



## **NOTICE OF MEETING OF THE GOVERNING BODY OF THE CITY OF BURNET**

Notice is hereby given that a **Regular Council Meeting** will be held by the governing body of the above named City on the **23<sup>rd</sup> day of April, 2019** at **6:00** p.m. in the Council Chambers, Burnet Municipal Airport, 2402 S. Water, Burnet, at which time the following subjects will be discussed, to-wit:

This notice is posted pursuant to the Texas Government Code, Chapter §551-Open Meetings.

### **CALL TO ORDER:**

### **INVOCATION:**

### **PLEDGE OF ALLEGIANCE:**

### **PLEDGE TO TEXAS FLAG:**

### **1. PUBLIC RECOGNITION/SPECIAL REPORTS:**

1.1) Annual Audit Report: Jaynes, Reitmeier, Boyd & Therrell, P. C.: P. Langford

a. Comprehensive Annual Financial Report

b. Report on Internal Controls

### **2. CONSENT AGENDA ITEMS:**

*(All of the following items on the Consent Agenda are considered to be self-explanatory by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member, staff member or citizen requests removal of the item from the consent agenda for the purpose of discussion. For removal of an item, a request must be made to the Council when the Consent Agenda is opened for Council Action.)*

2.1) Approval of the April 9<sup>th</sup>, 2019 Regular Council Meeting minutes

### **3. PUBLIC HEARINGS: None.**

### **4. ACTION ITEMS:**

4.1) Discuss and consider action: SECOND AND FINAL READING OF AN

ORDINANCE OF THE CITY OF BURNET, TEXAS, ADOPTING A DROUGHT CONTINGENCY AND WATER EMERGENCY PLAN; REPEALING ORDINANCES IN CONFLICT; PROVIDING SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE PROVIDING AN OPEN MEETINGS CLAUSE; AND PROVIDING FOR RELATED MATTERS: A. Burdell

4.2) Discuss and consider action: SECOND AND FINAL READING OF AN ORDINANCE AMENDING ORDINANCE NO. 2012-06 TO REZONE APPROXIMATELY 0.44 ACR, LEGALLY DESCRIBED AS BLOCK 16, LOTS 5 AND 6, JOHNSON ADDITION, FROM ITS PRESENT DESIGNATION OF SINGLE-FAMILY RESIDENTIAL – DISTRICT “R-1” TO A DESIGNATION OF MANUFACTURED HOME – DISTRICT “M-1,” AND BEING GENERALLY LOCATED ON THE NORTHEAST CORNER OF WESTFALL STREET AND EAST MARBLE STREET: W. Meshier

4.3) Discuss and consider action: SECOND AND FINAL READING OF AN ORDINANCE AMENDING ORDINANCE NO. 2012-06 TO REZONE APPROXIMATELY 4.010 ACRES, LEGALLY DESCRIBED AS LOT 4-D OUT OF THE ADMINISTRATIVE REPLAT OF LOT 4, ALGERITA HEIGHTS, PHASE ONE, FROM ITS PRESENT DESIGNATION OF MEDIUM COMMERCIAL – DISTRICT “C-2” TO A DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3,” AND BEING GENERALLY LOCATED ON THE SOUTHWEST CORNER OF EAST POLK STREET (STATE HWY. 29) AND ALGERITA HILL: W. Meshier

4.4) Discuss and consider action: Acceptance of a Public Utility Easement granted by the Ambassadors for Christ: G. Courtney

4.5) Discuss and consider action: A RESOLUTION PROVIDING FOR THE SALE OF PROPERTY ACQUIRED BY THE BURNET CENTRAL APPRAISAL DISTRICT AT A DELINQUENT TAX SALE FURTHER DESCRIBED AS LOT 3 BLOCK 18, JOHNSON ADDITION OF BURNET, BURNET COUNTY, TEXAS: E. Milliorn

4.6) Discuss and consider action: Acceptance of a 10-foot wide (0.04 acre) public utility easement, located in the John Hamilton survey no. 1, abstract no. 405, Burnet County, Texas, further being a portion of Post Oak Street, and portions of a called 0.649 acre tract, described in document to James C. Wukasch and Suzanne W. Wukasch, recorded in document no. 201405169 of the official public records of Burnet County: E. Milliorn

4.7) Discuss and consider action: Acceptance of a 20-foot wide (0.06 acre) public utility easement, located in the John Hamilton Survey no. 1, Abstract no. 405, Burnet County, Texas, further being a portion of Post Oak Street, and portions of a called 0.112 acre tract and a 0.649 acre tract, described in document to James C. Wukasch and Suzanne W. Wukasch, recorded in document no. 201405169 of the official public records of Burnet County, Texas: E. Milliorn

4.8) Discuss and consider action: Acceptance of a 15-foot wide (0.07 acre) public utility easement, located in the John Hamilton Survey no. 1, Abstract no. 405, Burnet County, Texas, further being a portion of Post Oak Street, and portions of a called 0.649 acre tract, described in document to James C. Wukasch and Suzanne W. Wukasch, recorded in document no. 201405169 of the official public records of Burnet County, Texas: E. Milliorn

## **5. REPORTS:**

5.1) Addendum to the City Council Agenda: Department and Committee Reports/Briefings: The City Council may or may not receive a briefing dependent upon activity or change in status regarding the matter. The listing is provided to give notice to the public that a briefing to the Council on any or all subjects may occur.

Item 5.1(B.3) March Financial Report: P. Langford

Item 5.1(D.6) City Manager Annual Review: Mayor Bromley

## **6. REQUESTS FROM COUNCIL FOR FUTURE REPORTS:**

## **7. ADJOURN:**

Dated this 18<sup>th</sup> day, of April, 2019

**CITY OF BURNET**

**CRISTA GOBLE BROMLEY, MAYOR**

I, the undersigned authority, do hereby certify that the above NOTICE OF MEETING of the governing body of the above named City, BURNET, is a true and correct copy of said NOTICE and that I posted a true and correct copy of said NOTICE on the bulletin board, in the City Hall of said City, BURNET, TEXAS, a place convenient and readily accessible to the general public at all times, and said NOTICE was posted on April 18, 2019, at or before 6 o'clock p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

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Kelly Dix, City Secretary

### **NOTICE OF ASSISTANCE AT THE PUBLIC MEETINGS:**

*The City Council Chamber is wheelchair accessible. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services, such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the City Secretary's office (512.756.6093) at least two working days prior to the meeting. Requests for information may be faxed to the City Secretary at 512.756.8560.*

### **RIGHT TO ENTER INTO EXECUTIVE SESSION:**

*The City Council for the City of Burnet reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).*



JAYNES REITMEIER BOYD & THERRELL, P.C.  
Certified Public Accountants  
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710  
P.O. Box 7616 | Waco, TX 76714  
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

April 22, 2019

The Honorable Mayor and City Council  
City of Burnet, Texas:

We have audited the financial statements of the City of Burnet, Texas (the “City”) as of and for the year ended September 30, 2018, and plan to issue our report thereon dated April 22, 2019. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated August 24, 2018, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.



## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team; others in our firm, as appropriate; and our firm have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the City's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2018, except for the City's adoption of Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* as more fully described in Note III.M. to the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the City's financial statements were:

*Allowance for doubtful accounts* -- Management's estimate of the allowance for doubtful accounts is based upon historical loss levels of receivables; and an analysis of the collectibility of aged accounts.

*Useful lives of depreciable assets* -- Management's estimate of useful lives of assets is based upon historical experience and industry suggested standards.

*Assumptions used in pensions and other post-employment benefits* -- Management's estimate of actuarial assumptions is based upon historical experience and industry suggested standards (inflation, payroll growth, investment expected rate of return, morbidity, mortality, etc.)

We evaluated the key factors and assumptions used to develop the estimates described above and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent and clear.

#### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The attached schedules summarize uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

### **Other Matters**

We applied certain limited procedures to management's discussion and analysis and the pension/OPEB related schedules, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining schedules of nonmajor governmental funds and the budgetary comparison schedules for the Hotel/Motel Tax and Debt Service funds (collectively, the "supplementary information"), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the supplementary information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This report is intended solely for the information and use of management, the members of the City Council and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Jaynes, Reitmeier, Boyd + Therrell, P.C.*



## City of Burnet

(512) 756-6093  
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P. O. Box 1369  
1001 Buchanan Drive, Suite 4  
Burnet, TX 78611

April 22, 2019

Jaynes, Reitmeier, Boyd & Therrell, P. C.  
P. O. Box 7616  
Waco, TX 76714-7616

This representation letter is provided in connection with your audit of the financial statements of the City of Burnet, Texas (the "City"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position and results of operations of the various opinion units of the City in accordance with accounting principles generally accepted for governments in the United States of America ("U.S. GAAP").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of April 22, 2019.

### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 24, 2018, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- 2) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.

- 5) We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- 6) We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 7) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 8) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 9) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 10) The effects of uncorrected misstatements summarized in the attached schedules and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- 11) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- 12) All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- 13) All funds and activities are properly classified.
- 14) All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, GASB Statements No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- 15) All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- 16) Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.

- 17) All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 18) All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- 19) All interfund and intra-entity transactions and balances have been properly classified and reported.
- 20) Special items and extraordinary items have been properly classified and reported.
- 21) Deposit and investment risks have been properly and fully disclosed.
- 22) Capital assets, including infrastructure assets, are properly capitalized, reported and, if applicable, depreciated.
- 23) All required supplementary information is measured and presented within the prescribed guidelines.

**Information Provided**

- 24) We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters:
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
- 25) All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 26) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 27) We have no knowledge of any fraud or suspected fraud that affects the City and involves:
  - Management
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.

- 28) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the City's financial statements communicated by employees, former employees, vendors, regulators, or others.
- 29) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 30) We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.
- 31) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- 32) The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 33) We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- 34) We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* ("GASB 62"). Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- 35) We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statements amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 36) There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB 62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.



- Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- 37) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- 38) We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 39) Tax-exempt bonds issued have retained their tax-exempt status.
- 40) We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 41) We have reviewed capital assets for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.
- 42) We agree with the findings of specialists in evaluating the accuracy and completeness of the net pension liability and the liability for other post-employment benefits and related deferred outflows and deferred inflows, and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- 43) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 44) Expenditures of federal awards were below the \$750,000 threshold during the year ended September 30, 2018, and we were not required to have an audit in accordance with Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (“Uniform Guidance”).
- 45) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to the those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possess suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

### **Supplementary Information in Relation to the Financial Statements as a Whole**

With respect to the combining schedules of nonmajor governmental funds and budgetary comparison schedules for the Hotel/Motel Tax and Debt Service funds presented as supplementary information ("the supplementary information"):

- We acknowledge our responsibility for the presentation of supplementary information in accordance with U.S. GAAP.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

### **Required Supplementary Information**

With respect to Management's Discussion and Analysis, the Schedules of Changes in Net Pension / Total OPEB Liabilities and Related Ratios, and the Schedules of Pension / OPEB Contributions and Notes to Schedules of Contributions (collectively, "RSI") accompanying the financial statements:

- We acknowledge our responsibility for the presentation of RSI in accordance with U.S. GAAP.
- We believe the RSI, including form and content, are measured and fairly presented in accordance with U.S. GAAP.

- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the RSI and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Very truly yours,

CITY OF BURNET, TEXAS



David Vaughn  
City Manager



Patricia Langford, C.P.A.  
Director of Finance

## Summary of Uncorrected Misstatements - General Fund

<i>Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement</i>						
	<i>Total Assets and Deferred Outflows</i>	<i>Total Liabilities and Deferred Inflows</i>	<i>Fund Balance</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Net Change in Fund Balance</i>
Amounts Per Financial Statements	4,845,307	687,995	4,157,312	10,798,225	10,958,372	(160,147)
Effect of Current Period Uncorrected Misstatements	(71,800)	(34,000)	(37,800)	(37,800)	-	(37,800)
Effect of Prior Period Uncorrected Misstatements				22,000	-	22,000
Net Effect of Uncorrected Misstatements	(71,800)	(34,000)	(37,800)	(15,800)	-	(15,800)
<i>No.</i>	<i>Description</i>					
1	Understatement of accrued franchise tax revenue and related deferred inflow.					
	(56,000)	(34,000)	(22,000)	(22,000)	-	(22,000)
2	Understatement of revenue related to Interlocal Agreement to provide police officers at the local school district.					
	(15,800)	-	(15,800)	(15,800)	-	(15,800)

## Summary of Uncorrected Misstatements - Governmental Activities

<i>Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement</i>							
	<i>Total Assets and Deferred Outflows</i>	<i>Total Liabilities and Deferred Inflows</i>	<i>Net Position</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Change in Net Position</i>	
Amounts Per Financial Statements	41,398,471	11,356,394	30,042,077	12,262,227	11,694,018	568,209	
Effect of Current Period Uncorrected Misstatements	(70,800)	-	(70,800)	(70,800)	-	(70,800)	
Effect of Prior Period Uncorrected Misstatements				55,000	-	55,000	
Net Effect of Uncorrected Misstatements	(70,800)	-	(70,800)	(15,800)	-	(15,800)	
<i>No.</i>	<i>Description</i>						
1	Understatement of accrued franchise tax revenues - historically not accrued by the City						
	(55,000)	-	(55,000)	(55,000)	-	(55,000)	
2	Understatement of revenue related to Interlocal Agreement to provide police officers at the local school district.						
	(15,800)	-	(15,800)	(15,800)	-	(15,800)	





City of

# BURNET • TEXAS



**Comprehensive Annual Financial Report  
For the Fiscal Year Ended  
September 30, 2018**



***Comprehensive Annual Financial Report***

of the



***City of Burnet, Texas***

Prepared by the  
Finance Department  
Year Ended September 30, 2018





# City of Burnet, Texas

September 30, 2018

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## City of Burnet, Texas

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## City of Burnet, Texas

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**City of Burnet, Texas**

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# City of Burnet

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www.cityofburnet.com

P.O. Box 1369  
1001 Buchanan Drive, Suite 4  
Burnet, TX 78611

April 22, 2019

To the Honorable Mayor, Members of the City Council,  
and Citizens of the City of Burnet, Texas:

The City Charter and state statutes require that the City of Burnet (the “City”) publish, at the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (“GAAP”) and audited in accordance with generally accepted auditing standards by a firm of licensed Certified Public Accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Burnet, Texas, for the fiscal year ended September 30, 2018.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Jaynes, Reitmeier, Boyd & Therrell, P.C., Certified Public Accountants, has issued an unmodified (“clean”) opinion on the City of Burnet’s financial statements for the year ended September 30, 2018. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## ***Profile of the City***

The City of Burnet, Texas, the county seat for Burnet County, is nestled in the heart of the Texas Hill Country surrounded by rolling hills, lakes, beautiful geological formations and historical sites. The City was incorporated in 1883 and encompasses approximately 10 square miles and serves an estimated population of 6,887. The City was named for David Gouverneur Burnet, the first (provisional) president of the Republic of Texas. Among the many attractions in the Burnet area are the Highland Lakes, Longhorn Caverns, Inks Lake State Park, the Highland Lakes Air Museum, the Texas Wine Trail, and Delaware Springs Golf Course.

The City of Burnet is a home rule city and operates under the council-manager form of government. The City Council is comprised of the Mayor and six council members, and is

responsible for enacting ordinances, resolutions, and regulations governing the City, as well as for appointing the City Manager, Municipal Judge, and members of various statutory and advisory boards. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and appointing heads of various departments. The Mayor and City Council members each serve two-year terms, and are elected at large. The City of Burnet is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City provides a full range of services, including electric, water and wastewater, police and fire protection, emergency medical services, construction and maintenance of streets, roads and other infrastructure, solid waste collection, planning and zoning, parks and recreation programming including a municipal golf course, airport facility management, and administrative services necessary to serve the citizens of our community. The City's Electric and Water and Wastewater services are operated under an enterprise fund concept, with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt. In addition, the City of Burnet is also financially accountable for a legally separate economic development corporation, which is reported separately within the City of Burnet's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements.

The annual budget serves as the foundation for the City of Burnet's financial planning and control. It defines the type, quality, and quantity of City goods and services that will be provided to citizens. The budget is also a control device that serves as a system of "checks and balances" between levels of City government.

The City Charter establishes the fiscal year as the twelve-month period that begins October 1st and ends September 30<sup>th</sup>. Department heads submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year. The City Manager then submits a budget of estimated expenditures and revenues to the City Council on or before the 15th day of August. The City Council shall comply with state law in the adoption of the budget and, unless otherwise in conflict with state law, shall adopt the budget on or before the last day of the last month of the current fiscal year. If the City Council fails to adopt the budget by this date, the budget proposed by the City Manager shall go into effect.

After adoption of the budget, the City Manager may transfer any unencumbered appropriation or portion thereof between general classifications of expenditures within a department or organizational unit or fund. The City Council may amend the budget at any time by ordinance.

### ***Factors Affecting Financial Condition***

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Burnet operates.

**Local economy.** The City of Burnet is a proactive, business friendly community centrally located fifty-five miles northwest of Austin and ninety-nine miles north of San Antonio near the Highland Lakes which is the largest chain of lakes in Texas. Steady population growth has been experienced for the last five years with a present population estimated in excess of 6,887. Burnet County's

population is estimated at 47,500 which represents a 38% increase in population since 2000. Burnet's major employers include the government, healthcare, and manufacturing industries. Burnet Consolidated Independent School District ("BCISD") is the largest employer in the City, with approximately 481 employees. BCISD serves over 3,200 students on 6 campuses, 5 of which are in the city limits of Burnet. Burnet is home to manufacturing companies such as Entegris, Stealth Products, and Sure Cast. Overall, Burnet's steady growth, proximity to major markets, and business friendly atmosphere serve as a conduit for local businesses to continue to invest and grow in our community.

New and future commercial developments in Burnet include Taco Bell (completed in 2018) and Burger King and Captain D's restaurants to be completed in 2019. The Burnet Economic Development Corporation (BEDC) purchased and is currently developing the Eastside Commercial Park on Highway 29 that encompasses 21 acres. Baylor Scott and White purchased approximately 2 acres of the park to build a medical clinic (estimated completion date is early 2020) and the BEDC is in negotiations with R&L Partnership to sell approximately seven acres located at the back of the park for a future manufacturing site. The expansion and renovation of Entegris, which is a provider of products and systems in the semiconductor sector, was completed in 2019 and renovations are currently underway at the Seton Highland Lakes Hospital. In addition, Gibraltar, a border fence contractor for the Department of Homeland Security, is currently building a 60,000 square foot building just outside of the City's limits.

In February 2019, City Council authorized the BEDC purchase of 13.51 acres on US 281 South and Houston Clinton Drive to create a new commercial park. This property is also being evaluated in a hotel feasibility study approved by the BEDC in January 2019. All initial indicators of the study support adding a nationally branded extended stay hotel in Burnet. In addition, the BEDC is currently renovating the Badger Building Complex which includes two historic buildings located on the town square of Burnet and will house Wedding Oak Winery.

Several new residential developments are underway in Burnet along with new home construction. Subdivisions recently completed included The Honey Rock Ranch with 16 single family lots, Delaware Springs Section 19 Phase I with 19 single family lots, the Crawford subdivision with 6 single family lots, the Cottages at Westfall with 38 single family and duplex lots, and an expansion of Highland Oaks that added 21 single family lots. Currently under construction are Delaware Springs Section 19 Phase II which will include 35 single family lots, Honey Rock Phase II will include 12 single family lots, and The Hills of Shady Grove Section 7 will include 13 single family lots. Future subdivisions and expansions will include Eagle's Nest Phase III with 13 lots, The Ranches at Delaware Phase III with 21 lots, Peppermill with 80 lots, and further expansion of Highland Oaks with 25 lots. Future subdivisions planned in the ETJ (Extra Territorial Jurisdiction) include 72 lots at the end of Southland Drive on the west side of town that may be annexed by the City and Skyview Hill which will be located on CR250 and will include 23 single family lots. In addition, two duplex complexes are being planned at Boundary and Pecan and at Highway 29 and Post Mountain.

**Long-term financial planning and major initiatives.** Looking to the future, the City has taken on two major projects. The first project is the sewer line improvements required by the Texas Commission on Environmental Quality (TCEQ) to be substantially completed by the year 2022. The total cost of the project is estimated at \$2,150,000. The second project is the construction of a new police department facility. The City is currently working with an architect to construct plans



The total cost of the project is estimated at \$2,150,000. The second project is the construction of a new police department facility. The City is currently working with an architect to construct plans for an approximately 10,000 square foot facility. Depending on future cash flow needs, the Council is currently weighing its options to fund the projects between borrowing the funds and using current cash flow and reserves.

In addition, the following projects have been budgeted for 2018-2019:

- Street Improvement Projects - \$400,000
- Golf Course Improvements - \$100,000
- Electric Subdivision Costs - \$150,000
- Park Improvements - \$200,000
- Wofford Street Water Line Engineering - \$50,000
- Fire Training/Burn Building - \$130,000
- Fire and Street Water Truck - \$30,000
- Community Center Stage - \$30,000
- Public Safety Mobile CAD Software - \$95,000
- Airport Improvements - \$500,000
- Capital Maintenance for YMCA facility - \$50,000
- Fire Station Security - \$30,000
- LCRA Composting Facility - \$75,000
- Establish Capital Equipment Reserves - \$500,000

Funding for these projects will include cash reserves from prior years and the current fiscal year, and outside sources such as contractors.

### ***Relevant Financial Policies***

The City Council in their strategic planning process set the following financial goals for the City:

- Maintain 90 day cash reserve balance
- Maintain a 1.25 debt coverage ratio
- Maintain a net operating profit of no less than 3-5% of the operating budget for the General Fund
- Budget no more than 60% of projected net operating profit as fund balance for capital projects
- Limit operating subsidy to Delaware Springs Golf Course to less than \$185,000 per year
- Maintain the Self-funded Equipment Fund balance to properly fund equipment needs based on a five year projection.
- Establish council authorized capital reserve accounts for the General, Electric, and Water/Wastewater funds.

