#### **ORDINANCE NO. 236**

AN ORDINANCE ADOPTING THE BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2024 THROUGH SEPTEMBER 30, 2025 FOR THE TOWN OF ANNETTA, TEXAS; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the Town of Annetta, Texas is a Type A general-law municipality located in Parker County, created in accordance with the provisions of Chapter 6 of the Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, the Mayor of the Town has filed with the Town Secretary a budget outlining all proposed expenditures of the government of the Town for the fiscal year beginning October 1, 2024, and ending September 30, 2025, (hereinafter referred as the "Budget"); and

WHEREAS, the Budget, a copy of which is attached hereto as <u>Exhibit A</u> and incorporated herein for all purposes, specifically sets forth each of the various projects for which appropriations are delineated, and the estimated amount of money carried in the Budget for each of such projects; and

WHEREAS, the public notice of a public hearing on the proposed Budget was given as required by the laws of the State of Texas; and

**WHEREAS**, such public hearing was held on August 15, 2024, and those wishing to speak on the Budget were heard and provided an opportunity to present their views on the proposed Budget; and

**WHEREAS**, the Town Council has studied the Budget and listened to the comments at the public hearing and has determined that the Budget attached hereto is in the best interest of the Town and should be approved and adopted.

# NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF ANNETTA, TEXAS THAT:

Section 1. The Budget (attached as Exhibit A) of the revenues of the Town and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning October 1, 2024 and ending September 30, 2025, as modified by the Town Council, be and the same is, in all things adopted and approved as the Budget of the Town of Annetta for the fiscal year beginning October 1, 2024, and ending September 30, 2025, and there is hereby appropriated from the funds indicated such projects, operations, activities, purchases and other expenditures as proposed in the Budget.

<u>Section 2</u>. Any transfer of funds from any Town bank account or fund, or any expenditure made from any Budget line item requiring pre-approval by the Town Council, must be approved by the Town Council.

Section 3. Budget amendments shall be made in a timely manner by the Town Council

for any line item expenditure that would exceed its budget amount, in accordance with the Local Government Code.

Section 4. A true and correct copy of this Ordinance, along with the approved Budget attached hereto, and any amendments thereto, shall be filed with the Town Secretary. The Town Secretary shall post a copy of the Budget on the Town's website as required by State law. The Town Secretary shall file or cause to be filed a true and correct copy of this ordinance, along with the approved Budget attached hereto, and any amendments thereto, in the office of the County Clerk of Parker County, Texas as required by State law.

Section 5. It is hereby declared to be the intention of the Town Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared invalid or unconstitutional by the judgment or decree of any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the Town Council without the incorporation in this ordinance of any such invalid or unconstitutional phrase, clause, sentence, paragraph or section.

Section 6. This Ordinance shall be in full force and effect from and after its passage and it is so ordained.

PASSED AND ADOPTED by the Town of Annetta, Texas, on the 15th day of August, 2024.

TOWN OF ANNETA, TEXAS

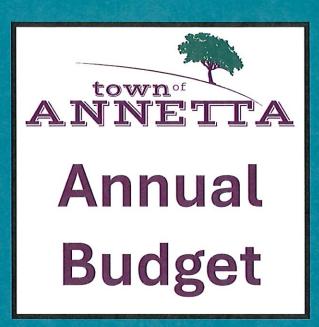
Sandy Roberts, Mayor

ATTEST:

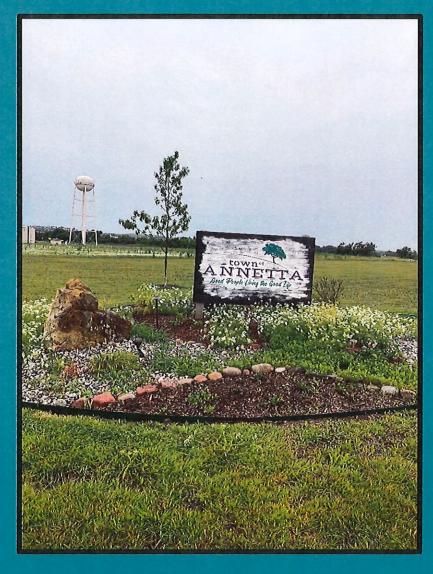
Jamee Long, Town Secretary

## **EXHIBIT A**

FY 2024/2025 Budget



Fiscal Year
2024
2025





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AUG 16 2024

Lila Deakle, Co. Clerk PARKER COUNTY, TEXAS By \_\_\_\_\_\_\_\_Deputy



## **MAYOR'S MESSAGE**

I am pleased to deliver the Town of Annetta's 2024-25 fiscal year budget. Once again, your city government has lived up to its promises. Your local government achieved significant accomplishments 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 growth in terms of professionalism and service levels <u>without</u> 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's fiscal goals.

The Town is in its third year of fully operating the water and wastewater systems. We continue to operate the systems with three licensed water and wastewater operators, in addition to three office staff.

