

FISCAL YEAR 2025-26

Budget

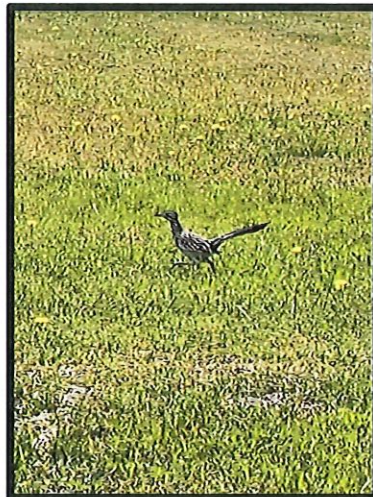


TABLE OF CONTENTS

	<u>Page</u>
Mayor’s Message.....	2
Town Mayor and City Council	3
Town Staff	4
General Fund	
Overview, Accomplishments and Goals	5-18
Fiscal Year 2025-26 Budget	19-22
Enterprise Fund	
Overview, Accomplishments and Goals	23-33
Fiscal Year 2025-26 Budget	34-37
Crime Control and Prevention District Fund	
Overview, Accomplishments and Goals	38
Fiscal Year 2025-26 Budget	39



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

MAYOR ROBERTS' MESSAGE

It is my privilege to present the Town of Annetta's 2025-26 fiscal year budget. The budget is more than a financial document – it is a reflection of our shared priorities, our collective vision for the future, and our ongoing commitment to responsible stewardship of public resources.

Over the past year, we have worked diligently to ensure that every dollar is invested wisely, with transparency and purpose. The Town remains committed to growth 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's fiscal goals.

The Town is in its fifth 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 2025-26 budgets assume:

- The Town will continue to operate without an ad valorem tax.
- The Town's sales tax revenues for FY 2025-26 will continue to remain strong due to on-line retail sales to Annetta homes, as well as home-based business activities.
- Franchise fee collections and right-of-way fees are steady.
- 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 programs are healthy and robust. Since June of 2022, the City Council has authorized 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 2025-26.

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.
- Budgetary payroll increases related to Town staff and City Council objectives.

I want to thank our City Council, staff and citizens for their collaboration and input throughout the budget process. Your voices shape the direction of our Town, and this budget is a testament to what we can achieve together.

As we move forward, my administration remains committed to fiscal responsibility, open government and building a Town where every resident can thrive. I look forward to working alongside all of you as we turn this budget into action and progress.

Mayor Sandy Roberts

TOWN MAYOR AND CITY COUNCIL



Mayor,
Sandy Roberts



Shane Mudge,
Place 1



Danny Coffman,
Place 2



Brandon Thompson,
Place 3



Jim Causey,
Place 4



Kent Stasey,
Mayor pro-tem
Place 5

TOWN STAFF



Jamee Long, TRMC, City
Secretary/Administrator



Diana Kotlinski,
City Clerk



Bobbie Fuls,
Utility Clerk



Ryan Berry,
Superintendent -
Water/Wastewater



Alan Salazar,
Water/Wastewater
Operator



Wyatt Morris,
Water/Wastewater
Operator



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



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



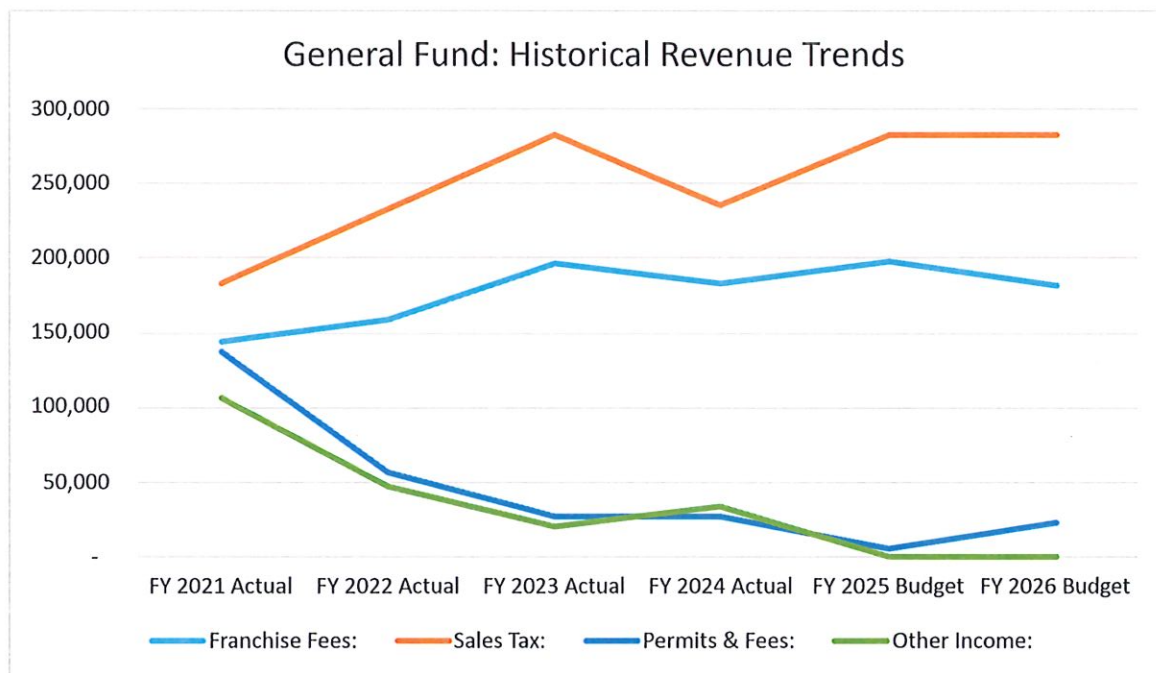
Alicia K. Kreh,
City Attorney,
TOASE L.L.P.

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:

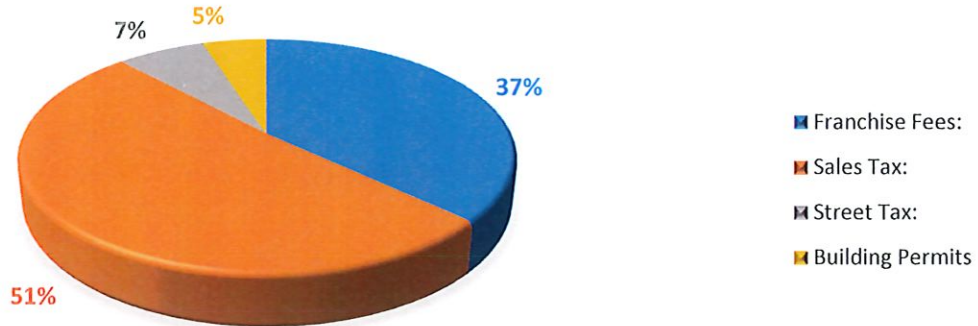
- Elections
- Public Information Requests
- City Council information and meeting requirements
- General health and safety code regulations
- Requests for public service
- Building permits and inspections
- Certificates of occupancy
- Civil engineering and zoning
- Franchisees that operate within the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

This conservative budgeting approach ensures financial stability and prepares the Town for unexpected economic fluctuations or emergencies. The Town staff works closely with the City Council and other committees to take proposed development projects and platting 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. While permit fees are recorded as revenue, they are directly offset by expenses paid to contract service providers for building inspection services. As a result, these fees do not generate net revenue for the Town but rather facilitate the passthrough of funds for specific regulatory services.

GENERAL FUND: WHERE IS THE MONEY COMING FROM?