### *Acknowledgements*

We would like to thank all the government departments for their assistance in providing the data necessary to prepare this report. In addition, we wish to thank the Mayor and the City Council for their continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

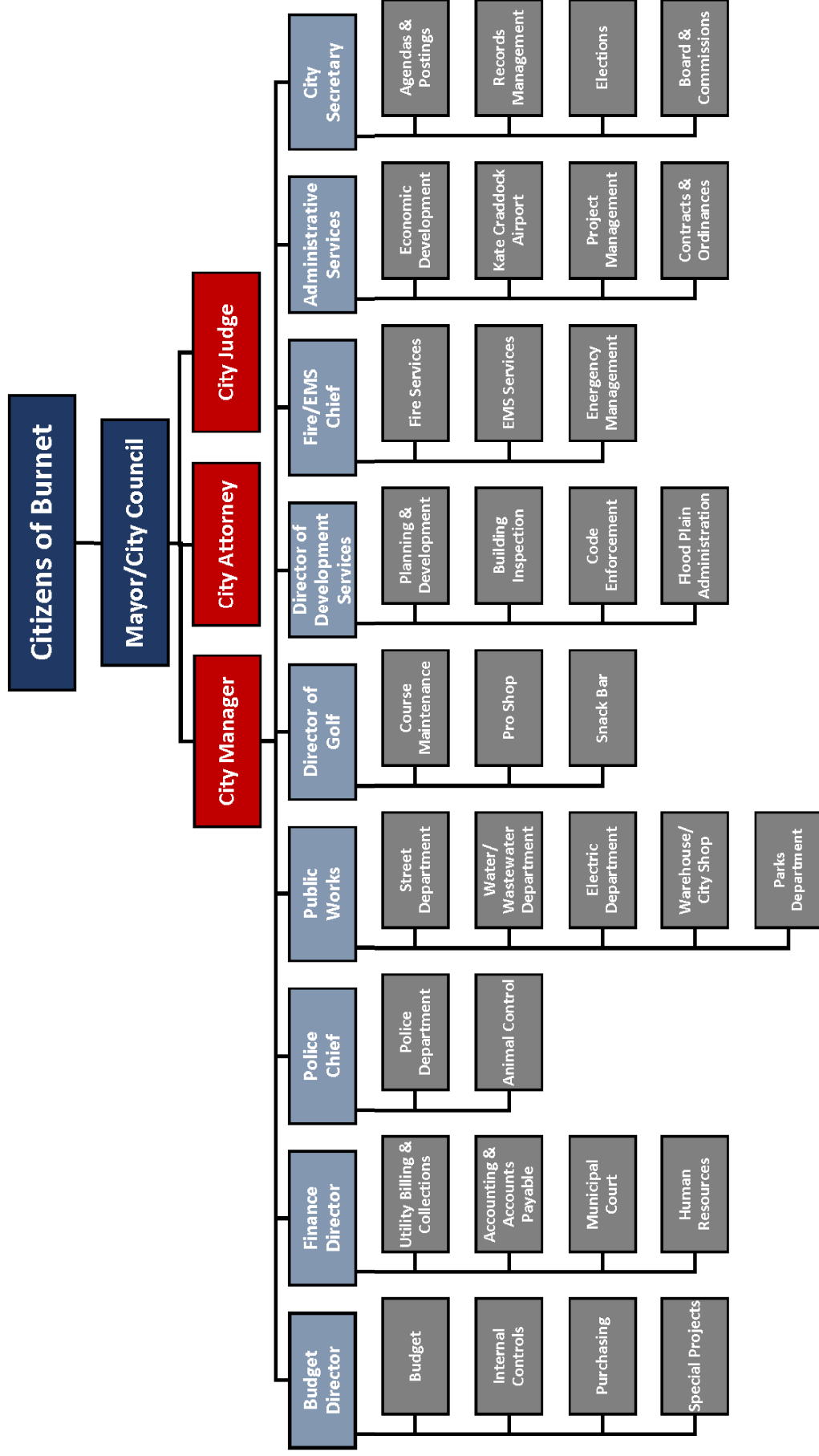
Respectfully submitted,



David Vaughn  
City Manager



Patricia Langford, C.P.A.  
Finance Director



**City of Burnet, Texas**  
Elected Officials and City Staff  
September 30, 2018

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**Elected Officials**

**City Council**  
Two-Year Terms

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Term</u></b>
Crista Goble Bromley	Mayor	2019 – 2021
Paul Farmer	Mayor Pro Tem	2019 – 2021
Cindia Talamantez	Council Member	2019 – 2021
Mary Jane Shanes	Council Member	2018 – 2020
Tres Clinton	Council Member	2019 – 2021
Joyce Laudenschlager	Council Member	2018 – 2020
Danny Lester	Council Member	2018 – 2020

**City Staff**

<b><u>Name</u></b>	<b><u>Position</u></b>
David Vaughn	City Manager
Kelly Dix	City Secretary
Paul Nelson	Police Chief / Assistant City Manager
Mark Ingram	Fire Chief / Emergency Management
Doug Fipps	Director of Golf
Patricia Langford	Finance Director
Adrienne Feild	Senior Accountant
Mark Lewis	Director of Community Development
Gene Courtney	Public Works Director
Alan Burdell	Water / Wastewater Superintendent
Johnny Simons	Assistant Public Works Director
Jason Davis	Police Captain
JJ Miller	Deputy Chief of Fire Administration
Curtis Murphy	EMS Coordinator
Evan Milliorn	Administrative Service
Leslie Baugh	Administrative Service / Airport Manager
Cindy Young	Code Enforcement
Leslie Kimbler	Permit Clerk
Tracy Shirley	Customer Service Representative
Sonia Tucker	Customer Service Representative
Peggy Simon	Municipal Court Judge
Tina Morgan	Municipal Court Clerk





JAYNES REITMEIER BOYD & THERRELL, P.C.  
Certified Public Accountants  
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710  
P.O. Box 7616 | Waco, TX 76714  
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
City of Burnet, Texas:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of City of Burnet, Texas (the "City"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Burnet, Texas, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Airport Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principles***

As discussed in Note III. M. to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* effective October 1, 2017. Our opinion is not modified with respect to this matter.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 5 through 14, and the schedules of changes in the City’s net pension liability / total OPEB liabilities and related ratios, and schedules of pension/OPEB contributions on pages 70 through 75 (collectively, “the required supplementary information”) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The combining schedules of nonmajor governmental funds and other supplementary information (collectively, the “other supplementary information”) on pages 78 through 82 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burnet, Texas' basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Jaynes, Reitmeier, Boyd + Therrell, P.C.*

April 22, 2019





## Management's Discussion and Analysis

As management of the City of Burnet, Texas (the “City of Burnet” or the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City of Burnet for the fiscal year ended September 30, 2018.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$50,534,506 (*net position*). Unrestricted net position of the City is a deficit of \$1,178,638, which resulted from the City’s adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* effective October 1, 2017. The City reduced beginning net position for governmental activities and business-type activities by \$1,893,442 and \$1,826,692, respectively.
- The City’s total net position increased \$1,788,435 primarily due to continued profitability of utility services provided by the City.
- At the close of the current fiscal year, the City’s governmental funds reported combined fund balances of \$6,609,158, an increase of \$209,901 in comparison with the prior year.
- At the end of the current fiscal year, unrestricted fund balance (the total of *committed*, *assigned* and *unassigned* components of fund balance) for the general fund was \$4,120,481, or approximately 46% of total general fund expenditures.
- The City’s general fund total fund balance decreased \$160,147 mainly due to transfers out of approximately \$1.0 million to the general capital projects fund primarily for street and park improvements and the acquisition of vehicles.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-Wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City’s assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is either improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and other governmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, aviation services, culture and recreation, sanitation, and economic development. The business-type activities of the City include electricity, water and sewer services, and the Delaware Springs Golf Course.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the Burnet Economic Development Corporation ("BEDC"), a legally separate corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 17 through 19 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, the airport fund, the debt service fund, and the general capital projects fund, which are considered to be major funds. Data from the other nine governmental funds are combined into a single aggregated presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining fund statements section of this report.

The City adopts an annual appropriated budget for its general, airport, hotel/motel tax, and debt service funds. Budgetary comparison statements have been provided for the general and airport funds to demonstrate compliance with these budgets. Additionally, budgetary comparison schedules have been provided for the hotel/motel tax and debt service funds as supplementary information.

The basic governmental fund financial statements can be found on pages 20 through 24 of this report.

**Proprietary Funds.** The City maintains one type of proprietary fund – enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electricity, water and sewer services, and the Delaware Springs Golf Course.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for its electricity, water and sewer services, and the Delaware Springs Golf Course operations, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 25 through 28 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 68 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information related to the City's pension /OPEB benefits to its employees. Required supplementary information can be found on pages 70 through 75. The combining schedules referred to earlier in connection with nonmajor governmental funds and the budgetary comparison schedules for the hotel/motel tax and debt service funds are presented immediately following the required supplementary information. The other supplementary information can be found on pages 78 through 82 of this report.

### **Government-wide Overall Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$50,534,506 at the close of the most recent fiscal year.

***City of Burnet's Net Position  
September 30,***

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 7,199,970	7,047,978	5,153,000	4,440,842	12,352,970	11,488,820
Capital assets, net	<u>33,228,212</u>	<u>32,893,047</u>	<u>38,495,182</u>	<u>38,756,899</u>	<u>71,723,394</u>	<u>71,649,946</u>
Total assets	<u>40,428,182</u>	<u>39,941,025</u>	<u>43,648,182</u>	<u>43,197,741</u>	<u>84,076,364</u>	<u>83,138,766</u>
Total deferred outflows of resources	<u>970,289</u>	<u>957,497</u>	<u>437,892</u>	<u>445,297</u>	<u>1,408,181</u>	<u>1,402,794</u>
Current liabilities	473,718	570,967	779,344	873,446	1,253,062	1,444,413
Noncurrent liabilities	<u>10,442,941</u>	<u>8,898,584</u>	<u>22,637,506</u>	<u>21,646,332</u>	<u>33,080,447</u>	<u>30,544,916</u>
Total liabilities	<u>10,916,659</u>	<u>9,469,551</u>	<u>23,416,850</u>	<u>22,519,778</u>	<u>34,333,509</u>	<u>31,989,329</u>
Total deferred inflows of resources	<u>439,735</u>	<u>61,661</u>	<u>176,795</u>	<u>24,365</u>	<u>616,530</u>	<u>86,026</u>
Net position:						
Net investment in capital assets	30,869,534	30,231,996	19,529,455	18,881,590	50,398,989	49,113,586
Restricted	1,314,155	1,235,092	-	-	1,314,155	1,235,092
Unrestricted	<u>(2,141,612)</u>	<u>(99,778)</u>	<u>962,974</u>	<u>2,217,305</u>	<u>(1,178,638)</u>	<u>2,117,527</u>
Total net position	<u>\$ 30,042,077</u>	<u>31,367,310</u>	<u>20,492,429</u>	<u>21,098,895</u>	<u>50,534,506</u>	<u>52,466,205</u>

By far, the largest portion of the City's net position (99.7%) reflects its investment in capital assets, less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (2.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is a \$1.2 million deficit.

The City's overall net position increased \$1,788,435. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

***City of Burnet's Changes in Net Position  
Years Ended September 30,***

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program revenues:						
Charges for services	\$ 4,102,769	3,644,207	14,898,651	14,118,124	19,001,420	17,762,331
Operating grants and contributions	690,265	607,145	-	-	690,265	607,145
Capital grants and contributions	85,709	1,185,608	-	166,277	85,709	1,351,885
General revenues:						
Property taxes	2,709,971	2,276,681	-	-	2,709,971	2,276,681
Sales taxes	1,675,298	1,705,022	-	-	1,675,298	1,705,022
Franchise taxes	133,242	132,068	-	-	133,242	132,068
Hotel/motel taxes	172,794	165,925	-	-	172,794	165,925
Unrestricted interest	32,468	15,367	21,862	5,737	54,330	21,104
Gain on disposition of capital assets	100,781	22,588	-	-	100,781	22,588
Total revenues	<u>9,703,297</u>	<u>9,754,611</u>	<u>14,920,513</u>	<u>14,290,138</u>	<u>24,623,810</u>	<u>24,044,749</u>
Expenses:						
General government	\$ 2,332,969	2,230,501	-	-	2,332,969	2,230,501
Public safety	5,588,410	5,718,420	-	-	5,588,410	5,718,420
Highways and streets	868,877	883,301	-	-	868,877	883,301
Aviation services	729,812	633,950	-	-	729,812	633,950
Culture and recreation	942,121	987,084	-	-	942,121	987,084
Sanitation	801,329	764,511	-	-	801,329	764,511
Economic development	360,908	150,989	-	-	360,908	150,989
Interest on long-term debt	69,592	80,111	-	-	69,592	80,111
Electric	-	-	6,457,978	6,057,551	6,457,978	6,057,551
Water and sewer	-	-	3,074,170	2,988,463	3,074,170	2,988,463
Delaware Springs Golf Course	-	-	1,609,209	1,683,511	1,609,209	1,683,511
Total expenses	<u>11,694,018</u>	<u>11,448,867</u>	<u>11,141,357</u>	<u>10,729,525</u>	<u>22,835,375</u>	<u>22,178,392</u>
Increase (decrease) in net position before transfers	(1,990,721)	(1,694,256)	3,779,156	3,560,613	1,788,435	1,866,357
Transfers	<u>2,558,930</u>	<u>3,162,082</u>	<u>(2,558,930)</u>	<u>(3,162,082)</u>	<u>-</u>	<u>-</u>
Increase in net position	<u>568,209</u>	<u>1,467,826</u>	<u>1,220,226</u>	<u>398,531</u>	<u>1,788,435</u>	<u>1,866,357</u>
Net position, beginning of year, as previously reported	31,367,310	29,899,484	21,098,895	20,700,364	52,466,205	50,599,848
Cumulative effect of change in accounting principle	<u>(1,893,442)</u>	<u>-</u>	<u>(1,826,692)</u>	<u>-</u>	<u>(3,720,134)</u>	<u>-</u>
Net position, beginning of year, as restated	<u>29,473,868</u>	<u>29,899,484</u>	<u>19,272,203</u>	<u>20,700,364</u>	<u>48,746,071</u>	<u>50,599,848</u>
Net position, end of year	<u>\$ 30,042,077</u>	<u>31,367,310</u>	<u>20,492,429</u>	<u>21,098,895</u>	<u>50,534,506</u>	<u>52,466,205</u>

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$568,209 as compared to an increase of \$1,467,826 in the prior year. Key elements of the changes from the prior year are as follows:

- Charges for services increased \$458,562 primarily as a result of an increase in EMS revenues resulting from an increase in the number of service calls for the current year.
- Capital contributions decreased \$1,099,899. During the prior year, the City received \$1,185,608 contributed capital assets for the airport expansion project. There was no similar contribution in the current year.
- Property taxes increased \$433,290 during the year, which is primarily due to increased property values and new property being added to the tax roll.
- Economic development costs increased \$209,919 primarily due to a contribution of \$175,000 to the BEDC during the current year.
- Transfers from business-type activities decreased by \$603,152 due to decreases in the discretionary transfers from the electric fund.

**Business-Type Activities.** During the current fiscal year, net position for business-type activities increased \$1,220,226 as compared to an increase of \$398,531 in the prior year. Key elements of the variances from the prior year are as follows:

- Charges for services related to business-type activities increased by \$780,527 or 5.5% from the prior year. This increase is mainly due to the increase in electric revenue. Electric consumption was up from prior year by 7.2% as discussed below. Additionally, charges for services are impacted by the cost of power, which was slightly more than the prior year as discussed below.
- Electric expenses increased \$402,168 primarily from the increase in the cost of power of \$269,536 from the Lower Colorado River Authority. Kilowatts purchased were up 7.2% due to hotter temperatures in the summer as compared to the prior year.
- Transfers to governmental activities decreased by \$603,152 due to decreases in the discretionary transfers from the electric fund.

### **Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *government funds* is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may be a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the City itself.

At September 30, 2018, the City's governmental funds reported combined fund balances of \$6,609,158, an increase of \$209,901 in comparison with the prior year. Of this amount, \$4,120,481 is available for spending at the government's discretion (*unassigned fund balances*). The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form (\$117,472), (2) restricted for particular purposes (\$1,216,476), or (3) assigned for particular purposes (\$1,154,729).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,120,481. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents approximately 46% of total general fund expenditures.

During the current fiscal year, fund balance for the general fund decreased \$160,147 as compared to an increase of \$366,025 in the prior year. Key factors in this change are as follows:

- Property taxes increased \$329,425 (16.6%) which is primarily due to increased property values and new property being added to the tax roll.
- Charges for services - EMS increased \$329,377 primarily as a result of an increase in the number of service calls for the current year.
- Expenses increased \$327,860, approximately 3.8% over the prior year due to annual raises and related increases in cost for employee benefits. Annually, the City transfers payments (1) for return on investment from the electric fund and (2) in lieu of taxes from the water and sewer fund to the general fund and makes other transfers in and transfers out at the discretion of management. Transfers in for the current year amounted to \$2,747,675, which was comparable to the prior year amount of \$2,719,404.
- Transfers out increased \$1,006,922 resulting from transfers to the general capital projects fund primarily for street and park improvements and the acquisition of vehicles.

During the current fiscal year, fund balance for the airport fund increased \$137,166 as compared to an increase of \$136,383 in the prior year. Fuel sales increased \$74,567 (with a corresponding increase in cost of fuel purchased of \$41,096) due to increased usage due to the recently completed airport improvements.

During the current fiscal year, fund balance for the debt service fund increased \$11,050 as compared to a decrease of \$33,131 in the prior year. Property taxes increased by \$36,652 (11.4%) due to increased property values and new property being added to the tax roll.

The general capital projects fund is used to track various capital improvements and equipment purchases for the City, and is primarily funded by transfers from the general and enterprise funds. Capital expenditures for the current year of \$1,134,076 are discussed in additional detail below.

***Proprietary Funds.*** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.



Unrestricted net position of the electric, water and sewer, and Delaware Springs Golf Course funds at the end of the year were \$671,314; \$1,390,111, and (\$1,098,451), respectively. Net position for the electric and water and sewer funds increased by \$612,747 and \$682,824, respectively. The net position for the Delaware Springs Golf Course fund decreased by \$75,345. Key factors affecting the changes have been addressed under the government-wide financial analysis above.

## General Fund Budgetary Highlights

**Original budget compared to final budget.** During the year, the only significant amendments to the budget were to increase general government – administrative expenditures by \$81,919 for an employee retirement payout and additional software purchases; public safety – police expenditures by \$54,735 for additional funding for the Hill Country Humane Society Animal Shelter and additional equipment for officers; public safety – fire expenditures by \$29,589 for an upgrade to security for narcotics storage; sanitation expenses by \$40,136 for added services; and transfers to other funds by \$25,849 for equipment purchases.

**Final budget compared to actual results.** During the year, actual revenues, insurance recoveries, and transfers in were over budget by \$507,446. This was mostly attributable to property taxes and charges for services - EMS being more than expected by \$142,349 and \$281,488, respectively. Actual expenditures were 98.7% of appropriations, and transfers out were \$700,584 under appropriations primarily due to a reduced amount of actual transfers out.

## Capital Assets and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$71,723,394 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, machinery and equipment, and construction in progress. The total net increase in the City's investment in capital assets for the current fiscal year was \$73,448 or 0.1%.

### *City of Burnet's Capital Assets (Net of Depreciation) September 30,*

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 2,997,511	2,997,511	577,543	577,543	3,575,054	3,575,054
Buildings	5,586,165	5,897,789	105,771	108,932	5,691,936	6,006,721
Infrastructure	21,449,674	21,420,970	36,677,715	36,973,330	58,127,389	58,394,300
Machinery and equipment	2,983,540	2,576,777	1,134,153	1,051,638	4,117,693	3,628,415
Construction in progress	211,322	-	-	45,456	211,322	45,456
	<u>\$ 33,228,212</u>	<u>32,893,047</u>	<u>38,495,182</u>	<u>38,756,899</u>	<u>71,723,394</u>	<u>71,649,946</u>

Major capital asset activity during the current fiscal year included:

Work was completed on:

Street improvements	\$ 431,351
Structures and lines - electric	222,888
Water mains and water and sewer lines	671,012
Improvements to golf course	193,139

Acquisition of vehicles and other equipment	\$ 870,681
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Work was started on:

New police department building	\$ 38,298
Live Oak / Longoria park improvements	133,298
Hamilton Creek extension	39,726

Additional information on the City's capital assets can be found in Note III.C. on pages 42 to 44 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City had total long-term liabilities of \$33,080,447.

***City of Burnet's Outstanding Long-Term Liabilities***  
***September 30,***

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Certificates of obligation	\$ 1,585,000	1,750,000	19,231,000	20,033,000	20,816,000	21,783,000
Refunding bonds	773,678	911,051	272,797	310,424	1,046,475	1,221,475
Total bonded debt	2,358,678	2,661,051	19,503,797	20,343,424	21,862,475	23,004,475
Compensated absences	477,791	467,568	192,757	167,999	670,548	635,567
Net pension liability	2,027,001	2,872,130	814,949	1,134,909	2,841,950	4,007,039
Total OPEB liability - life insurance	291,522	249,423	-	-	291,522	249,423
Total OPEB liability - health insurance	5,287,949	4,660,445	2,126,003	1,873,717	7,413,952	6,534,162
	<u>\$ 12,801,619</u>	<u>13,571,668</u>	<u>42,141,303</u>	<u>43,863,473</u>	<u>54,942,922</u>	<u>57,435,141</u>

The City's total outstanding debt decreased by \$1,350,219 during the current fiscal year. The reasons for the decrease were (1) the regularly scheduled principal payments due on existing bonded debt and tax notes; (2) a decrease in the net pension liability due to market performance of assets during the measurement period; and (3) offset by an increase in the total OPEB liabilities due to rising health insurance costs. No new bonded debt was issued during the year.

The City maintains an “A” rating from Standard & Poor’s for general obligation debt.

There is no specific maximum debt limit established by law for the City; therefore, the limit is governed by the City’s ability to levy and collect taxes to service the debt for its outstanding general obligation debt.

Additional information on the City’s long-term liabilities can be found in Note III.D. on pages 44 to 47 of this report.

### **Economic Factors and Next Year’s Budget and Rates**

The following economic factors currently affect the City and were considered in developing the 2019 fiscal year budget:

- Projected increase in property taxes due to a significant increase in assessed property values;
- Increasing personnel costs (including how to manage rising health care costs while keeping the highest level of service for employees);
- Appropriately managing equipment replacements at the optimal time;
- Review of current debt service requirements and consideration of benefits of early defeasance;
- Completion of the construction of the new police department and with minimal effect on property tax rate and debt ratio; and
- Funding the ongoing sewer plant maintenance projects required by the Texas Water Development Board.

### **Requests for Information**

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Manager, City of Burnet, Texas, P. O. Box 1369, Burnet, Texas 78611.

## **Basic Financial Statements**



**City of Burnet, Texas**  
**Statement of Net Position**  
September 30, 2018

	Primary Government			Component Unit Burnet Economic Development Corporation, Inc.
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 6,231,237	2,482,171	8,713,408	2,922,163
Receivables (net of allowance for uncollectibles)	941,617	1,250,454	2,192,071	112,758
Intergovernmental receivable	11,983	-	11,983	-
Inventories	60,862	821,955	882,817	-
Internal balances	(102,339)	102,339	-	-
Prepaid and other items	56,610	14,638	71,248	23,400
Restricted cash and cash equivalents	-	481,443	481,443	-
Properties held for resale	-	-	-	1,666,415
Capital assets not being depreciated:				
Land	2,997,511	577,543	3,575,054	-
Construction in progress	211,322	-	211,322	-
Capital assets, net of accumulated depreciation:				
Buildings	5,586,165	105,771	5,691,936	-
Infrastructure	21,449,674	36,677,715	58,127,389	-
Machinery and equipment	2,983,540	1,134,153	4,117,693	13,780
Total assets	<u>40,428,182</u>	<u>43,648,182</u>	<u>84,076,364</u>	<u>4,738,516</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources	<u>970,289</u>	<u>437,892</u>	<u>1,408,181</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable	261,775	88,166	349,941	8,151
Accrued interest payable	10,324	10,179	20,503	10,331
Accrued liabilities	187,754	130,599	318,353	-
Deposits payable	8,365	485,271	493,636	-
Unearned revenue	5,500	65,129	70,629	-
Noncurrent liabilities:				
Due within one year	760,164	1,034,384	1,794,548	95,000
Due in more than one year	9,682,777	21,603,122	31,285,899	1,950,000
Total liabilities	<u>10,916,659</u>	<u>23,416,850</u>	<u>34,333,509</u>	<u>2,063,482</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources	<u>439,735</u>	<u>176,795</u>	<u>616,530</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	30,869,534	19,529,455	50,398,989	1,680,195
Restricted for:				
Debt service	189,255	-	189,255	-
Economic development	171,916	-	171,916	-
Aviation services	891,989	-	891,989	-
Public safety	60,995	-	60,995	-
Unrestricted	<u>(2,141,612)</u>	<u>962,974</u>	<u>(1,178,638)</u>	<u>994,839</u>
Total net position	<u>\$ 30,042,077</u>	<u>20,492,429</u>	<u>50,534,506</u>	<u>2,675,034</u>

See accompanying notes to financial statements.