The proposed FY 2024-25 budgets assume:

- The Town will continue to operate without an ad valorem tax.
- The Town's sales tax revenues for FY 2024-25 continue to increase over previous years due to on-line retail sales to Annetta homes, as well as home-based business activities.
- Franchise fee collections may 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, and this will be continued through FY 2024-25.

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 of the Town's water and wastewater systems.
- Funding for capital improvements to the Town's water and wastewater systems.
- Additional security at Annetta's elementary schools.
- Budgetary payroll increases related to Town staff and City Council objectives.

Mayor Sandy Roberts



## **TOWN MAYOR AND CITY COUNCIL**



Mayor, Sandy Roberts



Place 1, Shane Mudge



Place 2, Danny Coffman



Place 4, Jim Causey



Mayor Pro-Tem, Place 5, Kent Stasey



## **TOWN STAFF**



Jamee Long, TRMC, City Secretary/Administrator



Diana Kotlinski, City Clerk



Bobbie Fulks, Utility Clerk



Roger Crutcher, Water Superintendent



Jeff Lashley, Water/Wastewater Operator



Wyatt Morris, Water/Wastewater Operator



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



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



Alicia K. Kreh, City Attorney, TOASE L.L.P.



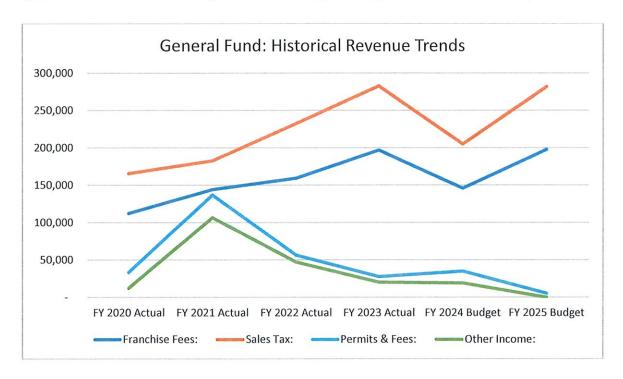
## **GENERAL FUND**

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
- Public Information Requests
- City Council information and meeting requirements
- General health and safety code regulations
- Requests for public service

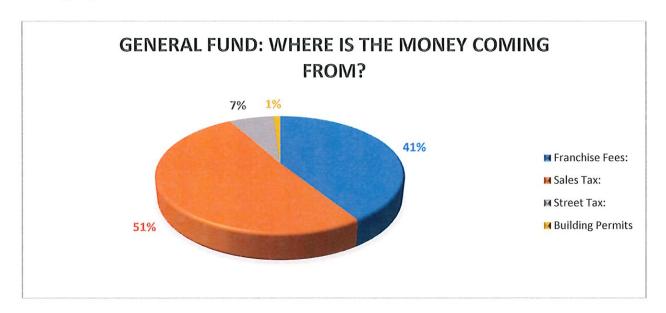
- Building permits and inspections
- Certificates of occupancy
- Civil engineering and zoning
- Franchisees that operate within the city limits
- City planning, mapping and ordinance review

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.





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.



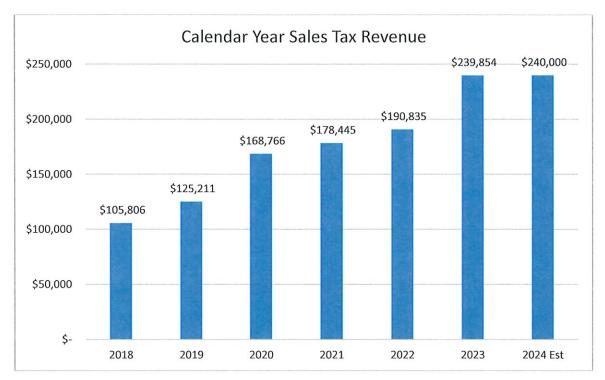
Franchise fees are monies paid to a municipality by utility and service providers for use of the roadways, easements and right-of-ways in the Town. All cities receive franchise fees to help offset wear and tear from vehicular traffic, not only from those providers but from their customers as well. These 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 51% 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

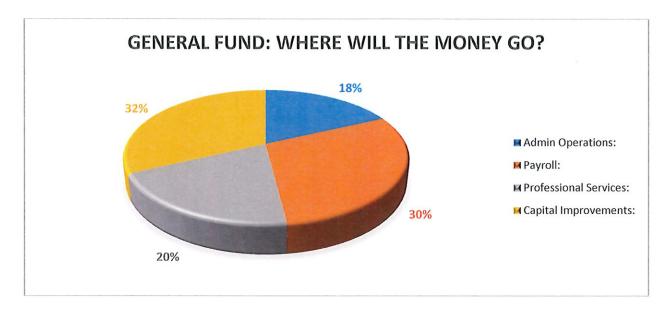




Also noted in the graph this year is street tax collections. The voters have overwhelmingly approved continuance of this small percentage of sales tax (.25%) which can only be spent on road projects within the taxing area. In previous years, this was included in the graph as part of total sales tax collections,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



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



The General Fund has three notable and consistent areas of expenses. In the 2024-25 Budget, administrative operations and employee costs together account for about 48% of the General Fund expenses with professional services such as legal, engineering and consulting planned for roughly 20%. Capital improvements make up the remaining 32% and include road and road-related projects.

