

**ANNUAL OPERATING BUDGET  
FISCAL YEAR 2022-23**



**town of  
ANNETTA**  
450 Thunder Head Lane  
Annetta, TX 76008

# TABLE OF CONTENTS

	<u>Page</u>
<b>Mayor’s Message</b> .....	<b>3</b>
<b>Town Mayor and City Council</b> .....	<b>4</b>
<b>Town Staff</b> .....	<b>5</b>
 <b>General Fund</b>	
Overview, Accomplishments and Goals .....	6-16
Fiscal Year 2022-23 Budget .....	17-20
 <b>Enterprise Fund</b>	
Overview, Accomplishments and Goals .....	21-28
Fiscal Year 2022-23 Budget .....	29-32
 <b>Crime Control and Prevention District Fund</b>	
Overview, Accomplishments and Goals .....	33
Fiscal Year 2022-23 Budget .....	34



## MAYOR'S MESSAGE

I am pleased to deliver the Town of Annetta's 2022-23 fiscal year budget. Once again, your city government has lived up to its promises.

While the past two years have been challenging, not only for the Town of Annetta, but for the entire world, nevertheless your local government met the challenge, and significant accomplishments occurred during the past fiscal year.

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.

The Town began its transition from the City of Hudson Oaks operating the water and wastewater systems in March of 2021 and took over full operation on June 9, 2022. The Town now has three full-time, licensed water and wastewater operators. We have also added a part-time Utility Clerk to assist with water and wastewater customers.

The proposed FY 2022-23 budgets assume:

- The Town will continue to operate **without** an ad valorem tax.
- The Town's sales tax revenues for FY 2022-23 should continue to increase or stabilize over previous years due to increased on-line retail sales to Annetta homes, as well as home-based business activities.
- Franchise fee collections should increase and right-of-way fees are trending to increase.
- The citizens of the Town of Annetta voted on May 7, 2022 to approve the reauthorization of the special sales tax funding for street maintenance. We will continue to supplement with other sales tax and franchise fee revenues to continue our program of regular road maintenance.
- The crime control and prevention program remains healthy and robust. In June of 2022, the City Council approved an interlocal agreement with the Parker County Sheriff's Department for random patrols to help maintain a low crime rate and high quality of life in the Town of Annetta.

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.
- Adding SCADA to additional water and wastewater sites.
- Adding lift station generators and a new utility building with the CLFRF grant funds.
- Budgetary payroll increases related to new hires and council objectives.

*Mayor Sandy Roberts*

# TOWN MAYOR AND CITY COUNCIL



**Mayor,  
Sandy Roberts**



**Place 1,  
Shane Mudge**



**Place 2,  
Danny Coffman**



**Place 3,  
Bruce Pinckard**



**Place 4,  
Jim Causey**



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

## TOWN STAFF



Jamee Long,  
TRMC,  
City Secretary



Diana Kotlinski,  
City Clerk



Bobbie Fulks,  
Utility Clerk



Travis Askins,  
Water/Wastewater  
Operator



Jeff Lashley,  
Water/Wastewater  
Operator



Leigh Hollis, P.E.,  
Half Associates,  
Operations  
Manager



Ronald King, P.E.,  
Half Associates,  
Water/Wastewater  
Team Leader



Drew Larkin,  
City Attorney,  
TOASE L.L.P.

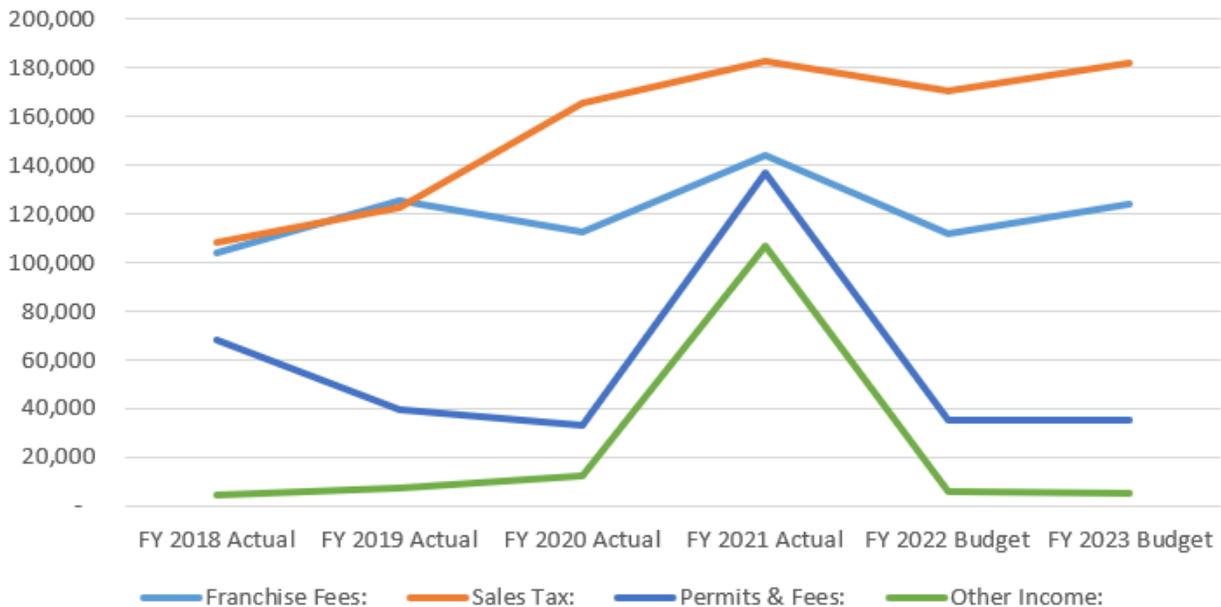
## GENERAL FUND

The Town uses a conservative approach to budgeting both revenue and expenses. 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

