Operations		
5284 · Cleaning and Sanitation	1,500	1,500
5283 · Supplies	500	500
5282 · Equipment Repairs & Maint.	500	500
5281 · Small Tools	500	500
<b>Total 5280 · Facilities Expense</b>	<b>3,000</b>	<b>3,000</b>
5256 · Memberships, Dues & Fees	500	500
5267 · Subscriptions & Publications	200	200
5210 · Insurance		
5211 · General & Property Liability	10,000	10,000

5212 · Health/Life/Dental	8,500	8,500
5213 · Worker's Compensation	<u>250</u>	-
<b>Total 5210 · Insurance</b>	<b>18,750</b>	<b>18,500</b>
<b>5230 · Office Equipment</b>		
5233 · Copier Maint Contract	2,200	2,000
5231 · New/Replacement	3,000	3,000
5232 · Supplies	5,000	5,000
5234 · Software Maint & Upgrade	12,000	12,000
5230 · Office Equipment - Other	<u>100</u>	<u>100</u>
<b>Total 5230 · Office Equipment</b>	<b>22,300</b>	<b>22,100</b>
<b>5260 · Utilities (Admin Building)</b>		
5262 · Electric	2,500	2,600
5264 · Telephone	2,500	2,600
5263 · ISP	1,250	1,350
5266 · Web Site Maintenance	1,000	1,000
5265 · Web Hosting and e-mail	750	750
5261 · Cell Phones	500	500
<b>Total 5260 · Utilities (Admin Building)</b>	<b>8,500</b>	<b>8,800</b>
<b>5270 · Vehicle Expense</b>		
5275 · Mileage Expense	1,000	1,400
5274 · Vehicle License & Inspection	100	100
5271 · Acquisition	17,000	17,000
5272 · Fuel	685	500
5273 · Vehicle Maintenance	<u>500</u>	<u>500</u>
<b>Total 5270 · Vehicle Expense</b>	<b>19,285</b>	<b>19,500</b>
<b>5201 · Advertising and Notifications</b>	<b>1,000</b>	<b>1,000</b>
<b>5250 · Security</b>	<b>700</b>	<b>700</b>
<b>5202 · Building Maintenance</b>	<b>2,000</b>	<b>2,000</b>
<b>5125 · Credit Card Fees</b>	<b>5,000</b>	<b>6,335</b>
<b>5140 · License/Permits/Fees</b>	<b>7,500</b>	<b>7,500</b>
<b>5225 · Miscellaneous Expense</b>	<b>-</b>	<b>100</b>
<b>5240 · PO Box Fees/Postage</b>	<b>100</b>	<b>100</b>
<b>5145 · Postage</b>	<b>1,000</b>	<b>1,000</b>



5155 · Travel/Meals/Training	2,235	2,467
Total 5100 · Admin & Other Operations	92,070	93,802
5300 · Payroll Expenses		
5322 · FICA - Medicare	2,013	2,013
5324 · State Unemployment	705	705
5323 · FICA - SS	8,605	8,605
Total 5320 · Payroll Taxes	11,323	11,323
5302 · Other Payroll Expenses	100	100
5304 · Retirement	10,366	10,366
5305 · Salaries	138,810	138,810
5300 · Payroll Expenses - Other	-	100
Total 5300 · Payroll Expenses	160,599	160,699
5600 · Professional Services		
5604 · Bond Advisor Fees	2,750	2,750
Total 5660 · Development Projects	10,000	18,000
5640 · Other Financial	3,500	4,600
5601 · Audit Financial	9,400	9,000
5610 · Engineering	35,000	35,000
5630 · Legal	12,000	15,000
5635 · Mowing & Grounds Keeping	12,000	12,000
Total 5600 · Professional Services	84,650	96,350
5700 · Capital Improvements		
AMI Water Meter Replacement	1,100	1,100
Chlorination Room/Lab SCADA- System improvements	18,000	15,000
LOA Well # 2		80,000
LOA Water Storage Tank # 2 and mains		57,000
LOA Water Line extension Eastward- 2020 - NEW Building/Yard Improvements	-	15,000
5740 · Signage and Related	281	250
Total 5700 · Capital Improvements	99,291	188,350
6000 · Annual Debt Service	576,631	623,774
Total Expense	1,235,741	1,383,475
Net Income	-	-

## CRIME CONTROL AND PREVENTION DISTRICT FUND

The Annetta Crime Control and Prevention District was overwhelmingly re-approved by the voters in May of 2019. The District exists to put programs in place to help prevent crime and encourage safety in our community. The continued rapid growth within Annetta and surrounding areas causes the Town to prepare for what might happen instead of waiting to react to unexpected events. Citizen involvement is critical to the success of this organization.



↑ Chief Collie with Annetta CCPD's UTV.

CCPD funds are generated through a .25% portion of the sales tax collected within Annetta and are returned to the Town by the State Comptroller's Office. Annetta based businesses such as the Split Rail Golf Course and Annetta home-based business, as well as internet sales delivered to an address within the Town, all contribute to the total sales tax revenue collected. Through discussions with citizens regarding areas of desired attention, these CCPD funds become available to fund programs such as a Neighborhood Watch Program, training for citizen first responders such as First Aid and CPR, technology and equipment used in monitoring the community or capturing information on crime, theft or vandalism for communication to local law enforcement authorities. The Annetta CCPD has contributed to traffic control devices around Stuard Elementary, as well as provided equipment to local law enforcement agencies that help protect our community. Funds have also been provided for the purchase of a utility vehicle for use during events, safety and crime prevention efforts, as well as city or community-wide events such as Annetta's Annual Cleanup Day. The CCPD utility vehicle is also used to assist local law enforcement agencies during Aledo ISD events.

Annetta residents have not asked for a police department or a full-time law enforcement presence, but have expressed a need for better communication and more watchful eyes on the community so that we can all continue to enjoy our quiet town for years to come. The fiscal year 2020-21 CCPD Budget will provide \$21,300 to spend on continued communication, information sharing, citizen awareness and training, and signs to help support crime prevention and safety efforts. Signs at the entries have been added to remind everyone to watch for suspicious activity. The Annetta CCPD has also added outdoor security cameras at Town Hall for public events and to cover an area for a secure internet exchange zone.



**Town of Annetta  
Fiscal Year 2020-2021 Budget Worksheet  
CCPD Fund**

	Budget	
	FY 2019-20	FY 2020-21
<b>Income</b>		
3100 · Sales and Use Taxes		
3110 · CCPD .25%	18,338	21,000
<b>Total 3100 · Sales and Use Taxes</b>	<b>18,338</b>	<b>21,000</b>
3300 · Other Income		
3301 · Interest Income	300	300
<b>Total 3300 · Other Income</b>	<b>300</b>	<b>300</b>
<b>Total Income</b>	<b>18,638</b>	<b>21,300</b>
<b>Expense</b>		
5384 · Computer & Software	-	
5383 · Pubic Events and Education	8,700	5,500
5381 · Communication and Informational	4,200	10,000
5387 · CPR Certifications	1,420	2,500
5388 · Fuel, Maintenance, Repairs of UTV	-	1,000
Internet Exchange Security Zone	4,318	2,300
<b>Total Expense</b>	<b>18,638</b>	<b>21,300</b>
<b>Net Income</b>	<b>-</b>	<b>-</b>