#### **NOTABLE ACCOMPLISHMENTS OF FY 2023-24**

#### 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 \$136,840 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.

After the summer road projects and when the weather cools off, we have an appreciation lunch for Precinct 4 for all they do to keep Annetta's streets in good condition.











### **Annetta Cleanup Day:**

In February, the Town hosts an annual Clean Up and Beautification Day. Many citizens come out to clean up the Town.

The Town provides a meal for the volunteers to allow neighbors to get to know each other better. The General Fund 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.



### Other Improvements:

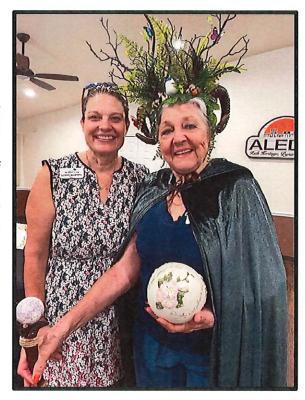
The Town of Annetta administration building continues to improve with the help of the Parker County Master Gardeners. In February, there were over 20 volunteers that worked on the landscape at Town Hall. Thank you so much for helping keep Annetta beautiful!

Landscaping flourishes with the drip irrigation system in place which has proven that plants can be kept healthy and vibrant while effectively reducing water loss that would normally occur through evaporation.





Mayor Roberts attended Master Gardener, Gay Larson's, "coronation to Mother Nature" that was held at the Aledo Community Center on August 23, 2023. Gay has volunteered countless hours to the Town of Annetta, City of Aledo, Parker County and a mission church in Fort Worth. This was a deserving award to one of Annetta's own and the Mayor also recognized Gay at the September City Council meeting.



In February, City Clerk Diana Kotlinski celebrated 10 years of employment with the Town of Annetta. She was recognized at the City Council Meeting for her service. Diana is a pleasant and giving person that goes above and beyond to assist the citizens of the Town of Annetta.

Diana helps make every day a GREAT DAY IN ANNETTA!







In May, Council Member Bruce Pinckard resigned after 19 years of public service to the Town of Annetta. Bruce served on the City Council from 2005-2010, Mayor from 2010-2021 and City Council again from 2021-2024. He was honored at the May 16, 2024 City Council meeting and a Live Oak tree was planted in front of Town Hall in his honor. We are so thankful for Bruce's contributions to the Town of Annetta.



#### 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 8<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.





Mayor Roberts hosted her First Annual Seed Ball Event in October. The purpose of the event was to establish the minimum requirements for the creation of milkweed seed balls as part of the Town's focus to increase the Monarch Butterfly population. Mayor Roberts led volunteers on how to make seed balls to throw in areas that needed a little beautification. These are areas that are not mowed frequently to ensure the plants had a chance to bloom.

Thank you from the Monarch Butterflies!



#### **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 donates seed balls of Monarch rescue mix for planting.









### **Boys & Girls Scouts:**

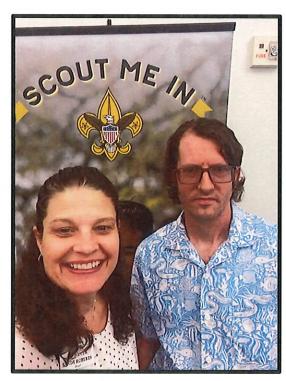


The Town of Annetta appreciates the Boy and Girl Scouts for their dedicated service.

Mayor Roberts attended Annetta citizen, Jane Clair Anderson's, Girl Scout Gold Award ceremony on April 13, 2024. Jane Clair was also recognized by City Council for her accomplishment.



Zoning Board of Adjustment Member Brian Berryhill and Mayor Sandy Roberts attended the Investment in Character Luncheon of the Longhorn Council of Boy Scouts on April 24, 2024. 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.



### **Toys for Tots:**



## TOYS FOR TOTS

It was another successful year for Toys for Tots with Annetta citizens donating 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. We work closely with the Parker County Office of Emergency Services to prepare for the future.