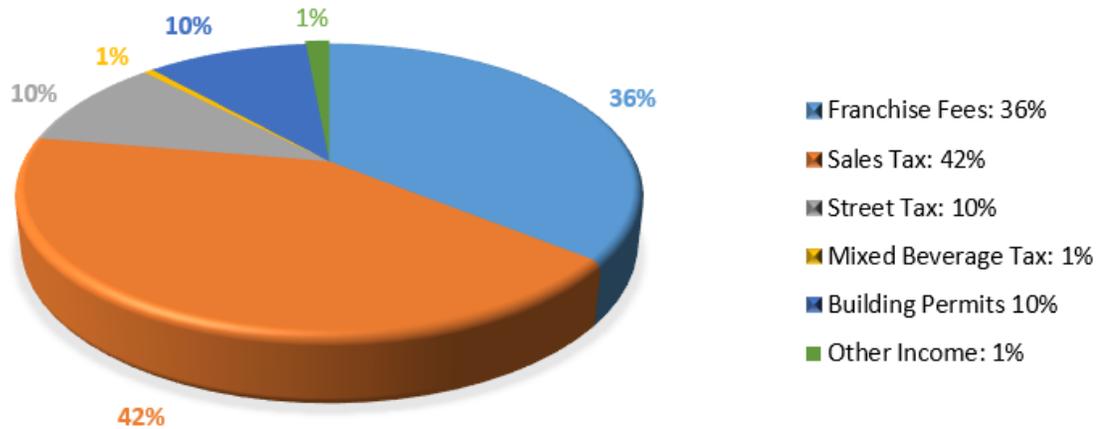
As part of the day-to-day activities, Town staff will interact and meet with citizens, landowners, business owners and developers. Staff receive requests for services and information, answer questions and communicate with city leaders the needs that come before the Town. City staff will work to ensure 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.

### General Fund: Historical Revenue Trends



The Town of Annetta derives General Fund 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.

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



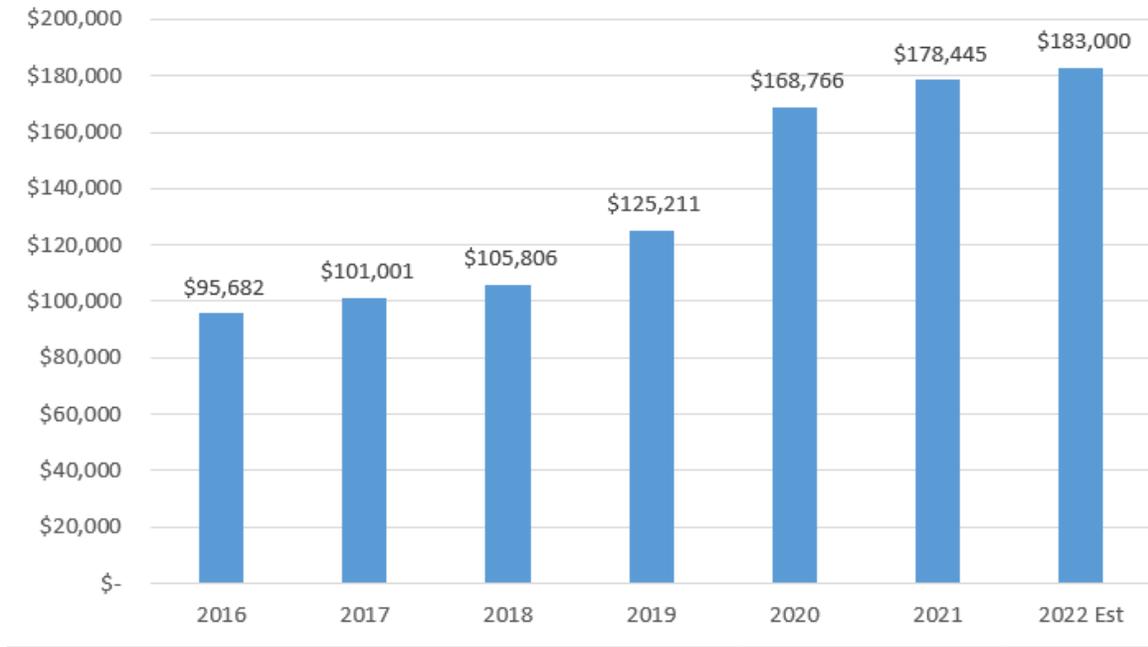
**Franchise fees** are monies paid to a municipality by utility and service providers for use of the roadways, easements and right-of-ways in the Town. All cities receive franchise fees to help offset wear and tear from vehicular traffic, not only from those providers but from their customers as well. 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.

**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 42% 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
Total Sales Tax:	.0825

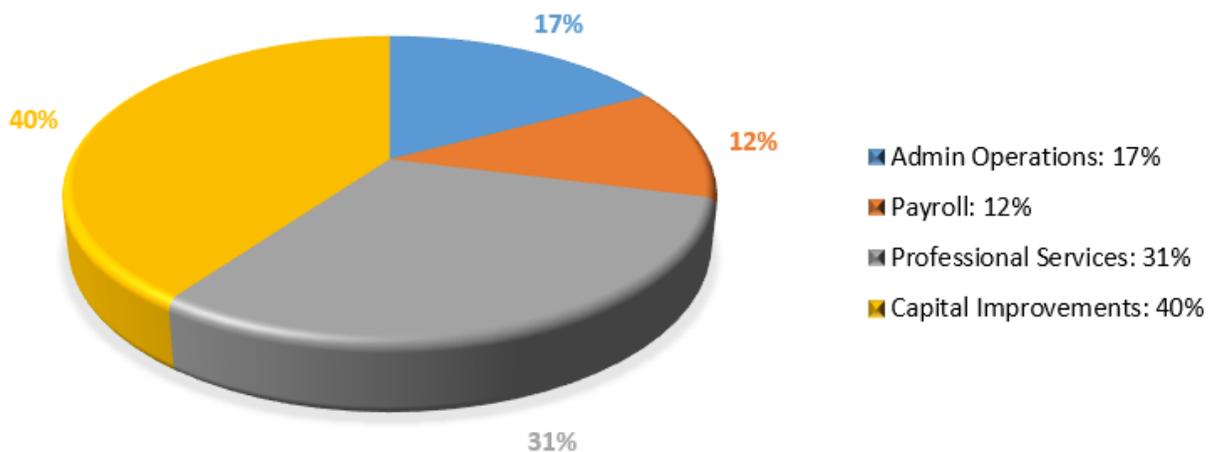
### Fiscal Year Sales Tax Revenue



Also noted in the graph this year is street tax collections. The voters have overwhelmingly approved continuance of this 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 this has been broken down for clarity.

