

A wide-angle photograph of a vast field of bluebonnets in full bloom. The flowers are a vibrant blue, interspersed with green foliage. The field stretches to a distant treeline under a clear, bright blue sky. A small white building is visible on the horizon to the right. The overall scene is bright and sunny, suggesting a clear day.

TOWN OF ANNETTA
ANNUAL OPERATING BUDGET
FISCAL YEAR 2023-24



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MAYOR'S MESSAGE

I am pleased to deliver the Town of Annetta's 2023-24 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 without taxing the wealth of its citizens through implementation of an ad valorem tax. Reserve funds will be maintained at a responsible level in accordance with the Town of Annetta fiscal goals.

The Town is excited about fully operating the water and wastewater systems. We have three, licensed water and wastewater operators, in addition to three office staff.

The proposed FY 2023-24 budgets assume:

- The Town will continue to operate without an ad valorem tax.
- The Town's sales tax revenues for FY 2023-24 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 remain 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 2023-24.

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.
- Adding lift station generators and a new utility building with the CLFRF grant funds.
- 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 3,
Bruce Pinckard**



**Place 4,
Jim Causey**



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

TOWN STAFF



Jamee Long,
TRMC,
City Secretary



Diana Kotlinski,
City Clerk



Bobbie Fulks,
Utility Clerk



Roger Crutcher,
Water/Wastewater
Operator



Steven Hill,
Water/Wastewater
Operator



Jeff Lashley,
Water/Wastewater
Operator



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



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



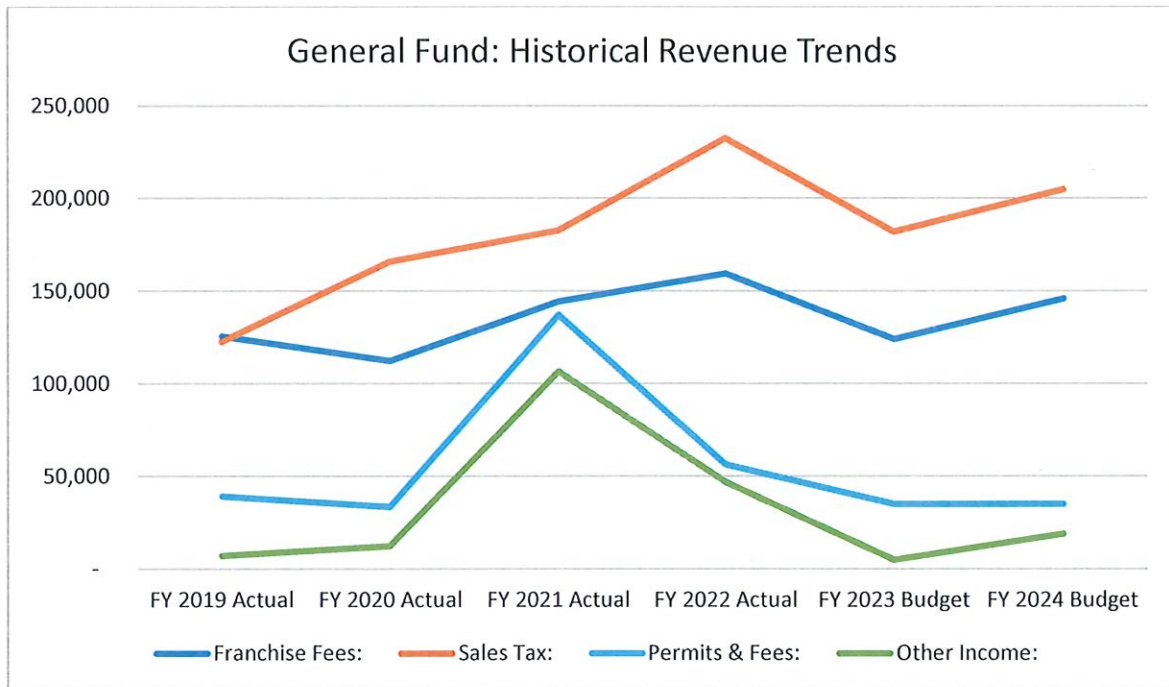
Alicia K. Kreh,
City Attorney,
TOASE L.L.P.

GENERAL FUND

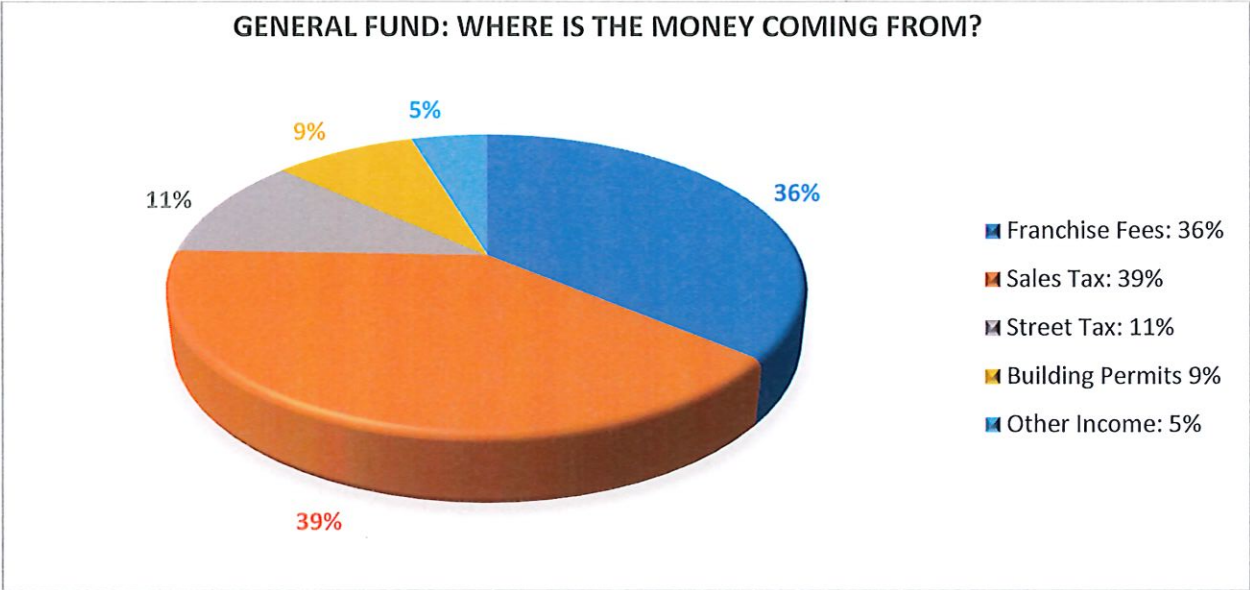
The Town uses a conservative approach to budgeting both revenue and expenses. The General Fund accounts for activities related to city services and development including:

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

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



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.