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

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 2024-25 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 2024-25 General Fund

	Budget	Budget
	FY 2023-24	FY 2024-25
Income		
3200 · Total Franchise Fees		
3250 · HB 1777 - ROW	4,000	3,000
3210 · Electrical		
3212 · Tri-County	70,000	140,000
3211 · ONCOR	35,000	<u>35,000</u>
Total 3210 · Electrical	105,000	175,000
3230 · Sanitation	<u>15,000</u>	20,000
Total 3200 · Total Franchise Fees	124,000	198,000
3100 ⋅ Sales and Use Taxes		
3130 ⋅ Sales Tax 1%	145,000	197,000
3120 ⋅ MBGRT	2,000	2,000
3140 · Streets .25%	35,000	48,000
Total 3100 · Sales and Use Taxes	182,000	247,000
3310 · Building Permits		35,000
Total 3310 · Building Permits	35,000	35,000
3300 · Other Income		
$3800\cdot Variance$ and Special Exceptions	500	700
3305 · Contractor Registration Fees	2,000	1,000
3700 · Platting Fees	2,000	1,000
3301 · Interest Income	500	2,500
3302 · Miscellaneous Income	<u> </u>	200
Total 3300 · Other Income	5,000	5,400
From Capital Reserve		
Total Income	346,000	485,400
Expense		
5284 · Cleaning and Sanitation	500	500
5283 · Supplies	50	100
5283 · Supplies	50 17	100

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5282 · Equipment Repairs & Maint.	150	100
5281 · Small Tools	150	100
Total 5280 · Facilities Expense	850	800
5256 · Memberships, Dues & Fees	250	100
5267 · Subscriptions & Publications	100	100
5110 · Bereavement and/or Recognition	250	250
5150 · Town Branding & Identification	500	100
5210 · Insurance		
5211 · General & Property Liability	7,500	10,000
5212 · Health/Life/Dental	3,500	21,000
5213 · Worker's Compensation		
Total 5210 · Insurance	11,000	31,000
5120 · Contributions (EPCL)		
EPC Library	1,000	-
Total 5120 · Contributions (EPCL)	1,000	-
5230 · Office Equipment		
5233 · Copier Maint Contract	600	2,200
5231 · New/Replacement	2,500	1,000
5232 · Supplies	2,000	4,400
5234 · Software Maint & Upgrade	6,000	17,850
Total 5230 · Office Equipment	11,100	25,450
5260 · Utilities (Admin Building)		
5262 · Electric	900	3,685
5264 · Telephone	1,000	750
5263 · ISP	750	750
5265 · Web Hosting and e-mail	500	200
5261 · Cell Phones	<u>500</u>	1,000
Total 5260 · Utilities (Admin Building)	3,650	6,385
5270 · Vehicle Expense		
5275 · Mileage Expense	1,000	500
5274 · Vehicle License & Inspection	20	25
5272 · Fuel	2,500	3,000
5273 · Vehicle Maintenance	1,000	2,500
5270 · Vehicle Expense - Other	100	



Total 5270 · Vehicle Expense	4,620	6,025
5201 · Advertising and Notifications	250	500
5250 · Security	500	750
5202 · Building Maintenance	1,500	2,000
5125 · Credit Card Fees	750	500
5130 · Elections	15,000	7,500
5140 · License/Permits/Fees	2,500	2,000
5225 · Miscellaneous Expense	50	100
5240 ⋅ PO Box Fees/Postage	50	100
5145 · Postage	500	100
5155 · Travel/Meals/Training	5,000	3,000
Total 5100 · Admin & Other Operations	59,420	86,760
5300 · Payroll Expenses		
5320 · Payroll Taxes		
5322 · FICA - Medicare	500	1,800
5324 · State Unemployment	500	1,500
5323 · FICA - SS	<u>2,500</u>	<u>8,700</u>
Total 5320 · Payroll Taxes	3,500	12,000
5304 · Retirement	3,500	11,000
5305 · Salaries	34,000	125,000
Total 5300 · Payroll Expenses	41,000	148,000
5600 · Professional Services		
5607 · Planning Consultant	5,000	5,000
5606 · Code Enforcement Officer	1,000	1,250
5660 · Development Projects	8,000	2,000
Total 5660 · Development Projects	8,000	2,000
5640 · Other Financial	2,000	3,850
5601 · Audit Financial	3,000	7,700
5603 - CDR Audit	<b>Ξ</b>	3,000
5602 · Building Inspections	35,000	30,000
5610 · Engineering		
5614 · Plat Review	1,000	500
5613 · Lidar	1,000	500
5611 · Civil Planning	10,000	5,000



5610 · Engineering - Other	2,000	2,000
Total 5610 · Engineering	14,000	8,000
5630 · Legal	35,000	35,000
5635 · Mowing & Grounds Keeping	2,500	-
5600 · Professional Services - Other	1,500	
Total 5600 · Professional Services 5700 · Capital Improvements	107,000	95,800
5720 · Building Fund	10,000	10,000
5730 · Community Beautification 5710 · Roads	10,000	5,000
5713 · Shoulder & Drainage Ditch	15,000	10,000
5712 · Street/Road Reconstruction	94,580	120,840
5711 · General Pot Hole Repair	5,000	5,000
5710 · Roads - Other	1,000	1,000
Total 5710 · Roads	115,580	136,840
5740 · Signage and Related	3,000	3,000
Total 5700 · Capital Improvements	138,581	154,840
Total Expense	346,001	485,400
Net Income	(1)	



## **ENTERPRISE FUND**

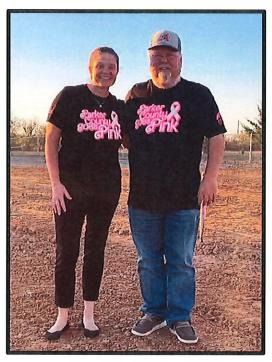
#### Program of service:

Since June 9, 2022, the Town of Annetta has been in full operation of its water and wastewater systems. The Town's operators continue to work hard to keep the systems optimal.