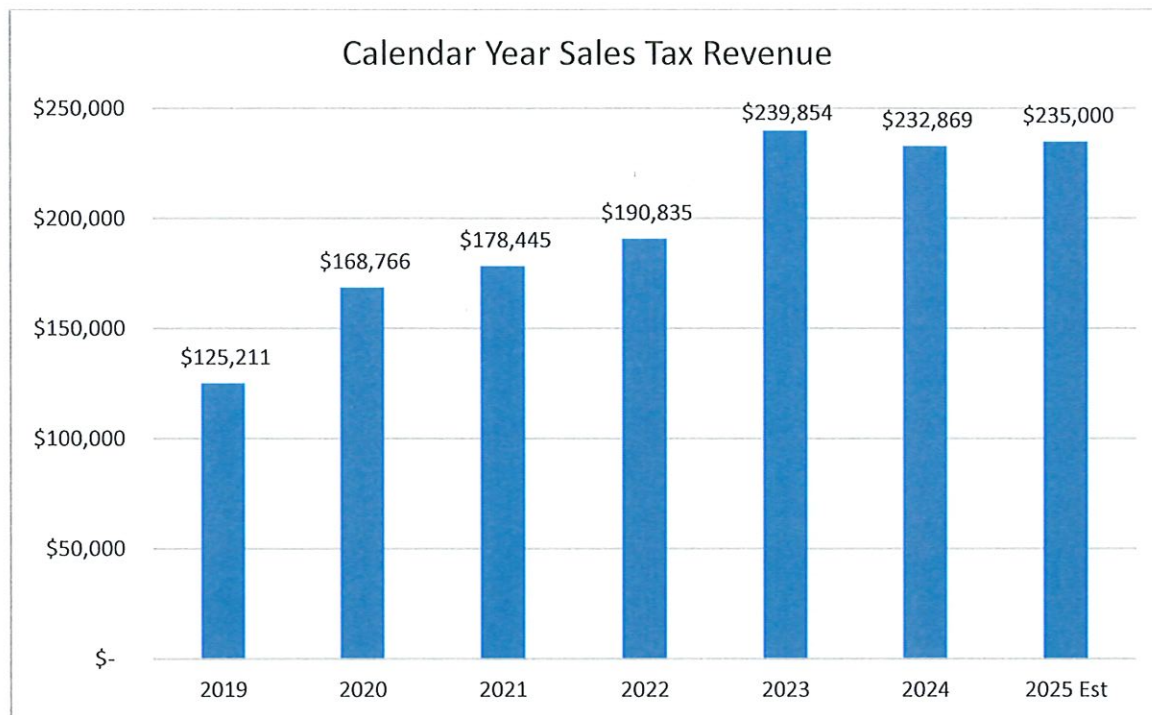


Franchise fees are payments made by utility and service providers to the Town of Annetta for the use of public infrastructure such as roadways, easements and rights-of-way. These fees serve to help offset the wear and tear caused by utility-related vehicular traffic – not only from the providers themselves but also from their customers. Franchise fees are a standard source of municipal revenue and are typically calculated as a percentage of the provider’s gross revenue within Annetta’s defined service area.

For utility providers like ONCOR and Tri-County Electric Cooperative, the amount collected may fluctuate based on the cost of energy used to deliver electricity. In contrast, franchise fees from other service providers, such as telecommunications or cable companies, tend to be more stable and predictable.

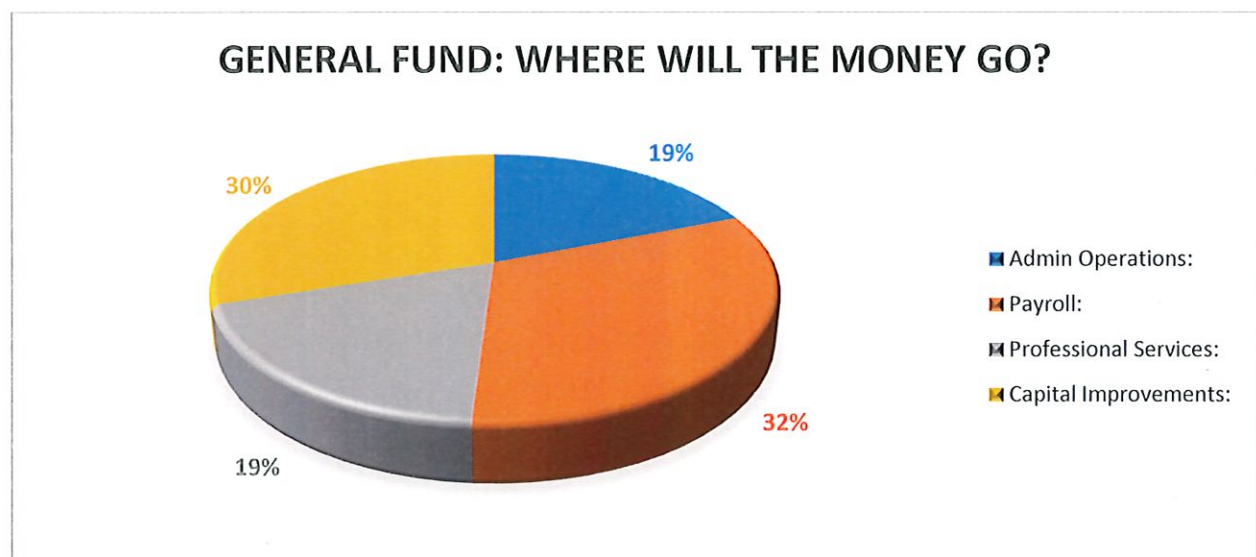
Sales taxes in the Town of Annetta are primarily generated by home-based businesses and online sales of goods delivered to addresses within the Town. While Annetta receives only a small portion of the total sales tax collected – 1% of each taxable transaction – this still represents a significant and growing source of revenue. In fact, sales tax income accounts for over 51% of the Town’s General Fund revenue annually, reflecting a strong and active local economy.

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 this year's graph is a separate line for Street Maintenance Sales Tax collections. Voters in Annetta have overwhelmingly approved the continuation of this dedicated 0.25% sales tax, which is restricted by law to funding road and street projects within the Town's jurisdiction.

Below is a graph illustrating the areas of historical expenditure trends of the Town.



The General Fund has three notable and consistent areas of expenditure. In the FY 2025–26 Budget, administrative operations and employee-related costs account for approximately 51% of total General

Fund expenses. This includes day-to-day management, staff compensation and general operational support.

Professional services, such as legal counsel, engineering and consulting, are budgeted at around 19%, reflecting the Town's reliance on specialized expertise for planning, compliance and development activities.

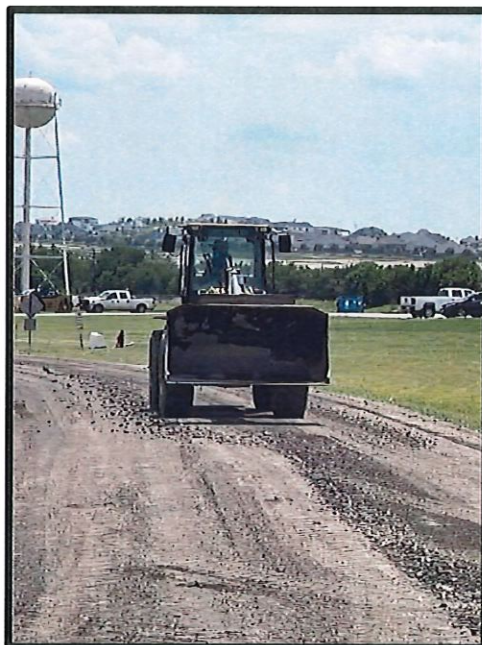
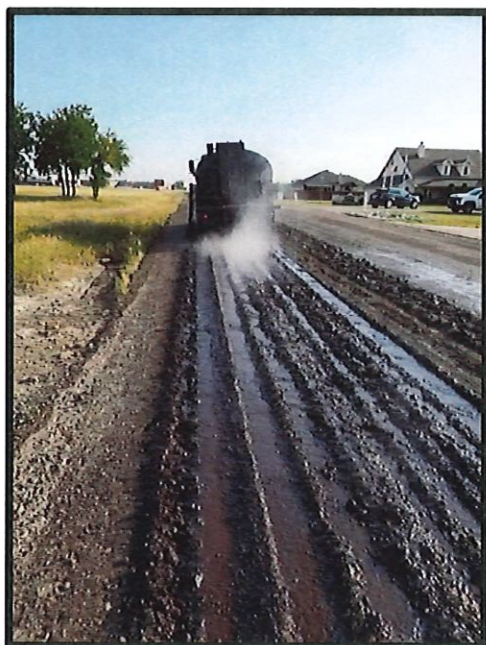
The remaining 30% are allocated to capital improvements, primarily focused on road and road-related projects, in alignment with community priorities and infrastructure needs.

NOTABLE ACCOMPLISHMENTS OF FY 2024-25

Continued commitment to road repairs and street maintenance.

The Town of Annetta continues its strong commitment to road maintenance and improvement through a structured, long-term capital plan. In the upcoming FY 2025–26 budget, the Town has allocated \$130,857 specifically for road repairs and related infrastructure upgrades, which are categorized under Capital Improvements.