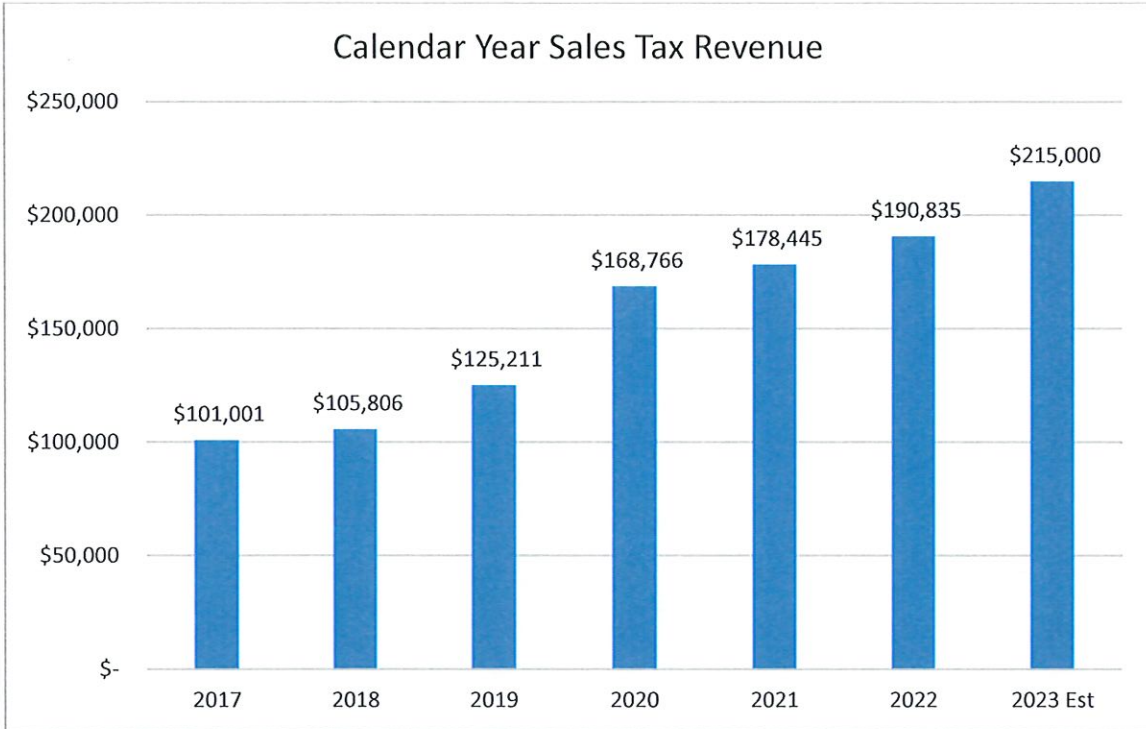


Franchise fees are monies paid to a municipality by utility and service providers for use of the roadways, easements and right-of-ways in the Town. All cities receive franchise fees to help offset wear and tear from vehicular traffic, not only from those providers but from their customers as well. These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

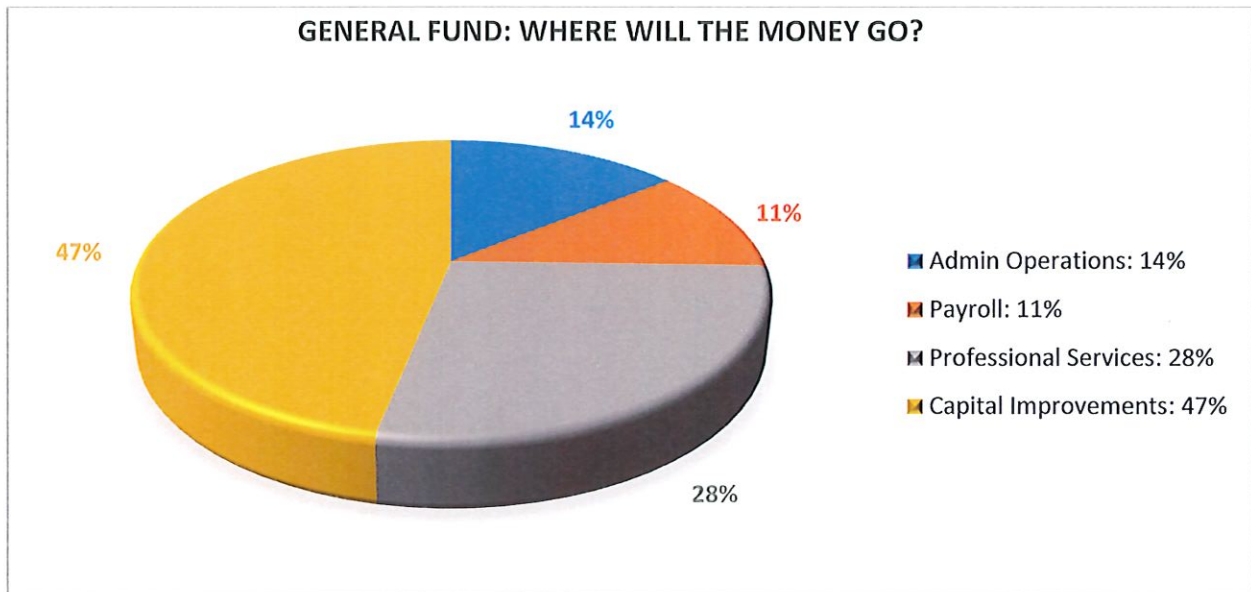
Sales taxes are largely generated by home-based businesses and online sales of products delivered to an address within the Town. The portion of total sales taxes collected by Annetta is small (1%), but the total dollar amount indicates a healthy economic community. Sales taxes income accounts for over 39% 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 2023-24 Budget, administrative operations and employee costs together account for about 25% of the General Fund expenses with professional services such as legal, engineering and consulting planned for roughly 28%. Capital improvements make up the remaining 47% and include road and road-related projects.