The below graph illustrating 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 2022-23 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 31%. Capital improvements make up the remaining 40% and includes road and road related projects.

### **NOTABLE ACCOMPLISHMENTS OF FY 2021-22**

#### **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 \$94,580 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.

#### **Annetta Elementary:**

Annetta Elementary opened in the Fall of 2021 and has a current enrollment of 770 students. The Town of Annetta worked closely with the Aledo Independent School District and their engineers in the planning, permitting and completion of Annetta Elementary.



**Annetta Cleanup Days:**



The Town hosted two successful Clean Up Days with many citizens coming out to clean up the Town. The Town always provides a meal for the volunteers to allow neighbors to get to know each other better. The General Fund also supports the cost of trash bags and provides a place for refuse pickup. Volunteers give of their time and sponsors provide safety vests and pickup tools.



**Code Enforcement:**

In May of this year, the City Council approved of contracting with the City of Willow Park's Public Works Director, Michelle Guelker, CPM, CWP. Ms. Guelker has over 15 years' experience in city and county operations. She is a licensed Code Enforcement Officer with the Texas Department of Licensing and Regulation. Ms. Guelker will handle code enforcement issues that are unable to be resolved by Town staff. Contracting with Ms. Guelker will be a cost savings for the citizens of Annetta due to her services being on an "as needed" basis.



### **Other Improvements:**

The Town of Annetta administration building continues to improve with the help of the Parker County Master Gardeners. 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.



We are so proud of the addition of a new sign at the entry to Town Hall. The gardeners have graciously volunteered their time to landscape around the new sign with drought tolerant plantings. Drip irrigation was also added at the new sign along with low voltage lighting.

### **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 is more important than ever since the Monarch Butterfly was declared an endangered species on July 21, 2022 by the International Union for the Conservation of Nature, the global leading authority on the status of biological diversity. The Monarch Butterfly has long been considered under threat, but this marks the first time it has officially been declared at risk of extinction.

This was the Town’s 6<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 at the end of Summer.

### **Bearcat Nation 101:**

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

The Annetta booth is always popular as people new to the area get familiarized with the various cities and towns within the Aledo ISD. The Parker County Master Gardeners also bring some butterfly friendly plants to educate attendees and Mayor Roberts donated seed balls of Monarch rescue mix for planting.

↓ Master Gardeners with Mayor Pro Tem Kent Stasey, Mayor Sandy Roberts and Council Member Bruce Pinckard.

→ Mayor Pro Tem Kent Stasey and Mayor Sandy Roberts with AISD Bearcat mascot.



### Boys & Girls Scouts:

The Town of Annetta appreciates the Boy and Girl Scouts for their dedicated service.

Troop 75 replaces the weathered flags at Town Hall and 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.

Mayor Roberts and the City Council recognized James Kehrt and Shyanne Story for their accomplishments in obtaining Eagle Scout. Shyanne Story is the first female Eagle Scout in Parker County and Brazos Valley.

→ Eagle Scout James Kehrt with Mayor Roberts.

→ Eagle Scout Shyanne Story with Mayor Roberts.



In February of this year, Mayor Roberts attended Pack 109 Cub Scouts' Blue and Gold Banquet. Blue and Gold Banquets are a tradition in Cub Scout packs. They are a celebration of the anniversary of the founding of the Boy Scouts of America on February 8, 1910. Often, badges of rank are awarded.

Zoning Board of Adjustment Member Brian Berryhill, Mayor Pro Tem Kent Stasey and Mayor Sandy Roberts also attended the Investment in Character Luncheon of the Longhorn Council of Boy Scouts in April of this year. The Longhorn Council provides support for units in North and Central Texas, and funds are used to maintain camp properties and the council service center. These funds also purchase program supplies for youth activities and camps, as well as provide volunteer training.



← Mayor Roberts at the Pack 109 Cub Scouts' Blue and Gold Banquet.



← Zoning Board of Adjustment Member Brian Berryhill, Mayor Pro Tem Kent Stasey and Mayor Roberts at Investment in Character Luncheon of the Longhorn Council.

**Layla Rose Horse Ranch:**



On June 6, 2022, Mayor Roberts cut the ribbon at the Grand Opening at Layla Rose Horse Ranch. The Hudsons and their ranch began rescuing horses because they found there was sometimes a disconnect between the horse and the owner. Their goal is to rescue every horse in a bad situation, rehabilitate the horse to trust again, and to rehome the horse with a new loving and forever home. Their philosophy is to build trust through compassion rather than control.

We are happy to have their horse rescue facility in Annetta.

**Tarrant Area Food Bank – West:**

In January, the Tarrant Area Food Bank – West in Parker County completed their construction. They distribute tens of thousands of meals per week to those in need.

Mayor Roberts and Aledo Mayor Kit Marshall recently attended the Minds of Influence Luncheon to discuss how local officials can assist to end hunger in our area. The Tarrant Area Food Bank – West is located at 112 Winners Circle in Weatherford and welcomes any volunteers.



**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. In 2020, we were faced with the COVID-19 Pandemic. The Town's City Secretary and City Clerk 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 for a short time due to elevated numbers in Parker County, but staff continued to allow visitors by appointment only during that time. We are very proud of the Town's dedicated staff that made this possible.