**City of Burnet, Texas**  
**Statement of Activities**  
Year Ended September 30, 2018

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 2,332,969	218,257	-	345
Public safety	5,588,410	2,065,945	690,171	5,364
Highways and streets	868,877	-	-	-
Aviation services	729,812	847,149	94	30,000
Culture and recreation	942,121	16,748	-	50,000
Sanitation	801,329	954,670	-	-
Economic development	360,908	-	-	-
Interest	69,592	-	-	-
Total governmental activities	<u>11,694,018</u>	<u>4,102,769</u>	<u>690,265</u>	<u>85,709</u>
Business-type activities:				
Electric	6,457,978	9,067,840	-	-
Water and sewer	3,074,170	4,374,178	-	-
Delaware Springs Golf Course	1,609,209	1,456,633	-	-
Total business-type activities	<u>11,141,357</u>	<u>14,898,651</u>	<u>-</u>	<u>-</u>
Total primary government	\$ <u>22,835,375</u>	<u>19,001,420</u>	<u>690,265</u>	<u>85,709</u>
<b>Component unit:</b>				
Burnet Economic				
Development Corporation	\$ <u>273,671</u>	<u>83,653</u>	<u>-</u>	<u>175,000</u>

General revenues:

Property taxes

Sales taxes

Franchise taxes

Hotel/motel taxes

Unrestricted interest

Gain (loss) on disposition of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as previously reported

Cumulative effect of change in accounting principle

Net position, beginning of year, as restated

Net position, end of year

See accompanying notes to financial statements.

Net Revenues (Expenses) and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Burnet Economic Development Corporation, Inc.
(2,114,367)	-	(2,114,367)	
(2,826,930)	-	(2,826,930)	
(868,877)	-	(868,877)	
147,431	-	147,431	
(875,373)	-	(875,373)	
153,341	-	153,341	
(360,908)	-	(360,908)	
(69,592)	-	(69,592)	
<u>(6,815,275)</u>	<u>-</u>	<u>(6,815,275)</u>	
-	2,609,862	2,609,862	
-	1,300,008	1,300,008	
-	(152,576)	(152,576)	
<u>-</u>	<u>3,757,294</u>	<u>3,757,294</u>	
<u>(6,815,275)</u>	<u>3,757,294</u>	<u>(3,057,981)</u>	
			<u>(15,018)</u>
2,709,971	-	2,709,971	-
1,675,298	-	1,675,298	558,433
133,242	-	133,242	-
172,794	-	172,794	-
32,468	21,862	54,330	12,474
100,781	-	100,781	13,030
2,558,930	(2,558,930)	-	-
<u>7,383,484</u>	<u>(2,537,068)</u>	<u>4,846,416</u>	<u>583,937</u>
568,209	1,220,226	1,788,435	568,919
31,367,310	21,098,895	52,466,205	2,106,115
(1,893,442)	(1,826,692)	(3,720,134)	-
<u>29,473,868</u>	<u>19,272,203</u>	<u>48,746,071</u>	<u>2,106,115</u>
<u>30,042,077</u>	<u>20,492,429</u>	<u>50,534,506</u>	<u>2,675,034</u>



# City of Burnet, Texas

## Balance Sheet Governmental Funds

September 30, 2018

	General	Airport	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 3,698,037	778,508	480,640	258,609	1,015,443	6,231,237
Receivables (net of allowance for uncollectibles)	839,953	38,516	17,296	-	45,852	941,617
Intergovernmental receivable	-	11,983	-	-	-	11,983
Due from other funds	270,486	-	255	-	331,117	601,858
Inventories	26,035	34,827	-	-	-	60,862
Prepaid and other items	10,796	45,814	-	-	-	56,610
Total assets	\$ 4,845,307	909,648	498,191	258,609	1,392,412	7,904,167
<b>Liabilities</b>						
Liabilities:						
Accounts and retainages payable	\$ 214,036	7,305	-	20,461	19,973	261,775
Accrued liabilities	185,310	2,434	-	-	10	187,754
Deposits payable	700	7,665	-	-	-	8,365
Unearned revenue	5,500	-	-	-	-	5,500
Due to other funds	172,069	255	308,936	-	222,937	704,197
Total liabilities	577,615	17,659	308,936	20,461	242,920	1,167,591
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - property taxes	110,380	-	17,038	-	-	127,418
<b>Fund Balances</b>						
Nonspendable	36,831	80,641	-	-	-	117,472
Restricted	-	811,348	172,217	-	232,911	1,216,476
Assigned	-	-	-	238,148	916,581	1,154,729
Unassigned	4,120,481	-	-	-	-	4,120,481
Total fund balances	4,157,312	891,989	172,217	238,148	1,149,492	6,609,158
Total liabilities, deferred inflows of resources and fund balances	\$ 4,845,307	909,648	498,191	258,609	1,392,412	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						33,228,212
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						127,418
Long-term liabilities, including general obligation debt payable, the net pension and total OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(9,922,711)
Net position of governmental activities						\$ 30,042,077

See accompanying notes to financial statements.

**City of Burnet, Texas**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Governmental Funds**

Year Ended September 30, 2018

	General	Airport	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 2,314,849	-	357,202	-	-	2,672,051
Sales taxes	1,675,298	-	-	-	-	1,675,298
Franchise taxes	133,242	-	-	-	-	133,242
Hotel/motel taxes	-	-	-	-	172,794	172,794
Licenses and permits	76,264	-	-	-	-	76,264
Intergovernmental	519,042	30,000	-	-	-	549,042
Charges for services - sanitation	954,670	-	-	-	-	954,670
Charges for services - EMS	1,904,683	-	-	-	-	1,904,683
Charges for services - other	16,748	-	-	-	-	16,748
Fines	136,388	-	-	-	17,946	154,334
Interest	20,452	8,049	958	-	3,009	32,468
Contributions and donations	5,064	94	-	50,000	645	55,803
Fuel sales	-	645,987	-	-	-	645,987
Miscellaneous	271,945	201,162	-	-	48,105	521,212
Total revenues	<u>8,028,645</u>	<u>885,292</u>	<u>358,160</u>	<u>50,000</u>	<u>242,499</u>	<u>9,564,596</u>
Expenditures:						
Current:						
General government	2,018,763	-	-	-	-	2,018,763
Public safety	4,837,722	-	-	-	71,292	4,909,014
Highways and streets	506,475	-	-	-	-	506,475
Aviation services	-	680,576	-	-	-	680,576
Culture and recreation	730,237	-	-	-	-	730,237
Sanitation	801,329	-	-	-	-	801,329
Economic development	58,295	-	-	-	302,613	360,908
Debt service:						
Principal	-	-	302,373	-	-	302,373
Interest and fiscal charges	-	-	71,012	-	-	71,012
Capital outlay	-	-	-	1,134,076	499,643	1,633,719
Total expenditures	<u>8,952,821</u>	<u>680,576</u>	<u>373,385</u>	<u>1,134,076</u>	<u>873,548</u>	<u>12,014,406</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(924,176)</u>	<u>204,716</u>	<u>(15,225)</u>	<u>(1,084,076)</u>	<u>(631,049)</u>	<u>(2,449,810)</u>
Other financing sources (uses):						
Insurance recoveries	8,277	1,100	-	-	-	9,377
Proceeds from sale of assets	13,628	-	-	-	77,776	91,404
Transfers in	2,747,675	-	26,275	1,084,076	825,052	4,683,078
Transfers out	(2,005,551)	(68,650)	-	-	(49,947)	(2,124,148)
Total other financing sources (uses)	<u>764,029</u>	<u>(67,550)</u>	<u>26,275</u>	<u>1,084,076</u>	<u>852,881</u>	<u>2,659,711</u>
Net change in fund balances	(160,147)	137,166	11,050	-	221,832	209,901
Fund balances, beginning of year	<u>4,317,459</u>	<u>754,823</u>	<u>161,167</u>	<u>238,148</u>	<u>927,660</u>	<u>6,399,257</u>
Fund balances, end of year	\$ <u><u>4,157,312</u></u>	<u><u>891,989</u></u>	<u><u>172,217</u></u>	<u><u>238,148</u></u>	<u><u>1,149,492</u></u>	<u><u>6,609,158</u></u>

See accompanying notes to financial statements.

**City of Burnet, Texas**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**

Year Ended September 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 209,901
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$1,670,744) exceeded depreciation expense (\$1,335,579) in the current period.	335,165
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	37,920
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount is the net effect of these differences in the treatment of long-term debt and related items.	302,373
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Accrued interest expense and compensated absences reporting in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.	(8,803)
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Governmental funds report contributions to pension/OPEB plans as expenditures, whereas pension/OPEB expense is recognized in the statement of activities. This is the amount by which pension/OPEB expense exceeded contributions to the plans in the current year.	<u>(308,347)</u>
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Change in net position of governmental activities	<u>\$ 568,209</u>
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See accompanying notes to financial statements.

**City of Burnet, Texas**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances – Budget and Actual – Budgetary Basis**

Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 2,172,500	2,172,500	2,314,849	142,349
Sales taxes	1,705,000	1,705,000	1,675,298	(29,702)
Franchise taxes	135,000	135,000	133,242	(1,758)
Licenses and permits	56,200	56,200	76,264	20,064
Intergovernmental	519,000	519,000	519,042	42
Charges for services - sanitation	914,000	954,136	954,670	534
Charges for services - EMS	1,610,000	1,623,195	1,904,683	281,488
Charges for services - other	14,500	14,500	16,748	2,248
Fines	144,000	144,000	136,388	(7,612)
Interest	3,000	3,000	20,452	17,452
Contributions and donations	6,500	6,500	5,064	(1,436)
Miscellaneous	302,905	309,601	324,562	14,961
Total revenues	7,582,605	7,642,632	8,081,262	438,630
Expenditures:				
General government:				
Mayor and Council	28,430	32,711	32,711	-
Administrative	1,441,501	1,523,420	1,510,511	12,909
Planning and zoning	372,362	372,438	369,052	3,386
City shop	99,848	105,928	105,270	658
Public safety:				
Police	1,995,571	2,050,306	2,012,476	37,830
Municipal court	70,881	70,882	68,822	2,060
Fire	3,220,308	3,249,897	3,217,714	32,183
Highways and streets	629,249	631,131	603,723	27,408
Culture and recreation:				
Parks	640,146	655,928	648,704	7,224
Recreation center	115,000	121,162	121,162	-
Sanitation	763,000	803,136	801,329	1,807
Economic development	58,533	60,425	58,295	2,130
Total expenditures	9,434,829	9,677,364	9,549,769	127,595
Excess (deficiency) of revenues over (under) expenditures	(1,852,224)	(2,034,732)	(1,468,507)	566,225
Other financing sources (uses):				
Insurance recoveries	-	4,342	21,905	17,563
Transfers in	2,621,422	2,696,422	2,747,675	51,253
Transfers out	(2,135,955)	(2,161,804)	(1,461,220)	700,584
Total other financing sources (uses)	485,467	538,960	1,308,360	769,400
Net change in fund balances	(1,366,757)	(1,495,772)	(160,147)	1,335,625
Fund balances, beginning of year	4,317,459	4,317,459	4,317,459	-
Fund balances, end of year	\$ 2,950,702	2,821,687	4,157,312	1,335,625

See accompanying notes to financial statements.

**City of Burnet, Texas**  
**Airport Fund**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances – Budget and Actual – Budgetary Basis**

Year Ended September 30, 2018

		Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
		Original	Final		
Revenues:					
Intergovernmental	\$	30,000	30,000	30,000	-
Interest		550	550	8,049	7,499
Contributions and donations		-	-	94	94
Fuel sales		556,000	610,406	645,987	35,581
Miscellaneous		204,500	204,500	201,162	(3,338)
Total revenues		791,050	845,456	885,292	39,836
Expenditures:					
Aviation services		632,230	827,028	680,576	146,452
Total expenditures		632,230	827,028	680,576	146,452
Excess (deficiency) of revenues over (under) expenditures		158,820	18,428	204,716	186,288
Other financing sources (uses):					
Insurance recoveries		-	50,000	1,100	(48,900)
Transfers out		(63,128)	(68,650)	(68,650)	-
Total other financing sources (uses)		(63,128)	(18,650)	(67,550)	(48,900)
Net change in fund balances		95,692	(222)	137,166	137,388
Fund balances, beginning of year		754,823	754,823	754,823	-
Fund balances, end of year	\$	850,515	754,601	891,989	137,388

See accompanying notes to financial statements.

**City of Burnet, Texas**  
**Statement of Net Position –**  
**Proprietary Funds**  
September 30, 2018

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 947,167	1,535,004	-	2,482,171
Receivables (net of allowance for uncollectibles)	838,054	412,400	-	1,250,454
Inventories	447,282	251,656	123,017	821,955
Prepaid and other items	7,862	-	6,776	14,638
Due from other funds	60,178	460,643	1,375	522,196
Total current assets	<u>2,300,543</u>	<u>2,659,703</u>	<u>131,168</u>	<u>5,091,414</u>
Noncurrent assets:				
Restricted cash and cash equivalents	-	481,443	-	481,443
Capital assets:				
Land	11,171	357,759	208,613	577,543
Buildings	126,438	-	-	126,438
Infrastructure	6,632,909	43,955,086	3,410,590	53,998,585
Machinery and equipment	2,266,600	1,354,795	1,577,771	5,199,166
Less accumulated depreciation	(4,327,465)	(14,215,318)	(2,863,767)	(21,406,550)
Total capital assets, net	<u>4,709,653</u>	<u>31,452,322</u>	<u>2,333,207</u>	<u>38,495,182</u>
Total noncurrent assets	<u>4,709,653</u>	<u>31,933,765</u>	<u>2,333,207</u>	<u>38,976,625</u>
Total assets	<u>7,010,196</u>	<u>34,593,468</u>	<u>2,464,375</u>	<u>44,068,039</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources	<u>188,254</u>	<u>153,927</u>	<u>95,711</u>	<u>437,892</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	13,600	42,064	32,502	88,166
Accrued interest payable	1,600	8,579	-	10,179
Accrued liabilities	54,849	39,796	35,954	130,599
Deposits payable	485,271	-	-	485,271
Due to other funds	-	5,249	414,608	419,857
Unearned revenue	65,129	-	-	65,129
Compensated absences - current	64,048	69,109	59,600	192,757
General obligation debt payable - current	37,627	804,000	-	841,627
Total current liabilities	<u>722,124</u>	<u>968,797</u>	<u>542,664</u>	<u>2,233,585</u>
Noncurrent liabilities:				
General obligation debt payable	235,170	18,427,000	-	18,662,170
Net pension liability	281,350	329,018	204,581	814,949
Total OPEB liability - health insurance	733,973	858,327	533,703	2,126,003
Total noncurrent liabilities	<u>1,250,493</u>	<u>19,614,345</u>	<u>738,284</u>	<u>21,603,122</u>
Total liabilities	<u>1,972,617</u>	<u>20,583,142</u>	<u>1,280,948</u>	<u>23,836,707</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources	<u>61,036</u>	<u>71,377</u>	<u>44,382</u>	<u>176,795</u>
<b>Net Position</b>				
Net investment in capital assets	4,493,483	12,702,765	2,333,207	19,529,455
Unrestricted	<u>671,314</u>	<u>1,390,111</u>	<u>(1,098,451)</u>	<u>962,974</u>
Total net position	<u>\$ 5,164,797</u>	<u>14,092,876</u>	<u>1,234,756</u>	<u>20,492,429</u>

See accompanying notes to financial statements.

**City of Burnet, Texas**  
**Statement of Revenues, Expenses, and Changes in Net Position –**  
**Proprietary Funds**

Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Operating revenues:				
Charges for sales and services:				
Electric service	\$ 9,007,547	-	-	9,007,547
Water and sewer services	-	4,364,384	-	4,364,384
Golf services	-	-	1,009,218	1,009,218
Sales of merchandise	-	-	433,090	433,090
Other operating revenue	60,293	9,794	14,325	84,412
Total operating revenues	<u>9,067,840</u>	<u>4,374,178</u>	<u>1,456,633</u>	<u>14,898,651</u>
Operating expenses:				
Personnel	885,238	1,040,194	746,607	2,672,039
Materials and supplies	111,040	212,895	82,066	406,001
Repairs and maintenance	48,837	217,031	107,611	373,479
Purchased services	59,603	387,076	68,354	515,033
Purchases for resale	4,979,851	64,737	339,546	5,384,134
Depreciation	273,960	1,047,339	261,450	1,582,749
Other operating expenses	78,423	-	3,575	81,998
Total operating expenses	<u>6,436,952</u>	<u>2,969,272</u>	<u>1,609,209</u>	<u>11,015,433</u>
Operating income (loss)	<u>2,630,888</u>	<u>1,404,906</u>	<u>(152,576)</u>	<u>3,883,218</u>
Nonoperating revenues (expenses):				
Interest earnings	6,000	15,862	-	21,862
Interest expense	(21,026)	(104,898)	-	(125,924)
Total nonoperating revenues (expenses)	<u>(15,026)</u>	<u>(89,036)</u>	<u>-</u>	<u>(104,062)</u>
Income (loss) before contributions and transfers	2,615,862	1,315,870	(152,576)	3,779,156
Transfers in	10,000	-	198,378	208,378
Transfers out	<u>(2,013,115)</u>	<u>(633,046)</u>	<u>(121,147)</u>	<u>(2,767,308)</u>
Change in net position	<u>612,747</u>	<u>682,824</u>	<u>(75,345)</u>	<u>1,220,226</u>
Net position, beginning of year, as previously reported	5,182,690	14,147,539	1,768,666	21,098,895
Cumulative effect of change in accounting principle	<u>(630,640)</u>	<u>(737,487)</u>	<u>(458,565)</u>	<u>(1,826,692)</u>
Net position, beginning of year, as restated	<u>4,552,050</u>	<u>13,410,052</u>	<u>1,310,101</u>	<u>19,272,203</u>
Net position, end of year	<u>\$ 5,164,797</u>	<u>14,092,876</u>	<u>1,234,756</u>	<u>20,492,429</u>

See accompanying notes to financial statements.

**City of Burnet, Texas**  
**Statement of Cash Flows –**  
**Proprietary Funds**  
Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 9,193,363	4,403,343	1,457,275	15,053,981
Payments to employees for salaries and wages	(591,477)	(688,998)	(541,011)	(1,821,486)
Payments to suppliers and others	<u>(5,532,768)</u>	<u>(1,371,359)</u>	<u>(682,919)</u>	<u>(7,587,046)</u>
Net cash provided by operating activities	<u>3,069,118</u>	<u>2,342,986</u>	<u>233,345</u>	<u>5,645,449</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	10,000	-	198,378	208,378
Transfers to other funds	<u>(2,013,115)</u>	<u>(633,046)</u>	<u>(121,147)</u>	<u>(2,767,308)</u>
Net cash provided by (used in) noncapital financing activities	<u>(2,003,115)</u>	<u>(633,046)</u>	<u>77,231</u>	<u>(2,558,930)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(284,163)	(725,328)	(311,541)	(1,321,032)
Principal paid on capital debt	(37,627)	(802,000)	-	(839,627)
Interest paid on capital debt	<u>(10,927)</u>	<u>(105,095)</u>	<u>-</u>	<u>(116,022)</u>
Net cash used in capital and related financing activities	<u>(332,717)</u>	<u>(1,632,423)</u>	<u>(311,541)</u>	<u>(2,276,681)</u>
Cash flows from investing activities:				
Interest on investments	<u>6,000</u>	<u>15,862</u>	<u>-</u>	<u>21,862</u>
Net cash provided by investing activities	<u>6,000</u>	<u>15,862</u>	<u>-</u>	<u>21,862</u>
Net increase (decrease) in cash and cash equivalents	739,286	93,379	(965)	831,700
Cash and cash equivalents, beginning of year	<u>207,881</u>	<u>1,923,068</u>	<u>965</u>	<u>2,131,914</u>
Cash and cash equivalents, end of year	<u>\$ 947,167</u>	<u>2,016,447</u>	<u>-</u>	<u>2,963,614</u>

(continued)



**City of Burnet, Texas**  
**Statement of Cash Flows –**  
**Proprietary Funds**  
(Continued)

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 2,630,888	1,404,906	(152,576)	3,883,218
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	273,960	1,047,339	261,450	1,582,749
Decrease (increase) in assets and liabilities:				
Accounts receivables	23,919	29,165	642	53,726
Inventories	(65,104)	(25,156)	(6,241)	(96,501)
Prepaid and other items	(7,862)	12,200	(6,776)	(2,438)
Due from / due to other funds	39,028	18,958	106,769	164,755
Accounts payable	(13,186)	(85,253)	12,607	(85,832)
Accrued liabilities	2,368	(112,868)	1,044	(109,456)
Deposits payable	36,475	-	-	36,475
Unearned revenues	65,129	-	-	65,129
Compensated absences	15,782	7,920	1,056	24,758
Net pension liability and pension-related deferred outflows and inflows of resources	(24,414)	(60,928)	(12,834)	(98,176)
Total OPEB liability and OPEB-related deferred outflows and inflows of resources	92,135	106,703	28,204	227,042
Total adjustments	438,230	938,080	385,921	1,762,231
Net cash provided by operating activities	\$ 3,069,118	2,342,986	233,345	5,645,449

See accompanying notes to financial statements.

## City of Burnet, Texas

### Notes to Financial Statements

September 30, 2018

#### **I. Summary of Significant Accounting Policies**

##### **A. Reporting Entity**

The City of Burnet, Texas, the county seat for Burnet County, is situated in the midwestern part of Burnet County in Central Texas and encompasses approximately ten square miles. The City of Burnet, Texas (the “City”) is a “Home Rule Charter” city. The City operates under a Council / Manager form of government meaning that the City Council makes and adopts regulations, laws and policy and the City Manager is responsible for the day to day operations of the City. The City provides basic services to its citizens, such as police, fire, electricity, water and sewer, and sanitation, as well as health and welfare, economic development, aviation services, and parks and recreation services.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The City did not have any blended component units. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

*Discretely presented component unit* - The Burnet Economic Development Corporation, Inc. (the “Development Corporation”) is a governmental nonprofit corporation organized for the purpose of promoting, assisting, and enhancing economic development activities of the City of Burnet, Texas. The City Council appoints a governing body that is not substantively the same as the governing body of the primary government. Budgets of the Corporation and debt to be incurred must be approved by the Council. The Development Corporation does not issue separate financial statements.

##### **B. Basis of Presentation - Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **I. Summary of Significant Accounting Policies** (continued)

##### **B. Basis of Presentation - Government-Wide Financial Statements** (continued)

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's electric, water and sewer functions, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

##### **C. Program Revenues**

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

##### **D. Basis of Presentation - Fund Financial Statements**

The fund financial statements provide information about the government's funds. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **I. Summary of Significant Accounting Policies** (continued)

##### **D. Basis of Presentation - Fund Financial Statements** (continued)

The airport fund, a special revenue fund, accounts for the operations of Burnet Municipal Airport. The primary sources of revenue for the airport fund are fuel sales and hanger rentals.

The debt service fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The general capital projects fund is used to account for the acquisition / renovation of buildings, equipment, and other capital items for City purposes.

The City reports the following major enterprise funds:

The electric fund accounts for the City's electric services to its residents. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, and financing and related debt service.

The water and sewer fund accounts for the City's water and sewer services to its residents. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, and financing and related debt service.