Over the past year, Annetta upheld its promise to proactively address road conditions by investing in repair and maintenance efforts. City Council members and Town staff work closely with residents, conducting site visits and reviewing concerns related to road surfaces and drainage. This hands-on approach ensures community input plays a vital role in selecting and prioritizing road projects. Citizen complaints and requests are evaluated through a grading system that helps determine the most critical needs each budget cycle.



Annetta Cleanup Day:

Each February, the Town of Annetta hosts its annual Clean Up and Beautification Day – a community-driven event focused on enhancing the Town’s appearance and fostering civic pride. Residents of all ages come together to help clean up public spaces, roadsides and common areas throughout Annetta.

To support this effort, the General Fund covers the cost of supplies, including trash bags and the setting up of a central location for refuse collection and disposal. The Town also provides a complimentary meal for all volunteers, creating an opportunity for neighbors to connect and build stronger community ties.

Volunteers generously donate their time, while local sponsors contribute essential items such as safety vests and trash pickup tools. This event exemplifies the spirit of community cooperation and shared responsibility that makes Annetta a great place to live.



← Mayor Pro Tem Stasey

↓ Local 4-H Club





↑ Clean Up Day Volunteers

→ Reserve Officer from Precinct 4,
Mayor Pro Tem Stasey and Aledo ISD
Chief Stevens



Other Improvements:

The Town of Annetta continues to enhance the landscaping around the Administration Building, thanks to the dedicated efforts of the Parker County Master Gardeners. Thank you for your efforts to help keep Annetta beautiful!

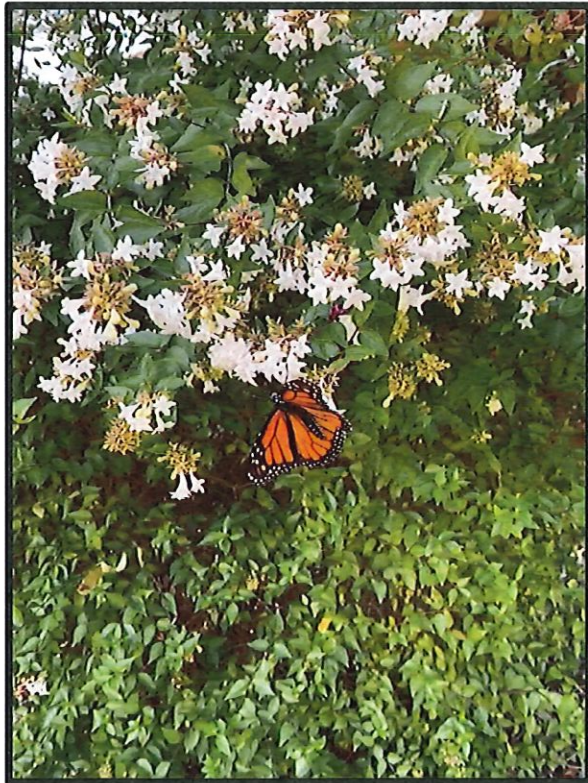
The landscaping continues to thrive, supported by the drip irrigation system, which allows for efficient watering by minimizing evaporation. This system helps maintain healthy, vibrant plant life while promoting sustainable water use, aligning with the Town's commitment to environmental stewardship.



In a fun and festive tradition, Mayor Roberts issued an official pardon of Gomez, the turkey, this past November. The ceremony recognized the “great service” the noble bird has humorously rendered to the Annetta community throughout the year. The lighthearted event brought smiles to residents of all ages and served as a charming reminder of the Town’s close-knit spirit and appreciation for community traditions.



Annetta Monarch Butterfly Waystation:



In July, the Town of Annetta proudly reaffirmed its commitment to being a designated *Monarch Butterfly Waystation*. Now in its 9th year of participation, the Town continues to support the Monarch’s remarkable migration from Canada to Mexico by cultivating a habitat rich in native, nectar-producing and drought-resistant plants.

With the help of the Parker County Master Gardeners, more pollinator-friendly plants have been added to the landscape around Town Hall. These additions not only conserve water but also provide critical energy resources for Monarchs and other pollinators.

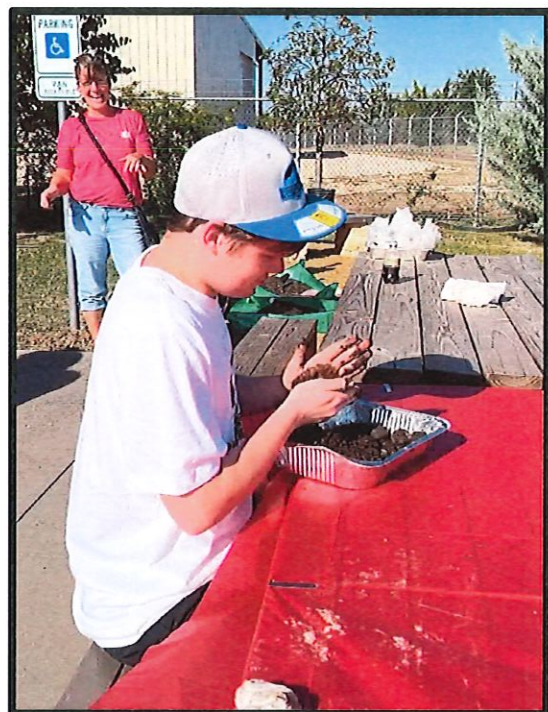
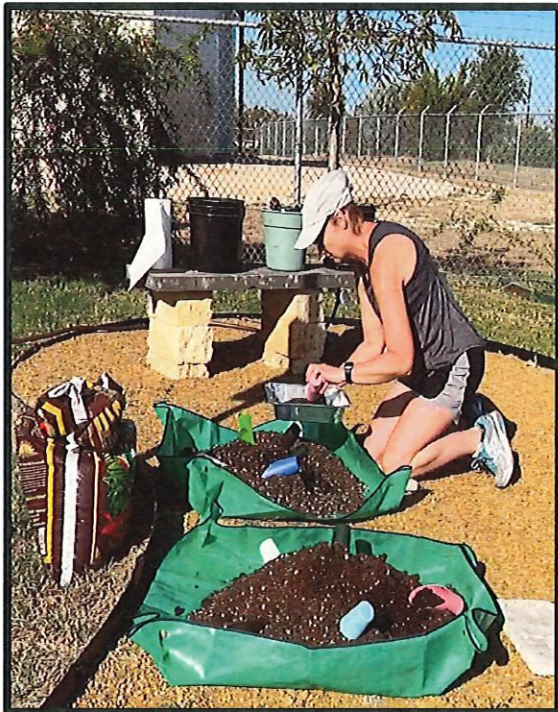
This effort carries even greater significance following the July 21, 2022 declaration by the International Union for the Conservation of Nature (IUCN), which listed the Monarch Butterfly as an endangered species – its first official recognition as being at risk of extinction. While the Monarch has long been considered threatened, this underscores the urgent need for conservation.

Annual Seed Ball Event:

In October, Mayor Roberts hosted her 2nd Annual Seed Ball Event – an engaging and educational initiative aimed at supporting the Monarch Butterfly population. The event focused on teaching volunteers how to create milkweed seed balls, which play a vital role in restoring Monarch habitat and encouraging pollinator-friendly growth throughout Annetta.

Mayor Roberts led participants through the process of making and distributing the seed balls, targeting areas of Town that are not mowed frequently to allow native plants the opportunity to take root and bloom naturally. These beautification zones not only enhance the Town's landscape but also serve as essential waypoints for migrating Monarchs.

Thank you to all the volunteers – and from the Monarch Butterflies—for helping make Annetta a welcoming stop along their incredible journey!



Monthly Children's Book Donation:

Each month, Mayor Roberts donates a children's book to promote literacy and a love of reading among Annetta's youngest residents. Citizens are invited to enter for a chance to win the featured book, which is then awarded to one lucky winner.

Through this monthly giveaway, Mayor Roberts encourages children and families to embrace the joy of reading, helping to foster a lifelong habit that supports learning, imagination and connection. It's a simple but meaningful way to invest in the future of the community – one book at a time.



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 and Girls Scouts:

Mayor Roberts and City Council proudly support the Boy Scouts and Girl Scouts and are regular attendees of the annual *Investment in Character Luncheon* hosted by the Longhorn Council of the Boy Scouts of America. This event plays a vital role in raising funds to support scouting programs across North and Central Texas.