↑ City Clerk, Diana Kotlinski and City Secretary, Jamee Long



← IT Intern, Eric Heaton  
→ Meeting room updated recently

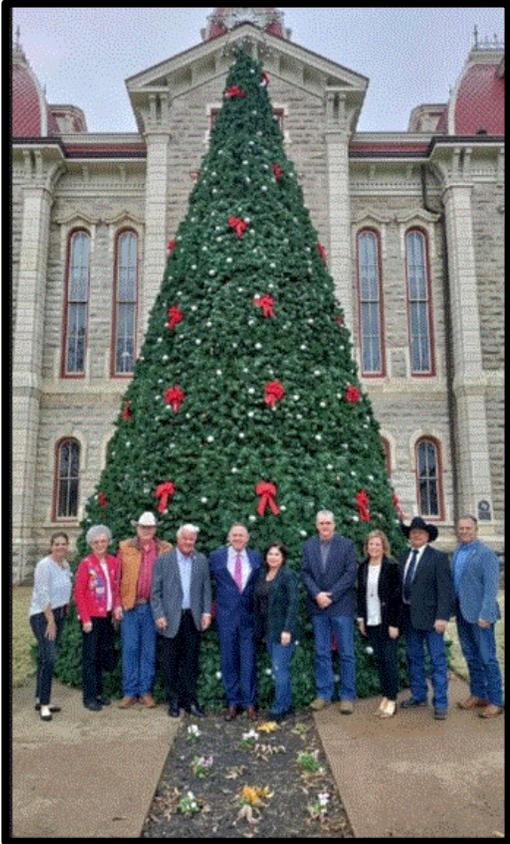
Due to the pandemic, meetings were hosted virtually for several months. Eric Heaton is the Town's IT intern that oversees the WebEx meetings. The meetings are no longer hosted electronically, but the Town has continued to invite the public to watch and listen to the Town's meetings via WebEx. Eric is a 2021 Aledo High School graduate and is currently attending Weatherford College. He is transferring to the University of Texas in Arlington this Fall. Eric's major is mechanical engineering and he plans to continue his education at grad school.



In her short time in office, Mayor Roberts has formed strong relations with Parker County mayors and county officials. She regularly attends the Mayor's Council Breakfast and works closely with other the mayors in Parker County. Last December, she participated in the lighting of the Christmas tree at the Parker County Courthouse in December.

Strong relations with surrounding cities and other governmental entities is essential for networking and emergency preparedness.

→ Mayor Roberts with Parker County Judge, Pat Deen, and Parker County Mayors



Once again, 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 2022-23 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.

# Fiscal Year 2022-23 General Fund

	Current Yr Budget FY 2021-22	Proposed Budget FY 2022-23
<b>Income</b>		-
<b>3200 · Total Franchise Fees</b>		
3250 · HB 1777 - ROW	1,900	4,000
3210 · Electrical		
3212 · Tri-County	50,000	70,000
3211 · ONCOR	35,000	35,000
<b>Total 3210 · Electrical</b>	85,000	105,000
3230 · Sanitation	23,000	15,000
3240 · Telephone	2,250	
<b>Total 3200 · Total Franchise Fees</b>	112,150	124,000
<b>3100 · Sales and Use Taxes</b>		
3130 · Sales Tax 1%	140,000	145,000
3120 · MBGRT	2,800	2,000
3140 · Streets .25%	28,000	35,000
<b>Total 3100 · Sales and Use Taxes</b>	170,800	182,000
<b>3310 · Building Permits</b>		
3314 · Other - Permits	35,000	35,000
<b>Total 3310 · Building Permits</b>	35,000	35,000
<b>3300 · Other Income</b>		
3800 · Variance and Special Exceptions	800	500
3305 · Contractor Registration Fees	1,500	2,000
3500 · Rezoning Fee	800	
3700 · Platting Fees	2,000	2,000
3301 · Interest Income	500	500
3302 · Miscellaneous Income	150	
3303 · Other - Income	100	
<b>Total 3300 · Other Income</b>	5,850	5,000
<b>Funds Transfer In Fom Capital Reserve</b>		-
<b>Total Income</b>	323,800	346,000
<b>Expense</b>		
5511 · Comprehensive Zoning	2,500	
<b>Total 5500 · Committees</b>	2,500	-

**5100 · Admin & Other Operations****5280 · Facilities Expense**

5284 · Cleaning and Sanitation	250	500
5283 · Supplies	150	50
5282 · Equipment Repairs & Maint.	150	150
5281 · Small Tools	200	150

**Total 5280 · Facilities Expense** 750      850

**5256 · Memberships, Dues & Fees** 500      250

**5267 · Subscriptions & Publications** 100      100

**5110 · Bereavement and/or Recognition** 250      250

**5150 · Town Branding & Identification** 1,000      500

**5210 · Insurance**

5211 · General & Property Liability	5,300	7,500
5212 · Health/Life/Dental	3,950	3,500

**Total 5210 · Insurance** 9,250      11,000

**5120 · Contributions (EPCL)**

EPC Library	1,000	1,000
-------------	-------	-------

**Total 5120 · Contributions (EPCL)** 1,000      1,000

**5230 · Office Equipment**

5233 · Copier Maint Contract	500	600
5231 · New/Replacement	750	2,500
5232 · Supplies	2,000	2,000
5234 · Software Maint & Upgrade	5,500	6,000

**Total 5230 · Office Equipment** 8,750      11,100

**5260 · Utilities (Admin Building)**

5262 · Electric	900	900
5264 · Telephone	1,300	1,000
5263 · ISP	500	750
5266 · Web Site Maintenance	500	
5265 · Web Hosting and e-mail	1,400	500
5261 · Cell Phones	3,500	500

**Total 5260 · Utilities (Admin Building)** 8,100      3,650

**5270 · Vehicle Expense**

5275 · Mileage Expense	500	1,000
5274 · Vehicle License & Inspection	25	20
5272 · Fuel	2,500	2,500
5273 · Vehicle Maintenance	1,000	1,000
5270 · Vehicle Expense - Other	100	100