The Delaware Springs Golf Course fund accounts for the operation of the Delaware Springs Municipal Golf Course. All activities necessary for the operation of the golf course are accounted for in this fund including, but not limited to, administration, operations, maintenance, and financing and related debt service.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **I. Summary of Significant Accounting Policies** (continued)

##### **D. Basis of Presentation - Fund Financial Statements** (continued)

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

##### **E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **I. Summary of Significant Accounting Policies** (continued)

##### **E. Measurement Focus and Basis of Accounting** (continued)

Property taxes, sales taxes, franchise taxes and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

##### **F. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the electric fund, water and sewer fund, and Delaware Springs Golf Course fund are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### **G. Budgetary Information**

Annual budgets are legally adopted for the following funds (under the City's budgetary fund structure): the general fund, the airport fund, the hotel/motel tax fund, and the debt service fund. Capital projects funds are generally planned on both a project-length basis and an annual basis. Also, operating plans are developed for the electric fund, water and sewer fund and the Delaware Springs Golf Course fund.

The appropriated budget is prepared by fund, department and object. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### I. Summary of Significant Accounting Policies (continued)

##### G. Budgetary Information (continued)

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders and contracts). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

The City prepares its appropriated budgets on a budgetary basis structure which differs from that used for financial reporting in accordance with generally accepted accounting principles ("GAAP"). The budget and all transactions of the general and airport funds are presented in accordance with the City's budgetary basis structure in the Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary Basis to provide a meaningful comparison of actual results with the budget. The major difference between the budgetary basis and the GAAP basis is that the budgetary basis uses a fund structure which is used in the City's legally adopted budget (rather than the fund structure used in their financial statements) which results in certain activities reported on a GAAP basis which are not included on a budgetary basis. Adjustments necessary for the general fund to convert the net change in fund balance on the budgetary basis to a GAAP basis are provided below:

Net change in fund balance - budgetary basis	\$ (160,147)
Activities not included in general fund budget	<u>-</u>
Net change in fund balance - GAAP basis	<u>\$ (160,147)</u>

There were no adjustments necessary for the airport fund to convert the net change in fund balance on the budgetary basis to a GAAP basis.

##### H. Investments, and Cash and Cash Equivalents

State statutes and the City's investment policy authorize the City to invest in obligations of the United States and its agencies, certificates of deposit, and public funds investment pools.

Investments for the government are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Texas Local

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **I. Summary of Significant Accounting Policies** (continued)

##### **H. Investments, and Cash and Cash Equivalents** (continued)

Government Investment Pool (“TexPool”). In accordance with state law, the Comptroller of Public Accounts (the Comptroller) is the sole officer, director and shareholder of TexPool. Additionally, the Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. There are no maximum transaction amounts and withdrawals from TexPool may be made daily. TexPool uses amortized cost rather than fair value to report net assets share price.

The City's cash and cash equivalents for purposes of reporting cash flows of the enterprise funds are considered to be cash on hand, demand deposits, external investment pools and deposits in the City's internal cash pool.

##### **I. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out method and consist of expendable material and supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

##### **J. Capital Assets**

Capital assets, which include land, buildings, machinery and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.



## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### I. Summary of Significant Accounting Policies (continued)

##### J. Capital Assets (continued)

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances.

Land and construction in progress are not depreciated. The other capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 – 40
Machinery and equipment	5 – 10
Infrastructure	10 – 50

##### K. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary-fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

##### L. Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **I. Summary of Significant Accounting Policies** (continued)

##### **L. Pensions** (continued)

(“TMRS”) and additions to/deductions from TMRS’s fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### **M. Other Postemployment Benefits (“OPEB”)**

The fiduciary net position of the City’s defined benefit life and health insurance plans (collectively, “the OPEB plans”) have been determined using the flow of economic resources measurement focus and the full accrual basis of accounting. This includes for purposes of measuring the total OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities, and additions to/deductions from the OPEB plans’ net position. Benefit payments are recognized when due and payable in accordance with benefit terms. There are no investments as these are pay-as-you-go plans.

##### **N. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

##### **O. Net Position Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **I. Summary of Significant Accounting Policies** (continued)

##### **O. Net Position Flow Assumptions** (continued)

the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

##### **P. Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

##### **Q. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. City management is authorized to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### I. Summary of Significant Accounting Policies (continued)

##### Q. Fund Balance Policies (continued)

normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The components and specific purpose details of nonspendable, restricted, and assigned fund balances of governmental funds at September 30, 2018 are as follows:

	General	Airport	Debt Service	General Capital Projects	Nonmajor Governmental Funds	Total
Nonspendable:						
Inventories	\$ 26,035	34,827	-	-	-	60,862
Prepaid items	10,796	45,814	-	-	-	56,610
Restricted:						
Aviation services	-	811,348	-	-	-	811,348
General obligation debt service	-	-	172,217	-	-	172,217
Economic development	-	-	-	-	171,916	171,916
Public safety	-	-	-	-	60,995	60,995
Assigned:						
Capital projects	-	-	-	238,148	916,581	1,154,729
Unassigned	<u>4,120,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,120,481</u>
	<u>\$ 4,157,312</u>	<u>891,989</u>	<u>172,217</u>	<u>238,148</u>	<u>1,149,492</u>	<u>6,609,158</u>

##### R. Property Taxes

Property taxes attach as an enforceable lien on real property and are levied as of October 1 on the assessed value as of the previous January 1 for all real and personal property in the City.

##### S. Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from government service subject to certain limitations. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

## II. Reconciliation of Government-Wide and Fund Financial Statements

### A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including general obligation debt payable and the net pension and total OPEB liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$9,922,711 difference are as follows.

General obligation debt payable	\$ (2,358,678)
Compensated absences	(477,791)
Accrued interest payable	(10,324)
Net pension liability, net of related deferred outflows / inflows of \$43,545 (to be amortized as pension expense)	(1,983,456)
Total OPEB liability - life insurance, net of related deferred outflows / inflows of \$21,984 (to be amortized as OPEB expense)	(269,538)
Total OPEB liability - health insurance, net of related deferred outflows / inflows of \$465,025 (to be amortized as OPEB expense)	<u>(4,822,924)</u>
	<u>\$ (9,922,711)</u>

## III. Detailed Notes On All Activities and Funds

### A. Cash Deposits and Investments

Investments of the City at September 30, 2018, consist of investments in Texas Local Government Investment Pool (“TexPool”) of \$6,250,433. See Note I.H. for a discussion of how the shares in TexPool are valued.

*Credit Risk:* For an investment, credit risk is the risk that an investment issuer or other counterparty to an investment will not fulfill obligations. The Public Funds Investment Act (Government Code Chapter 2256) restricts the types of investments in which the City may invest. The City’s investment policy addresses credit quality by further restricting authorized investments to obligations of the United States and its agencies, and public funds investment pools rated AAA or AA from a nationally recognized rating service. The City’s investment in TexPool is rated AAAM by Standard & Poors.

*Interest Rate Risk:* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### III. Detailed Notes On All Activities and Funds (continued)

##### A. Cash Deposits and Investments (continued)

policy, the City will only invest on a basis which allows liquidity to meet cash flow needs as necessary – the weighted average maturity should be 180 days or less for the general fund and 365 days or less for the debt service fund. The weighted average maturity of TexPool is 28 days as of September 30, 2018.

*Custodial Credit Risk:* The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. City policy requires all deposits to be federally insured or collateralized by eligible securities held by an independent third-party custodian.

For an investment, custodial credit risk is the risk that in the event of the failure of the counter-party, the City will not be able to recover the value of its investment or collateralized securities that are in the possession of an outside third party. The City has no specific policies that limit the custodial credit risk for its investments.

A reconciliation of deposits and investments as shown on the statement of net position:

Cash on hand	\$ 4,005
Carrying amount of deposits	5,862,576
Carrying amount of investments	<u>6,250,433</u>
	<u>\$ 12,117,014</u>
Per the statement of net position for the City:	
Cash and cash equivalents	\$ 8,713,408
Restricted cash and cash equivalents	<u>481,443</u>
	9,194,851
Per the statement of net position for the Burnet Economic Development Corporation, Inc.:	
Cash and cash equivalents	<u>2,922,163</u>
	<u>\$ 12,117,014</u>

# City of Burnet, Texas

## Notes to Financial Statements (Continued)

### III. Detailed Notes On All Activities and Funds (continued)

#### B. Receivables

Amounts are aggregated into a single account receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general, airport, and debt service funds, and for the nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	Airport	Debt Service	Nonmajor Governmental Funds	Total
Receivables:					
Property taxes	\$ 110,380	-	17,038	-	127,418
Sales taxes	284,272	-	-	-	284,272
Franchise taxes	15,690	-	-	-	15,690
Hotel/motel taxes	-	-	-	44,624	44,624
EMS	3,262,504	-	-	-	3,262,504
Other	112,248	38,516	258	1,228	152,250
	3,785,094	38,516	17,296	45,852	3,886,758
Less: allowance for uncollectibles	(2,945,141)	-	-	-	(2,945,141)
	<u>\$ 839,953</u>	<u>38,516</u>	<u>17,296</u>	<u>45,852</u>	<u>941,617</u>

#### C. Capital Assets

Capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,997,511	-	-	2,997,511
Construction in progress	-	211,322	-	211,322
Total capital assets not being depreciated	<u>2,997,511</u>	<u>211,322</u>	<u>-</u>	<u>3,208,833</u>

**City of Burnet, Texas**  
Notes to Financial Statements  
(Continued)

**III. Detailed Notes On All Activities and Funds** (continued)

**C. Capital Assets** (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b><i>Governmental activities:</i></b> (continued)				
Capital assets, being depreciated:				
Buildings	9,615,486	-	-	9,615,486
Infrastructure	28,875,989	563,680	-	29,439,669
Machinery and equipment	10,219,787	895,742	(349,257)	10,766,272
Total capital assets, being depreciated	48,711,262	1,459,422	(349,257)	49,821,427
Less accumulated depreciation for:				
Buildings	(3,717,697)	(311,624)	-	(4,029,321)
Infrastructure	(7,455,019)	(534,976)	-	(7,989,995)
Machinery and equipment	(7,643,010)	(488,979)	349,257	(7,782,732)
Total accumulated depreciation	(18,815,726)	(1,335,579)	349,257	(19,802,048)
Total capital assets, being depreciated, net	29,895,536	123,843	-	30,019,379
	<u>\$ 32,893,047</u>	<u>335,165</u>	<u>-</u>	<u>33,228,212</u>
<b><i>Business-type activities:</i></b>				
Capital assets, not being depreciated:				
Land	\$ 577,543	-	-	577,543
Construction in progress	45,456	-	(45,456)	-
Total capital assets not being depreciated	622,999	-	(45,456)	577,543
Capital assets, being depreciated:				
Buildings	126,438	-	-	126,438
Infrastructure	52,893,388	1,105,197	-	53,998,585
Machinery and equipment	4,937,875	261,291	-	5,199,166
Total capital assets being depreciated	57,957,701	1,366,488	-	59,324,189
Less accumulated depreciation for:				
Buildings	(17,506)	(3,161)	-	(20,667)
Infrastructure	(16,034,824)	(1,286,046)	-	(17,320,870)
Machinery and equipment	(3,771,471)	(293,542)	-	(4,065,013)
Total accumulated depreciation	(19,823,801)	(1,582,749)	-	(21,406,550)
Total capital assets, being depreciated, net	38,133,900	(216,261)	-	37,917,639
	<u>\$ 38,756,899</u>	<u>(216,261)</u>	<u>(45,456)</u>	<u>38,495,182</u>



## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### III. Detailed Notes On All Activities and Funds (continued)

##### C. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the governmental activities of the City as follows:

General government	\$ 272,187
Public safety	489,943
Highways and streets	344,664
Aviation services	33,406
Culture and recreation	<u>195,379</u>
Total depreciation expense	<u>\$ 1,335,579</u>

At September 30, 2018, the City's construction contract commitments with contractors for governmental activities are as follows:

<u>Project Title</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
New public safety building	\$ 38,298	\$ 5,200,000
Live Oak / Longoria Park	133,298	75,000
Hamilton Creek extension	<u>39,726</u>	<u>23,000</u>
	<u>\$ 211,322</u>	<u>\$ 5,298,000</u>

The construction contract commitments will be financed with available resources.

##### D. Long-Term Liabilities

###### *Primary Government*

The City issues general obligation bonds, tax notes and combination tax and revenue certificates of obligation (collectively, "general obligation debt") to provide funds for the acquisition and construction of major capital facilities for both governmental and business-type activities. These general obligation debts are direct obligations and pledge the full faith and credit of the City. The general obligation bonds, tax notes and certificates of obligation generally are issued with equal amounts of principal maturing each year with maturities that range from 6 to 40 years. General obligation debt outstanding at September 30, 2018 is as follows.

# City of Burnet, Texas

## Notes to Financial Statements (Continued)

### III. Detailed Notes On All Activities and Funds (continued)

#### D. Long-Term Liabilities (continued)

##### Primary Government (continued)

	Date	Original Amount	Interest Rates	Final Maturity	Amount Outstanding
<b>Governmental Activities</b>					
General obligation refunding bonds	2008	\$ 3,325,561	3.52%	2024	\$ 773,678
Combination tax and revenue certificates of obligation	2013	2,240,000	2.19%	2028	1,585,000
					<u>\$ 2,358,678</u>
<b>Business-Type Activities</b>					
	Date	Original Amount	Interest Rates	Final Maturity	Amount Outstanding
Combination tax and revenue certificates of obligation	2003	\$ 1,289,000	4.50%	2042	\$ 1,034,000
Combination tax and revenue certificates of obligation	2004	527,000	4.50%	2043	435,000
Combination tax and revenue certificates of obligation	2006	1,050,000	4.12%	2045	877,000
Combination tax and revenue certificates of obligation	2010	11,425,000	0.00%	2040	8,660,000
Combination tax and revenue certificates of obligation	2012	9,900,000	0.00%	2042	8,175,000
Combination tax and revenue certificates of obligation	2012A	110,000	0.00-1.26%	2022	50,000
General obligation refunding bonds	2008	909,439	3.52%	2024	272,797
					<u>\$ 19,503,797</u>

Changes in the City's long-term liabilities for the year ended September 30, 2018 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt	\$ 2,661,051	-	(302,373)	2,358,678	282,373
Compensated absences	467,568	10,223	-	477,791	477,791
Net pension liability	2,872,130	-	(845,129)	2,027,001	-
Total OPEB liability - life insurance	249,423	42,099	-	291,522	-
Total OPEB liability - health insurance	4,660,445	627,504	-	5,287,949	-
	<u>\$ 10,910,617</u>	<u>679,826</u>	<u>(1,147,502)</u>	<u>10,442,941</u>	<u>760,164</u>
Business-type activities:					
General obligation debt	\$ 20,343,424	-	(839,627)	19,503,797	841,627
Compensated absences	167,999	24,758	-	192,757	192,757
Net pension liability	1,134,909	-	(319,960)	814,949	-
Total OPEB liability - health insurance	1,873,717	252,286	-	2,126,003	-
	<u>\$ 23,520,049</u>	<u>277,044</u>	<u>(1,159,587)</u>	<u>22,637,506</u>	<u>1,034,384</u>

**City of Burnet, Texas**  
Notes to Financial Statements  
(Continued)

**III. Detailed Notes On All Activities and Funds** (continued)

D. Long-Term Liabilities (continued)

*Primary Government (continued)*

For governmental activities, the liability for compensated absences, total OPEB liabilities— life insurance and health insurance, and the net pension liability are substantially liquidated by the General Fund.

The debt service requirements for the City's bonds and certificates of obligation follow:

Year Ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b><i>Governmental Activities</i></b>			
2019	\$ 282,373	60,357	342,730
2020	284,237	52,346	336,583
2021	286,102	44,215	330,317
2022	297,966	36,084	334,050
2023	299,830	27,657	327,487
2024 - 2028	<u>908,170</u>	<u>49,058</u>	<u>957,228</u>
	<u>\$ 2,358,678</u>	<u>269,717</u>	<u>2,628,395</u>
<b><i>Business-Type Activities</i></b>			
2019	\$ 841,627	12,329	853,956
2020	846,763	108,556	955,319
2021	857,898	104,510	962,408
2022	858,034	100,408	958,442
2023	849,170	95,881	945,051
2024 - 2028	4,084,305	426,223	4,510,528
2029 - 2033	4,108,000	332,993	4,440,993
2034 - 2038	4,193,000	229,380	4,422,380
2039 - 2043	2,757,000	99,030	2,856,030
2044 - 2045	<u>108,000</u>	<u>6,683</u>	<u>114,683</u>
	<u>\$ 19,503,797</u>	<u>1,515,993</u>	<u>21,019,790</u>

The City's bond indentures contain restrictions concerning the maintenance of accounting records as well as reporting the results of the City's operations to specified major bond holders. The City is in compliance with all significant requirements and restrictions.

**City of Burnet, Texas**  
Notes to Financial Statements  
(Continued)

**III. Detailed Notes On All Activities and Funds** (continued)

D. Long-Term Liabilities (continued)

*Primary Government (continued)*

There is no specific maximum debt limit established by law for the City; therefore, the limit is governed by the City's ability to levy and collect taxes to service the debt.

The City has pledged net revenues of the water and sewer system to repay \$19,231,000 in combination tax and revenue certificates of obligation issued from 2003 to 2012. Annual principal and interest payments on the debt is expected to require approximately 50% of the pledged net revenues. The total principal and interest remaining to be paid on the debt is \$20,811,452. Principal and interest paid for the current year and total pledged net revenues for the current year were \$907,095 and \$1,819,199, respectively.

*Component Unit*

Changes in the component unit's long-term liabilities for the year ended September 30, 2018 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Burnet Economic Development Corporation:					
General obligation debt	\$ -	2,045,000	-	2,045,000	95,000
	<u>\$ -</u>	<u>2,045,000</u>	<u>-</u>	<u>2,045,000</u>	<u>95,000</u>

The debt service requirements for the component unit's certificates of obligation follow:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Component Unit</i>			
2019	\$ 95,000	95,604	190,604
2020	105,000	87,750	192,750
2021	110,000	83,025	193,025
2022	110,000	78,075	188,075
2023	115,000	73,125	188,125
2024 - 2028	675,000	281,250	956,250
2029 - 2033	835,000	115,650	950,650
	<u>\$ 2,045,000</u>	<u>814,479</u>	<u>2,859,479</u>

# City of Burnet, Texas

## Notes to Financial Statements (Continued)

### III. Detailed Notes On All Activities and Funds (continued)

#### E. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
General	Delaware Springs Golf Course	\$ 102,858
General	Debt service	34,757
General	Nonmajor governmental	132,871
Debt service	Airport	255
Nonmajor governmental	General	1,169
Nonmajor governmental	Delaware Springs Golf Course	311,750
Nonmajor governmental	Nonmajor governmental	12,949
Nonmajor governmental	Water and sewer	5,249
Electric	Debt service	20,718
Electric	Nonmajor governmental	39,460
Water and sewer	General	170,900
Water and sewer	Debt service	252,086
Water and sewer	Nonmajor governmental	37,657
Delaware Springs Golf Course	Debt service	1,375
		<u>\$ 1,124,054</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

#### F. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2018 is as follows:

Transfer out:							
	General	Airport	Nonmajor Governmental	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Transfer in:							
General	\$ -	42,375	39,947	1,946,771	597,435	121,147	2,747,675
Debt service	-	26,275	-	-	-	-	26,275
General capital projects	1,084,076	-	-	-	-	-	1,084,076
Nonmajor governmental	792,045	-	-	33,007	-	-	825,052
Electric	-	-	10,000	-	-	-	10,000
Delaware Springs Golf Course	129,430	-	-	33,337	35,611	-	198,378
	<u>\$ 2,005,551</u>	<u>68,650</u>	<u>49,947</u>	<u>2,013,115</u>	<u>633,046</u>	<u>121,147</u>	<u>4,891,456</u>

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **III. Detailed Notes On All Activities and Funds** (continued)

##### F. Interfund Transfers (continued)

During the year, transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, and (2) move proprietary fund resources to the general fund for payments in lieu of taxes, administrative allocations, and a return on the general fund's investment in the electric fund.

##### G. Employee Benefits

###### **Pension Plan**

*Plan Description* - The City participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System ("TMRS"). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report ("CAFR") that can be obtained at [www.tmrs.com](http://www.tmrs.com).

All eligible employees of the City are required to participate in TMRS.

*Benefits Provided* – TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### III. Detailed Notes On All Activities and Funds (continued)

##### G. Employee Benefits (continued)

##### **Pension Plan** (continued)

*Employees Covered by Benefit Terms* – At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	59
Inactive employees entitled to but not yet receiving benefits	63
Active employees	<u>110</u>
	<u>232</u>

*Contributions* – The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 12.96% and 12.74% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018 were \$771,831 and were equal to the required contributions.

*Net Pension Liability* – The City's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions* – The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **III. Detailed Notes On All Activities and Funds** (continued)

##### G. Employee Benefits (continued)

##### **Pension Plan** (continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for the future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative



## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### III. Detailed Notes On All Activities and Funds (continued)

##### G. Employee Benefits (continued)

##### **Pension Plan** (continued)

asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	4.15%
Real Return	10.0%	4.15%
Real Estate	10.0%	4.75%
Absolute Return	10.0%	4.00%
Private Equity	<u>5.0%</u>	7.75%
Total	<u><u>100.0%</u></u>	

*Discount Rate* – The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# City of Burnet, Texas

## Notes to Financial Statements (Continued)

### III. Detailed Notes On All Activities and Funds (continued)

#### G. Employee Benefits (continued)

##### **Pension Plan** (continued)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2016	\$ 22,870,477	18,863,438	4,007,039
Changes for the year:			
Service cost	925,253	-	925,253
Interest	1,538,815	-	1,538,815
Difference between expected and actual experience	93,706	-	93,706
Contributions - employer	-	724,953	(724,953)
Contributions - employee	-	398,326	(398,326)
Net investment income	-	2,613,821	(2,613,821)
Benefit payments, including refunds of employee contributions	(1,071,693)	(1,071,693)	-
Administrative expense	-	(13,549)	13,549
Other changes	-	(688)	688
Net changes	1,486,081	2,651,170	(1,165,089)
Balance at December 31, 2017	\$ 24,356,558	21,514,608	2,841,950

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* – The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	1% Decrease (5.75%)	Current Rate Assumption (6.75%)	1% Increase (7.75%)
City's net pension liability	\$ 6,648,674	2,841,950	(219,011)

*Pension Plan Fiduciary Net Position* – Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at [www.tmrs.com](http://www.tmrs.com).

# City of Burnet, Texas

## Notes to Financial Statements (Continued)

### III. Detailed Notes On All Activities and Funds (continued)

#### G. Employee Benefits (continued)

##### **Pension Plan** (continued)

##### *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended September 30, 2018, the City recognized pension expense of \$824,375.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 573,530	-
Differences between expected and actual experience	91,431	55,650
Change in assumptions	12,621	-
Difference between projected and actual investment earnings	<u>-</u>	<u>560,880</u>
	<u>\$ 677,582</u>	<u>616,530</u>

The \$573,530 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	
2018	\$ 21,356
2019	(17,660)
2020	(259,573)
2021	<u>(256,601)</u>
Total	<u>\$ (512,478)</u>

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### III. Detailed Notes On All Activities and Funds (continued)

##### G. Employee Benefits (continued)

###### **OPEB – Life Insurance**

*Plan Description* – The City also participates in a defined benefit group term life insurance plan administered by TMRS known as the Supplemental Death Benefits Fund (“SDBF”). The City elected, by ordinance, to provide group term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. As the TMRS SDBF covers both active and retired members, with no segregation of assets, the SDBF does not meet the definition of a trust under paragraph 4 of Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (i.e. no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan with benefit payments treated as being equal to the City’s yearly contributions for retirees.