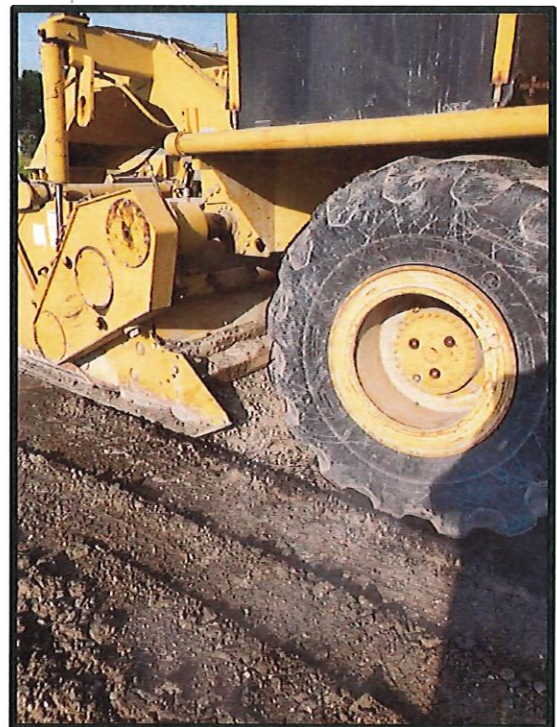
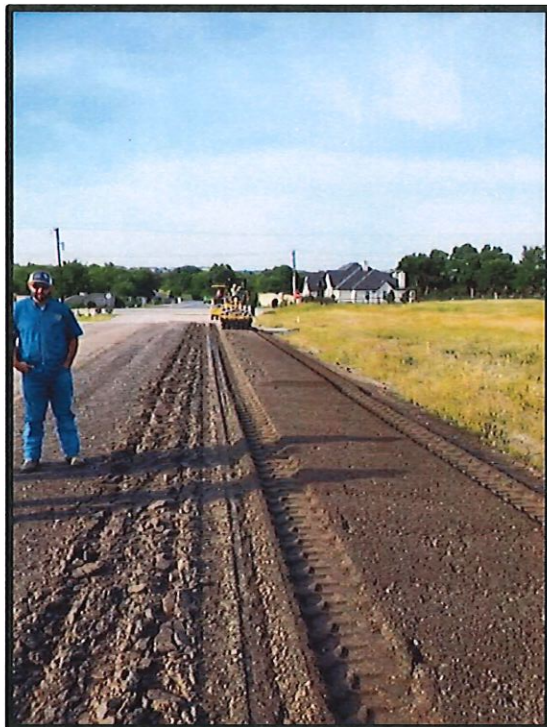
NOTABLE ACCOMPLISHMENTS OF FY 2022-23

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 \$166,550 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.

In June of 2023, Precinct 4 resurfaced Thunder Head Lane using P2 Stabilizer asphalt emulsion. Thunder Head Lane was the first road in Parker County to use this revolutionary stabilizing product.





Each fiscal year, the Town budgets for new street signs with the Town logo and is gradually swapping out the old signs.

In July, the Town adopted a policy and procedure for warning road signs and was able to install the requested "Deaf Child Area" signs to assist a deaf child prior to beginning her school year. As requested, these signs were placed at the bus stop and another location.

Annetta Cleanup Day:



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

Code Enforcement:

In December of 2022, the City Council approved contracting with Officer Juleah Sessom. Officer Sessom is licensed with the Texas Department of Licensing and Regulation. She also serves as the Deputy Code Official for the City of Weatherford, where she enforces city ordinances through residential and commercial corridors. In addition, she is the manager of the Substandard Building Program where 80% of her cases have been resolved by voluntary compliance. Officer Sessom will handle code enforcement issues that are unable to be resolved by Town staff. Contracting with Officer Sessom will be a cost savings for the citizens of Annetta due to her services being on an “as needed” basis.

Other Improvements:

The Town of Annetta administration building continues to improve with the help of the Parker County Master Gardeners. We would like to extend our heartfelt thanks for all they do!

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

The Town staff enjoys a picnic table that was added in the Spring at Town Hall.



Annetta Monarch Butterfly Waystation:



PROCLAMATION 23-04

MAYOR'S MONARCH PLEDGE

WHEREAS, the monarch butterfly is an iconic North American species whose multigenerational migration and metamorphosis from caterpillar to butterfly has captured the imagination of millions of Americans; and

WHEREAS, 27 years ago, more than one billion Eastern monarch butterflies migrated to Mexico, but in the winter of 2014, only 60 million made the trip. In 2022, the migratory monarch butterfly was listed as endangered by the International Union for Conservation of Nature. Monarchs need our help now more than ever; and

WHEREAS, cities, towns and counties have a critical role to play to help save the monarch butterfly. The Town of Annetta, in conjunction with the Parker County Master Gardeners Association, have played a leadership role by creating a waystation, planting a monarch-friendly demonstration garden at Town Hall with native milkweed and nectar-producing plants, and converting an abandoned lot to monarch habitat; and

WHEREAS, every resident of the Town of Annetta can make a difference for the monarch by planting native milkweed and nectar plants to provide habitat for the monarch and pollinators in locations where people live, work, learn, play and worship; and

WHEREAS, on behalf of the people of the Town of Annetta who have already joined me in creating a healthy habitat for these magnificent butterflies, I am honored to join other Mayors by signing the National Wildlife Federation's Mayors' Monarch Pledge.

NOW, THEREFORE, I, Sandy Roberts, Mayor of the Town of Annetta, do hereby proclaim August 2023, as: "MAYORS' MONARCH PLEDGE MONTH" IN THE TOWN OF ANNETTA.

IN WITNESS THEREOF, I have hereunto set my hand and caused to be affixed the seal of the TOWN OF ANNETTA, this 20th day of July, A.D. 2023.

APPROVED:


Sandy Roberts, Mayor

ATTEST:


James Long, City Secretary/Administrator

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 7th year to participate in the program. We are pleased to see many citizens come and enjoy the Monarch Butterflies as they pause at Town Hall along their journey at the end of Summer.

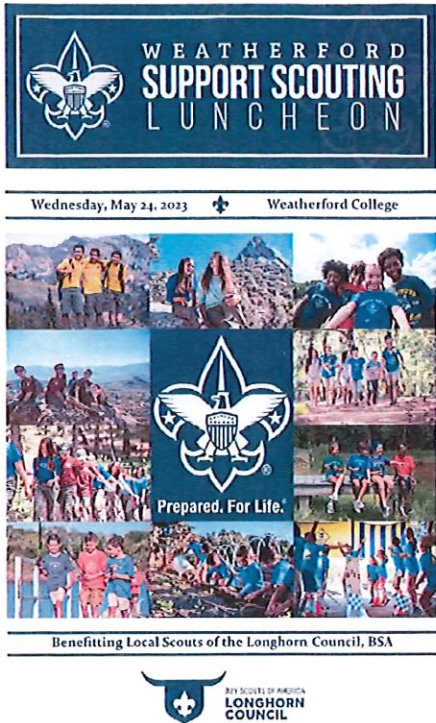
Bearcat Nation 101:

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

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



Boys & Girls Scouts:



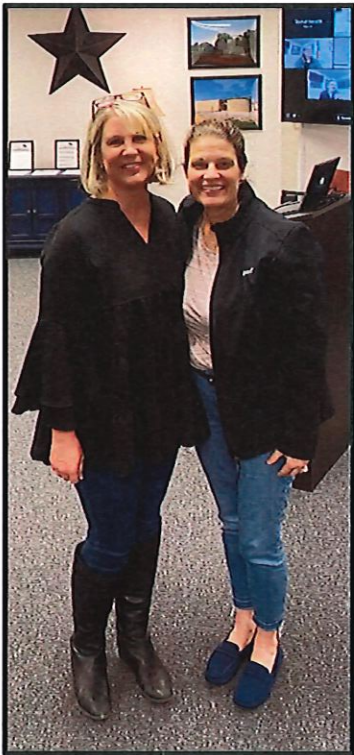
The Town of Annetta appreciates the Boy and Girl Scouts for their dedicated service.

