



450 Thunder Head Lane • P.O. Box 1150 • Annetta, Texas 76008 • (817) 441-5770

## City Council Meeting Minutes

The City Council of Annetta met in a specially scheduled meeting on Saturday, June 23, 2018, at 7:00 p.m. in the Annetta Town Hall at 450 Thunder Head Lane to consider the following agenda:

- I. **Call to order.** Mayor Bruce Pinckard called the meeting to order at 8:00 a.m.
- II. **Pledge of Allegiance/Invocation of Prayer.**
- III. **Roll call/Quorum check.** A quorum check revealed that Mayor Bruce Pinckard, Councilmembers Kent Stasey, Danny Coffman, Mark Wohl and Jim Causey were all present. Councilman Shane Mudge was absent.
- IV. **Public Comments:** There were no public comments.
- V. **New Business:**
  - a. **Discussion and Action:** Budget FY 2018-19 workshop.

The Mayor began the meeting with a brief introduction of the budget process for the Town of Annetta and stated that the primary purpose for this workshop was to establish a consensus for direction of the Town in regards to funding for the 2018-19 Fiscal Year. The Mayor then asked if there were any concerns or questions from council members regarding the process in general or of any particular items that may require funding.

Councilman Stasey opined on the Enterprise Budget, number of customers, production capabilities of the water system and the factors surrounding base rates. Revenue projections were targeted based on consumption to date and last year's performance.

Councilman Causey asked how Deer Creek Phase IX might affect the budget as it begins and then continues at some pace toward buildout. The Mayor explained that Deer Creek Phase IX has been part of the budget process since the original developer's agreement was signed and that it would not have any effect on the budget because it was understood and agreed that the development would pay for its' own capacity on both water and sewer and therefore would not have any negative affect on the current customer base.

Discussions centered around the current rate structure and how the base rate is derived as related to the debt of the systems and that no other funds are used to subsidize those systems. Councilman Stasey explained that the Town remains dedicated to the philosophy of "pay by the drink" or only users of the systems pay for those systems. No revenue from the General Fund will be used to subsidize the rates customers pay and there is a firm belief that Annetta should maintain a zero (0%) property tax rate.

Councilman Causey asked about capital expenses moving forward and the Mayor responded with a list provided by the Town's water and wastewater engineer and system operations team of identified items that will need to be addressed. These items were prioritized and noted with any factors that might influence the priority positioning. Councilman Stasey offered that the plan to continue to fund items that contribute to operational stability was a critical factor in applying downward pressure on rate changes that otherwise would be going up due to inflation and/or increases in the number of customers served.

There was much discussion on this topic. A general consensus was reached that the plan to maintain responsible reserves while funding necessary capital improvements from cash was working very well. This philosophy allows the Town of Annetta to make wise investments that increase efficiency and thereby lower operational costs well into the future.

Capital Projects discussed included:

- SCADA (Supervisory Control and Data Acquisition) on the new Split Rail Well Site.
- SCADA on Links Lane Lift Station.
- SCADA on the Branch Hollow Lift Station.
- Chlorination building and attached laboratory for sampling and testing.
- PRV (Pressure Relief Valves) (2).
- EVT (Elevated Storage Tank).

2018-19 expense items included:

- Tank Inspections and repairs continued.
- Tank separation work and valving continued.
- Chemicals and treatment supplies.
- Repair parts inventory.
- Safety equipment and control devices.
- Well repairs.
- Plugging wells.
- Vegetation and sound control measures at the WWTP (Wastewater Treatment Plant).

The Mayor closed discussion on the Enterprise Fund and informed the members that the draft, Crime Control and Prevention District budget would be provided by Jaime Saenz at a later date.

The General Fund budget was opened for discussion among council members and Councilman Stasey asked that the discussion be limited to the "roads" portion of the budget. The Mayor gave a brief summary of the methods used to date for evaluation of the road conditions in Annetta and how repairs were prioritized over the last 3 years.

Phase I - All major thoroughfare repair and resurfacing projects be addressed as they carry the highest traffic burdens.

Phase II - Those roads or sections of road in the worst current condition.

Phase III – Preventative maintenance measures ahead of costly repairs on roads in order to maximize the value of the funding into the future.

- These distinct areas or "phases" are each approached as a percentage of funds available each year. Funding percentages are highest for Phase I projects in the beginning. As more Stage I projects are completed, funding percentages shift toward Phase II and Phase III projects.

- Approximately 75% of the major thoroughfares in the Town of Annetta will have been repaired or resurfaced by the end of Summer, 2018.
- Any new roads required for future development are funded by those seeking to develop within the Town, not the current residents. No city funding plan has been implemented for any other future corridors within the Town of Annetta.
- This has been the current Road Repair and Maintenance Program since 2015 and seems to be working very well as the major thoroughfare resurfacing projects are ahead of the original schedule.

There was some limited discussion regarding staffing needs and expenditures for 2018-19.

The Mayor agreed to coordinate a draft budget for each of the major funds (Enterprise, General and CCPD) with staff help for consideration and discussion at the July City Council Meeting.

**VI. Adjournment:** With no further business before the council, the Mayor adjourned the meeting at 11:30 a.m.

*These minutes were approved on the 19<sup>th</sup> day of July, 2018.*



Jamee Long, City Secretary



Bruce Pinckard, Mayor