*Benefits Provided* – The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is a fixed amount of \$7,500.

*Employees Covered by Benefit Terms* – At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees entitled to but not yet receiving benefits	9
Active employees	<u>110</u>
	<u>165</u>

*Contributions* – The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees’ entire careers.

The City’s contributions to the SDBF for the year ended September 30, 2018 were \$1,956, which equaled the required contribution for the year.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **III. Detailed Notes On All Activities and Funds** (continued)

##### G. Employee Benefits (continued)

##### **OPEB – Life Insurance** (continued)

*Total OPEB Liability – Life Insurance:* The City's total OPEB liability – life insurance was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions:* The total OPEB liability – life insurance in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 10.5% per year, including inflation
Discount rate	3.31% (based on the Fidelity Index's "20-year Municipal GO AA index" rate as of December 31, 2017
Overall payroll growth	3.0% per year
Administrative expenses	All administrative expenses are paid through the TMRS Pension Trust

Mortality rates for service retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with a scale BB. For disabled retirees, the RP2000 Combined Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with a scale BB to account for the future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

**City of Burnet, Texas**  
Notes to Financial Statements  
(Continued)

**III. Detailed Notes On All Activities and Funds** (continued)

G. Employee Benefits (continued)

**OPEB – Life Insurance** (continued)

The changes in the total OPEB liability – life insurance for the measurement period ending December 31, 2017 was as follows:

	<u>Total OPEB Liability - Life Insurance</u>
Balance at December 31, 2016	\$ <u>249,423</u>
Changes for the year:	
Service cost	10,243
Interest	9,579
Changes in assumptions or other inputs	24,553
Benefit payments **	<u>(2,276)</u>
Net changes	<u>42,099</u>
Balance at December 31, 2017	\$ <u><u>291,522</u></u>

\*\* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

*Sensitivity of the Total OPEB Liability – Life Insurance to Changes in the Discount Rate*  
– The following presents the total OPEB liability – life insurance of the City, calculated using the discount rate of 3.31%, as well as what the City's total OPEB liability – life insurance would be if it were calculated using a discount rate that is one percentage point lower (2.31%) or one percentage point higher (4.31%) than the current rate.

	1% Decrease (2.31%)	Current Rate Assumption (3.31%)	1% Increase (4.31%)
Total OPEB liability - life insurance	\$ <u><u>355,432</u></u>	<u><u>291,522</u></u>	<u><u>242,832</u></u>

**City of Burnet, Texas**  
Notes to Financial Statements  
(Continued)

**III. Detailed Notes On All Activities and Funds** (continued)

G. Employee Benefits (continued)

**OPEB – Life Insurance** (continued)

*OPEB Expense – Life Insurance and Deferred Outflows of Resources  
and Deferred Inflows of Resources Related to OPEB – Life Insurance*

For the year ended September 30, 2018, the City recognized OPEB expense – life insurance of \$23,701.

At September 30, 2018, the City reported deferred outflows of resources related to OPEB – life insurance from the following sources:

	<u>Deferred Outflows of Resources</u>
Contributions subsequent to the measurement date	\$ 1,310
Change in assumptions	<u>20,674</u>
	<u>\$ 21,984</u>

The \$1,310 reported as deferred outflows of resources related to OPEB – life insurance resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability – life insurance for the year ending September 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense – life insurance as follows:

<u>Year Ended December 31,</u>	
2018	\$ 3,879
2019	3,879
2020	3,879
2021	3,879
2022	3,879
Thereafter	<u>1,279</u>
Total	<u>\$ 20,674</u>

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **III. Detailed Notes On All Activities and Funds** (continued)

##### G. Employee Benefits (continued)

##### **OPEB – Health Insurance**

*Plan Description and Plan Participants* – The City elected, by ordinance, to offer continuation of health and dental insurance to those regular employees who were hired prior to January 1, 2010 that retire from the City under TMRS with at least 20 years of service, with the last 10 years of service being with the City (“Eligible Retiree”). As this plan covers both active and retired members, with no accumulation of assets, the plan does not meet the definition of a trust under paragraph 4 of GASB Statement No. 75 (i.e. no assets are accumulated for OPEB – health insurance). As such, this plan is considered to be a single-employer unfunded OPEB plan with benefit payments adjusted for the implicit subsidy, as more fully described below.

##### *Normal Retirement Benefits*

*Health Care Benefit Eligibility Conditions* - City employees hired prior to January 1, 2010 must have been continuously employed with the City prior to retirement, with no break in service after January 1, 2010, to be eligible for continuation of health and dental insurance benefits. City employees hired on or after January 1, 2010 are not eligible for any continued health insurance after retirement.

*Health Care Benefits Provided by Plan* - For Eligible Retirees, such continued health and dental insurance is comparable to that which is provided for regular employees.

##### *Deferred Retirement Benefits*

Eligibility for participation in the City’s group insurance plan will pause if the Eligible Retiree becomes eligible for their current employer’s group health and/or dental insurance plan. The Eligible Retiree is required to notify the City of medical and/or dental insurance benefits provided by their current employer’s group insurance to the City’s human resources department in writing within 30 days of eligibility for such plan. Once eligible, the Eligible Retiree must enroll in their current employer’s group health and/or dental insurance plan and may not decline coverage. In the event the Eligible Retiree ceases to be eligible for another employer’s group health and/or dental insurance plan, the Eligible Retiree may return to the City’s plan as a qualifying event. An Eligible Retiree who is enrolled in their current employer’s group health and/or dental insurance plan with requires the Eligible Retiree to pay a portion of the premium shall be eligible to receive reimbursement for such costs up to twenty-five percent (25%) of the amount of premium paid by the City for an active regular employee.



## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### III. Detailed Notes On All Activities and Funds (continued)

##### G. Employee Benefits (continued)

##### **OPEB – Health Insurance** (continued)

If the Eligible Retiree fails to disclose eligibility for medical and/or dental insurance benefits provided by their current employer's group plan, the Eligible Retiree's eligibility and enrollment shall be terminated immediately and the retiree will no longer be an Eligible Retiree for the purposes of this plan.

##### *Medicare Eligible Provisions*

For Eligible Retirees eligible for Medicare, the City will substitute coverage with a Medicare insurance policy. The City will reimburse Eligible Retirees on Medicare for Parts A and B, plus any additional costs for Medicare Supplement or Medigap plans, up to the amount of premium paid for an active employee. Eligible Retirees may have the option of declining City provided health and/or dental insurance and being reimbursed for health and/or dental coverage other than what the City provides up to the amount of premium paid for an active regular employee. It is strictly the Eligible Retirees responsibility to contact the City with any changes in coverage. If an Eligible Retiree chooses reimbursement, proof of coverage must be certified annually.

If an Eligible Retiree fails to disclose eligibility for medical and/or dental insurance benefits provided by their current employer's group plan, the Eligible Retiree's eligibility and enrollment shall be terminated immediately and the retiree will no longer be an Eligible Retiree for the purposes of this plan

##### *Dental Coverage*

For Eligible Retirees, such continued dental insurance is comparable to that which is provided for regular employees. Dental coverage extends past the age of 65.

*Membership* – At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries	21
Active members	<u>36</u>
	<u>57</u>

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### III. Detailed Notes On All Activities and Funds (continued)

##### G. Employee Benefits (continued)

##### **OPEB – Health Insurance** (continued)

*Contributions* – The City’s health plan utilizes a “blended premium” structure, which provides that overall health care premiums for active employees and non-Medicare retirees are stated in terms of a single “blended premium”. The difference between the underlying retiree claims and the blended overall health care premium is referred to as an “implicit subsidiary” as defined in GASB 75. Under GASB 75, a portion of the payments made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees’ underlying claims costs.

*Total OPEB Liability – Health Insurance:* The City’s total OPEB liability – health insurance was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions:* The total OPEB liability – health insurance in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry-Age
Discount rate	3.31% as of December 31, 2017
Inflation	2.5% per year
Salary increases	3.5% to 10.5% per year, including inflation
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System ("TMRS")
Health care trend rates	Initial rate of 7.50% declining to an ultimate rate of 4.65% after 14 years. For Medicare supplement, initial rate of 6.50% declining to an ultimate rate of 4.25% after 15 years.
Participation rates	95% of eligible retirees were assumed to choose to receive retiree health care benefits through the City. 50% of future retirees that retire prior to age 55 were assumed to have health care coverage available to them through a separate employer after retirement. All pre-65 retirees that have health care coverage available to them through a separate employer were assumed to rejoin the City's retiree health care plan at age 65.
Other information	The discount rate changed from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

**City of Burnet, Texas**

Notes to Financial Statements  
(Continued)

**III. Detailed Notes On All Activities and Funds** (continued)

G. Employee Benefits (continued)

**OPEB – Health Insurance** (continued)

Mortality rates for healthy retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with a scale BB to account for future mortality improvements.

The changes in the total OPEB liability – health insurance for the measurement period ending December 31, 2017 was as follows:

	Total OPEB Liability - Health Insurance
Balance at December 31, 2016	\$ <u>6,534,162</u>
Changes for the year:	
Service cost	150,174
Interest	248,688
Changes in assumptions or other inputs	644,918
Benefit payments **	<u>(163,990)</u>
Net changes	<u>879,790</u>
Balance at December 31, 2017	\$ <u><u>7,413,952</u></u>

\*\* Due to the plan being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the City's explicit benefit payments, with an adjustment for the implicit benefit payments for retirees.

*Sensitivity of the Total OPEB Liability – Health Insurance to Changes in the Discount Rate* – The following presents the total OPEB liability – health insurance of the City, calculated using the discount rate of 3.31%, as well as what the City's total OPEB liability – health insurance would be if it were calculated using a discount rate that is one percentage point lower (2.31%) or one percentage point higher (4.31%) than the current rate.

**City of Burnet, Texas**  
Notes to Financial Statements  
(Continued)

**III. Detailed Notes On All Activities and Funds** (continued)

G. Employee Benefits (continued)

**OPEB – Health Insurance** (continued)

	<u>1% Decrease (2.31%)</u>	<u>Current Rate Assumption (3.31%)</u>	<u>1% Increase (4.31%)</u>
Total OPEB liability - health insurance	\$ 8,982,131	7,413,952	6,199,893

*Sensitivity of the Total OPEB Liability – Health Insurance to Changes in the Healthcare Cost Trend Rate Assumption* – Regarding the sensitivity of the total OPEB liability – health insurance to changes in the healthcare cost trend rates, the following presents the plan’s total OPEB liability, calculated using the assumed trend rates as well as what the plan’s total OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
Total OPEB liability - health insurance	\$ 6,102,484	7,413,952	9,142,385

*OPEB Expense – Health Insurance and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – Health Insurance*

For the year ended September 30, 2018, the City recognized OPEB expense – health insurance of \$507,062.

At September 30, 2018, the City reported deferred outflows of resources related to OPEB – health insurance from the following sources:

	<u>Deferred Outflows of Resources</u>
Contributions subsequent to the measurement date	\$ 115,270
Change in assumptions	536,718
	<u>\$ 651,988</u>

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### III. Detailed Notes On All Activities and Funds (continued)

##### G. Employee Benefits (continued)

##### **OPEB – Health Insurance** (continued)

The \$115,270 reported as deferred outflows of resources related to OPEB – health insurance resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability – health insurance for the year ending September 30, 2019. Other amounts reported as deferred outflows of resources related to pensions will be recognized in OPEB expense – health insurance as follows:

<u>Year Ended December 31,</u>	
2018	\$ 108,200
2019	108,200
2020	108,200
2021	108,200
2022	<u>103,918</u>
Total	<u>\$ 536,718</u>

##### H. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other governments in Texas to form the Texas Municipal League Intergovernmental Risk Pool, a public entity risk pool currently operating as a common risk management and insurance program for liability, property and workmen's compensation coverage. The City pays a quarterly contribution to the pool for its insurance coverage. The agreement for formation of the Texas Municipal League Intergovernmental Risk Pool provides that the Pool will be self-sustaining through member contributions and will reinsure through commercial companies for claims in excess of specific limits.

The Texas Municipal League Intergovernmental Risk Pool has published its own financial report, which can be obtained by writing the Texas Municipal League Intergovernmental Risk Pool, 1821 Rutherford Lane, Austin, Texas 78754.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### III. Detailed Notes On All Activities and Funds (continued)

##### I. Deferred Outflows and Inflows of Resources

The statements of financial position, and the balance sheet includes the following deferred outflows/inflows of resources at September 30, 2018:

	Statements of Net Position		Balance Sheet	
	Governmental Activities	Business-Type Activities - Water and Sewer	General Fund	Debt Service Fund
Deferred outflows of resources:				
Deferred charge on refunding	\$ -	56,627	-	-
Pension related	483,280	194,302	-	-
OPEB - life insurance	21,984	-	-	-
OPEB - health insurance	465,025	186,963	-	-
	<u>\$ 970,289</u>	<u>437,892</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable property tax revenue	\$ -	-	110,380	17,038
Pension related	439,735	176,795	-	-
	<u>\$ 439,735</u>	<u>176,795</u>	<u>110,380</u>	<u>17,038</u>

*Deferred Outflows of Resources.* The deferred charge on refunding, resulting from the difference in the carrying value of refunded debt and its reacquisition price, is amortized over the shorter of the life of the refunded or refunding debt. Post-measurement date contributions will be recognized as a reduction of the net pension liability/total OPEB liabilities in the following fiscal year. The net differences between projected and actual earnings, change in assumptions, and difference between expected and actual actuarial experience will be amortized into pension/OPEB expense.

*Deferred Inflows of Resources.* The governmental funds, under the modified accrual basis of accounting, report unavailable revenues from property taxes, which is deferred and recognized as an inflow of resources in the period that the amounts become available. The net differences between projected and actual earnings, change in assumptions, and difference between expected and actual actuarial experience will be amortized into pension expense.

##### J. Operating Lease

The City leases a building for all City administrative services. Total cost for the lease was \$47,333 for the year ended September 30, 2018. The future minimum lease payments for the lease are as follows: 2019, \$36,029.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **III. Detailed Notes On All Activities and Funds** (continued)

##### **K. Commitments and Contingencies**

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City has contracted with a private company for the collection and disposal of solid waste. The contract's initial five-year term expired October 2009. Thereafter, the contract is renewed for additional terms of five years if mutually agreed by the parties. The fees charged under the contract are adjusted annually to reflect changes in the cost of operations. The City's cost under the agreement for the year ended September 30, 2018, was \$771,895.

The City has entered into a long-term agreement to purchase wholesale electric power from the Lower Colorado River Authority effective June 2011. The cost of electric power is based on the reasonable and necessary cost of providing power generation in accordance with Article 8503.011 of the Texas Special District Local Laws Code. The City's cost under the agreement for the year ended September 30, 2018, was \$4,979,851.

Also, the City has entered into a long-term agreement to purchase water from the Lower Colorado River Authority (the "Authority") effective January 1985. The agreement allows the City the right to withdraw up to 4,100 acre-feet of raw water from the Colorado River. The cost of the water is adjusted each year as determined by the Board of Directors of the Authority. The City's cost under the agreement for the year ended September 30, 2018, was \$64,737.

The City is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate outcome of these claims will not have a material adverse effect on the City's financial position.

##### **L. Tax Abatements**

The City of Burnet negotiates property tax abatements on an individual basis. All abatements are governed by Section 312 of the Texas Tax Code and the City of Burnet Economic Incentives Statement which are revised and adopted every two years in accordance with state law. These guidelines permit the City to abate property taxes for a variety of economic development purposes such as business relocation, retention, and expansion and include abatements for real and personal property improvements.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### **III. Detailed Notes On All Activities and Funds** (continued)

##### L. Tax Abatements (continued)

The City of Burnet had not granted any tax abatements as of September 30, 2018.

##### M. Change in Accounting Principle

Effective October 1, 2017, the City adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. GASB Statement No. 75 provides new requirements for accounting for other postemployment benefit plans (“OPEB”), including the recognition of OPEB liabilities in the statement of net position and reporting OPEB contributions subsequent to the measurement date as deferred outflows of resources. The City recognized a cumulative effect of changes in accounting principles to recognize its OPEB liabilities and related deferred outflows for contributions subsequent to the measurement date, which reduced unrestricted net position at October 1, 2017 for governmental activities, business-type activities, electric, water and sewer, and Delaware Springs Golf Course funds by \$1,893,442; \$1,826,692; \$630,640; \$737,487; and \$458,565; respectively. It was not practical to determine the amounts of all deferred outflows and inflows of resources related to OPEB at October 1, 2017; consequently, beginning balances for deferred outflows and inflows of resources related to OPEB (except for contributions subsequent to the measurement date) were not reported.

##### N. Authoritative Pronouncement Not Yet Effective

A summary of pronouncements issued by the Governmental Accounting Standards Board, which may impact the City but are not yet effective follows. The City has not yet determined the effects of the adoption of these pronouncements on the financial statements.

GASB Statement No. 83, *Certain Asset Retirement Obligations* (issued November 2016)  
– The objective of this statement is to establish criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow or resources for asset retirement obligations. This statement requires that recognition occur when the liability is both incurred and reasonably estimable. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2018.



## City of Burnet, Texas

### Notes to Financial Statements (Continued)

#### III. Detailed Notes On All Activities and Funds (continued)

##### N. Authoritative Pronouncement Not Yet Effective (continued)

GASB Statement No. 84, *Fiduciary Activities* (issued January 2017) – The objective of this statement is to enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2018.

GASB Statement No. 87, *Leases* (issued June 2017) – The objective of this statement is to increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. The statement will also require notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2019.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* (issued April 2018) – The objective of this statement clarifies which liabilities governments should include in their note disclosures related to debt. This statement requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2018.

GASB Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61* (issued August 2018) – The objective of this statement is to clarify accounting and financial reporting requirements for a state and local government's majority equity interests in an organization that remains legally separate after acquisition. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2018.

## **Required Supplementary Information**

**City of Burnet, Texas**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
Last Four Measurement Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>				
Service cost	\$ 925,253	924,216	848,679	753,691
Interest (on the Total Pension Liability)	1,538,815	1,449,752	1,395,492	1,317,058
Difference between expected and actual experience	93,706	(80,956)	50,376	(61,528)
Change in assumptions	-	-	35,571	-
Benefit payments, including refunds of employee contributions	<u>(1,071,693)</u>	<u>(876,457)</u>	<u>(774,915)</u>	<u>(1,097,550)</u>
<b>Net change in Total Pension Liability</b>	1,486,081	1,416,555	1,555,203	911,671
<b>Total Pension Liability - beginning</b>	<u>22,870,477</u>	<u>21,453,922</u>	<u>19,898,719</u>	<u>18,987,048</u>
<b>Total Pension Liability - ending (a)</b>	<u><u>\$ 24,356,558</u></u>	<u><u>22,870,477</u></u>	<u><u>21,453,922</u></u>	<u><u>19,898,719</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 724,953	710,491	652,621	602,184
Contributions - employee	398,326	404,345	379,117	377,039
Net investment income	2,613,821	1,180,461	25,372	937,360
Benefit payments, including refunds of employee contributions	(1,071,693)	(876,457)	(774,915)	(1,097,550)
Administrative expense	(13,549)	(13,325)	(15,452)	(9,786)
Other	<u>(688)</u>	<u>(718)</u>	<u>(764)</u>	<u>(805)</u>
<b>Net change in Plan Fiduciary Net Position</b>	2,651,170	1,404,797	265,979	808,442
<b>Plan Fiduciary Net Position - beginning</b>	<u>18,863,438</u>	<u>17,458,641</u>	<u>17,192,662</u>	<u>16,384,220</u>
<b>Plan Fiduciary Net Position - ending (b)</b>	<u><u>\$ 21,514,608</u></u>	<u><u>18,863,438</u></u>	<u><u>17,458,641</u></u>	<u><u>17,192,662</u></u>
<b>Net Pension Liability - ending (a) - (b)</b>	\$ 2,841,950	4,007,039	3,995,281	2,706,057
<b>Plan Fiduciary Net Position as a percentage of Total Pension Liability</b>	88.33%	82.48%	81.38%	86.40%
<b>Covered payroll</b>	\$ 5,690,364	5,776,351	5,415,950	5,386,274
<b>Net Pension Liability as a percentage of covered payroll</b>	49.94%	69.37%	73.77%	50.24%

Note: The City of Burnet adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective October 1, 2014. Information for years prior to 2015 is not available.

See accompanying independent auditor's report.

**City of Burnet, Texas**  
**Schedule of Pension Contributions**

Last Four Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contributions	\$ 771,831	724,651	682,912	648,053
Contributions in relation to the actuarially determined contributions	<u>771,831</u>	<u>724,651</u>	<u>682,912</u>	<u>648,053</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 5,982,896	5,659,002	5,506,318	5,385,452
Contributions as a percentage of covered payroll	12.90%	12.81%	12.40%	12.03%

**Notes to Schedule of Contributions**

**Valuation Date:** December 31, 2017

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of payroll, Closed
Remaining Amortization Period	28 years
Asset Valuation Method	10 year smoothed market, 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.50%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

**Other Information:**

Notes There were no benefit changes during the year.

Note: The City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective October 1, 2014. Information for years prior to 2015 is not available.

See accompanying independent auditor's report.

**City of Burnet, Texas**  
**Schedule of Changes in Total OPEB Liability –**  
**Life Insurance and Related Ratios**

Last Measurement Year

	<u>2018</u>
<b>Total OPEB Liability - Life Insurance</b>	
Service cost	\$ 10,243
Interest (on the Total OPEB Liability - Life Insurance)	9,579
Change in assumptions	24,553
Benefit payments **	<u>(2,276)</u>
<b>Net change in Total OPEB Liability - Life Insurance</b>	42,099
<b>Total OPEB Liability - life insurance - beginning</b>	<u>249,423</u>
<b>Total OPEB Liability - life insurance - ending</b>	<u><u>\$ 291,522</u></u>
 <b>Covered payroll</b>	 <u><u>\$ 5,690,364</u></u>
 <b>Total OPEB Liability - Life Insurance</b> <b>as a percentage of covered payroll</b>	  5.12%

\*\* Due to the TMRS Supplemental Death Benefit Fund ("SDBF") being considered an unfunded OPEB Plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

Note: The City of Burnet adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective October 1, 2017. Information for years prior to 2018 is not available.

See accompanying independent auditor's report.

**City of Burnet, Texas**  
**Schedule of OPEB – Life Insurance Contributions**  
Last Fiscal Year

	<u>2018</u>
Actuarially Determined Contributions	\$ 1,956
Contributions in relation to the actuarially determined contributions	<u>1,956</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	<u>\$ 5,982,896</u>
Contributions as a percentage of covered payroll	0.03%

**Notes to Schedule of OPEB - Life Insurance Contributions**

**Valuation Date:** December 31, 2017

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later

**Methods and Assumptions Used to Determine Contribution Rates:**

Inflation	2.5%
Salary Increases	3.50% to 10.50%, including inflation
Investment Rate of Return	3.31%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

**Other Information:**

Notes There were no benefit changes during the year.

Note: The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* effective October 1, 2017. Information for years prior to 2018 is not available.

See accompanying independent auditor's report.