Troop 75 replaces the weathered flags at Town Hall and a flag retirement box was installed at Town Hall as part of an Eagle Scout Project. When this project was presented to City Council, donations for the entire project were made by several City Council members.

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

Zoning Board of Adjustment and Planning & Zoning Commission:

Mayor Roberts swore in Zoning Board of Adjustment Members Brian Berryhill, Joe Heaton and Damian Martinez. She also swore in the new Planning & Zoning Commission alternate, Lori Fowler



Other things the Town of Annetta is always working on:

Annetta has a Business Continuity Plan that goes to work in case of emergencies or natural disaster to keep vital systems running. In 2020, we were faced with the COVID-19 Pandemic. The Town’s City Secretary and City Clerk continued to work in the office during the pandemic. In order to continue providing safe, personal separation to protect from potential exposure of COVID-19 and in compliance with Parker County declarations of local disaster, the office was closed to walk-ins for a short time due to elevated numbers in Parker County, but staff continued to allow visitors by appointment only during that time. We are very proud of the Town’s dedicated staff that made this possible.



Mayor Roberts and Mayor Pro Tem Stasey have formed strong relations with Parker County mayors and county officials. Mayor Roberts regularly attends the Mayors’ Council breakfast and works closely with the other mayors in Parker County. She is currently serving as Secretary on the Mayors’ Council. Every December, she joins other mayors and officials in the lighting of the Christmas tree at the Parker County Courthouse. Each year, the Town of Annetta partners with Parker County in the “Parker County Goes Pink” campaign for breast cancer awareness.

Mayor Roberts and Mayor Pro Tem Stasey

Mayor Roberts participated in the Mayors' Forum hosted by the East Parker County Chamber of Commerce and discussed the measures that Annetta has in place to preserve our natural resource ... WATER.

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

Mayor Roberts speaking at the East Parker County Chamber of Commerce Mayors' Forum



Parker County Precinct 4 Commissioner Mike Hale with Mayor Roberts

Once again, the Town's Business Continuity Plan is reviewed and updated every year.

- Financial policies are reviewed and updated to be compliant with state law and sound business practices.
- Staff and elected officials attend local and area events in order to hear from citizens and answer questions in order to better represent the Town.
- Continuous review and upgrade of policies and ordinances help to address issues of concern and to curtail the negative effects of unregulated growth.
- Quarterly budget reviews by the City Council will again be scheduled in FY 2022-23 to more effectively communicate financial information to citizens, manage upcoming project expenses and to more closely monitor changes in financial performance in both the General and Enterprise Funds.
- Staff and council/committee members attend training and continuing education programs to help them in their roles serving the great citizens of Annetta.

Fiscal Year 2023-24 General Fund

	Current Budget	Proposed Budget
	FY 2022-23	FY 2023-24
Income		
3200 · Total Franchise Fees		
3250 · HB 1777 - ROW	4,000	3,000
3210 · Electrical		
3212 · Tri-County	70,000	80,000
3211 · ONCOR	35,000	40,000
3210 · Electrical - Other		
Total 3210 · Electrical	105,000	120,000
3230 · Sanitation	15,000	23,000
3240 · Telephone		
Total 3200 · Total Franchise Fees	124,000	146,000
3100 · Sales and Use Taxes		
3130 · Sales Tax 1%	145,000	157,500
3120 · MBGRT	2,000	2,500
3140 · Streets .25%	35,000	45,000
Total 3100 · Sales and Use Taxes	182,000	205,000
3310 · Building Permits		
Total 3310 · Building Permits	35,000	35,000
3300 · Other Income		
3800 · Variance and Special Exceptions	500	500
3305 · Contractor Registration Fees	2,000	2,000
3500 · Rezoning Fee	-	
3700 · Platting Fees	2,000	2,000
3301 · Interest Income	500	14,000
3302 · Miscellaneous Income	-	500
3303 · Other - Income	-	
Total 3300 · Other Income	5,000	19,000
Fund Balance Transfer	45,420	-
Total Income	391,420	405,000
Expense		
5100 · Admin & Other Operations		
5280 · Facilities Expense		
5284 · Cleaning and Sanitation	500	1,500

5283 · Supplies	50	50
5282 · Equipment Repairs & Maintenance	150	150
5281 · Small Tools	150	150
Total 5280 · Facilities Expense	850	1,850
5256 · Memberships, Dues & Fees	250	200
5267 · Subscriptions & Publications	100	100
5110 · Bereavement and/or Recognition	250	250
5150 · Town Branding & Identification	500	500
5210 · Insurance		
5211 · General & Property Liability	7,500	15,000
5212 · Health/Life/Dental	3,500	3,500
5213 · Worker's Compensation		
Total 5210 · Insurance	11,000	18,500
5120 · Contributions (EPCL)		
EPC Library	1,000	1,000
Total 5120 · Contributions (EPCL)	1,000	1,000
5230 · Office Equipment		
5233 · Copier Maint Contract	600	500
5231 · New/Replacement	2,500	2,000
5232 · Supplies	2,000	2,000
5234 · Software Maint & Upgrade	6,000	8,000
Total 5230 · Office Equipment	11,100	12,500
5260 · Utilities (Admin Building)		
5262 · Electric	900	1,500
5264 · Telephone	1,000	1,000
5263 · ISP	750	750
5265 · Web Hosting and e-mail	500	500
5261 · Cell Phones	500	750
5260 · Utilities (Admin Building) - Other		
Total 5260 · Utilities (Admin Building)	3,650	4,500
5270 · Vehicle Expense		
5275 · Mileage Expense	1,000	1,000
5274 · Vehicle License & Inspection	20	100
5272 · Fuel	2,500	2,500
5273 · Vehicle Maintenance	1,000	2,000
5270 · Vehicle Expense - Other	100	100
Total 5270 · Vehicle Expense	4,620	5,700
5201 · Advertising and Notifications	250	750
5250 · Security	500	1,000
5202 · Building Maintenance	1,500	
5125 · Credit Card Fees	750	