**Total 5270 · Vehicle Expense** 4,125      4,620

**5201 · Advertising and Notifications** 750      250

**5250 · Security** 500      500

**5202 · Building Maintenance** 1,250      1,500

5125 · Credit Card Fees	750	750
5130 · Elections	7,500	15,000
5135 · Filing Fees	100	
5140 · License/Permits/Fees	5,000	2,500
5225 · Miscellaneous Expense	50	50
5240 · PO Box Fees/Postage	50	50
5145 · Postage	750	500
5245 · Public Events	1,500	
5155 · Travel/Meals/Training	2,000	5,000
<b>Total 5100 · Admin &amp; Other Operations</b>	<b>54,025</b>	<b>59,420</b>
<b>5300 · Payroll Expenses</b>		
5320 · Payroll Taxes		
5322 · FICA - Medicare	1,000	500
5324 · State Unemployment	285	500
5323 · FICA - SS	3,500	2,500
5321 · Federal Unemployment		
<b>Total 5320 · Payroll Taxes</b>	<b>4,785</b>	<b>3,500</b>
5304 · Retirement	5,550	3,500
5305 · Salaries	55,725	34,000
<b>Total 5300 · Payroll Expenses</b>	<b>66,060</b>	<b>41,000</b>
<b>5600 · Professional Services</b>		
5607 · Planning Consultant	5,000	5,000
5606 · Code Enforcement Officer	1,500	1,000
5660 · Development Projects	8,000	8,000
<b>Total 5660 · Development Projects</b>	<b>8,000</b>	<b>8,000</b>
5640 · Other Financial	3,500	2,000
5601 · Audit Financial	1,500	3,000
5602 · Building Inspections	35,000	35,000
5610 · Engineering		
5614 · Plat Review	1,500	1,000
5613 · Lidar	2,000	1,000
5611 · Civil Planning	9,500	10,000
5610 · Engineering - Other	1,000	2,000
<b>Total 5610 · Engineering</b>	<b>14,000</b>	<b>14,000</b>
5630 · Legal	55,000	35,000
5635 · Mowing & Grounds Keeping	2,500	2,500
5600 · Professional Services - Other	1,500	1,500
<b>Total 5600 · Professional Services</b>	<b>127,500</b>	<b>107,000</b>
<b>5700 · Capital Improvements</b>		
5750 · Yard Improvements - Thunderhead	1,000	
5720 · Building Fund	10,000	10,000
5730 · Community Beautification	1,000	10,000

Emergency Preparedness	2,500	
<b>5710 - Roads</b>		
5713 - Shoulder & Drainage Ditch	12,000	15,000
5712 - Street/Road Reconstruction	40,000	94,580
5711 - General Pot Hole Repair	3,500	5,000
5710 - Roads - Other	1,000	1,000
<b>Total 5710 - Roads</b>	<hr/> 56,500	115,580
<b>5740 - Signage and Related</b>	2,715	3,000
<b>Total 5700 - Capital Improvements</b>	<hr/> 73,715	<hr/> 138,580
<b>Total Expense</b>	<hr/> 323,800	<hr/> 346,000
<b>Net Income</b>	<hr/> -	<hr/> -

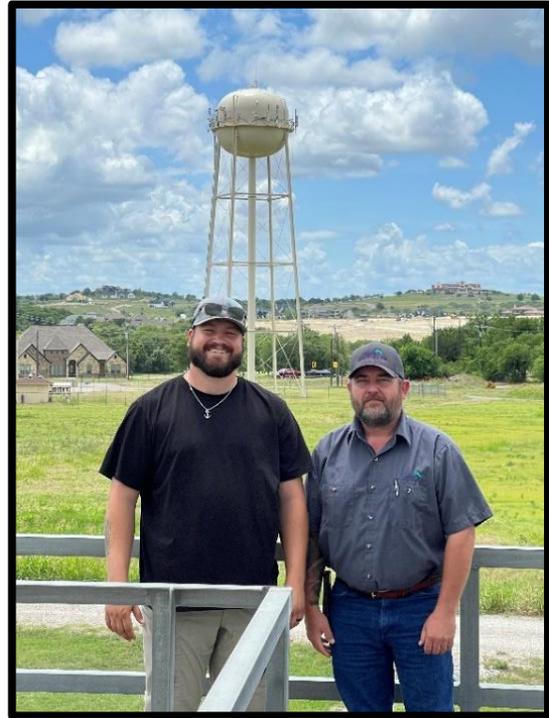
## ENTERPRISE FUND

### Program of service:

On June 9 of this year, the Town of Annetta took over full operation of its water and wastewater systems. The Town’s operators have worked very hard to make this day possible. An operational audit was performed by the Town’s engineers to review the entire system and items needed are being prioritization for future budgets.

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

The Town has obtained available funds from the Coronavirus Local Fiscal Recovery Funds grant provided by the American Rescue Plan Act of 2021 that has accelerated the purchase of generators for lift stations to ensure continued service of the wastewater system. These funds have also been allocated for a new utility building behind Town Hall.



**Water and Wastewater Operators  
Jeff Lashley and Travis Askins.**



The Town of Annetta water system maintains a SUPERIOR RATING with the State of Texas. Over 11 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 9<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 continue to provide a level of service that is enviable to other communities.

The Annetta Wastewater Treatment Plant was put into service in 2016 and continues to operate efficiently and economically. The Town will 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 2022-23. In addition, the Town's effluent pump house was completed this Spring and contains a laboratory for wastewater sampling and other laboratory work required by the state. This has sped up testing results for reporting further reducing the need for costly outsourcing. The 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.

**Effluent pump house demolition and completed building. (Spring 2022)**



The Annetta City Council has provided consistent investment over the last 11+ years to improve an underperforming and consistently low-pressure situation to a SUPERIOR status with above average water quality and service. These investments have paid off during Winter storms and extreme drought conditions where the Annetta Water System was able to deliver pressure above TCEQ minimum requirements. There were no water main breakages during Winter Storm Uri in 2021 and water quality tests showed acceptable levels of chlorine were maintained throughout the distribution system. For this reason, no "Boil Water Notice" had to be issued like in other nearby cities because the Annetta Systems simply performed.



↑ Operators taking clarifier measurements in the Wastewater Treatment Plant.



↑ Bobbie Fulks, Utility Clerk, checking the payment drop box.

The Town has plans to add another Water and Wastewater Operator and has also added a part-time Utility Clerk, Bobbie Fulks, to the Town of Annetta Team.