The Longhorn Council uses these contributions to maintain camp properties and its council service center, ensuring scouts have safe and well-equipped spaces to learn and grow. Funds also help purchase essential program supplies for youth activities and camps, and provide training and resources for adult volunteers who help shape the next generation of leaders.

City Council and Mayor Roberts' continued involvement reflects their strong belief in the value of character development, community service and youth empowerment.

Mayors' Annual Food Drive:



Each year at the end of October, the citizens of Annetta generously contribute to the Mayors' Annual Food Drive, which benefits the Center of Hope in Parker County.

Thank you for your continued support of this meaningful cause.

Toys for Tots:



It was another successful year for the Toys for Tots campaign in Annetta, thanks to the generosity of our citizens. Residents came together to donate numerous toys, helping to bring joy to children in need during the holiday season.

Toys for Tots is a program operated by the United States Marine Corps Reserve, which collects and distributes new toys to children whose families may not be able to afford Christmas gifts. The Town of Annetta is proud to support this meaningful initiative, and we thank everyone who contributed for helping make the holidays brighter for so many.

National Wheelchair Basketball Association:

In April, Chris Parks of the Texas Outlaws, part of the National Wheelchair Basketball Association, delivered an inspirational presentation at the City Council meeting. He shared that the association includes 65 teams and spoke candidly about his personal journey. Eleven years ago, Mr. Parks lost his leg due to a flesh-eating bacterial infection, undergoing nine surgeries. He expressed gratitude for surviving the infection, which has only a 13% survival rate. Despite having never played basketball before his amputation, he discovered a passion for the sport afterward. Mr. Parks and his wife relocated to the area to be closer to both of their families. He now actively encourages other amputees to get involved in wheelchair sports.



Meeting with A.B. Fraser Descendants:

In May, five descendants of A.B. Fraser – the founder of the Annetta community – met with Mayor Roberts and Mayor Pro Tem Stasey to discuss the Town's current initiatives and future vision. The gathering was both meaningful and historic, connecting the Town's leadership with the family whose legacy began over a century ago.

Annetta was established around 1880 by A.B. Fraser, coinciding with the expansion of the Texas & Pacific Railroad through Parker County from Fort Worth. The Town is proudly named after Mr. Fraser's daughter, *Annetta*.

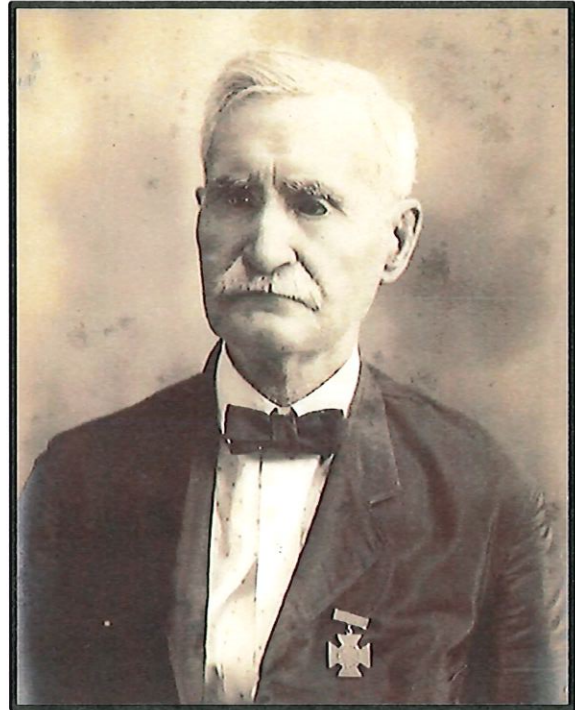
This special meeting was arranged by Fleetwood Jacobs, who brought her father, Jerry Wilson, from Austin to attend. Mr. Wilson, now 87 years old, is the great-great-grandson of A.B. Fraser. The visit served as a reminder of Annetta's rich heritage and the importance of preserving its history while embracing the future.



↑ Mayor Roberts, Mayor Pro Tem Stasey, Mr. & Mrs. Wilson, Fleetwood Jacobs, Mr. & Mrs. Cook



Annetta Fraser



A.B. Fraser

Fiber Optic Installation:



In June 2025, AT&T and Syntrio began installing fiber optic lines throughout Annetta. Residents will have the option for high-speed internet beginning in Spring 2026.

Other things the Town of Annetta is always working on:

The Town of Annetta maintains a Business Continuity Plan designed to ensure that vital operations continue during emergencies or natural disasters. This plan activates key protocols to keep essential systems running and services available to residents when they're needed most.

Annetta works closely with the Parker County Office of Emergency Services, as well as surrounding cities and regional agencies, to strengthen emergency preparedness and response coordination. These partnerships are critical for resource sharing, communication, and rapid response during crisis situations.

The Town's Business Continuity Plan is reviewed and updated annually to reflect new risks, lessons learned, and evolving best practices – ensuring Annetta is prepared for the future.

- 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 2025-26 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.



Photo credit – Shelby Kimball

Fiscal Year 2025-26

General Fund

	Budget	
	FY 2024-25	FY 2025-26
Income		
3200 · Total Franchise Fees		
3250 · HB 1777 - ROW	3,000	2,000
3210 · Electrical		
3212 · Tri-County	140,000	120,000
3211 · ONCOR	<u>35,000</u>	<u>35,000</u>
Total 3210 · Electrical	175,000	155,000
3230 · Sanitation	<u>20,000</u>	<u>25,000</u>
Total 3200 · Total Franchise Fees	198,000	182,000
3100 · Sales and Use Taxes		
3130 · Sales Tax 1%	197,000	197,000
3120 · MBGRT	2,000	2,000
3140 · Streets .25%	48,000	48,000
Total 3100 · Sales and Use Taxes	247,000	247,000
3310 · Building Permits	<u>35,000</u>	<u>35,000</u>
Total 3310 · Building Permits	35,000	35,000
3300 · Other Income		
3800 · Variance and Special Exceptions	700	700
3305 · Contractor Registration Fees	1,000	1,000
3700 · Platting Fees	1,000	1,000
3301 · Interest Income	2,500	20,000
3302 · Miscellaneous Income	<u>200</u>	<u>200</u>
Total 3300 · Other Income	5,400	22,900
From Capital Reserve	-	-
Total Income	485,400	486,900
Expense		
5100 · Admin & Other Operations		
5280 · Facilities Expense		
5284 · Cleaning and Sanitation	500	500

5283 · Supplies	100	100
5282 · Equipment Repairs & Maint.	100	100
5281 · Small Tools	100	100
Total 5280 · Facilities Expense	800	800
5256 · Memberships, Dues & Fees	100	100
5267 · Subscriptions & Publications	100	100
5110 · Bereavement and/or Recognition	250	250
5150 · Town Branding & Identification	100	100
5210 · Insurance		
5211 · General & Property Liability	10,000	22,043
5212 · Health/Life/Dental	<u>21,000</u>	<u>21,000</u>
Total 5210 · Insurance	31,000	43,043
5230 · Office Equipment		
5233 · Copier Maint Contract	2,200	700
5231 · New/Replacement	1,000	1,000
5232 · Supplies	4,400	2,000
5234 · Software Maint & Upgrade	17,850	7,500
Total 5230 · Office Equipment	25,450	11,200
5260 · Utilities (Admin Building)		
5262 · Electric	3,685	2,000
5264 · Telephone	750	1,500
5263 · ISP	750	1,500
5265 · Web Hosting and e-mail	200	400
5261 · Cell Phones	<u>1,000</u>	<u>1,500</u>
Total 5260 · Utilities (Admin Building)	6,385	6,900
5270 · Vehicle Expense		
5275 · Mileage Expense	500	2,100
5274 · Vehicle License & Inspection	25	100
5272 · Fuel	3,000	4,500
5273 · Vehicle Maintenance	<u>2,500</u>	<u>3,000</u>
Total 5270 · Vehicle Expense	6,025	9,700
5201 · Advertising and Notifications	500	500
5250 · Security	750	1,700
5202 · Building Maintenance	2,000	4,800