5130 · Elections	15,000	7,500
5140 · License/Permits/Fees	2,500	1,000
5225 · Miscellaneous Expense	50	
5240 · PO Box Fees/Postage	50	
5145 · Postage	500	100
5155 · Travel/Meals/Training	5,000	2,000
Total 5100 · Admin & Other Operations	59,420	57,450
5300 · Payroll Expenses		
5320 · Payroll Taxes		
5322 · FICA - Medicare	500	600
5324 · State Unemployment	500	500
5323 · FICA - SS	2,500	2,500
5321 · Federal Unemployment		
Total 5320 · Payroll Taxes	3,500	3,600
5304 · Retirement	3,500	3,900
5305 · Salaries	34,000	38,000
Total 5300 · Payroll Expenses	41,000	45,500
5600 · Professional Services		
5607 · Planning Consultant	5,000	7,000
5606 · Code Enforcement Officer	1,000	1,000
5660 · Development Projects	8,000	8,000
Total 5660 · Development Projects	8,000	8,000
5640 · Other Financial	2,000	2,000
5601 · Audit Financial	3,000	6,000
5602 · Building Inspections	35,000	35,000
5610 · Engineering		
5614 · Plat Review	1,000	1,000
5613 · Lidar	1,000	1,000
5611 · Civil Planning	10,000	15,000
5610 · Engineering - Other	2,000	500
Total 5610 · Engineering	14,000	17,500
5630 · Legal	35,000	35,000
5635 · Mowing & Grounds Keeping	2,500	500
5600 · Professional Services - Other	1,500	500
Total 5600 · Professional Services	107,000	112,500
5700 · Capital Improvements		
5720 · Building Fund	10,000	10,000
5730 · Community Beautification	10,000	10,000
5710 · Roads		
5713 · Shoulder & Drainage Ditch	15,000	15,000
5712 · Street/Road Reconstruction	140,000	145,550

5711 · General Pot Hole Repair	5,000	5,000
5710 · Roads - Other	1,000	1,000
Total 5710 · Roads	161,000	166,550
5740 · Signage and Related	3,000	3,000
Total 5700 · Capital Improvements	184,000	189,550
Total Expense	391,420	405,000
Net Income	-	-

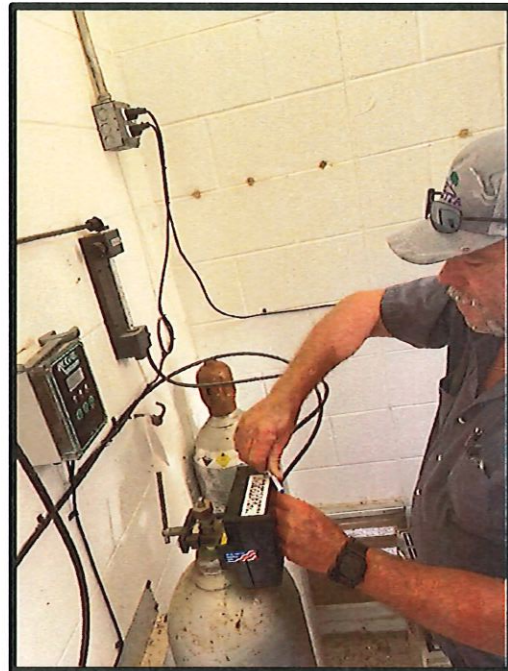
ENTERPRISE FUND

Program of service:

On June 9, 2022, the Town of Annetta took over full operation of its water and wastewater systems. The Town’s operators have worked very hard to make this possible. An operational audit was performed by the Town’s engineers to review the entire system and items needed are being done and prioritized for future budgets.

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

The Town has obtained available funds from the Coronavirus Local Fiscal Recovery Funds grant provided by the American Rescue Plan Act of 2021 that has purchased generators for lift stations to ensure continued service of the wastewater system. These funds have also been allocated for a new utility building behind Town Hall that will begin construction in the Fall of 2023.



↑ Water/Wastewater Operator,
Roger Crutcher
← Water/Wastewater Operator
Jeff Lashley



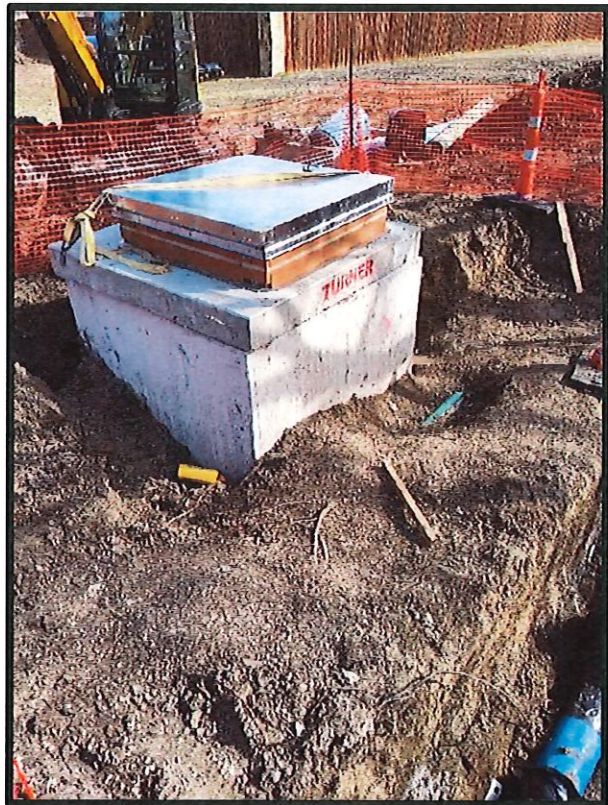
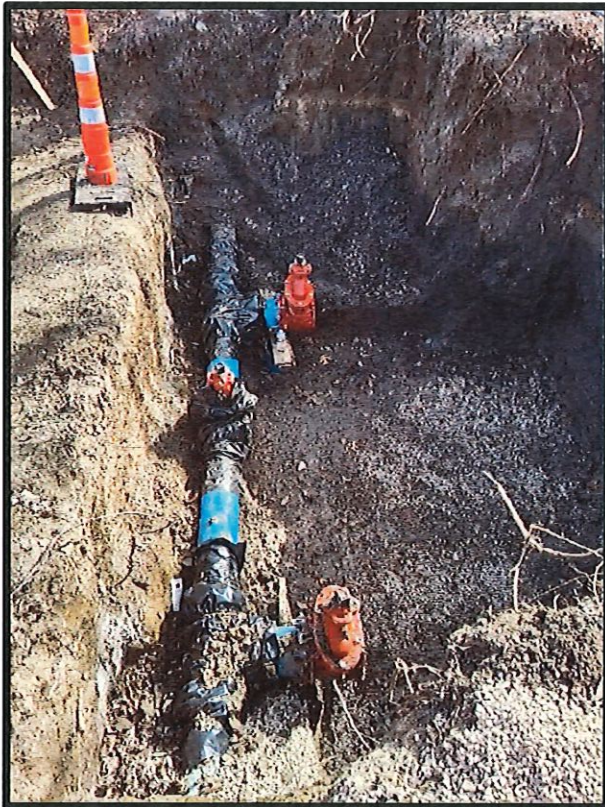
The Town of Annetta water system maintains a SUPERIOR RATING with the State of Texas. Over 12 years ago, the situation seemed nearly impossible as the condition of infrastructure had not been maintained by the previous owners and reliability was poor. On April 21, 2023, the Town received confirmation 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.