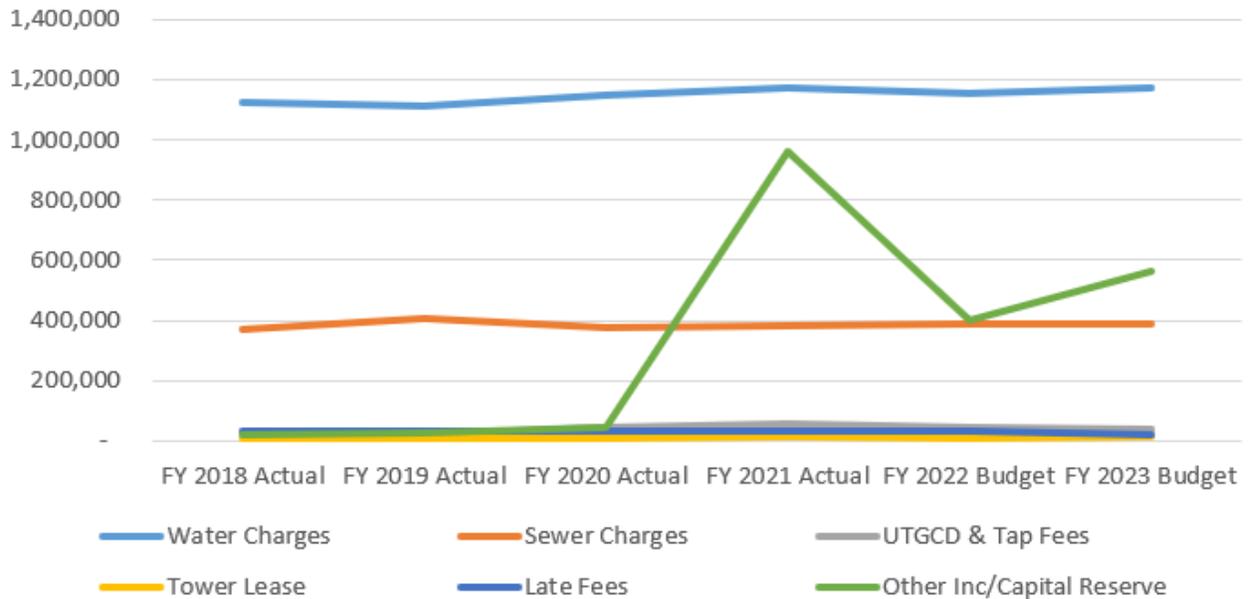
As always, we encourage responsible use of resources available to us but are happy to be able to provide our citizens with an adequate supply of water during high demands.

**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.

## Enterprise Fund: Historical Revenue Trends

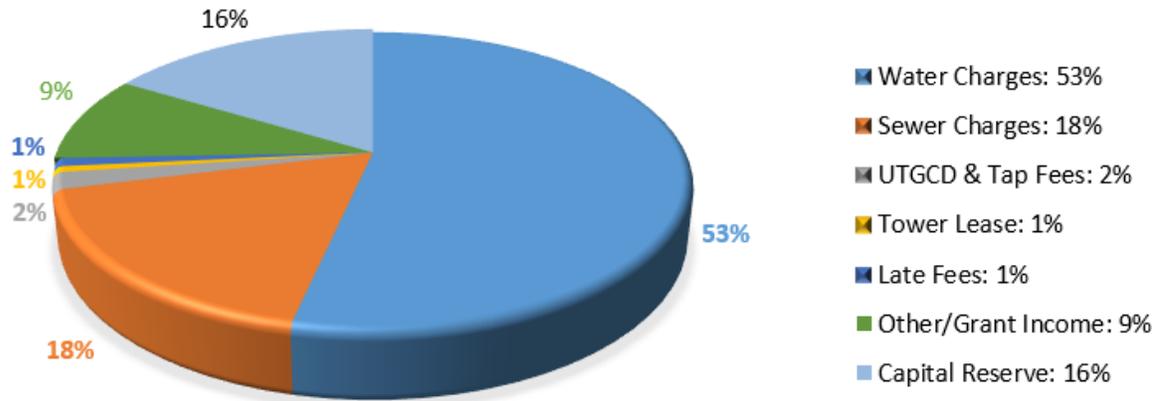


As illustrated in the graph above, the Annetta Water and Sewer Systems have operated in a very stable and responsible manner while undergoing a program of continuous improvements that have resulted in higher performance and reliability. While revenue is predicated on customer usage, operations and maintenance 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. The current rate structure results in our system generating sufficient net revenue to service our debt, cover the cost of operations and provide for a reasonable amount of capital improvements each year. Some years' results are better than others and our philosophy is to capture those additional revenues and hold them in reserves in order to cover the unforeseen or earlier than planned capital needs as well as build up the necessary

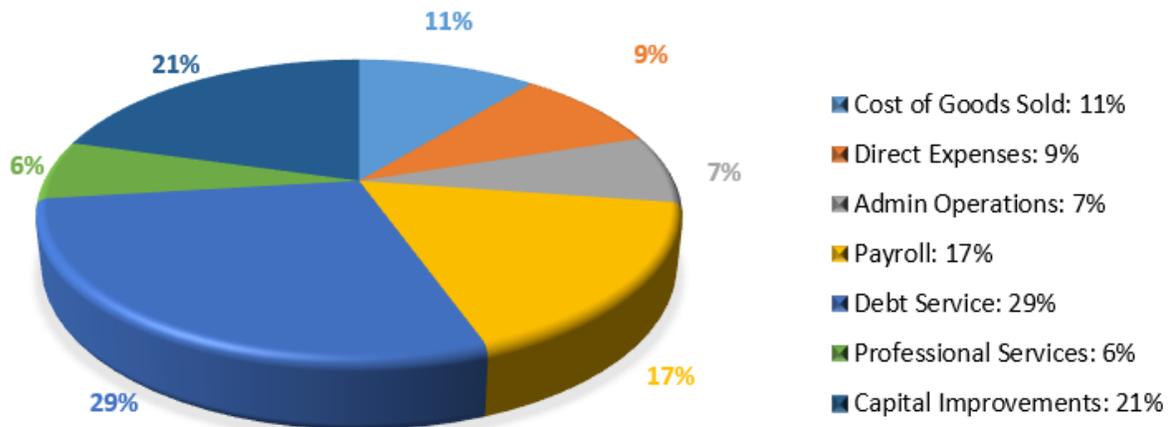


reserves to cover significant future capital requirements such as the eventual replacement of our large, raised storage tank that is located just south of Town Hall and the eventual refurbishment/replacement of our existing wells, lift stations, pumps and transport piping throughout the system.