5125 · Credit Card Fees	500	750
5130 · Elections	7,500	7,500
5140 · License/Permits/Fees	2,000	2,000
5225 · Miscellaneous Expense	100	100
5240 · PO Box Fees/Postage	100	100
5145 · Postage	100	100
5155 · Travel/Meals/Training	3,000	1,900
Total 5100 · Admin & Other Operations	86,760	91,643
5300 · Payroll Expenses		
5320 · Payroll Taxes		
5322 · FICA - Medicare	1,800	1,900
5324 · State Unemployment	1,500	1,500
5323 · FICA - SS	<u>8,700</u>	<u>8,100</u>
Total 5320 · Payroll Taxes	12,000	11,500
5304 · Retirement	11,000	10,100
5305 · Salaries	125,000	133,000
Total 5300 · Payroll Expenses	148,000	154,600
5600 · Professional Services		
5607 · Planning Consultant	5,000	12,000
5606 · Code Enforcement Officer	1,250	-
5660 · Development Projects	2,000	2,000
Total 5660 · Development Projects	2,000	2,000
5640 · Other Financial	3,850	3,800
5601 · Audit Financial	7,700	8,000
5603 - CDR Audit	3,000	3,000
5602 · Building Inspections	30,000	30,000
5610 · Engineering		
5614 · Plat Review	500	500
5613 · Lidar	500	500
5611 · Civil Planning	5,000	5,000
5610 · Engineering - Other	2,000	2,000
Total 5610 · Engineering	8,000	8,000
5630 · Legal	35,000	25,000
5600 · Professional Services - Other	-	-

Total 5600 · Professional Services	95,800	91,800
5700 · Capital Improvements		
5720 · Building Fund	10,000	10,000
5730 · Community Beautification	5,000	5,000
5710 · Roads		
5713 · Shoulder & Drainage Ditch	10,000	10,000
5712 · Street/Road Reconstruction	120,840	114,857
5711 · General Pot Hole Repair	5,000	5,000
5710 · Roads - Other	1,000	1,000
Total 5710 · Roads	136,840	130,857
5740 · Signage and Related	3,000	3,000
Total 5700 · Capital Improvements	154,840	148,857
Total Expense	485,400	486,900
Net Income	-	0

ENTERPRISE FUND

Program of service:

Since June 9, 2022, the Town of Annetta has been fully operating its water and wastewater systems. Our dedicated operators continue to work diligently to ensure these systems remain efficient and reliable.

The Water and Wastewater Department is committed to providing Annetta residents with safe, clean and dependable drinking water, as well as a reliable and effective sewer system.

In the 2024-25 fiscal year, two generators were installed at the Town's water plants to ensure emergency water service during electrical outages. This addition completes the Town's Emergency Preparedness Plan with the state for its water system.

Two generators were added to water plants in the 2024-25 fiscal year.



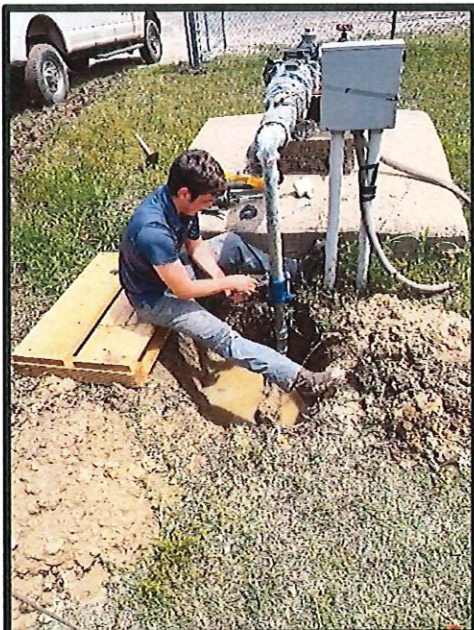
The Town of Annetta's water system maintains a *SUPERIOR RATING* with the State of Texas. More than 14 years ago, this achievement seemed nearly impossible due to the poor condition of infrastructure and lack of maintenance by the system's previous owner. However, through consistent investment and commitment to service, the Town has transformed its water system into one of high reliability and quality.

On April 21, 2023, the Texas Commission on Environmental Quality (TCEQ) reaffirmed this success, stating that the Town's public water supply "continues to merit recognition as a 'Superior' system." Annetta remains dedicated to providing a level of service that is the envy of other communities.

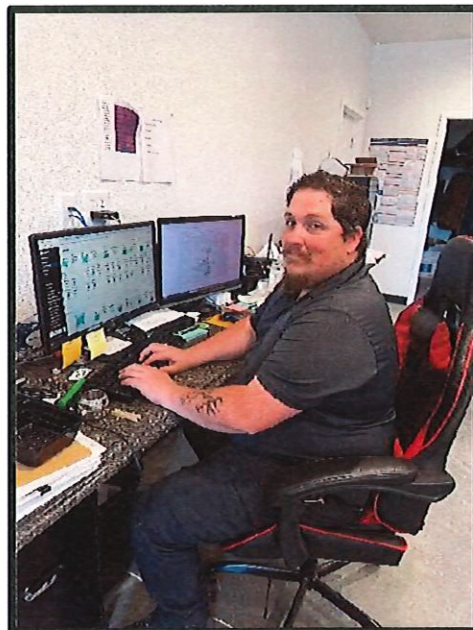




↑ With over a decade of experience and high-level state licenses, Ryan Berry, the Town's Water/Wastewater Superintendent, keeps our systems running smoothly. During a routine check in January, he was greeted by something a little out of the ordinary – a giant snowman keeping watch by one of our water plants!



↑ Water Operator, Alan Salazar, performing maintenance on a municipal well.



↑ Water Operator, Wyatt Morris, reviewing operational paperwork.

The Town of Annetta is excited to announce that we have been awarded a grant from the Upper Trinity Groundwater Conservation District to fund the installation of a rainwater harvesting system at Town Hall.

Once completed, the system will capture rainwater from the Town's shop and store it in a 20,000-gallon tank. The collected water will be used for both irrigation and operations at the Town's wastewater treatment facility.

This innovative project is part of Annetta's ongoing conservation efforts and will serve as a model for sustainable water use in our community. It will also act as a community hub for environmental stewardship, offering educational opportunities and promoting resource-conscious practices among our citizens.

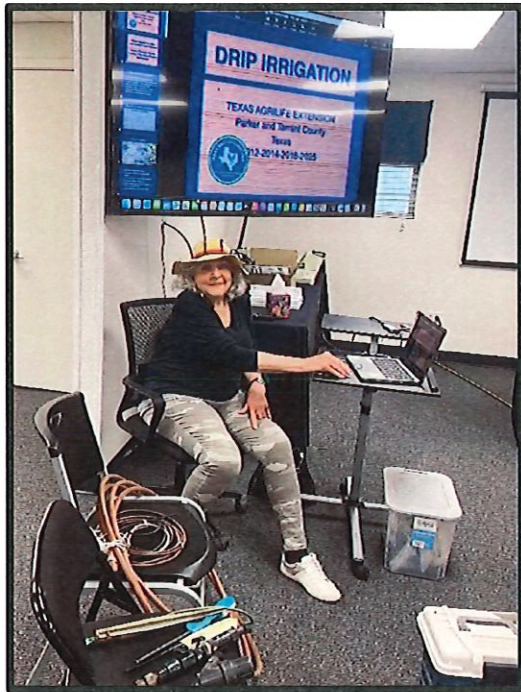
We look forward to sharing more updates as this project progresses and to working together toward a more sustainable future.



← Mayor Roberts and one of the Town's engineers, Robert McGee, presented and interviewed with the Board of the Upper Trinity Groundwater Conservation District (UTGCD).



We encourage everyone to visit the Town's new Water Conservation Help Page for tips and resources on how to use water wisely. You can find it by going to www.annettatx.org, clicking on the "Utilities & Water Conservation" tab, and then select "Water Conservation."