**City of Burnet, Texas**  
**Schedule of Changes in Total OPEB Liability –**  
**Health Insurance and Related Ratios**

Last Measurement Year

	<u>2018</u>
<b>Total OPEB Liability - Health Insurance</b>	
Service cost	\$ 150,174
Interest (on the Total OPEB Liability - Health Insurance)	248,688
Change in assumptions *	644,918
Benefit payments **	<u>(163,990)</u>
<b>Net change in Total OPEB Liability - Health Insurance</b>	879,790
<b>Total OPEB Liability - health insurance - beginning</b>	<u>6,534,162</u>
<b>Total OPEB Liability - health insurance - ending</b>	<u><u>\$ 7,413,952</u></u>
 <b>Covered payroll</b>	 <u><u>\$ 2,001,111</u></u>
 <b>Total OPEB Liability - Health Insurance</b> <b>as a percentage of covered payroll</b>	  370.49%

\* Changes in assumptions reflect a change in the discount rate from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

\*\* Due to the plan being considered an unfunded OPEB Plan under GASB 75, benefit payments are determined as follows:

a. Explicit benefit payments	\$ 130,878
b. Implicit benefit payments	<u>33,112</u>
c. Total benefit payments	<u><u>\$ 163,990</u></u>

(continued)

**City of Burnet, Texas**  
**Schedule of Changes in Total OPEB Liability –**  
**Health Insurance and Related Ratios**

(continued)

**Notes to Schedule of Changes in Total OPEB Liability - Health Insurance**

**Valuation Date:** December 31, 2017

**Methods and Assumptions:**

Actuarial Cost Method	Individual Entry- Age
Discount Rate	3.31% as of December 31, 2017
Inflation	2.5%
Salary Increases	3.50% to 10.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System ("TMRS")
Mortality	For healthy retirees, the gender-distinct RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.50% declining to an ultimate rate of 4.65% after 14 years. For Medicare Supplement, initial rate of 6.50% declining to an ultimate rate of 4.25% after 15 years.
Participation Rates	95% of eligible retirees were assumed to choose to receive retiree health care benefits through the City. 50% of future retirees that retire prior to age 55 were assumed to have health care coverage available to them through a separate employer after retirement. All pre-65 retirees that have health care coverage available to them through a separate employer were assumed to rejoin the City's retiree health plan at age 65.

**Other Information:**

Notes	The discount rate changed from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.
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See accompanying independent auditor's report.





## **Supplementary Information**

# City of Burnet, Texas

## Combining Balance Sheet Nonmajor Governmental Funds

September 30, 2018

	Special Revenue							Capital Projects			Total Nonmajor Governmental Funds	
	Hotel/ Motel Tax	Police Seizure	Court Security and Technology	Benevolent	FD Community	PD Explorer Program	FD Explorer Program	General Capital Equipment	Airport Capital Project	Total		
<b>Assets</b>												
Cash and cash equivalents	\$ 142,703	2,958	44,610	-	8,498	5,867	2,406	207,042	776,841	31,560	808,401	1,015,443
Receivables	44,624	-	1,228	-	-	-	-	45,852	-	-	-	45,852
Due from other funds	-	-	-	-	-	-	-	-	331,117	-	331,117	331,117
Total assets	\$ 187,327	2,958	45,838	-	8,498	5,867	2,406	252,894	1,107,958	31,560	1,139,518	1,392,412
<b>Liabilities and Fund Balances</b>												
Liabilities:												
Accounts and retainages payable	\$ 15,411	-	148	-	4,414	-	-	19,973	-	-	-	19,973
Accrued Liabilities	-	-	10	-	-	-	-	10	-	-	-	10
Due to other funds	-	-	-	-	-	-	-	-	222,937	-	222,937	222,937
Total liabilities	15,411	-	158	-	4,414	-	-	19,983	222,937	-	222,937	242,920
Fund balances:												
Restricted	171,916	2,958	45,680	-	4,084	5,867	2,406	232,911	-	-	-	232,911
Assigned	-	-	-	-	-	-	-	-	885,021	31,560	916,581	916,581
Total fund balances	171,916	2,958	45,680	-	4,084	5,867	2,406	232,911	885,021	31,560	916,581	1,149,492
Total liabilities and fund balances	\$ 187,327	2,958	45,838	-	8,498	5,867	2,406	252,894	1,107,958	31,560	1,139,518	1,392,412

See accompanying independent auditor's report.

**City of Burnet, Texas**

**Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Nonmajor Governmental Funds**

Year Ended September 30, 2018

	Special Revenue							Capital Projects			Total Nonmajor Governmental Funds
	Hotel/ Motel Tax	Police Seizure	Court Security and Technology	Benevolent	FD Community	PD Explorer Program	FD Explorer Program	General Capital Equipment	Airport Capital Project	Total	
<b>Revenues:</b>											
Hotel/motel taxes	\$ 172,794	-	-	-	-	-	-	-	-	-	172,794
Fines	-	-	17,946	-	-	-	-	-	-	-	17,946
Interest	2,100	12	94	-	-	23	11	769	-	769	3,009
Contributions and donations	-	-	-	345	300	-	-	-	-	-	645
Miscellaneous	-	4,255	-	-	-	9,027	6,842	27,981	-	27,981	48,105
Total revenues	<u>174,894</u>	<u>4,267</u>	<u>18,040</u>	<u>345</u>	<u>300</u>	<u>9,050</u>	<u>6,853</u>	<u>28,750</u>	<u>-</u>	<u>28,750</u>	<u>242,499</u>
<b>Expenditures:</b>											
<b>Current:</b>											
Public safety	-	4,953	29,330	2,366	11,914	13,578	9,151	-	-	-	71,292
Economic development	302,613	-	-	-	-	-	-	-	-	-	302,613
Capital outlay	-	-	-	-	-	-	-	499,643	-	499,643	499,643
Total expenditures	<u>302,613</u>	<u>4,953</u>	<u>29,330</u>	<u>2,366</u>	<u>11,914</u>	<u>13,578</u>	<u>9,151</u>	<u>499,643</u>	<u>-</u>	<u>499,643</u>	<u>873,548</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(127,719)</u>	<u>(686)</u>	<u>(11,290)</u>	<u>(2,021)</u>	<u>(11,614)</u>	<u>(4,528)</u>	<u>(2,298)</u>	<u>(470,893)</u>	<u>-</u>	<u>(470,893)</u>	<u>(631,049)</u>
<b>Other financing sources (uses):</b>											
Proceeds from sale of assets	-	-	-	-	-	-	-	77,776	-	77,776	77,776
Transfers in	-	-	-	-	-	-	-	825,052	-	825,052	825,052
Transfers out	<u>(49,947)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,947)</u>
Total other financing sources (uses)	<u>(49,947)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>902,828</u>	<u>-</u>	<u>902,828</u>	<u>852,881</u>
Net change in fund balances	<u>(177,666)</u>	<u>(686)</u>	<u>(11,290)</u>	<u>(2,021)</u>	<u>(11,614)</u>	<u>(4,528)</u>	<u>(2,298)</u>	<u>431,935</u>	<u>-</u>	<u>431,935</u>	<u>221,832</u>
Fund balances, beginning of year	<u>349,582</u>	<u>3,644</u>	<u>56,970</u>	<u>2,021</u>	<u>15,698</u>	<u>10,395</u>	<u>4,704</u>	<u>453,086</u>	<u>31,560</u>	<u>484,646</u>	<u>927,660</u>
Fund balances, end of year	<u>\$ 171,916</u>	<u>2,958</u>	<u>45,680</u>	<u>-</u>	<u>4,084</u>	<u>5,867</u>	<u>2,406</u>	<u>885,021</u>	<u>31,560</u>	<u>916,581</u>	<u>1,149,492</u>

See accompanying independent auditor's report.

**City of Burnet, Texas**  
**Hotel/Motel Tax Fund**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances – Budget and Actual – Budgetary Basis**

Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Hotel/motel taxes	150,000	150,000	172,794	22,794
Interest earned	\$ 475	475	2,100	1,625
Total revenues	150,475	150,475	174,894	24,419
Expenditures:				
Economic development	308,800	347,799	127,613	220,186
Total expenditures	308,800	347,799	127,613	220,186
Excess (deficiency) of revenues over (under) expenditures	(158,325)	(197,324)	47,281	244,605
Other financing sources (uses):				
Transfers out	(14,946)	(14,947)	(224,947)	(210,000)
Net change in fund balances	(173,271)	(212,271)	(177,666)	34,605
Fund balances, beginning of year	349,582	349,582	349,582	-
Fund balances, end of year	\$ 176,311	137,311	171,916	34,605

See accompanying independent auditor's report.

**City of Burnet, Texas**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances – Budget and Actual – Budgetary Basis**

Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	284,457	284,457	357,202	72,745
Interest	749	749	958	209
Total revenues	285,206	285,206	358,160	72,954
Expenditures:				
Debt service:				
Principal	277,372	277,372	302,373	(25,001)
Interest and fiscal charges	69,063	69,063	71,012	(1,949)
Total expenditures	346,435	346,435	373,385	(26,950)
Excess (deficiency) of revenues over (under) expenditures	(61,229)	(61,229)	(15,225)	46,004
Other financing sources (uses):				
Transfers in	-	-	26,275	26,275
Net change in fund balances	(61,229)	(61,229)	11,050	72,279
Fund balances, beginning of year	161,167	161,167	161,167	-
Fund balances, end of year	\$ 99,938	99,938	172,217	72,279

See accompanying independent auditor's report.

**City of Burnet, Texas**  
**Hotel/Motel Tax and Debt Service Funds**  
**Note to Schedules of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual –**  
**Budgetary Basis**

Year Ended September 30, 2018

1. Budgetary Information

Annual budgets are legally adopted for the following funds (under the City's budgetary fund structure): the general fund, the airport fund, the hotel/motel tax fund, and the debt service fund. Capital projects funds are generally planned on both a project-length basis and an annual basis. Also, operating plans are developed for the electric fund, water and sewer fund and the Delaware Springs Golf Course fund.

The appropriated budget is prepared by fund, department and object. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders and contracts). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

The City prepares its appropriated budgets on a budgetary basis structure which differs from that used for financial reporting in accordance with generally accepted accounting principles ("GAAP"). The budget and all transactions of the hotel/motel tax and debt service funds are presented in accordance with the City's budgetary basis structure to provide a meaningful comparison of actual results with the budget. The major difference between the budgetary basis and the GAAP basis is that the budgetary basis uses a fund structure which is used in the City's legally adopted budget (rather than the fund structure used in their financial statements) which results in certain activities reported on a GAAP basis which are not included on a budgetary basis. There were no adjustments necessary for the hotel/motel tax and debt service funds to convert the net change in fund balance on the budgetary basis to a GAAP basis.

## **Statistical Section**





## **Statistical Section**

This part of the City of Burnet's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **Contents**

#### **Financial Trends (Tables 1 – 4)**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity (Tables 5 – 9)**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

#### **Debt Capacity (Tables 10 – 17)**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

#### **Demographic and Economic Information (Tables 18 – 19)**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information (Tables 20 – 22)**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Burnet, Texas**  
**Net Position by Component**  
(Unaudited)  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities				
Net investment in capital assets	\$ 15,403,534	16,523,118	16,757,545	17,352,584
Restricted	2,060,959	2,392,363	3,138,691	2,138,064
Unrestricted	<u>1,120,218</u>	<u>1,236,053</u>	<u>933,604</u>	<u>614,550</u>
Total governmental activities net position	\$ <u><u>18,584,711</u></u>	<u><u>20,151,534</u></u>	<u><u>20,829,840</u></u>	<u><u>20,105,198</u></u>
Business-type activities				
Net investment in capital assets	\$ 13,802,749	15,001,668	15,430,740	14,160,365
Restricted	405,649	405,649	405,649	173,054
Unrestricted	<u>1,935,468</u>	<u>2,131,941</u>	<u>3,211,180</u>	<u>6,756,309</u>
Total business-type activities net position	\$ <u><u>16,143,866</u></u>	<u><u>17,539,258</u></u>	<u><u>19,047,569</u></u>	<u><u>21,089,728</u></u>
Primary government				
Net investment in capital assets	\$ 29,206,283	31,524,786	32,188,285	31,512,949
Restricted	2,466,608	2,798,012	3,544,340	2,311,118
Unrestricted	<u>3,055,686</u>	<u>3,367,994</u>	<u>4,144,784</u>	<u>7,370,859</u>
Total primary government net position	\$ <u><u>34,728,577</u></u>	<u><u>37,690,792</u></u>	<u><u>39,877,409</u></u>	<u><u>41,194,926</u></u>

Table 1

Fiscal Year					
2013	2014	2015	2016	2017	2018
18,146,841	20,794,433	21,214,029	28,741,370	30,231,996	30,869,534
3,910,159	1,278,648	1,340,997	1,238,789	1,235,092	1,314,155
76,892	328,263	774,101	(80,675)	(99,778)	(2,141,612)
<u>22,133,892</u>	<u>22,401,344</u>	<u>23,329,127</u>	<u>29,899,484</u>	<u>31,367,310</u>	<u>30,042,077</u>
17,150,141	17,877,613	17,511,195	18,152,400	18,881,590	19,529,455
-	-	-	-	-	-
1,796,453	3,216,317	2,988,386	2,547,964	2,217,305	962,974
<u>18,946,594</u>	<u>21,093,930</u>	<u>20,499,581</u>	<u>20,700,364</u>	<u>21,098,895</u>	<u>20,492,429</u>
35,296,982	38,672,046	38,725,224	46,893,770	49,113,586	50,398,989
3,910,159	1,278,648	1,340,997	1,238,789	1,235,092	1,314,155
1,873,345	3,544,580	3,762,487	2,467,289	2,117,527	(1,178,638)
<u>41,080,486</u>	<u>43,495,274</u>	<u>43,828,708</u>	<u>50,599,848</u>	<u>52,466,205</u>	<u>50,534,506</u>

**City of Burnet, Texas**  
**Changes in Net Position**  
(Unaudited)  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	2009	2010	2011	2012
<b>Expenses</b>				
Governmental activities:				
General government	\$ 2,172,390	2,292,405	1,736,900	2,330,397
Public safety	3,166,089	3,647,477	4,238,366	4,717,740
Highways and streets	647,993	638,183	545,992	704,438
Aviation services	567,456	704,973	723,175	705,096
Culture and recreation	1,634,548	1,294,644	1,358,734	1,556,160
Sanitation	-	-	687,139	775,966
Economic development	29,210	-	70,071	339,649
Interest	129,428	171,870	136,610	147,012
Total governmental activities expenses	<u>8,347,114</u>	<u>8,749,552</u>	<u>9,496,987</u>	<u>11,276,458</u>
Business-type activities:				
Electric	7,156,424	7,112,053	6,791,530	7,489,171
Water and sewer	2,446,506	2,606,295	2,821,897	3,208,107
Delaware Springs Golf Course	1,575,852	1,684,596	1,660,123	1,580,914
Total business-type activities expenses	<u>11,178,782</u>	<u>11,402,944</u>	<u>11,273,550</u>	<u>12,278,192</u>
Total primary government expenses	<u>\$ 19,525,896</u>	<u>20,152,496</u>	<u>20,770,537</u>	<u>23,554,650</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 649,512	695,317	724,868	1,319,276
Public safety	1,612,219	2,177,850	2,011,689	1,960,139
Aviation services	641,561	707,358	816,935	947,607
Culture and recreation	503,665	540,806	574,571	796,800
Sanitation	-	-	-	91,365
Operating grants and contributions	360,978	-	277,868	-
Capital grants and contributions	7,190	924,373	21,680	201,687
Total governmental activities program revenues	<u>3,775,125</u>	<u>5,045,704</u>	<u>4,427,611</u>	<u>5,316,874</u>
Business-type activities:				
Charges for services:				
Electric	9,153,316	9,276,423	9,265,401	9,356,176
Water and sewer	2,707,608	2,840,199	3,366,303	3,927,976
Delaware Springs Golf Course	1,381,938	1,242,792	1,157,636	1,317,632
Capital grants and contributions	60,315	899,725	444,192	177,829
Total business-type activities program revenues	<u>13,303,177</u>	<u>14,259,139</u>	<u>14,233,532</u>	<u>14,779,613</u>
Total primary government program revenues	<u>\$ 17,078,302</u>	<u>19,304,843</u>	<u>18,661,143</u>	<u>20,096,487</u>
Net (expense)/revenue				
Governmental activities	\$ (4,571,989)	(3,703,848)	(5,069,376)	(5,959,584)
Business-type activities	<u>2,124,395</u>	<u>2,856,195</u>	<u>2,959,982</u>	<u>2,501,421</u>
Total primary government net expense	<u>\$ (2,447,594)</u>	<u>(847,653)</u>	<u>(2,109,394)</u>	<u>(3,458,163)</u>

Table 2

Fiscal Year					
2013	2014	2015	2016	2017	2018
2,045,482	1,832,646	1,935,695	2,128,923	2,230,501	2,332,969
4,128,331	4,936,996	5,115,418	5,468,034	5,718,420	5,588,410
726,804	743,803	735,677	764,824	883,301	868,877
695,348	699,167	585,925	430,876	633,950	729,812
1,403,848	1,032,949	980,761	1,001,469	987,084	942,121
735,846	754,222	785,024	775,516	764,511	801,329
311,833	154,296	236,673	498,496	150,989	360,908
139,485	113,603	99,480	87,978	80,111	69,592
<u>10,186,977</u>	<u>10,267,682</u>	<u>10,474,653</u>	<u>11,156,116</u>	<u>11,448,867</u>	<u>11,694,018</u>
6,578,568	6,956,392	7,287,947	6,035,719	6,057,551	6,457,978
2,557,321	2,499,121	2,679,434	2,942,937	2,988,463	3,074,170
1,621,800	1,643,559	1,615,377	1,536,738	1,683,511	1,609,209
<u>10,757,689</u>	<u>11,099,072</u>	<u>11,582,758</u>	<u>10,515,394</u>	<u>10,729,525</u>	<u>11,141,357</u>
<u>20,944,666</u>	<u>21,366,754</u>	<u>22,057,411</u>	<u>21,671,510</u>	<u>22,178,392</u>	<u>22,835,375</u>
234,253	249,286	208,301	186,002	170,918	218,257
1,898,221	1,858,195	2,072,672	1,884,904	1,751,748	2,065,945
789,316	825,914	652,944	590,356	779,047	847,149
529,659	21,534	21,012	24,058	17,008	16,748
834,762	845,773	898,728	863,235	925,486	954,670
486,510	372,945	532,971	565,044	607,145	690,265
569,961	812,732	767,048	6,200,801	1,185,608	85,709
<u>5,342,682</u>	<u>4,986,379</u>	<u>5,153,676</u>	<u>10,314,400</u>	<u>5,436,960</u>	<u>4,878,743</u>
9,170,470	9,570,705	9,895,841	8,529,957	8,521,053	9,067,840
4,013,509	4,053,284	4,038,239	4,069,235	4,207,289	4,374,178
1,352,686	1,274,035	1,308,048	1,313,858	1,389,782	1,456,633
49,363		161,496	26,649	166,277	-
<u>14,586,028</u>	<u>14,898,024</u>	<u>15,403,624</u>	<u>13,939,699</u>	<u>14,284,401</u>	<u>14,898,651</u>
<u>19,928,710</u>	<u>19,884,403</u>	<u>20,557,300</u>	<u>24,254,099</u>	<u>19,721,361</u>	<u>19,777,394</u>
(4,844,295)	(5,281,303)	(5,320,977)	(841,716)	(6,011,907)	(6,815,275)
<u>3,828,339</u>	<u>3,798,952</u>	<u>3,820,866</u>	<u>3,424,305</u>	<u>3,554,876</u>	<u>3,757,294</u>
<u>(1,015,956)</u>	<u>(1,482,351)</u>	<u>(1,500,111)</u>	<u>2,582,589</u>	<u>(2,457,031)</u>	<u>(3,057,981)</u>

**City of Burnet, Texas**  
**Changes in Net Position**  
(Unaudited)  
(Continued)  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	2009	2010	2011	2012
<b>General Revenues and</b>				
<b>Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 1,620,499	1,754,501	1,884,681	1,933,250
Sales taxes	1,534,164	1,562,034	1,617,641	1,660,410
Franchise taxes	122,159	107,021	114,303	113,730
Hotel/motel taxes	43,185	54,501	68,371	84,773
Unrestricted investment earnings	100,964	112,913	125,439	143,865
Miscellaneous	453,101	86,979	330,746	749,745
Gain on sale of capital assets	-	-	-	-
Transfers	1,706,033	1,592,721	1,606,501	549,169
Total governmental activities	<u>5,580,105</u>	<u>5,270,670</u>	<u>5,747,682</u>	<u>5,234,942</u>
Business-type activities:				
Unrestricted investment earnings	5,284	8,087	19,564	8,388
Miscellaneous	79,220	123,831	135,267	81,519
Gain on sale of capital assets	-	-	-	-
Transfers	(1,706,033)	(1,592,721)	(1,606,501)	(549,169)
Total business-type activities	<u>(1,621,529)</u>	<u>(1,460,803)</u>	<u>(1,451,670)</u>	<u>(459,262)</u>
Total primary government	<u>\$ 3,958,576</u>	<u>3,809,867</u>	<u>4,296,012</u>	<u>4,775,680</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 1,008,116	1,566,822	678,306	(724,642)
Business-type activities	<u>502,866</u>	<u>1,395,392</u>	<u>1,508,312</u>	<u>2,042,159</u>
Total primary government	<u>\$ 1,510,982</u>	<u>2,962,214</u>	<u>2,186,618</u>	<u>1,317,517</u>

Table 2  
(continued)

Fiscal Year					
2013	2014	2015	2016	2017	2018
2,042,766	2,078,955	2,139,732	2,245,634	2,276,681	2,709,971
1,336,209	1,432,699	1,475,565	1,578,655	1,705,022	1,675,298
117,988	125,108	139,780	125,361	132,068	133,242
101,431	108,832	136,372	151,168	165,925	172,794
160,002	86,584	60,127	9,266	15,367	32,468
-	-	-	-	-	-
350,000	2,640	3,028	73,141	22,588	100,781
5,007,698	1,713,937	3,792,711	3,228,848	3,162,082	2,558,930
9,116,094	5,548,755	7,747,315	7,412,073	7,479,733	7,383,484
14,753	56,859	59,421	5,326	5,737	21,862
-	-	-	-	-	-
-	5,762	-	-	-	-
(5,007,698)	(1,713,937)	(3,792,711)	(3,228,848)	(3,162,082)	(2,558,930)
(4,992,945)	(1,651,316)	(3,733,290)	(3,223,522)	(3,156,345)	(2,537,068)
4,123,149	3,897,439	4,014,025	4,188,551	4,323,388	4,846,416
4,271,799	267,452	2,426,338	6,570,357	1,467,826	568,209
(1,164,606)	2,147,636	87,576	200,783	398,531	1,220,226
3,107,193	2,415,088	2,513,914	6,771,140	1,866,357	1,788,435



**City of Burnet, Texas**  
**Fund Balances of Governmental Funds**  
(Unaudited)  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General fund				
Reserved	\$ 8,716	8,076	-	-
Unreserved, designated	901,387	842,272	-	-
Nonspendable	-	-	21,266	54,016
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>632,229</u>	<u>592,656</u>
Total general fund	<u>\$ 910,103</u>	<u>850,348</u>	<u>653,495</u>	<u>646,672</u>
All other governmental funds				
Reserved	\$ 59,250	15,086	-	-
Unreserved, reported in:				
Special revenue funds	351,957	740,053	-	-
Debt service fund	709,317	529,956		
Capital projects funds	875,905	1,122,354	-	-
Nonspendable	-	-	12,886	21,377
Restricted for:				
Debt service	-	-	416,387	241,781
Capital projects	-	-	1,575,387	982,167
Aviation services	-	-	-	-
Public safety	-	-	-	-
Other purposes	-	-	188,835	188,571
Committed to:				
EMS fund	-	-	452,542	99,325
Other funds	-	-	505,540	626,220
Assigned to:				
Capital projects	-	-	-	-
Other funds	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 1,996,429</u>	<u>2,407,449</u>	<u>3,151,577</u>	<u>2,159,441</u>