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.

In the Fall of 2021, the Town obtained available funds from the Coronavirus Local Fiscal Recovery Funds grant provided by the American Rescue Plan Act of 2021. With these funds, the Town purchased generators for lift stations to ensure continued service of the wastewater system. These funds have also been used for necessary water infrastructure and to build a shop behind Town Hall that will be used for storage, maintenance of Town trucks and equipment, and for operations.

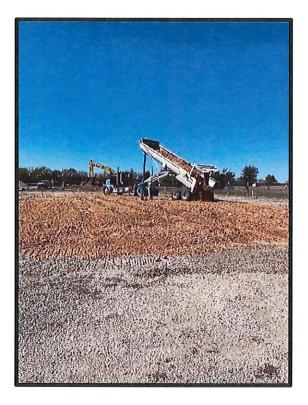
Construction of the shop began in October of 2023 and was completed in May of 2024.











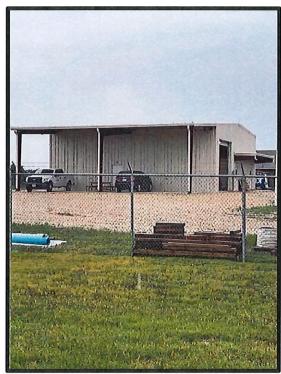










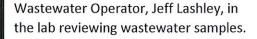


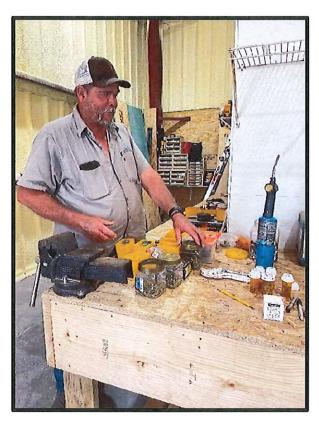
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The Town of Annetta water system maintains a SUPERIOR RATING with the State of Texas. Over 13 years ago, the situation seemed nearly impossible as the condition of infrastructure had not been maintained by the previous owners and reliability was poor. On April 21, 2023, the Town received confirmation from the TCEQ confirming that the Town's "public water supply continues to merit recognition as a 'Superior' system." The Town continues to provide a level of service that is enviable to other communities.







Water Superintendent, Roger Crutcher, building work benches in the shop and organizing tools.

Pursuant to the Upper Trinity Groundwater Conservation District, water levels in the Paluxy aquifer in eastern Parker County have fallen about 6.8 feet since 2010 and the lower Trinity has fallen about 9.2 feet over the same time period. Additionally, there were about 1,000 private wells drilled in Parker County in 2021 and about 1,300 in 2022. From 2010-2020, the county averaged about 500+ new private wells per year. Most counties in the state see less than 100 new wells per year and only a few see more than 300. The Town of Annetta is working closely with county and state officials on measures to preserve water.

The Annetta Wastewater Treatment Plant was put into service in 2016 and continues to operate efficiently and economically. The Town has received generators for some lift stations to help in periods of electrical outages and these are in the process of being installed. The Town continues to add/improve SCADA



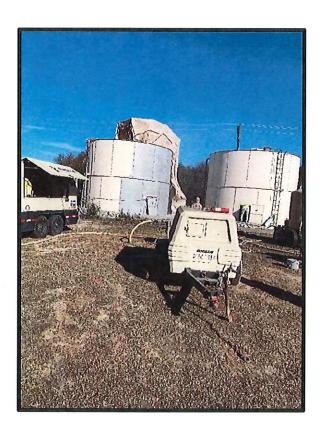
capabilities and alarms for better operational control. The plant is still able to return 100% of the treated wastewater to the ground by virtue of oxygenated ponds and then irrigation on the Split Rail Golf Course. This results in less need for additional groundwater pumping than would otherwise be utilized and is a smart way to help sustain our natural resources.

In the Fall of 2023, the Town replaced the pressure valve at the Lakeview location for the Deer Creek Water System to further adjust water pressures within the system.

In December of 2023, the ground storage tanks at Water Plant 3 were sandblasted and repainted with additional repairs that were needed.

The Annetta City Council has provided consistent investment over the last 13+ 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.