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. Parker County is the 9th fastest growing county in the nation and the 5th fastest growing county in Texas. 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 will be installed in the Fall of 2023. The Town continues to add/improve SCADA capabilities and alarms for better operational control in 2023-24. 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 March of 2023, the Town also added a pressure valve on the north side of the Deer Creek Water System to further adjust water pressures within the system.



The Annetta City Council has provided consistent investment over the last 12+ 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.

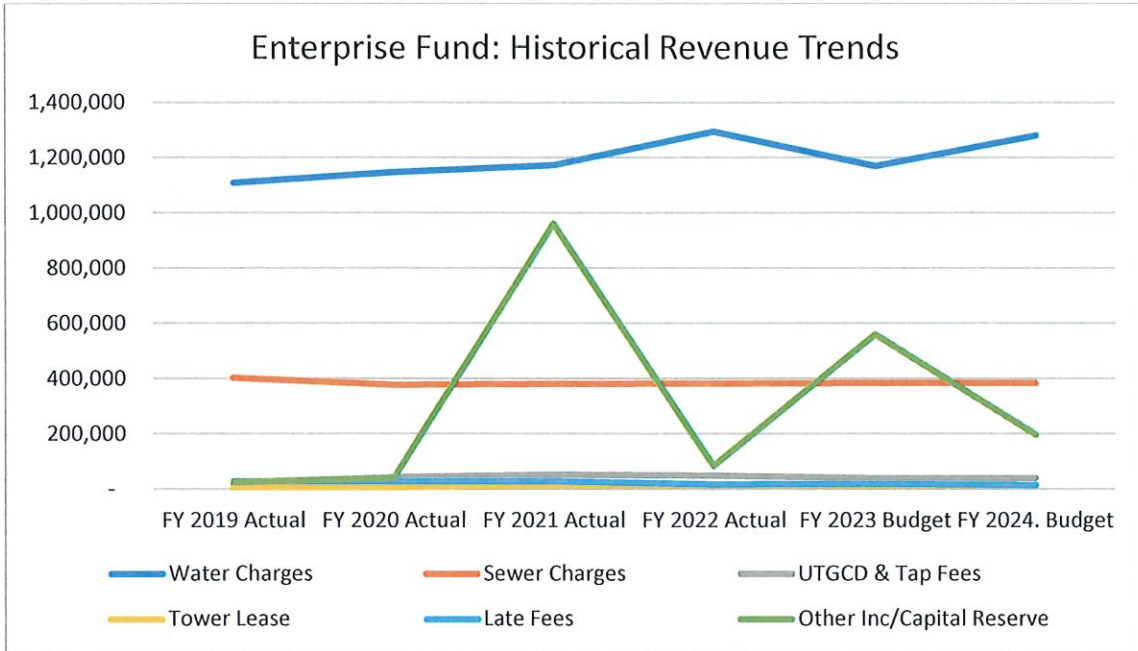
As always, we encourage responsible use of resources available to us but are happy to be able to provide our citizens with an adequate supply of water during high demands.

The Town is very proud of our staff and the work they do to keep everything running smoothly. The office staff is Diana Kotlinski (City Clerk), Bobbie Fulks (Utility Clerk) and Jamee Long (City Secretary/Administrator). Diana handles the utility billing and permitting, and she has worked for the Town of Annetta for 9 years. Bobbie has worked for Annetta for 2 years and assists where needed and on special projects. Jamee has worked for the Town for 7 years and is a licensed Texas Registered Municipal Clerk. She handles all administrative duties, finance and open records requests, in addition to attending meetings, preparing minutes and supervising staff.



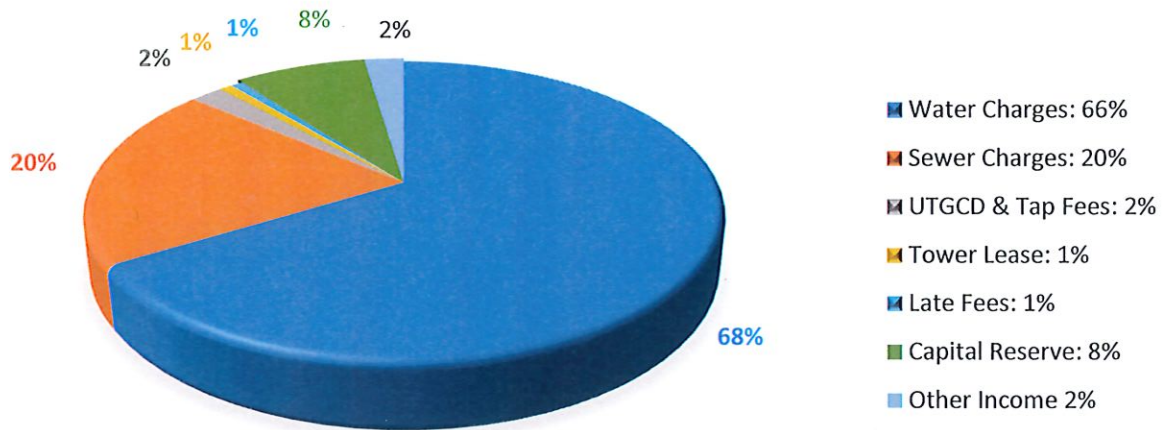
Revenue

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 stand-alone enterprise.