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



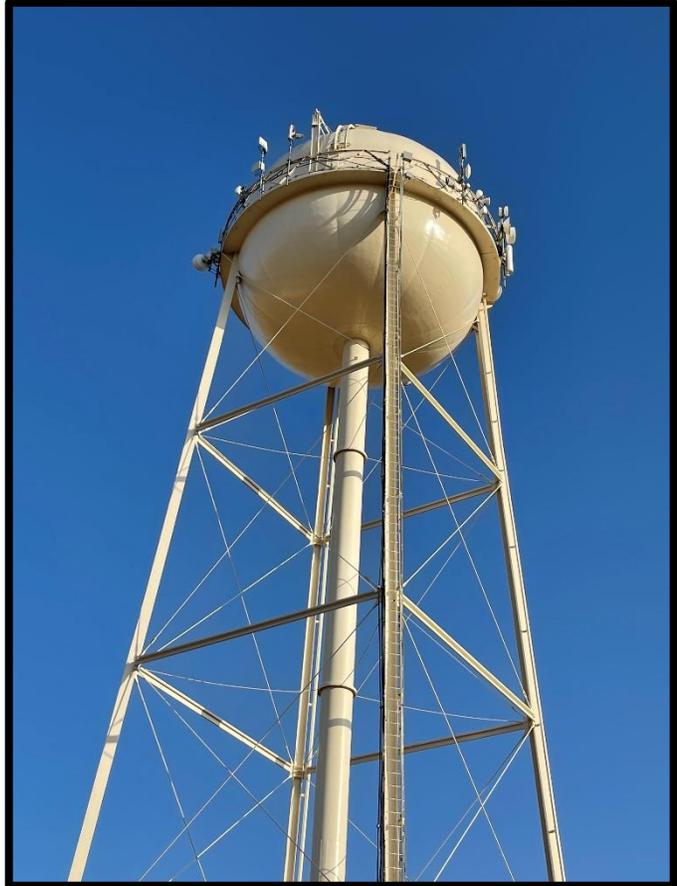
**ENTERPRISE FUND: WHERE WILL THE MONEY GO?**



The largest category of expense for 2022-23 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 17 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 AA-. 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 37 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.



The Town also receives revenue from leasing space to communication providers on the Town's elevated water tower. Mayor Pro Tem, Kent Stasey, oversees these projects. During fiscal year 2021-22, Skybeam, LLC d/b/a Rise Broadband was an added provider which increased Enterprise Fund revenues.

### **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 Town's operators. These evaluations focus on pushing down recurring and future costs regarding labor and/or contract services.

### **Automated Metering Infrastructure**

In 2018, 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. A wonderful benefit to AMI is that customers are now notified of unusual consumption related to plumbing leaks so they can make repairs more quickly not only saving water but avoiding higher than usual water bills.

## **Lakes of Aledo Redundant Well and Ground Storage Tank**

The Town has drilled a redundant well at the water plant at Lakes of Aledo to provide a back-up water supply. A new ground storage tank is scheduled to be built soon.

## **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.

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

- 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.



# Fiscal Year 2022-23 Enterprise Fund

	Current Yr Budget FY 2021-22	Proposed Budget FY 2022-23
<b>Income</b>		
<b>3400 · Water/Wastewater Income</b>		
3422 · Water System Revenue	1,152,000	1,170,000
3410 · Sewer System Revenue	385,000	385,000
3415 · Late Charges & Fees	30,000	20,000
3423 · Water Tower Communicate Lease	7,200	14,000
3421 · Water & Sewer Tap Fees	15,000	10,000
3420 · UTGCD Fee	30,000	30,000
CLFRF Grant Revenue	200,000	200,000
Funds Transfer In From Capital Reserve	400,000	357,739
<b>Total 3400 · Water/Wastewater Income</b>	<b>2,219,200</b>	<b>2,186,739</b>
<b>3300 · Other Income</b>		
3301 · Interest Income	2,500	2,500
<b>Total 3300 · Other Income</b>	<b>2,500</b>	<b>2,500</b>
<b>Total Income</b>	<b>2,221,700</b>	<b>2,189,239</b>
<b>Cost of Goods Sold</b>		
<b>4000 · Cost of Goods Sold</b>		
4700 · Sampling/Testing		
4720 · Waste Water Samples	12,000	12,000
4710 · Water Samples	15,000	20,000
<b>Total 4700 · Sampling/Testing</b>	<b>27,000</b>	<b>32,000</b>
4100 · System Supplies/Chemicals		
4140 · Water System Supplies	25,000	20,000
4130 · Water System Chemicals	8,000	8,000
4120 · Sewer System Supplies	4,500	3,000
4110 · Sewer System Chemicals	4,500	6,000
<b>Total 4100 · System Supplies/Chemicals</b>	<b>42,000</b>	<b>37,000</b>
4200 · Contract Operation of System	254,335	24,000
4300 · System Utilities		
4320 · Water System Utilities	54,000	60,000
4310 · Sewer System Utilities	40,000	55,000

	Total 4300 · System Utilities	94,000	115,000
	4500 · UTGCD Fees	30,000	30,000
	<b>Total 4000 · Cost of Goods Sold</b>	<hr/>	<hr/>
		447,335	238,000
<b>Total COGS</b>		<hr/>	<hr/>
		447,335	238,000
<b>Gross Profit</b>			
		1,774,365	1,951,239
<b>Expense</b>			
	<b>5000 · Direct Expenses</b>		
	5085 · Repair Site Restoration	3,000	
	5065 · Statement Mailing	4,200	4,000
	5060 · Rental Equipment		
	5061 · Rental Equipment - Sewer System	3,000	5,000
	5062 · Rental Equipment - Water System	3,000	5,000
	<b>Total 5060 · Rental Equipment</b>	<hr/>	<hr/>
		6,000	10,000
	5070 · Tools & Equipment Purchases	2,000	
	5070 · Tools & Equipment - Other		2,000
	5050 · Maintenance and Repair		
	5057 · Tank Inspections	4,500	6,000
	5056 · Generator Maintenance & Repair	4,000	15,000
	5055 · Water Well Repair	25,000	50,000
	5054 · WWTP Repairs & Maintenance	50,000	45,000
	5053 · Water System Maint & Repairs	25,000	20,000
	5052 · Water Plant Maint & Repairs	75,000	25,000
	5051 · Sewer System Maint & Repairs	30,000	22,000
	<b>Total 5050 · Maintenance and Repair</b>	<hr/>	<hr/>
		213,500	183,000
	<b>Total 5000 · Direct Expenses</b>	<hr/>	<hr/>
		228,700	199,000
	<b>5100 · Admin &amp; Other Operations</b>		
	5280 · Facilities Expense		
	5284 · Cleaning and Sanitation	1,500	2,000
	5283 · Supplies	500	200
	5282 · Equipment Repairs & Maint.	1,000	1,000
	5281 · Small Tools	500	500
	<b>Total 5280 · Facilities Expense</b>	<hr/>	<hr/>
		3,500	3,700
	5256 · Memberships, Dues & Fees	500	1,000
	5267 · Subscriptions & Publications	200	500
	5210 · Insurance		
	5211 · General & Property Liability	13,500	25,000
	5212 · Health/Life/Dental	15,800	40,000
	5210 · Insurance - Other	1,000	
	<b>Total 5210 · Insurance</b>	<hr/>	<hr/>
		30,300	65,000
	5230 · Office Equipment		