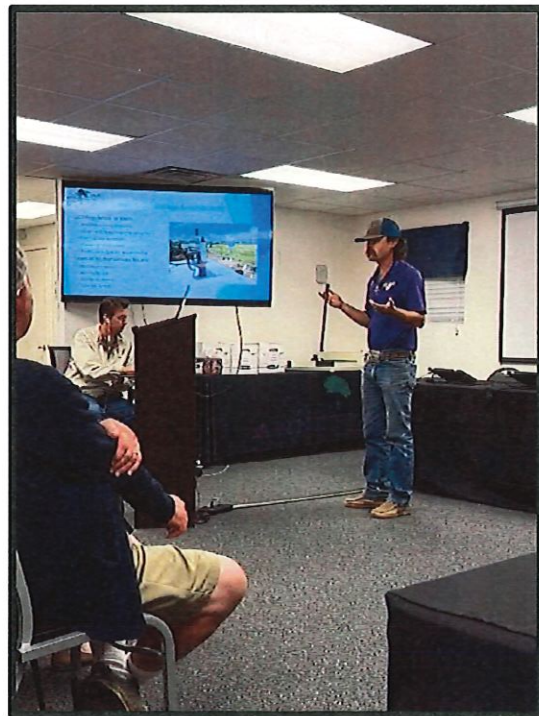


Annetta continues to be proactive and committed to educating the community about water conservation. In March, Parker County Master Gardener, Gay Larson, delivered an informative presentation on drought-tolerant landscaping during the City County meeting.

At the Planning & Zoning Commission meeting last November, Zane Bearden with the UTGCD discussed private water wells within the district, with a focus on East Parker County. He also brought the UTGCD's educational trailer, and the meeting drew a full house.

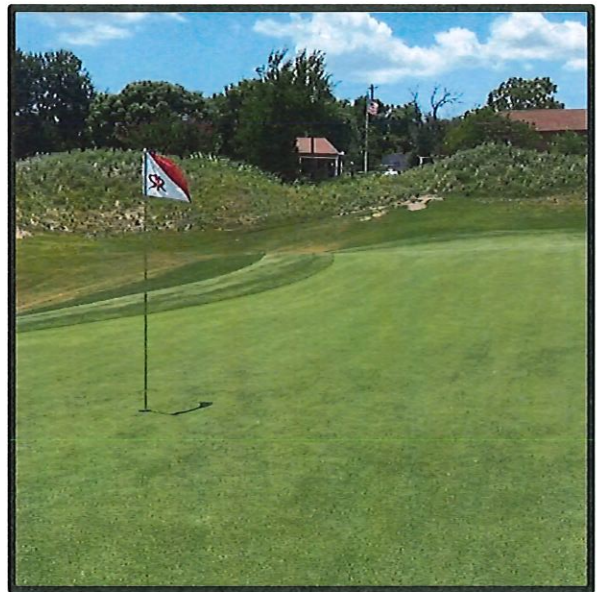
Earlier in August, the UTGCD delivered a presentation to the Commission on the status of the local aquifers.

We value our ongoing partnership with the District and appreciate their efforts in sharing important water-related information with our citizens.



The Annetta Wastewater Treatment Plant, which began operation in 2016, continues to function efficiently and cost-effectively. The Town has received generators for several lift stations to ensure continued operation during power outages, and installation is currently planned. Efforts also continue to enhance SCADA capabilities and alarm systems, improving operational control and responsiveness.

Notably, the plant is able to return 100% of its treated wastewater to the ground through oxygenated ponds and irrigation on the Split Rail Golf Course. This sustainable approach reduces the demand for additional groundwater pumping and supports the long-term conservation of our natural resources.



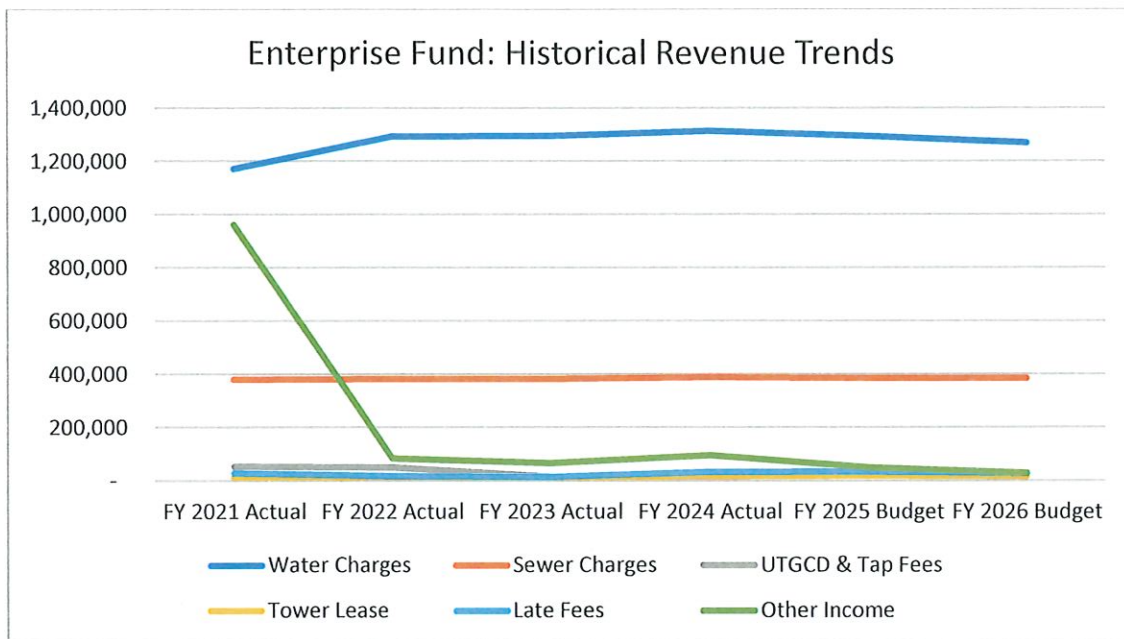
← Wastewater Operator, Alan Salazar, performing maintenance on the wastewater treatment plant.

↑ Split Rail Golf Course

Revenue

Utility customers in Annetta pay for services through usage-based charges. The Town does not levy a property tax to subsidize utilities or other infrastructure needs. All revenue generated by the utility systems remains within those systems and is not allocated for other purposes.

Water usage represents the primary source of revenue, supported by a tiered rate structure that includes a base rate for all customers. However, base rates alone are insufficient to cover the full costs of operations, maintenance, and debt service. As a result, higher consumption during warmer months helps bridge the gap, allowing the utility system to operate as a fully self-sustaining enterprise.

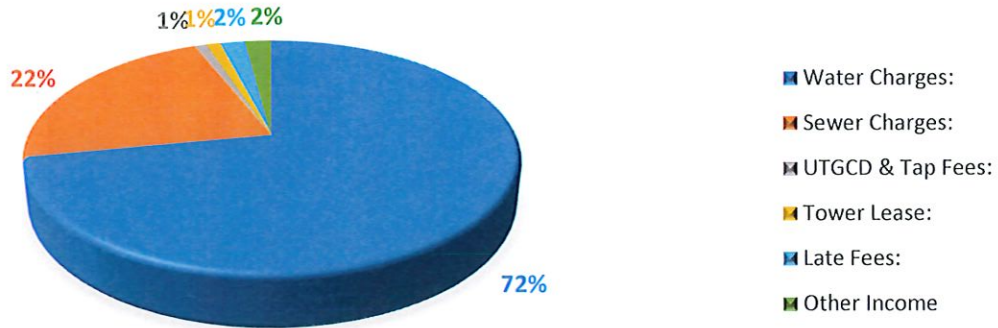


As illustrated in the graph above, the Annetta Water and Sewer Systems have operated in a stable and fiscally responsible manner, even while undergoing continuous improvements aimed at increasing performance and reliability. Although revenue is dependent on customer usage, operations and maintenance are conservatively managed to ensure consistent service delivery—regardless of weather conditions or potential infrastructure challenges.

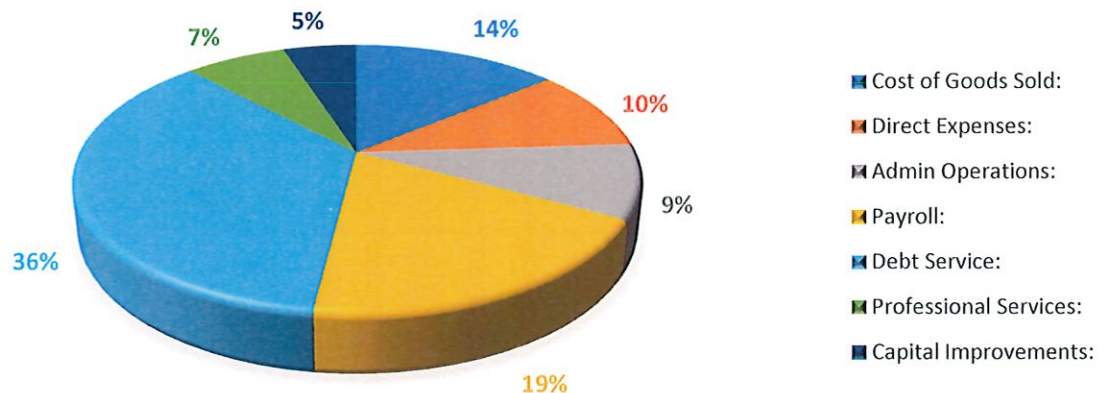
Maintaining adequate reserves is a key component of both operational stability and rate stabilization. The current rate structure allows the utility system to generate sufficient net revenue to service existing debt, fund ongoing operations, and support a reasonable level of capital improvements each year.