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

Table 3

Fiscal Year					
2013	2014	2015	2016	2017	2018
-	-	-	-	-	-
-	-	-	-	-	-
68,963	26,258	34,715	50,566	50,454	36,831
-	-	-	-	-	-
-	-	-	-	-	-
3,175,252	1,962,327	4,072,418	3,900,868	4,267,005	4,120,481
<u>3,244,215</u>	<u>1,988,585</u>	<u>4,107,133</u>	<u>3,951,434</u>	<u>4,317,459</u>	<u>4,157,312</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
57,549	31,988	23,382	35,120	34,647	80,641
124,490	120,691	174,187	194,298	161,167	172,217
-	-	-	-	-	-
-	825,598	787,609	583,320	720,176	811,348
1,048,050	-	-	-	-	-
1,375,796	283,494	335,826	405,857	443,014	232,911
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	245,071	238,148	238,148
981,172	727,856	595,825	293,272	484,646	916,581
(1,139)	(362,151)	(174,961)	-	-	-
<u>3,585,918</u>	<u>1,627,476</u>	<u>1,741,868</u>	<u>1,756,938</u>	<u>2,081,798</u>	<u>2,451,846</u>

**City of Burnet, Texas**  
**Changes in Fund Balances of Governmental Funds**  
(Unaudited)  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	2009	2010	2011	2012
<b>Revenues</b>				
Taxes	\$ 3,338,109	3,503,237	3,685,256	3,812,762
Licenses and permits	55,853	46,526	46,866	36,962
Intergovernmental	368,168	965,623	354,548	563,719
Charges for services	3,188,719	3,669,841	3,950,019	5,115,188
Fines	219,019	161,351	179,714	176,710
Interest	100,966	112,913	125,439	143,865
Rents & Royalties	13,775	12,050	15,450	19,013
Contributions and donations	220,054	13,221	9,671	7,568
Fuel Sales	-	-	-	-
Miscellaneous	70,244	195,357	245,546	125,969
Total revenues	<u>7,574,907</u>	<u>8,680,119</u>	<u>8,612,509</u>	<u>10,001,756</u>
<b>Expenditures</b>				
General government	2,191,838	2,212,950	1,608,655	1,789,184
Public safety	3,071,297	3,469,595	3,888,083	4,262,375
Highways and streets	503,150	802,938	518,200	633,572
Aviation services	538,783	1,296,493	657,579	705,298
Culture and recreation	2,162,311	1,259,121	1,243,141	1,406,651
Solid waste	-	-	619,034	680,070
Economic development	592,746	-	21,906	297,673
Debt service	1,128,198	753,037	902,102	933,325
Capital outlay	468,229	849,257	681,994	979,714
Total expenditures	<u>10,656,552</u>	<u>10,643,391</u>	<u>10,140,694</u>	<u>11,687,862</u>
Excess of revenues over (under) expenditures	<u>(3,081,645)</u>	<u>(1,963,272)</u>	<u>(1,528,185)</u>	<u>(1,686,106)</u>
<b>Other financing sources (uses)</b>				
Insurance recoveries	-	-	-	-
Certificate of obligation issued	335,000	705,000	425,000	105,000
Sale of assets	4,692	22,139	43,959	32,977
Transfers in	3,550,820	2,090,092	4,493,398	3,506,648
Other resources	53,665	-	-	-
Transfers out	(1,844,787)	1,573	(2,886,897)	(2,957,478)
Issuance of debt	-	(497,371)	-	-
Other uses	(20,460)	(6,896)	-	-
Total other financing sources (uses)	<u>2,078,930</u>	<u>2,314,537</u>	<u>2,075,460</u>	<u>687,147</u>
Net change in fund balances	<u>\$ (1,002,715)</u>	<u>351,265</u>	<u>547,275</u>	<u>(998,959)</u>
Debt service as a percentage of noncapital expenditures	11.07%	7.69%	9.54%	8.72%

Table 4

Fiscal Year					
2013	2014	2015	2016	2017	2018
3,574,554	3,774,931	3,889,905	4,094,869	4,308,989	4,653,385
38,934	29,124	35,416	43,302	48,375	76,264
309,008	418,804	454,410	466,308	525,335	549,042
3,100,831	2,481,080	2,866,090	2,628,738	2,517,800	2,876,101
152,281	109,499	105,213	138,653	171,494	154,334
160,002	86,584	60,127	9,266	15,367	32,468
-	-	-	-	-	-
284,860	439,141	13,247	357,735	46,827	55,803
594,681	628,419	450,941	387,664	571,420	645,987
459,050	482,580	461,311	449,548	444,416	521,212
<u>8,674,201</u>	<u>8,450,162</u>	<u>8,336,660</u>	<u>8,576,083</u>	<u>8,650,023</u>	<u>9,564,596</u>
1,441,336	1,603,151	1,617,461	1,734,087	1,884,218	2,018,763
3,784,937	4,126,923	4,349,630	4,432,456	4,754,902	4,909,014
474,637	413,237	401,815	404,575	500,807	506,475
669,973	660,658	546,632	400,793	599,848	680,576
1,617,372	1,570,961	756,395	728,381	716,884	730,237
735,846	754,222	785,024	775,516	764,511	801,329
136,833	154,296	166,347	495,398	147,985	360,908
942,560	1,417,619	412,766	383,010	377,018	373,385
1,889,007	2,868,984	821,510	2,754,235	1,397,635	1,633,719
<u>11,692,501</u>	<u>13,570,051</u>	<u>9,857,580</u>	<u>12,108,451</u>	<u>11,143,808</u>	<u>12,014,406</u>
<u>(3,018,300)</u>	<u>(5,119,889)</u>	<u>(1,520,920)</u>	<u>(3,532,368)</u>	<u>(2,493,785)</u>	<u>(2,449,810)</u>
-	340	3,028	73,141	13,104	9,377
2,240,000	-	-	-	-	-
175,000	2,300	-	-	9,484	91,404
7,145,633	4,660,317	4,999,879	6,796,823	4,305,350	4,683,078
-	-	-	-	-	-
(1,771,290)	(2,757,140)	(1,207,168)	(3,478,225)	(1,143,268)	(2,124,148)
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,789,343</u>	<u>1,905,817</u>	<u>3,795,739</u>	<u>3,391,739</u>	<u>3,184,670</u>	<u>2,659,711</u>
<u>4,771,043</u>	<u>(3,214,072)</u>	<u>2,274,819</u>	<u>(140,629)</u>	<u>690,885</u>	<u>209,901</u>
9.61%	12.71%	6.80%	3.62%	4.43%	3.52%

Table 5

**City of Burnet, Texas**  
**General Governmental Tax Revenues by Source**  
(Unaudited)  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

<u>Fiscal Year</u>		<u>Property Tax (1)</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Hotel/Motel Occupancy Tax</u>	<u>Total</u>
2009	\$	1,638,601	1,534,164	122,159	38,854	3,333,778
2010		1,779,681	1,562,034	107,021	47,384	3,496,120
2011		1,884,941	1,617,641	114,303	64,810	3,681,695
2012		1,953,849	1,660,410	113,730	81,934	3,809,923
2013		2,018,926	1,336,209	117,988	101,431	3,574,554
2014		2,108,292	1,432,699	125,108	108,832	3,774,931
2015		2,138,188	1,475,565	139,780	136,372	3,889,905
2016		2,239,685	1,578,655	125,361	151,168	4,094,869
2017		2,305,974	1,705,022	132,068	165,925	4,308,989
2018		2,709,971	1,675,298	133,242	172,794	4,691,305

(1) Includes penalty and interest on delinquent taxes

Table 6

**City of Burnet, Texas**  
**Assessed Value and Estimated Actual Value of Taxable Property (1)**  
(Unaudited)  
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Real Property	Total		Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
				Taxable Assessed Value (1)				
2009	\$ 348,383,889	44,160,203	93,578,581	298,965,511		0.5574	392,544,092	76.16 %
2010	379,739,623	41,423,816	109,682,032	311,481,407		0.5852	421,163,439	73.96 %
2011	394,089,498	39,977,195	118,441,290	315,625,403		0.6265	434,066,693	72.71 %
2012	398,349,549	41,026,304	117,668,563	321,707,290		0.6265	439,375,853	73.22 %
2013	406,227,634	40,243,357	111,833,378	334,637,613		0.6265	446,470,991	74.95 %
2014	406,994,195	42,934,342	111,286,608	338,641,929		0.6265	449,928,537	75.27 %
2015	518,198,357	45,958,625	210,993,313	353,163,669		0.6265	564,156,982	62.60 %
2016	556,280,640	47,187,181	232,587,695	370,880,126		0.6265	603,467,821	61.46 %
2017	572,728,002	53,172,338	246,284,832	379,615,508		0.6265	625,900,340	60.65 %
2018	626,018,861	56,742,971	244,938,772	437,823,060		0.6237	682,761,832	64.13 %

Source: Burnet County Appraisal District

(1) To derive taxable value, deductions from estimated actual value are made for caps on homestead increases, abatements, totally exempt property, exemptions for agriculture use, ownership by individuals over 65, and disabled veterans.

Table 7

**City of Burnet, Texas**  
**Property Tax Rates**  
**Direct and Overlapping Governments (1)**  
(Unaudited)  
Last Ten Fiscal Years

Fiscal Year	City of Burnet			Overlapping Rates			Total Direct and Overlapping Rates
	Operating Rate	Debt Service Rate	Total Rate	Burnet County	Co Special, Road & Bridge	Burnet C.I.S.D.	Central Texas Water Conservation District
TAX RATES (Per \$100 assessed value)							
2009 \$	0.4973	0.0601	0.5574	0.3277	0.0350	1.2500	0.0137
2010	0.5440	0.0412	0.5852	0.3267	0.0360	1.2500	0.0131
2011	0.6039	0.0226	0.6265	0.3303	0.0389	1.2650	0.0108
2012	0.5892	0.0373	0.6265	0.3332	0.0392	1.2700	0.0100
2013	0.5781	0.0484	0.6265	0.3517	0.0417	1.2625	0.0099
2014	0.5315	0.0950	0.6265	0.3533	0.0418	1.2625	0.0098
2015	0.5155	0.1110	0.6265	0.3700	0.0440	1.2625	0.0096
2016	0.5200	0.1065	0.6265	0.3601	0.0424	1.3300	0.0091
2017	0.5392	0.0873	0.6265	0.3551	0.0418	1.3200	0.0091
2018	0.5403	0.0834	0.6237	0.3551	0.0418	1.2800	0.0085
							2.1838
							2.2110
							2.2715
							2.2789
							2.2923
							2.2939
							2.3126
							2.3681
							2.3525
							2.3091

Source: Burnet County Appraisal District

(1) Overlapping rates and levies are those of local and county governments that apply to property owners within the City of Burnet. Not all overlapping rates and levies apply to all City of Burnet property owners (e.g., the rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district).

Table 8

**City of Burnet, Texas**  
**Principal Property Taxpayers**  
(Unaudited)  
Current Year and Nine Years Ago

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
ATMI Materials LTD(Entegris)	\$ 16,422,848	1	2.28 %	\$ 12,592,768	1	3.08 %
ATMI Materials LTD(Entegris)	7,648,202	2	1.06 %	-		
Judy & Thrasher INC.	3,997,722	3	0.56 %	3,882,796	2	0.95 %
R & L Partnership LLC	3,409,213	4	0.47 %	-		
LCRA Transmission Svcs Corp	2,815,364	5	0.39 %	1,926,799	6	0.47 %
Burnet Hotel LLC	2,729,758	6	0.38 %	-		
Four Cooks Realty LLC	2,585,866	7	0.36 %	-		
Hoover Building Supply INC.	2,553,756	8	0.35 %	2,064,508	4	0.51 %
Stripes LLC	2,530,821	9	0.35 %	-		
Atmos Energy/Mid-Tex Dist	1,999,227	10	0.28 %	-		
Black Wolf Partners LTD	-		-	2,188,619	3	0.54 %
Peacock Hospitality INC.	-		-	1,944,655	5	0.48 %
First State Bank of Burnet	-		-	1,909,223	7	0.47 %
GTE Southwest	-		-	1,883,662	8	0.46 %
Cecil Atkission	-		-	1,874,685	9	0.46 %
Atkission Cecil LP	-		-	1,652,522	10	0.40 %
Totals	\$ <u>46,692,777</u>		<u>6.49 %</u>	\$ <u>31,920,237</u>		<u>7.81 %</u>

Source: Burnet County Appraisal District



Table 9

**City of Burnet, Texas**  
**Property Tax Levies and Collections**  
(Unaudited)  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		*Collections in Subsequent Years	Total Collections to Date		
			Percentage			Percentage	
		Amount	of Levy		Amount	of Levy	
2009	\$	1,609,889	1,561,686	97.01	40,468	1,602,155	99.52
2010		1,749,004	1,705,215	97.50	30,801	1,736,016	99.26
2011		1,879,929	1,824,788	97.07	40,383	1,865,171	99.21
2012		1,924,988	1,880,448	97.69	36,713	1,917,161	99.59
2013		2,011,264	1,955,724	97.24	45,017	2,000,741	99.48
2014		2,043,399	2,009,792	98.36	20,164	2,029,956	99.34
2015		2,135,048	2,092,046	97.99	24,484	2,116,530	99.13
2016		2,222,953	2,182,536	98.18	25,194	2,207,730	99.32
2017 (1)		2,332,812	2,235,486	95.83	77,173	2,312,659	99.14
2018		2,596,423	2,545,204	98.03	-	2,545,204	98.03

Sources: Burnet Central Appraisal District  
Finance Department, City of Burnet, Texas

Notes: (1) Fiscal Year 2017: Total Tax Levy was adjusted from \$2,279,374 to \$2,332,812

(\*) Collections in subsequent years do not include Penalty I&S; Interest M&O;  
Interest I&S; Attorney Fees; Other Fees; Overages; Unpaid Refunds.

Table 10

**City of Burnet, Texas**  
**Ratios of Outstanding Debt by Type**  
(Unaudited)  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Leases	General Obligation Bonds with Revenue Pledge	Capital Leases			
2009	\$ 4,448,047	\$ 34,726	\$ 4,071,103	\$ 49,170	\$ 8,568,320	8.26 %	481
2010	4,748,736	-	4,891,056	31,562	9,671,354	7.75 %	467
2011	4,410,862	-	16,800,879	22,651	21,234,392	17.05 %	1,028
2012	3,734,068	-	25,735,103	13,051	29,482,222	23.49 %	1,414
2013	4,846,475	-	24,342,000	2,082	29,190,557	23.45 %	1,417
2014	3,561,983	-	23,314,492	-	26,876,475	23.22 %	1,408
2015	3,250,203	-	22,271,272	-	25,521,475	24.28 %	1,482
2016	2,956,559	-	21,306,916	-	24,263,475	21.22 %	1,308
2017	2,661,051	-	20,343,424	-	23,004,475	16.37 %	1,008
2018	2,358,678	-	19,503,797	-	21,862,475	15.47 %	955

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Table 11

**City of Burnet, Texas**  
**Ratios of General Bonded Debt Outstanding**  
(Unaudited)  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Taxable Value (1) of Property</u>	<u>Per Capita (2)</u>
2009	4,448,047	\$ 709,317	3,738,730	1.25%	642
2010	4,748,736	529,956	4,218,780	1.35%	699
2011	4,410,862	416,387	3,994,475	1.27%	663
2012	3,734,068	241,781	3,492,287	1.09%	580
2013	4,846,475	124,490	4,721,985	1.41%	782
2014	3,561,983	120,691	3,441,292	1.02%	567
2015	3,250,203	174,187	3,076,016	0.87%	504
2016	2,956,559	194,298	2,762,261	0.74%	448
2017	2,661,051	161,167	2,499,884	0.66%	406
2018	2,358,678	172,217	2,186,461	0.50%	354

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics.

Table 12

**City of Burnet, Texas**  
**Direct and Overlapping Governmental Activities Debt**  
**General Obligation Bonds**  
(Unaudited)  
September 30, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Burnet	\$ <u>2,358,678</u> (1)	100.00 %	\$ <u>2,358,678</u>
Total direct	<u>2,358,678</u>		<u>2,358,678</u>
Overlapping:			
Burnet Consolidated Independent School District	35,040,645	21.94	7,687,918
Burnet County	<u>19,195,503</u>	9.46	<u>1,815,895</u>
Total overlapping	<u>54,236,148</u>		<u>9,503,813</u>
Total direct and overlapping debt	\$ <u><u>56,594,826</u></u>		\$ <u><u>11,862,491</u></u>

Source: City of Burnet, Burnet CISD, Burnet County, Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Burnet. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) Excluding general obligation bonds reported in the enterprise funds.



**City of Burnet, Texas**  
**Computation of Maximum Debt Margin**  
(Unaudited)  
September 30, 2018

The City of Burnet has no legal debt limit established by its charter or ordinances. Article XI, Section 5, of the Texas Constitution is applicable to the City and limits the maximum ad valorem tax rate to \$2.50 per \$100 Assessed Valuation (for all City purposes). The City operates under a Home Rule Charter that does not limit its ad valorem tax rate. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the maximum tax rate for general obligation debt service.

Assessed value, fiscal year 2018 tax roll	\$ 437,823,060
Limit on amount designated for debt service	<u>1.50%</u>
Legal debt limit	\$ <u>6,567,346</u>
Actual amount expended for general obligation debt service during the year ended September 30, 2018	\$ <u>373,385</u>

Table 14

**City of Burnet, Texas**  
**Pledged-Revenue Coverage**  
**Water and Sewer Bonds and Certificates of Obligation**  
(Unaudited)  
Last Ten Fiscal Years

Fiscal Year	Gross Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest	Total	Coverage
2009	2,716,194	1,820,386	895,808	154,166	138,070	292,236	3.07
2010	2,853,230	1,949,609	903,621	124,487	157,739	282,226	3.20
2011	3,395,378	2,108,525	1,286,853	382,500	476,138	858,638	1.50
2012	3,928,826	2,479,824	1,449,002	1,573,650	441,376	2,015,026	0.72
2013	4,028,262	1,845,885	2,182,377	905,000	141,709	1,046,709	2.08
2014	4,083,516	1,787,193	2,296,323	897,000	125,707	1,022,707	2.25
2015	4,066,594	1,797,187	2,269,407	905,000	121,557	1,026,557	2.21
2016	4,073,110	1,755,822	2,317,288	913,000	116,622	1,029,622	2.25
2017	4,211,845	1,757,527	2,454,318	909,000	110,924	1,019,924	2.41
2018	4,390,040	1,921,933	2,468,107	802,000	105,095	907,095	2.72

Source: Finance Department, City of Burnet, Texas

Notes: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Operating revenue includes investment earnings. Operating expenses do not include amortization or depreciation.

Table 15

**City of Burnet, Texas**  
**Pledged-Revenue Coverage**  
**Electric Bonds and Certificates of Obligation**  
(Unaudited)  
Last Ten Fiscal Years

Fiscal Year	Gross Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest	Total	Coverage
2009	\$ 9,229,234	6,876,993	2,352,241	485,827	65,755	551,582	4.26
2010	9,395,310	6,806,263	2,589,047	70,041	63,530	133,571	19.38
2011	9,385,913	6,464,200	2,921,713	197,223	64,646	261,869	11.16
2012	9,434,438	7,147,805	2,286,633	178,375	54,153	232,528	9.83
2013	9,170,470	6,297,205	2,873,265	178,220	24,007	202,227	14.21
2014	9,597,332	6,671,585	2,925,747	130,508	23,177	153,685	19.04
2015	9,926,907	7,011,877	2,915,030	138,220	18,006	156,226	18.66
2016	8,531,408	5,753,913	2,777,495	51,356	14,505	65,861	42.17
2017	8,522,234	5,767,554	2,754,680	54,492	12,761	67,253	40.96
2018	9,073,840	6,162,992	2,910,848	37,627	10,927	48,554	59.95

Source: Finance Department, City of Burnet, Texas

Notes: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Operating revenue includes investment earnings. Operating expenses do not include amortization or depreciation.



**City of Burnet, Texas**  
**Electric System Condensed Statement of Operations**  
(Unaudited)  
Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Operating and Nonoperating Revenue:				
Charges for Services	\$ 9,153,316	9,276,423	9,265,401	9,356,176
Rents and Royalties	44,256	66,766	89,516	47,012
Misc.	<u>31,662</u>	<u>52,121</u>	<u>30,996</u>	<u>31,250</u>
Total	<u>\$ 9,229,234</u>	<u>9,395,310</u>	<u>9,385,913</u>	<u>9,434,438</u>
Operating Expense:				
Electric System (1)	<u>\$ 6,876,993</u>	<u>6,806,263</u>	<u>6,464,200</u>	<u>7,147,805</u>

(1) Excludes depreciation expense

Table 16

Fiscal Year					
2013	2014	2015	2016	2017	2018
9,082,153	9,504,832	9,841,737	8,463,572	8,457,602	9,007,547
-	-	-	-	-	-
88,317	98,262	85,170	67,836	64,632	60,293
<u>9,170,470</u>	<u>9,603,094</u>	<u>9,926,907</u>	<u>8,531,408</u>	<u>8,522,234</u>	<u>9,067,840</u>
<u>6,297,205</u>	<u>6,671,585</u>	<u>7,011,877</u>	<u>5,753,913</u>	<u>5,767,554</u>	<u>6,162,992</u>

Table 17

**City of Burnet, Texas**  
**Top Ten Electric Customers**  
(Unaudited)  
Current Year and Nine Years Ago

	Customer	Customer Type	2018			2009		
			Annual Sales	Rank	Percentage of Total Sales	Annual Sales	Rank	Percentage of Total Sales
Entegris		Manufacturing	\$ 904,805	1	10.04 %	\$ 847,616	1	9.26 %
Burnet CISD Schools		Public Education	701,741	2	7.79 %	736,022	2	8.04 %
TDCJ(Texas Dept. of Criminal Justice)		State Government	230,677	3	2.56 %	221,549	6	2.42 %
Burnet County Correctional Facility		State Government	199,773	4	2.22 %	166,258	7	1.82 %
Seton Healthcare		Healthcare	257,611	5	2.86 %	273,713	5	2.99 %
Sure Cast, Inc.		Manufacturing	260,953	6	2.9 %	371,546	3	4.06 %
H.E.B. Grocery Company #433		Grocery	211,938	7	2.35 %	276,338	4	3.02 %
Stealth Products Inc.		Manufacturing	97,853	8	1.09 %	70,000	10	0.76 %
Burnet County		State Government	101,560	9	1.13 %	162,811	8	1.78 %
Repro-Lon		Manufacturing	96,051	10	1.07 %	103,944	9	1.14 %
Totals			\$ 3,062,961		34.01 %	\$ 3,229,797		35.29 %

Source: Finance Department, City of Burnet, Texas

Table 18

**City of Burnet, Texas**  
**Demographic and Economic Statistics**  
(Unaudited)  
Last Ten Fiscal Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
	(1)	(2)	(3)	(4)	(5)
2009	5,823	103,742,568	\$ 17,816	3,404	6.10%
2010	6,035	124,870,185	20,691	3,348	6.60%
2011	6,029	124,577,227	20,663	3,343	3.20%
2012	6,020	125,523,020	20,851	3,265	4.10%
2013	6,042	124,471,242	20,601	3,203	4.30%
2014	6,065	115,768,720	19,088	3,218	5.20%
2015	6,104	105,098,672	17,218	3,131	5.80%
2016	6,161	114,329,677	18,557	3,132	8.60%
2017	6,155	140,512,495	22,829	3,169	5.40%
* 2018	6,170	141,293,000	22,900	3,183	2.90%

Source: (1) (2) (3) (5) US Census Bureau  
(4) Burnet Consolidated Independent School District  
\* 2018 data is estimated

Notes: Personal Income: Calculated using City's (population data) (per capita income data)

Table 19

**City of Burnet, Texas**  
**Principal Employers**  
(Unaudited)  
Current Year and Nine Years Ago

Employer	2018		2009	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Burnet CISD	495	17.86%	285	13.08%
Burnet County	316	11.40%	185	8.49%
Stealth Products	150	5.41%	50	2.29%
City of Burnet	148	5.34%	120	5.51%
Entegris	141	5.09%	104	4.77%
Texas Dept. of Criminal Justice	130	4.69%	120	5.51%
Seton Highland Lakes	120	4.33%	311	14.27%
H-E-B	116	4.18%	90	4.13%
YMCA of the Highland Lakes	90	3.25%	*	*
Hoover Companies	80	2.89%	60	2.75%
Sure Cast	53	1.91%	53	2.43%
Total	<u>1,839</u>	<u>66.34%</u>	<u>1,378</u>	<u>63.24%</u>

Source: American Fact Finder, Employer Websites, Phone/Email Interviews with Companies

\* YMCA began managing the City's recreation facility in August 2013.