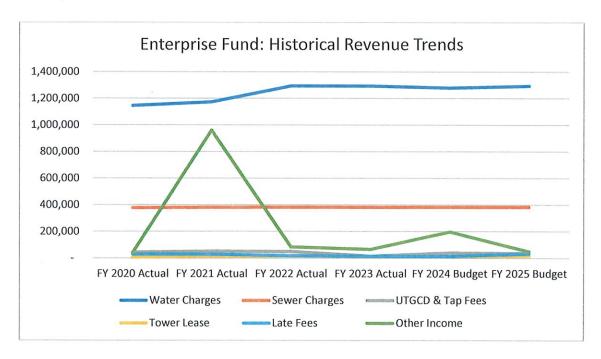




As always, we encourage responsible use of resources available to us but are happy to be able to provide our citizens with an adequate supply of water during high demands.

#### Revenue

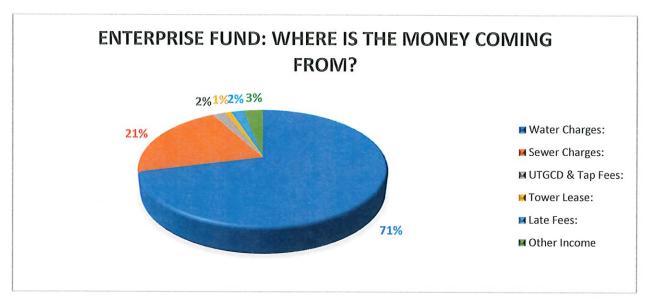
Customers of the utilities pay for the service through usage charges. Annetta has no property tax to subsidize utilities or other infrastructure requirements. All revenue generated by the utilities stays within the utilities and are not used for other purposes. Water usage accounts for the bulk of the 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 standalone enterprise.

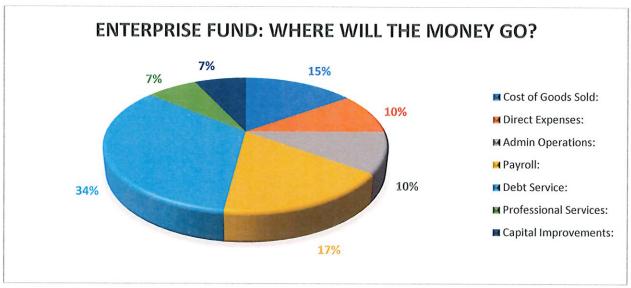


As illustrated in the graph above, the Annetta Water and Sewer Systems have operated in a very stable and responsible manner while undergoing a program of continuous improvements that have resulted in higher performance and reliability. While revenue is predicated on customer usage, operations and maintenance 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.





The largest category of expense for 2024-25 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 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 38 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. We are working closely with our provider for adapting software that will enable customers to track their consumption for better awareness and conservation.

#### **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. We are planning to update the SCADA system within the 2024-25 budget.



### 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 burdens 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 citizens' 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 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 2024-25 Enterprise Fund

•	Budget	Budget
	FY 2023-24	FY 2024-25
Income		
3400 · Water/Wastewater Income		
3422 · Water System Revenue	1,280,000	1,294,310
3410 · Sewer System Revenue	385,000	385,000
3415 · Late Charges & Fees	15,000	35,000
3423 · Water Tower Communicate Lease	14,000	18,600
3421 · Water & Sewer Tap Fees	10,000	10,000
3420 · UTGCD Fee	30,000	25,000
Funds Transfer in from Capital Reserves	153,189	<u>-</u>
Total 3400 · Water/Wastewater Income	1,887,189	1,767,910
3301 · Interest Income	45,000	50,000
Total 3300 · Other Income	45,000	50,000
Total Income	1,932,189	1,817,910
Cost of Goods Sold		
4000 ⋅ Cost of Goods Sold		
4700 · Sampling/Testing		
4720 · Waste Water Samples	12,000	7,500
4710 · Water Samples	15,000	7,500
Total 4700 · Sampling/Testing	27,000	15,000
4100 · System Supplies/Chemicals		
4140 · Water System Supplies	12,000	20,000
4130 · Water System Chemicals	17,000	20,000
4120 · Sewer System Supplies	20,000	5,000
4110 · Sewer System Chemicals	<u>5,000</u>	2,000
Total 4100 · System Supplies/Chemicals	54,000	47,000
4200 · Contract Operation of System	50,000	30,000
4300 · System Utilities		
4320 · Water System Utilities	70,000	85,000
4310 · Sewer System Utilities	70,000	70,000
Total 4300 · System Utilities	140,000	155,000