While annual financial outcomes may vary, the Town's philosophy is to retain surplus revenues during stronger years to build reserves. These reserves are used to address unforeseen expenses, accelerate capital projects when necessary, and plan for major future investments, as well as the refurbishment or replacement of wells, lift stations, pumps, and transport piping throughout the system.

ENTERPRISE FUND: WHERE IS THE MONEY COMING FROM?

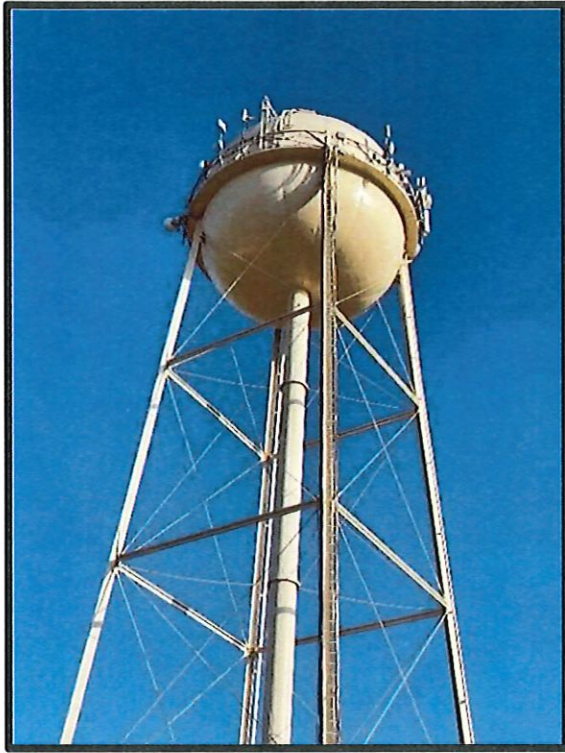


ENTERPRISE FUND: WHERE WILL THE MONEY GO?



For the 2025–26 fiscal year, the largest category of expense remains long-term debt. This debt is held in the form of bonds, which follow a structured repayment and retirement schedule. In 2016, the Annetta City Council made the strategic decision to refinance all eligible debt at a lower interest rate. This refinancing move resulted in projected savings of over \$600,000 for customers over a 17-year period.

This financial success was made possible by improvements in system reliability and performance, along with the prudent fiscal management of the Town's finances – efforts that contributed to an upgraded bond rating from **BBB** to **AA-**. The current City Council remains committed to seeking future opportunities that benefit utility customers. Maintaining adequate reserves not only positions the Town to take advantage of future bond call dates but also provides financial flexibility to address major unforeseen expenses without incurring additional debt.



The next largest area of expenses covers the ongoing costs of operating the water and wastewater systems. This includes repairs, treatment, utilities, and contract services. Repair costs have remained stable as the Town of Annetta remains committed to routine maintenance and continuous system monitoring and improvement. Timely repairs to critical infrastructure help reduce service interruptions and keep long-term costs down. While each of the Town's well sites has been restored to meet industry standards following years of neglect by previous owners, many of the system's transmission lines are nearly 39 years old and are beginning to require more frequent attention. Proper budgeting for these repairs is essential to maintaining high-quality, reliable service for all customers.

The Town also generates revenue by leasing space on its elevated tower to communication providers.

Capital Improvements

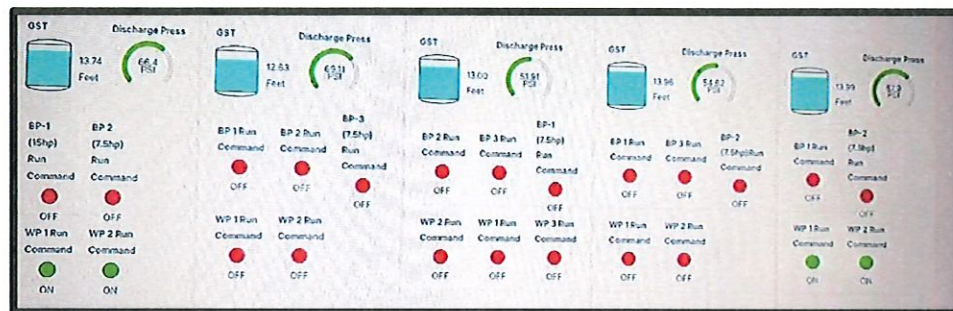
Capital improvements are strategically planned to provide the best value and return for customers over both the short and long term. These decisions require careful evaluation by consulting engineers in collaboration with the Town's operators. The primary focus of these evaluations is to reduce recurring and future costs, particularly those related to labor and contract services.

Automated Metering Infrastructure

In 2018, the Town implemented a new Automated Metering Infrastructure (AMI) system, resulting in significant improvements in accurately measuring both customer water usage and production at well sites. One major benefit of the AMI system is its ability to detect unusual consumption patterns – often indicating plumbing leaks – which allows customers to address issues quickly, conserving water and avoiding unexpectedly high bills.

SCADA

The Town has continued expanding the installation of SCADA (Supervisory Control and Data Acquisition) systems at additional well sites and wastewater lift stations. SCADA technology enables real-time monitoring and remote adjustments to production at various well sites, significantly improving operational efficiency. By reducing the need for multiple daily on-site visits, SCADA helps lower labor costs and enhances system responsiveness. An upgrade to the SCADA system is currently planned as part of the 2025–2026 budget.



Planning for the Future

In a fast-growing region like East Parker County – particularly within the highly sought-after Aledo ISD – towns and cities must remain vigilant in protecting and preserving water resources for future generations. Rapid development places increasing pressure on groundwater availability, presenting complex challenges that are often difficult to address. While local leaders work to manage growth responsibly, the state legislature has been slow to respond to the water-related impacts of rapid expansion and, at times, has enacted policies that hinder local control.

Parker County currently leads the state in the number of new water wells being drilled, which raises serious concerns about long-term water availability for existing users and increases the risk of potential groundwater contamination. As the local provider of both water and wastewater services, the Town of Annetta is legally required by the State of Texas to provide service to customers within its designated Certificate of Convenience and Necessity (CCN) when infrastructure is available.

Although managing such a vital and finite resource is challenging, the Town remains committed to identifying balanced, forward-looking solutions to ensure a sustainable and reliable water supply for all its customers.

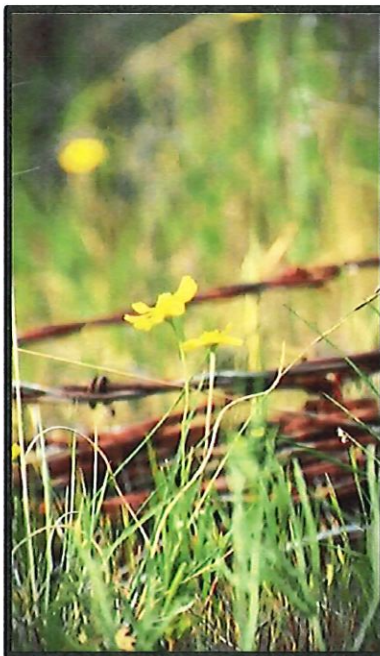
Over the next couple of years, the department will focus on the following priorities:

- **Preparing for anticipated growth** in the service area by increasing capital through developer cost assessments;
- **Enhancing staff expertise** by continuing to plan for and provide training in the operation of the water and sewer systems;

- **Acquiring necessary equipment and facilities** to ensure the reliable and efficient operation of both water and wastewater services;
- **Reducing water loss** through ongoing maintenance, conservation efforts, and public education initiatives; and
- **Diversifying the Town's water sources** to better manage demand fluctuations and improve long-term resilience.