5233 · Copier Maint Contract	1,650	1,500
5231 · New/Replacement	3,000	5,000
5232 · Supplies	4,000	6,000
5234 · Software Maint & Upgrade	16,500	20,000
5230 · Office Equipment - Other	150	
<b>Total 5230 · Office Equipment</b>	<b>25,300</b>	<b>32,500</b>
<b>5260 · Utilities (Admin Building)</b>		
5262 · Electric	2,600	2,500
5264 · Telephone	1,600	1,500
5263 · ISP	1,500	2,000
5266 · Web Site Maintenance	1,000	
5265 · Web Hosting and e-mail	1,625	1,000
5261 · Cell Phones	1,850	2,500
<b>Total 5260 · Utilities (Admin Building)</b>	<b>10,175</b>	<b>9,500</b>
<b>5270 · Vehicle Expense</b>		
5275 · Mileage Expense	1,400	2,000
5274 · Vehicle License & Inspection	100	100
5271 · Acquisition	10,000	2,000
5272 · Fuel	500	5,000
5273 · Vehicle Maintenance	500	1,000
5270 · Vehicle Expense - Other	1,500	500
<b>Total 5270 · Vehicle Expense</b>	<b>14,000</b>	<b>10,600</b>
5201 · Advertising and Notifications	1,500	1,500
5250 · Security	3,500	3,500
5202 · Building Maintenance	2,500	4,000
5125 · Credit Card Fees	6,500	9,000
5140 · License/Permits/Fees	10,000	12,000
5225 · Miscellaneous Expense	107	100
5240 · PO Box Fees/Postage	125	100
5145 · Postage	1,275	1,500
5155 · Travel/Meals/Training	3,500	7,000
<b>Total 5100 · Admin &amp; Other Operations</b>	<b>112,982</b>	<b>161,500</b>
<b>5300 · Payroll Expenses</b>		
5306 · Contract Labor		1,000
<b>5320 · Payroll Taxes</b>		
5322 · FICA - Medicare	3,020	5,000
5324 · State Unemployment	1,060	4,000
5323 · FICA - SS	13,000	17,000
<b>Total 5320 · Payroll Taxes</b>	<b>17,080</b>	<b>26,000</b>
5302 · Other Payroll Expenses	100	
5304 · Retirement	16,500	33,500
5305 · Salaries		
	202,810	316,000

5300 · Payroll Expenses - Other	100	200
<b>Total 5300 · Payroll Expenses</b>	<b>236,590</b>	<b>376,700</b>
<b>5600 · Professional Services</b>		
5604 · Bond Advisor Fees	3,300	3,500
5660 · Development Projects	18,000	20,000
<b>Total 5660 · Development Projects</b>	<b>18,000</b>	<b>20,000</b>
5640 · Other Financial	4,600	5,000
5601 · Audit Financial	11,100	15,000
5610 · Engineering	35,000	75,000
5630 · Legal	15,000	15,000
5635 · Mowing & Grounds Keeping	12,000	6,000
5600 · Professional Services - Other	(2,650)	
<b>Total 5600 · Professional Services</b>	<b>96,350</b>	<b>139,500</b>
<b>5700 · Capital Improvements</b>		
Water System Capital Improvements		140,000
AMI Water Meter Replacement	10,000	
Chlorination Room/Lab	31,000	
SCADA	95,000	65,000
5071 - Generators	200,000	100,000
5750 · Yard Improvements - Thunderhead	14,000	
Emergency Preparedness	75,000	
LOA Well & Storage Tank	50,000	
Wastewater System		45,000
Utilities Building Engineering Design		100,000
5740 · Signage and Related	250	250
<b>Total 5700 · Capital Improvements</b>	<b>475,250</b>	<b>450,250</b>
<b>6000 · Annual Debt Service</b>	<b>624,493</b>	<b>624,289</b>
<b>Total Expense</b>	<b>1,774,365</b>	<b>1,951,239</b>
<b>Net Income</b>	<b>-</b>	<b>-</b>

## CRIME CONTROL AND PREVENTION DISTRICT FUND

The Annetta Crime Control and Prevention District (CCPD) 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.

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.

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.

Mayor Roberts, Mayor Pro Tem Stasey and Council Member/CCPD Coordinator Danny Coffman worked with the Parker County Sheriff’s Department to enter into an Interlocal Agreement for Annetta crime patrols. The fiscal year 2022-23 CCPD Budget will provide \$30,000 for Parker County Sheriff’s Department patrols in the Town of Annetta.



# Fiscal Year 2022-23 CCPD Fund

	<b>Current Yr Budget</b>	<b>Proposed Budget</b>
	<b>FY 2021-22</b>	<b>FY 2021-22</b>
<b>Income</b>		
<b>3100 · Sales and Use Taxes</b>		
3110 · CCPD .25%	23,000	35,000
<b>Total 3100 · Sales and Use Taxes</b>	23,000	35,000
<b>3300 · Other Income</b>		
3301 · Interest Income	30	30
Funds Transfer in From Capital Reserves	50,000	
<b>Total 3300 · Other Income</b>	50,030	30
<b>Total Income</b>	73,030	35,030
 <b>Expense</b>		
5383 · Pubic Events and Education	3,535	3,030
5381 · Communication and Informational	2,535	2,000
5386 · UTV - CCPD	11,615	
Law Enforcement Contributions	3,345	
Citizen Outdoor Camera Program	2,000	
Speed Registering Equipment (2)	10,000	
Flashing Crosswalk	40,000	
Annetta Crime Patrols		30,000
<b>Total Expense</b>	73,030	35,030
<b>Net Income</b>	-	-