4500 · UTGCD Fees	30,000	25,000
Total 4000 · Cost of Goods Sold	301,000	272,000
Total COGS	301,000	272,000
Gross Profit	1,631,189	1,545,910
Expense		
5065 · Statement Mailing	5,000	<u>7,500</u>
5070 · Tools & Equipment Purchases	<u>1,500</u>	<u>500</u>
Total 5070 - Tools & Equipment Purchases 5050 · Maintenance and Repair		500
5059 - Annetta Elementary Repairs & Maint		2,000
5057 · Tank Inspections	7,000	5,000
5056 · Generator Maintenance & Repair	10,000	10,000
5055 · Water Well Repair	25,000	
5054 · WWTP Repairs & Maintenance	85,000	75,000
5053 · Water System Maint & Repairs	25,000	30,000
5052 · Water Plant Maint & Repairs	60,000	20,000
5051 · Sewer System Maint & Repairs	5,000	30,000
Total 5050 · Maintenance and Repair	217,000	172,000
Total 5000 · Direct Expenses	223,500	180,000
5100 · Admin & Other Operations		
5280 · Facilities Expense		
5284 · Cleaning and Sanitation	5,000	2,000
5283 · Supplies	200	
5282 · Equipment Repairs & Maint.	500	
5281 · Small Tools	<u>500</u>	
Total 5280 · Facilities Expense	6,200	2,000
5256 · Memberships, Dues & Fees	1,000	700
5267 · Subscriptions & Publications	500	300
5210 · Insurance		
5211 · General & Property Liability	50,000	40,000
5212 · Health/Life/Dental	40,000	54,000
5213 · Worker's Compensation	<u>1,000</u>	<del></del>
Total 5210 · Insurance	91,000	94,000
5230 · Office Equipment		



	5233 · Copier Maint Contract	2,000	2,000
	5231 · New/Replacement	3,000	1,800
	5232 · Supplies	6,000	3,600
	5234 · Software Maint & Upgrade	25,000	14,625
	Total 5230 · Office Equipment	36,000	22,025
	5260 · Utilities (Admin Building) 5262 ·		
	Electric	5,000	3,015
	5264 · Telephone	2,000	2,000
	5263 · ISP	2,000	2,000
	5265 · Web Hosting and e-mail	500	500
	5261 · Cell Phones	<u>2,500</u>	<u>2,200</u>
	Total 5260 · Utilities (Admin Building)	12,000	9,715
	5270 · Vehicle Expense		
	5275 · Mileage Expense	2,000	1,500
	5274 · Vehicle License & Inspection	500	100
	5272 · Fuel	6,000	8,000
	5273 · Vehicle Maintenance	5,000	2,500
		500 <del>•</del> 00000000000	2010 • NO. CO. CO.
	5270 · Vehicle Expense - Other	500	0
	5270 · Vehicle Expense - Other Total 5270 · Vehicle Expense	500 14,000	12,100
			4
	Total 5270 · Vehicle Expense	14,000	12,100
	Total 5270 · Vehicle Expense 5201 · Advertising and Notifications	14,000 2,000	12,100 1,000
	Total 5270 · Vehicle Expense 5201 · Advertising and Notifications 5250 · Security	14,000 2,000 2,500	12,100 1,000 2,500
	Total 5270 · Vehicle Expense 5201 · Advertising and Notifications 5250 · Security 5202 · Building Maintenance	14,000 2,000 2,500 3,000	12,100 1,000 2,500 6,000
	Total 5270 · Vehicle Expense  5201 · Advertising and Notifications  5250 · Security  5202 · Building Maintenance  5125 · Credit Card Fees	14,000 2,000 2,500 3,000 17,000	12,100 1,000 2,500 6,000 15,000
	Total 5270 · Vehicle Expense 5201 · Advertising and Notifications 5250 · Security 5202 · Building Maintenance 5125 · Credit Card Fees 5140 · License/Permits/Fees	14,000 2,000 2,500 3,000 17,000 10,000	12,100 1,000 2,500 6,000 15,000
	Total 5270 · Vehicle Expense  5201 · Advertising and Notifications  5250 · Security  5202 · Building Maintenance  5125 · Credit Card Fees  5140 · License/Permits/Fees  5225 · Miscellaneous Expense	14,000 2,000 2,500 3,000 17,000 10,000	12,100 1,000 2,500 6,000 15,000
	Total 5270 · Vehicle Expense  5201 · Advertising and Notifications  5250 · Security  5202 · Building Maintenance  5125 · Credit Card Fees  5140 · License/Permits/Fees  5225 · Miscellaneous Expense  5240 · PO Box Fees/Postage	14,000 2,000 2,500 3,000 17,000 10,000 100	12,100 1,000 2,500 6,000 15,000 7,500
	Total 5270 · Vehicle Expense  5201 · Advertising and Notifications  5250 · Security  5202 · Building Maintenance  5125 · Credit Card Fees  5140 · License/Permits/Fees  5225 · Miscellaneous Expense  5240 · PO Box Fees/Postage  5145 · Postage	14,000 2,000 2,500 3,000 17,000 10,000 100 1,500	12,100 1,000 2,500 6,000 15,000 7,500
То	Total 5270 · Vehicle Expense  5201 · Advertising and Notifications  5250 · Security  5202 · Building Maintenance  5125 · Credit Card Fees  5140 · License/Permits/Fees  5225 · Miscellaneous Expense  5240 · PO Box Fees/Postage  5145 · Postage  5155 · Travel/Meals/Training	14,000 2,000 2,500 3,000 17,000 10,000 100 1,500 4,000	12,100 1,000 2,500 6,000 15,000 7,500
To 530	Total 5270 · Vehicle Expense  5201 · Advertising and Notifications  5250 · Security  5202 · Building Maintenance  5125 · Credit Card Fees  5140 · License/Permits/Fees  5225 · Miscellaneous Expense  5240 · PO Box Fees/Postage  5145 · Postage  5145 · Travel/Meals/Training  tal 5100 · Admin & Other Operations  100 · Payroll Expenses  5306 - Contract Labor	14,000 2,000 2,500 3,000 17,000 10,000 100 1,500 4,000	12,100 1,000 2,500 6,000 15,000 7,500
To 530	Total 5270 · Vehicle Expense  5201 · Advertising and Notifications  5250 · Security  5202 · Building Maintenance  5125 · Credit Card Fees  5140 · License/Permits/Fees  5225 · Miscellaneous Expense  5240 · PO Box Fees/Postage  5145 · Postage  5155 · Travel/Meals/Training  tal 5100 · Admin & Other Operations  00 · Payroll Expenses	14,000 2,000 2,500 3,000 17,000 10,000 100 1,500 4,000	12,100 1,000 2,500 6,000 15,000 7,500
To 530	Total 5270 · Vehicle Expense  5201 · Advertising and Notifications  5250 · Security  5202 · Building Maintenance  5125 · Credit Card Fees  5140 · License/Permits/Fees  5225 · Miscellaneous Expense  5240 · PO Box Fees/Postage  5145 · Postage  5145 · Travel/Meals/Training  tal 5100 · Admin & Other Operations  100 · Payroll Expenses  5306 - Contract Labor	14,000 2,000 2,500 3,000 17,000 10,000 100 1,500 4,000	12,100 1,000 2,500 6,000 15,000 7,500 1,500 4,000