The Town of Annetta remains committed to operating its water and sewer systems in a way that maximizes service quality and resource availability while minimizing costs, disruptions, and impacts on the daily lives and financial well-being of our residents. As outlined in this budget presentation, Annetta does not generate excess revenue through inflated rates. Customers can be confident that their hard-earned money is not being spent on unnecessary projects or excessive operational costs. Additionally, the Town maintains only those financial reserves deemed fiscally responsible. Water and sewer rates are set based solely on the actual cost of operating and maintaining a system that meets the high standards our citizens expect and deserve.

Annetta's approach remains focused on managing the water and sewer system in a way that meets the needs of our citizens while maintaining rates that support steady progress – without the need for a property tax. We believe this budget reflects and advances that commitment.



Fiscal Year 2025-26 Enterprise Fund

	Budget	Budget
	FY 2024-25	FY 2025-26
Income		
3400 · Water/Wastewater Income		
3422 · Water System Revenue	1,294,310	1,270,000
3410 · Sewer System Revenue	385,000	385,000
3415 · Late Charges & Fees	35,000	28,000
3423 · Water Tower Communicate Lease	18,600	16,000
3421 · Water & Sewer Tap Fees	10,000	-
3420 · UTGCD Fee	25,000	25,000
Funds Transfer in from Capital Reserves	-	-
Total 3400 · Water/Wastewater Income	1,767,910	1,724,000
3300 · Other Income		
3301 · Interest Income	50,000	30,000
Total 3300 · Other Income	50,000	30,000
Total Income	1,817,910	1,754,000
Cost of Goods Sold		
4000 · Cost of Goods Sold		
4700 · Sampling/Testing		
4720 · Waste Water Samples	7,500	9,000
4710 · Water Samples	7,500	7,000
Total 4700 · Sampling/Testing	15,000	16,000
4100 · System Supplies/Chemicals		
4140 · Water System Supplies	20,000	17,000
4130 · Water System Chemicals	20,000	21,000
4120 · Sewer System Supplies	5,000	6,000
4110 · Sewer System Chemicals	<u>2,000</u>	<u>3,100</u>
Total 4100 · System Supplies/Chemicals	47,000	47,100
4200 · Contract Operation of System	30,000	10,000
4300 · System Utilities		
4320 · Water System Utilities	85,000	82,000
4310 · Sewer System Utilities	<u>70,000</u>	<u>68,000</u>
Total 4300 · System Utilities	155,000	150,000

4500 · UTGCD Fees	25,000	25,000
Total 4000 · Cost of Goods Sold	272,000	248,100
Total COGS	272,000	248,100
Gross Profit	1,545,910	1,505,900
Expense		
5065 · Statement Mailing	7,500	6,600
5070 · Tools & Equipment Purchases	500	500
5050 · Maintenance and Repair		
5059 - Annetta Elementary Repairs & Maint	2,000	2,000
5057 · Tank Inspections	5,000	4,500
5056 · Generator Maintenance & Repair	10,000	4,500
5054 · WWTP Repairs & Maintenance	75,000	75,000
5053 · Water System Maint & Repairs	30,000	50,000
5052 · Water Plant Maint & Repairs	20,000	31,000
5051 · Sewer System Maint & Repairs	30,000	6,000
Total 5050 · Maintenance and Repair	172,000	173,000
Total 5000 · Direct Expenses	180,000	180,100
5100 · Admin & Other Operations		
5280 · Facilities Expense		
5284 · Cleaning and Sanitation	<u>2,000</u>	<u>2,600</u>
Total 5280 · Facilities Expense	2,000	2,600
5256 · Memberships, Dues & Fees	700	700
5267 · Subscriptions & Publications	300	300
5210 · Insurance		
5211 · General & Property Liability	40,000	18,035
5212 · Health/Life/Dental	<u>54,000</u>	<u>53,500</u>
Total 5210 · Insurance	94,000	71,535
5230 · Office Equipment		
5233 · Copier Maint Contract	2,000	1,600
5231 · New/Replacement	1,800	1,600
5232 · Supplies	3,600	5,500
5234 · Software Maint & Upgrade	<u>14,625</u>	<u>18,000</u>
Total 5230 · Office Equipment	22,025	26,700
5260 · Utilities (Admin Building)		
5262 · Electric	3,015	2,900

5264 · Telephone	2,000	1,800
5263 · ISP	2,000	1,700
5265 · Web Hosting and e-mail	500	500
5261 · Cell Phones	<u>2,200</u>	<u>1,700</u>
Total 5260 · Utilities (Admin Building)	9,715	8,600
5270 · Vehicle Expense		
5275 · Mileage Expense	1,500	1,400
5274 · Vehicle License & Inspection	100	100
5272 · Fuel	8,000	7,000
5273 · Vehicle Maintenance	<u>2,500</u>	<u>4,500</u>
Total 5270 · Vehicle Expense	12,100	13,000
5201 · Advertising and Notifications	1,000	1,000
5250 · Security	2,500	1,900
5202 · Building Maintenance	6,000	4,000
5125 · Credit Card Fees	15,000	12,500
5140 · License/Permits/Fees	7,500	8,700
5145 · Postage	1,500	1,300
5155 · Travel/Meals/Training	4,000	3,800
Total 5100 · Admin & Other Operations	178,340	156,635
5300 · Payroll Expenses		
5320 · Payroll Taxes		
5322 · FICA - Medicare	4,000	4,000
5324 · State Unemployment	3,000	3,100
5323 · FICA - SS	<u>16,500</u>	<u>16,800</u>
Total 5320 · Payroll Taxes	23,500	23,900
5302 · Other Payroll Expenses		
5304 · Retirement	21,500	21,500
5305 · Salaries	<u>262,000</u>	<u>279,500</u>
Total 5300 · Payroll Expenses	307,000	324,900
5600 · Professional Services		
5604 · Bond Advisor Fees	3,000	3,000
5660 · Development Projects	-	2,000
Total 5660 · Development Projects	-	2,000
5640 · Other Financial	3,150	5,000

5601 · Audit Financial	6,300	6,300
5610 · Engineering	100,000	100,000
5630 · Legal	5,000	2,500
5635 · Mowing & Grounds Keeping	<u>5,000</u>	<u>10,000</u>
Total 5600 · Professional Services	122,450	128,800
5700 · Capital Improvements	135,210	88,340
Total 5700 · Capital Improvements	135,210	88,340
6000 · Annual Debt Service	622,910	627,125
Total Expense	<u>1,545,910</u>	<u>1,505,900</u>
Net Income	-	0

CRIME CONTROL AND PREVENTION DISTRICT FUND

The Annetta Crime Control and Prevention District (CCPD) was overwhelmingly reapproved by voters in May 2019. The purpose of the district is to support initiatives that prevent crime and promote safety throughout our community. CCPD funding comes from a 0.25% portion of the sales tax collected within Annetta and is returned to the Town by the State Comptroller's Office. Sales tax revenue is generated from local businesses – including the Split Rail Golf Course, home-based businesses in Annetta, and online purchases delivered to addresses within the Town – all of which contribute to the funding of this important public safety effort.

Annetta residents have not expressed a desire for a police department or full-time law enforcement. However, they have voiced a need for improved communication and increased community awareness, so that we can all continue to enjoy the peace and quiet that make our town special for years to come.

Mayor Roberts, Mayor Pro Tem Stasey, and Council Member/CCPD Coordinator Danny Coffman have collaborated with the Parker County Sheriff's Department to establish an Interlocal Agreement for law enforcement patrols in Annetta. As part of the fiscal year 2025–26 CCPD Budget, \$10,000 has been allocated to fund these patrols, enhancing safety and visibility throughout the Town.



Fiscal Year 2025-26 CCPD Fund

	Budget	Budget
	FY 2024-25	FY 2025-26
Income		
3100 · Sales and Use Taxes		
3110 · CCPD .25%	50,000	45,000
Total 3100 · Sales and Use Taxes	50,000	45,000
3300 · Other Income		
3301 · Interest Income	1,500	7,000
Total 3300 · Other Income	1,500	7,000
Total Income	51,500	52,000
Expense		
5383 · Pubic Events and Education	3,000	2,500
5381 · Communication and Informational	2,500	2,000
Citizen School Camera Program	36,100	37,500
Annetta Crime Patrols	9,900	10,000
Total Expense	51,500	52,000
Net Income	-	-