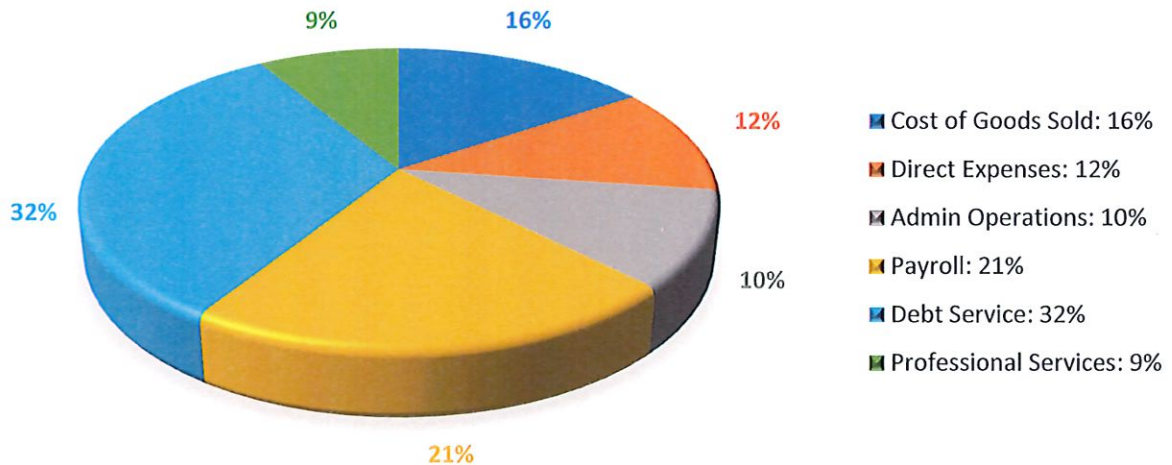


As illustrated in the graph above, the Annetta Water and Sewer Systems have operated in a very stable and responsible manner while undergoing a program of continuous improvements that have resulted in higher performance and reliability. While revenue is predicated on customer usage, operations and maintenance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

ENTERPRISE FUND: WHERE IS THE MONEY COMING FROM?



ENTERPRISE FUND: WHERE WILL THE MONEY GO?



The largest category of expense for 2023-24 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.

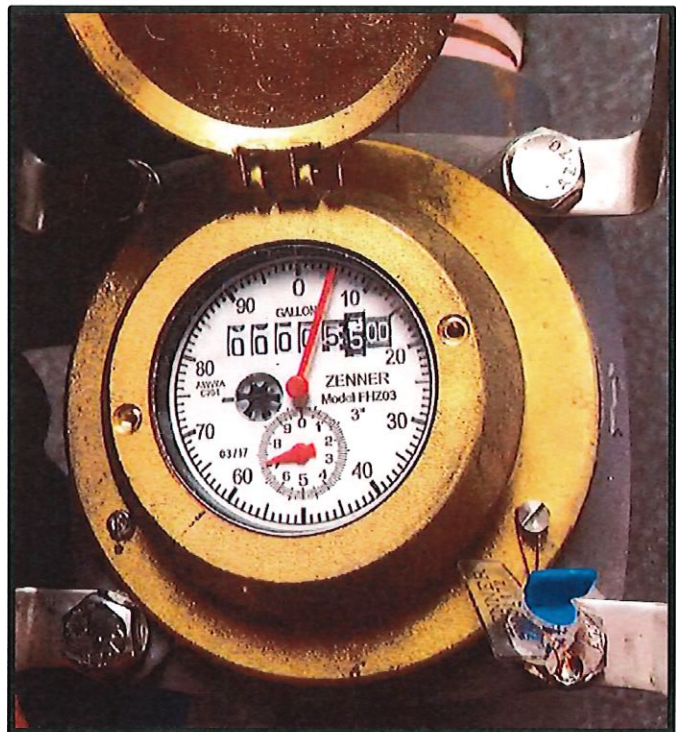
The Town also receives revenue from leasing space to communication providers on the Town's elevated water tower. Mayor Pro Tem, Kent Stasey, oversees these projects. During fiscal year 2021-22, Skybeam, LLC d/b/a Rise Broadband was an added provider which increased Enterprise Fund revenues.

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.

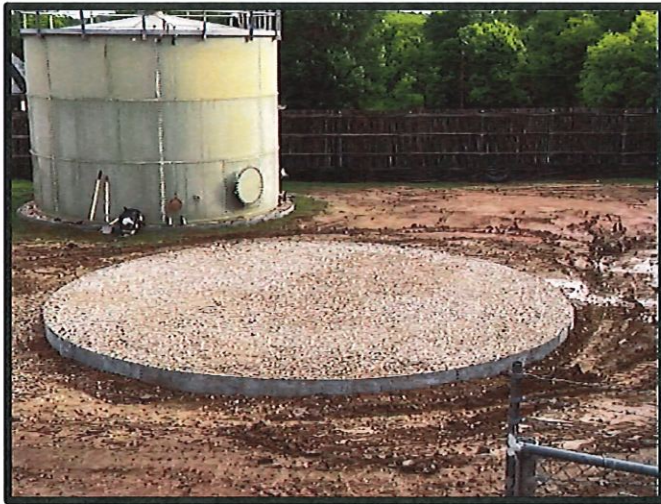
Automated Metering Infrastructure

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.



Lakes of Aledo Redundant Well and Ground Storage Tank

The Town has drilled a redundant well at the water plant at Lakes of Aledo to provide a back-up water supply. The new ground storage tank is in the process of being completed and will be tied into the redundant well.



SCADA

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

Planning for the Future

In a fast-growing area like East Parker County and particularly in the highly desirable Aledo ISD, towns and cities must remain vigilant to protect and preserve our resources for future use. The pressures of new development place 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 negotiated impact fees and cost assessments;
- Continue to plan for and obtain training and expertise in the operation of the water and sewer systems;
- Continue to plan for and acquire equipment and facilities necessary to provide reliable and effective operation of both the water and sewer systems;
- Reduce water loss through proper maintenance, conservation and public education; and
- Continue to work to further diversify the community's water sources to handle an increase in demand volatility.

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

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

Fiscal Year 2023-24 Enterprise Fund

	Current Budget	Proposed Budget
	FY 2022-23	FY 2023-24
Income		
3400 · Water/Wastewater Income		
3422 · Water System Revenue	1,170,000	1,280,000
3410 · Sewer System Revenue	385,000	385,000
3415 · Late Charges & Fees	20,000	15,000
3423 · Water Tower Communicate Lease	14,000	14,000
3421 · Water & Sewer Tap Fees	10,000	10,000
3420 · UTGCD Fee	30,000	30,000
CLFRF Grant Revenue	200,000	
Funds Transfer in from Capital Reserves	357,739	153,189
Total 3400 · Water/Wastewater Income	2,186,739	1,887,189
3300 · Other Income		
3301 · Interest Income	2,500	45,000
Developer Contributions		
3303 · Other - Income		
Total 3300 · Other Income	2,500	45,000
Total Income	2,189,239	1,932,189
Cost of Goods Sold		
4000 · Cost of Goods Sold		
4700 · Sampling/Testing		
4720 · Waste Water Samples	12,000	12,000
4710 · Water Samples	20,000	15,000
Total 4700 · Sampling/Testing	32,000	27,000
4100 · System Supplies/Chemicals		
4140 · Water System Supplies	20,000	12,000
4130 · Water System Chemicals	8,000	17,000
4120 · Sewer System Supplies	3,000	20,000
4110 · Sewer System Chemicals	6,000	5,000
4100 · System Supplies/Chemicals - Other		
Total 4100 · System Supplies/Chemicals	37,000	54,000
4200 · Contract Operation of System	24,000	50,000