5323 · FICA - SS	22,000	16,500	
Total 5320 · Payroll Taxes	31,000	23,500	
5302 · Other Payroll Expenses			
5304 · Retirement	37,000	21,500	
5305 · Salaries	345,000	262,000	
Total 5300 · Payroll Expenses	414,000	307,000	
5600 · Professional Services			
5604 · Bond Advisor Fees	-	3,000	
5660 · Development Projects	20,000		-
Total 5660 · Development Projects	20,000		-
5640 · Other Financial	5,000	3,150	
5601 · Audit Financial	18,000	6,300	
5610 · Engineering	100,000	100,000	
5630 · Legal	15,000	5,000	
5635 · Mowing & Grounds Keeping	10,000	<u>5,000</u>	
Total 5600 · Professional Services	168,000	122,450	
5700 · Capital Improvements		135,210	
Total 5700 · Capital Improvements	-	135,210	
6000 · Annual Debt Service	624,289	622,910	
Total Expense	1,630,689	1,545,910	
Net Income	500		



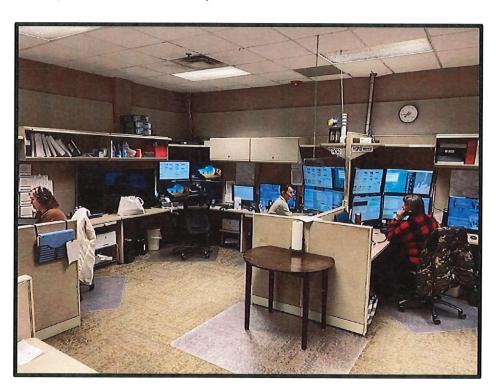
## **CRIME CONTROL AND PREVENTION DISTRICT FUND**

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. 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 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 have worked with the Parker County Sheriff's Department to enter into an Interlocal Agreement for Annetta crime patrols. The fiscal year 2024-25 CCPD Budget will provide \$9,900 for Parker County Sheriff's Department patrols in the Town of Annetta.

The 2024-25 CCPD Budget is also adding the Citizen School Camera Program to provide additional security at Stuard Elementary and Annetta Elementary Schools.





## Fiscal Year 2024-25 CCPD Fund

		Budget	Budget
		FY 2023-24	FY 2024-25
Income			
3100 · Sales and Use	Taxes		
3110 · CCPD .25%		45,000	50,000
Total 3100 · Sales and	I Use Taxes	45,000	50,000
3300 · Other Income			
3301 ⋅ Interest Inco	ome	1,000	1,500
Total 3300 · Other Inc	ome	1,000	1,500
Total Income		46,000	51,500
Expense			
5383 ⋅ Pubic Event	s and Education	3,000	3,000
5381 · Communica	tion and Informational	2,000	2,500
Citizen School Car	nera Program		36,100
Flashing Crosswal	k	11,000	
Annetta Crime Pat	rols	30,000	9,900
Total Expense		46,000	51,500
Net Income			