4300 · System Utilities		
4320 · Water System Utilities	60,000	70,000
4310 · Sewer System Utilities	55,000	70,000
4300 · System Utilities - Other		
Total 4300 · System Utilities	115,000	140,000
4500 · UTGCD Fees	30,000	30,000
Total 4000 · Cost of Goods Sold	238,000	301,000
Total COGS	238,000	301,000
Gross Profit	1,951,239	1,631,189
Expense		
5000 · Direct Expenses		
5065 · Statement Mailing	4,000	5,000
5060 · Rental Equipment		
5061 · Rental Equipment - Sewer System	5,000	1,000
5062 · Rental Equipment - Water System	5,000	1,000
Total 5060 · Rental Equipment	10,000	2,000
5070 · Tools & Equipment Purchases	2,000	
5070 - Tools & Equipment - Other		1,500
5050 · Maintenance and Repair		
5057 · Tank Inspections	6,000	7,000
5056 · Generator Maintenance & Repair	15,000	10,000
5055 · Water Well Repair	50,000	25,000
5054 · WWTP Repairs & Maintenance	45,000	85,000
5053 · Water System Maint & Repairs	20,000	25,000
5052 · Water Plant Maint & Repairs	25,000	60,000
5051 · Sewer System Maint & Repairs	22,000	5,000
5050 · Maintenance and Repair - Other		
Total 5050 · Maintenance and Repair	183,000	217,000
Total 5000 · Direct Expenses	199,000	224,000
5100 · Admin & Other Operations		
5280 · Facilities Expense		
5284 · Cleaning and Sanitation	2,000	5,000
5283 · Supplies	200	200
5282 · Equipment Repairs & Maint.	1,000	500
5281 · Small Tools	500	500

5280 · Facilities Expense - Other		
Total 5280 · Facilities Expense	3,700	6,200
5256 · Memberships, Dues & Fees	1,000	1,000
5267 · Subscriptions & Publications	500	500
5210 · Insurance		
5211 · General & Property Liability	25,000	50,000
5212 · Health/Life/Dental	40,000	40,000
5213 · Worker's Compensation		1,000
5210 · Insurance - Other		-
Total 5210 · Insurance	65,000	91,000
5230 · Office Equipment		
5233 · Copier Maint Contract	1,500	2,000
5231 · New/Replacement	5,000	3,000
5232 · Supplies	6,000	6,000
5234 · Software Maint & Upgrade	20,000	25,000
5230 · Office Equipment - Other		-
Total 5230 · Office Equipment	32,500	36,000
5260 · Utilities (Admin Building)		
5262 · Electric	2,500	5,000
5264 · Telephone	1,500	2,000
5263 · ISP	2,000	2,000
5265 · Web Hosting and e-mail	1,000	500
5261 · Cell Phones	2,500	2,500
5260 · Utilities (Admin Building) - Other		-
Total 5260 · Utilities (Admin Building)	9,500	12,000
5270 · Vehicle Expense		
5275 · Mileage Expense	2,000	2,000
5274 · Vehicle License & Inspection	100	500
5271 · Acquisition	2,000	-
5272 · Fuel	5,000	6,000
5273 · Vehicle Maintenance	1,000	5,000
5270 · Vehicle Expense - Other	500	500
Total 5270 · Vehicle Expense	10,600	14,000
5201 · Advertising and Notifications	1,500	2,000
5250 · Security	3,500	2,500

5202 · Building Maintenance	4,000	3,000
5125 · Credit Card Fees	9,000	17,000
5140 · License/Permits/Fees	12,000	10,000
5225 · Miscellaneous Expense	100	100
5240 · PO Box Fees/Postage	100	100
5145 · Postage	1,500	1,500
5155 · Travel/Meals/Training	7,000	4,000
Total 5100 · Admin & Other Operations	161,500	200,900
5300 · Payroll Expenses		
5306 - Contract Labor	1,000	1,000
5320 · Payroll Taxes		
5322 · FICA - Medicare	5,000	5,000
5324 · State Unemployment	4,000	4,000
5323 · FICA - SS	17,000	22,000
5321 · Federal Unemployment		
Total 5320 · Payroll Taxes	26,000	31,000
5304 · Retirement	33,500	37,000
5305 · Salaries	316,000	345,000
5300 · Payroll Expenses - Other	200	
Total 5300 · Payroll Expenses	376,700	414,000
5600 · Professional Services		
5604 · Bond Advisor Fees	3,500	
5660 · Development Projects	20,000	20,000
Total 5660 · Development Projects	20,000	20,000
5640 · Other Financial	5,000	5,000
5601 · Audit Financial	15,000	18,000
5602 · Building Inspections		
5610 · Engineering	75,000	100,000
5630 · Legal	15,000	15,000
5635 · Mowing & Grounds Keeping	6,000	10,000
5645 · Water Samples		
5650 · Water Tank Inspections		
5600 · Professional Services - Other		
Total 5600 · Professional Services	139,500	168,000
5700 · Capital Improvements	140,000	

SCADA	65,000	
5750 · Yard Improvements - Thunderhead	100,000	
Wastewater System	45,000	-
Building	100,000	-
	<hr/>	
Total Wastewater & Building Capital	145,000	-
5740 · Signage and Related	250	
	<hr/>	
Total 5700 · Capital Improvements	450,250	-
6000 · Annual Debt Service	624,289	624,289
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Total Expense	1,951,239	1,631,189
	<hr/>	
Net Income		-
	<hr/> <hr/>	<hr/> <hr/>

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 worked with the Parker County Sheriff’s Department to enter into an Interlocal Agreement for Annetta crime patrols. The fiscal year 2023-24 CCPD Budget will provide \$30,000 for Parker County Sheriff’s Department patrols in the Town of Annetta.

	Current Budget	Proposed Budget
	FY 2022-23	FY 2023-24
Income		
3100 · Sales and Use Taxes		
3110 · CCPD .25%	35,000	45,000
Total 3100 · Sales and Use Taxes	35,000	45,000
3300 · Other Income		
3301 · Interest Income	30	1,000
Total 3300 · Other Income	30	1,000
Total Income	35,030	46,000
Expense		
5383 · Pubic Events and Education	3,030	3,000
5381 · Communication and Informational	2,000	2,000
Flashing Crosswalk		11,000
Annetta Crime Patrols	30,000	30,000
Total Expense	35,030	46,000
Net Income	-	-