Table 20

**City of Burnet, Texas**  
**Fulltime Equivalent City Government Employees**  
**By Function/Program**  
(Unaudited)  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Administration	5	5	5	6	5.5	5.2	5.75	6.25	6.75	7
Municipal Court	1	1	1	1	1	1	1	1	1	0.5
Planning & Zoning	4	4	5	4	3.3	3.6	2.8	3.2	3.2	3
Economic Development	0.5	0.5	0.5	0.5	0.5	0.5	0.75	0.75	1.5	0.75
Police Department	15	15	16	17	17	17	18	18	18	19.5
Streets Department	9.5	9.5	9.3	9.25	8.5	6.5	6.5	6.25	7.75	7.75
Parks Department	8.3	7.8	6.3	6.25	7.5	7.5	7.5	7.85	7.25	7.25
Airport	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	1.75
Fire Department	23	28	31	33	30	30	30	30	30	30
Electric Department	11.5	11.5	12.4	12.25	11.5	10.5	11.5	11	10	10.5
Water/Wastewater Department	14	14	16	15.25	16.5	16.5	15.5	16	15.75	15.5
Golf Course	17	18	18	17	17	15	15.5	15.9	15	15
Recreation	5.5	5.0	7.8	6.8	*	*	*	*	*	*
Total	115.00	120.00	129.00	129.00	119.00	114.00	115.50	117.00	117.00	118.50

Source: City Budget Department(City of Burnet 2011-2012 Budget Personnel Schedule; City of Burnet 2017-2018 Budget Personnel Schedule)

\* The YMCA, at its sole cost and expense, provided onsite staffing and general oversight and management of the recreation facilities beginning August 1, 2013.

**City of Burnet, Texas**  
**Operating Indicators by Function/Program**  
(Unaudited)  
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012
<b>General government</b>				
Building permits issued	283	367	527	233
Building inspections conducted	895	1,181	1,487	698
<b>Police</b>				
Calls for Service	5,866	7,932	8,219	8,234
Assistance to Citizens	157	78	68	50
Miles Driven	148,778	148,983	153,929	120,630
Offense Reports	646	886	986	1,071
Physical arrests	637	415	504	526
Traffic violations	1,278	3,021	4,454	4,164
<b>Fire/EMS</b>				
Fire-Number of Calls City	271	637	495	833
EMS- Total number of Calls	2,075	3,053	3,829	3,839
Inspections	180	231	281	216
<b>Water/Wastewater</b>				
Effluent- Reclaimed Water (millions of gallons)	268.947	242.398	209.418	226.532
Average daily sewage treatment (millions of gallons)	0.74	0.66	0.57	0.62
Total Consumption Lake/Ground Water (millions of gallons)	372.738	366.437	423.591	339.643
Average daily consumption (millions of gallons)	1.021	1.004	1.161	0.931
<b>Golf Course</b>				
Rounds of Golf	22,455	18,442	16,471	20,040

Sources: Various City of Burnet Department's Scorecard Reports

Notes: Police: 2009 Police Stats are not complete due to last quarter of Department Scorecard not being completed.

Fire: 2009 statistical data is not complete due to July 2009 - September 2009 not being completed on department Scorecard.

Historical Information not available for the Public Works Department; and Parks and Recreation

Building permits issued/Building inspections conducted: Inspection totals are an estimation based on minimum inspection requirements for different projects - does not include possible re-inspections.

Table 21

Fiscal					
2013	2014	2015	2016	2017	2018
240	241	282	356	297	306
733	870	1,027	1,337	1,066	836
7,451	7,129	8,845	8,110	7,548	8,024
51	120	128	130	213	94
110,738	152,408	139,734	127,933	136,166	151,732
1,078	1,259	1,025	1,075	1,035	911
479	512	318	318	484	400
4,956	2,672	2,259	2,637	3,205	3,453
506	465	557	715	816	844
4,009	4,142	4,347	4,893	4,150	4,370
123	113	149	240	240	212
232.445	199.624	195.167	234.876	216.659	213.790
0.64	0.55	0.53	0.64	0.59	0.58
295.619	310.087	351.440	298.094	309.333	319.341
0.810	0.850	0.963	0.817	0.847	0.847
20,177	18,005	19,069	19,218	20,605	22,741



**City of Burnet, Texas**  
**Capital Asset Statistics by Function/Program**  
(Unaudited)  
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012
<b>Public safety:</b>				
Police:				
Stations	1	1	1	1
Patrol units	22	22	22	22
Fire:				
Fire stations	1	1	1	1
<b>Culture and recreation:</b>				
Parks acreage	117	117	117	117
Playgrounds	4	4	4	4
RV Park	1	1	1	1
Splash Park	1	1	1	1
Amphitheaters	-	-	1	1
Community/Meeting centers	2	2	2	2
<b>Water:</b>				
Service connections	2,184	2,247	2,276	2,272
Water mains (miles)	55	55	55	55
Water pump stations	4	4	4	4
Fire hydrants	375	375	375	375
Plant capacity	2.88	2.88	2.88	2.88
(millions of gallons)				
<b>Sewer:</b>				
Service connections	1,975	2,005	2,067	2,045
Sanitary sewers (miles)	50	50	50	50
Number of lift stations	13	13	13	13
Treatment plant capacity	0.726	0.726	0.726	0.726
(millions of gallons)				
<b>Electric:</b>				
Service connections	2,791	2,825	2,853	2,827

Source: Various City of Burnet Department's Scorecard Reports

Table 22

Fiscal					
2013	2014	2015	2016	2017	2018
1	1	1	1	1	1
22	22	22	22	22	22
1	1	2	2	2	2
117	117	117	117	117	117
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
2,272	2,313	2,328	2,395	2,435	2,498
56	56	58	58	60	60
4	4	4	4	4	4
375	375	378	389	391	394
2.88	2.88	2.88	2.88	2.88	2.88
2,097	2,111	2,123	2,183	2,231	2,273
50	50	50	50	50	50
13	13	12	12	12	12
0.726	0.726	1.7	1.7	1.7	1.7
2,829	2,867	2,863	2,934	2,960	3,021



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Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

The Honorable Mayor, Members of the  
City Council and Management  
City of Burnet, Texas:

In planning and performing our audit of the basic financial statements of the City of Burnet, Texas (the "City") as of and for the year ended September 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified

This communication is intended solely for the information and use of management, the City Council, and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

*Jaynes. Reitmeier, Boyd + Therrell, P.C.*

April 22, 2019

STATE OF TEXAS            {}  
COUNTY OF BURNET       {}  
CITY OF BURNET           {}

On this the 9<sup>th</sup> day of April, 2019, the City Council of the City of Burnet convened in Regular Session, at 6:00 p.m., at the regular meeting place thereof with the following members present, to-wit:

Mayor                                Crista Goble Bromley  
Council Members                Paul Farmer, Joyce Laudenschlager, Danny Lester, Tres Clinton,  
    Cindia Talamantez  
Absent                                Mary Jane Shanes  
City Manager                       David Vaughn  
City Secretary                    Kelly Dix

Guests: Evan Milliorn, Gene Courtney, Paul Nelson, Alan Burdell, Jonny Simons, Doug Fipps, Patricia Langford, Craig Lindholm, Bettye Foulds, Janet Graves, Caroline Ragsdell, Ed Holley, James Wilson, David Bonorgen, Adrienne Field, Michelle Edwards, Roger Moore, Kim Winkler, Suzanne Brown, H. Trant, Maih Davis, D. Allen, Marsha Neel, Diana Tyron, Stephanie Larson

CALL TO ORDER: The meeting was called to order by Mayor Bromley, at 6:00 p.m.

INVOCATION: Council Member Paul Farmer

PLEDGE OF ALLEGIANCE: Council Member Tres Clinton

PLEDGE TO TEXAS FLAG: Council Member Tres Clinton

PUBLIC RECOGNITION/SPECIAL REPORTS:

Proclamation: Child Abuse Prevention Month: Marsha Neel: Mayor Bromley presented the proclamation declaring the month of April be observed as Child Abuse Prevention Month in the City of Burnet. The Proclamation was presented to members from the Burnet County Children's Welfare Board, CASA of the Highland Lakes, and the Hill Country Children's Advocacy Center.

Chamber of Commerce Report: Kim Winker, Chamber of Commerce Director, Roger Moore, Chamber Board President and Suzanne Brown and Angela Moore, Bluebonnet Festival Committee Co-Chairs presented Council with the itineraries and festival sponsor shirts for the upcoming Bluebonnet Festival and expressed their thanks for the City's sponsorship and City Staff's assistance with set up for the festival.

Commemorative Air Force Report: D. Bonorgen: (this item was moved to the beginning of the meeting to accommodate the presenter) David Bonorgen, Commemorative Air Force (CAF) Area Representative provided a presentation to Council giving an overview of the history of the CAF nationally and our local CAF accomplishments and goals.

CONSENT AGENDA ITEMS:

*(All of the following items on the Consent Agenda are considered to be self-explanatory by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member, staff member or citizen requests removal of the item from the consent agenda for the purpose of discussion. For removal of an item, a request must be made to the Council when the Consent Agenda is opened for Council Action.)*

Approval of the March 26<sup>th</sup>, 2019 Council Workshop Meeting minutes

Approval of the March 26<sup>th</sup>, 2019 Regular Council Meeting minutes

Council Member Joyce Laudenschlager moved to approve the consent agenda as presented. Council Member Paul Farmer seconded, the motion carried unanimously.

PUBLIC HEARINGS:

Public Hearing: The City Council of the City of Burnet, Texas will hold a public hearing regarding a request to rezone approximately 0.44 acre, legally described as Block 16, Lots 5 and 6, Johnson

Addition, from its present designation of Single-Family Residential – District “R-1” to a designation of Manufactured Home – District “M-1,” said property being generally located on the northeast corner of Westfall Street and East Marble Street: W. Meshier: Mayor Bromley opened the Public Hearing. Director of Development Services Wallis Meshier presented a map of the area that the rezone request encompasses and stated that the Planning and Zoning Board had a split vote on this item. Two in favor and two opposed. Mayor Bromley asked if anyone cared to speak to this item. Michelle Edwards, the owner of the property spoke, requesting that the rezone be issued and that her family was relocating from the Hutto area to be closer to her family who lived next door. The Edwards plan to have a new manufactured home installed on the existing slab if possible and stated that the property would be maintained. Mr. Fisher, Ms. Edward’s father also spoke in favor and stated that he felt the rezone should pass. Mr. Fisher also stated that the house directly across from his is in terrible shape and the occupants have constant problems with the police and that the new manufactured home would not be an eyesore in the area. There being no one else wishing to speak, Mayor Bromley closed the Public Hearing.

Public Hearing: The City Council of the City of Burnet, Texas will hold a public hearing regarding a request to rezone approximately 4.010 acres, legally described as Lot 4-D out of the Administrative Replat of Lot 4, Algerita Heights, Phase One, from its present designation of Medium Commercial – District “C-2” to a designation of Heavy Commercial – District “C-3,” AND being generally located on the southwest corner of East Polk Street (State Hwy. 29) and Algerita Hill: W. Meshier: Mayor Bromley opened the Public Hearing. Director of Development Services Wallis Meshier presented a map of the area that the rezone request encompasses, the findings and unanimous approval of the rezone of the Planning and Zoning Commission. Mayor Bromley asked if anyone cared to speak to this item. There being no one wishing to speak, Mayor Bromley closed the Public Hearing.

#### ACTION ITEMS:

Discuss and consider action: Award of Wastewater Manhole Rehabilitation Project B: A. Burdell: Council Member Danny Lester made a motion to award the Wastewater Manhole Rehabilitation Project B to Lewis Concrete Restoration. Council Member Joyce Laudenschlager seconded, the motion carried unanimously.

Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY OF BURNET ADOPTING A DROUGHT CONTINGENCY PLAN AND WATER EMERGENCY PLAN; REPEALING ORDINANCES IN CONFLICT; PROVIDING SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE PROVIDING AN OPEN MEETINGS CLAUSE; AND PROVIDING FOR RELATED MATTERS: A. Burdell: Council Member Joyce Laudenschlager made a motion to approve the first reading of Ordinance No. 2019-10 as presented. Council Member Cindia Talamantez seconded, the motion carried unanimously.

Discuss and consider action: FIRST READING OF AN ORDINANCE AMENDING ORDINANCE NO. 2012-06 TO REZONE APPROXIMATELY 0.44 ACR, LEGALLY DESCRIBED AS BLOCK 16, LOTS 5 AND 6, JOHNSON ADDITION, FROM ITS PRESENT DESIGNATION OF SINGLE-FAMILY RESIDENTIAL – DISTRICT “R-1” TO A DESIGNATION OF MANUFACTURED HOME – DISTRICT “M-1,” AND BEING GENERALLY LOCATED ON THE NORTHEAST CORNER OF WESTFALL STREET AND EAST MARBLE STREET: W. Meshier: Council Member Danny Lester made a motion to approve the first reading of Ordinance No. 2019-11 as presented. Council Member Joyce Laudenschlager seconded, the motion carried unanimously. Mayor Bromley called for a roll vote. Council Members Lester, Laudenschlager, Clinton, Farmer and Talamantez voted in favor. Mayor Bromley

was opposed, Council Member Shanes was absent. The motion carried with five in favor and one opposed.

Discuss and consider action: FIRST READING OF AN ORDINANCE AMENDING ORDINANCE NO. 2012-06 TO REZONE APPROXIMATELY 4.010 ACRES, LEGALLY DESCRIBED AS LOT 4-D OUT OF THE ADMINISTRATIVE REPLAT OF LOT 4, ALGERITA HEIGHTS, PHASE ONE, FROM ITS PRESENT DESIGNATION OF MEDIUM COMMERCIAL – DISTRICT “C-2” TO A DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3,” AND BEING GENERALLY LOCATED ON THE SOUTHWEST CORNER OF EAST POLK STREET (STATE HWY. 29) AND ALGERITA HILL: W. Meshier: Council Member Paul Farmer made a motion to approve the first reading of Ordinance No. 2019-12 as presented. Council Member Danny Lester seconded, the motion carried unanimously.

Discuss and consider action: Final Plat of Eagle’s Nest Section 3, consisting of approximately 17.45 acres, legally described as Lot 76R out of Eagle’s Nest Section 2, and being generally located on the east side of Eagle Ridge, approximately 1,100 feet north of the intersection with Buchanan Drive (State Hwy. 29): W. Meshier: Council Member Paul Famer moved to approve the final plat of Eagle’s Nest Section 3, consisting of approximately 17.45 acres, legally described as Lot 76R out of Eagle’s Nest Section 2, and being generally located on the east side of Eagle Ridge, approximately 1,100 feet north of the intersection with Buchanan Drive (State Hwy. 29) as presented. Council Member Tres Clinton seconded, the motion carried unanimously.

Discuss and consider action: A request for approval of a proposed septic system on a 1.039 acre tract, legally described as Lot 1D out of the Flight Line Boulevard Subdivision, being generally located on the west side of South Water St. (State Hwy. 281), north of the intersection with County Road 340A, as required by City of Burnet Code of Ordinances Sec. 98-45(a) (2): W. Meshier: Council Member Danny Lester made a motion to approve a septic system if the City Manager could not negotiate an alternate solution for the 1.039 acre tract, legally described as Lot 1D out of the Flight Line Boulevard Subdivision, being generally located on the west side of South Water St. (State Hwy. 281), north of the intersection with County Road 340A. Council Member Tres Clinton seconded, the motion carried unanimously.

Discuss and consider action: Authorization and approval for the City of Burnet to participate in an Employee Assistance Program (EAP) with Alliance Work Partners: D. Vaughn: Council Member Tres Clinton made a motion to authorize and approve for the City of Burnet to participate in an Employee Assistance Program (EAP) with Alliance Work Partners. Council Member Joyce Laudenschlager seconded, the motion carried unanimously.

Discuss and consider action: Approval of Street Committee List: J. Simons: Council Member Danny Lester made a motion to approve the list of streets recommend by the Street Committee to include:

Group 1 (in no particular order)

- Sure Cast
- Bluebonnet
- North Rhomberg (29 to Taggard)
- Fort Croghan Drive (between Pizza Hut and Mama’s Restaurant)
- Tate (Main to Pierce)
- Houston Clinton (281 to the airport)

Group 2 (in no particular order)

- Shady Oak
- Stapp

- Sheppard
- White
- Janet
- Applewood
- Cottonwood
- Spicewood
- Beachwood
- Elm (Rhombert to Westfall)
- Willow (Rhombert to Westfall)
- Cactus
- South McNeil
- Harvey

Council Member Paul Farmer seconded, the motion carried unanimously.

Discuss and consider action: Acceptance of the award of the LCRA Community Development Partnership Program (CDPP) grant in the amount of \$50,000: L. Baugh: Council Member Joyce Laudenschlager made a motion to accept the award of the LCRA Community Development Partnership Program (CDPP) grant in the amount of \$50,000 as presented. Council Member Cindia Talamantez seconded, the motion carried unanimously.

Discuss and consider action: Approve and authorize City Manager to sign a contract with LCRA to perform substation inspection, maintenance and testing. G. Courtney: Council Member Danny Lester made a motion to approve and authorize the City Manager to sign a contract with LCRA to perform substation inspection, maintenance and testing as presented. Council Member Joyce Laudenschlager seconded, the motion carried unanimously.

#### REPORTS:

Addendum to the City Council Agenda: Department and Committee Reports/Briefings: The City Council may or may not receive a briefing dependent upon activity or change in status regarding the matter. The listing is provided to give notice to the public that a briefing to the Council on any or all subjects may occur.

Commemorative Air Force Report: D. Bonorgen: (this item was moved to the beginning of the meeting to accommodate the presenter)

REQUESTS FROM COUNCIL FOR FUTURE REPORTS: Council Member Paul Farmer requested an update report on the plan to fix the sidewalks on Jackson and the possibility of adding additional water and electric connections to accommodate vendors for festivals and activities in the down town area.

ADJOURN: There being no further business a motion to adjourn was made by Council Member Joyce Laudenschlager at 7:17 p.m., seconded by Council Member Paul Farmer. The motion carried unanimously.

**ATTEST:**

\_\_\_\_\_  
Crista Goble Bromley, Mayor

\_\_\_\_\_  
Kelly Dix, City Secretary



## Water/Wastewater

## ITEM 4.2

Alan Burdell  
Water/Wastewater  
Operations Manager  
(512)-756-2402  
aburdell@cityofburnet.com

### Agenda Item Brief

<b>Meeting Date:</b>	April 9, 2019
<b>Agenda Item:</b>	Disucuss and consider action: SECOND AND FINAL READING OF AN ORDINANCE OF THE CITY OF BURNET, TEXAS, ADOPTING A DROUGHT CONTINGENCY AND WATER EMERGENCY PLAN; REPEALING ORDINANCES IN CONFLICT; PROVIDING SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE PROVIDING AN OPEN MEETINGS CLAUSE; AND PROVIDING FOR RELATED MATTERS: A. Burdell
<b>Background:</b>	Texas Water Code requires review and adoption of the Drought Contingency Plan and Water Emergency Plan every 5 years.
<b>Information:</b>	<p>Section 12.1272 of the Texas Water Code and applicable rules of the Texas Commission on Environmental Quality require all public water supply systems in Texas to prepare a drought contingency plan.</p> <p>There have been no changes to the ordinance since the first reading.</p>
<b>Fiscal Impact:</b>	None
<b>Recommendation:</b>	Approve and adopt Ordinance 2019-10 as presented.



## **ORDINANCE NO. 2019-10**

**AN ORDINANCE OF THE CITY OF BURNET, TEXAS, ADOPTING A DROUGHT CONTINGENCY AND WATER EMERGENCY PLAN; REPEALING ORDINANCES IN CONFLICT; PROVIDING SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE; PROVIDING AN OPEN MEETINGS CLAUSE; AND PROVIDING FOR RELATED MATTERS.**

**WHEREAS**, the City of Burnet, Texas recognizes that the amount of water available to the city and its water utility customers is limited and subject to depletion during periods of extended drought; and

**WHEREAS**, the City recognizes that natural limitations due to drought conditions and other acts of God cannot guarantee an uninterrupted water supply for all purposes; and

**WHEREAS**, Section 12-1272 of the Texas Water Code and applicable rules of the Texas Commission on Environmental Quality require all public water supply systems in Texas to prepare a drought contingency plan; and

**WHEREAS**, as authorized under law, and in the best interests of the citizens of Texas, the Burnet City Council deems it expedient and necessary to establish certain rules and policies for the orderly and efficient management of limited water supplies during drought and other water supply emergencies;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY OF BURNET, TEXAS:**

**SECTION 1. Plan.** That the City of Burnet, Texas Drought Contingency and Water Emergency Plan attached hereto and made part hereof for all purposes, is hereby amended in its entirety and adopted as the official policy of the City of Burnet.

**SECTION 2. Ordinances in Conflict.** That all ordinances that are in conflict with the provisions of the ordinance are, and the same are hereby, repealed and all other ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 3. Severability.** Should any paragraph, sentence, subdivision, clause, phrase, or section of this ordinance be adjudicated or held unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole or any part or provision thereof, other than the part so declared to be invalid, illegal or unconstitutional.

**SECTION 4. Effective Date.** This ordinance shall take effect immediately from and after its passage upon final reading and the publication of the caption, as the law in such cases provides.

**SECTION 5. Open Meetings.** That it is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meeting Act, chapt. 551, Loc. Gov't Code.

**PASSED AND APPROVED** on First Reading this 9<sup>th</sup> day of April, 2019.

**FINALLY PASSED AND APPROVED** on this 23<sup>rd</sup> day of April, 2019.

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Crista Goble, Mayor  
City of Burnet

**ATTEST:**

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Kelly Dix, City Secretary  
City of Burnet

**APPROVED AS TO FORM:**

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Habib Erkan Jr. City Attorney  
City of Burnet

# **The City of Burnet**

## **Drought Contingency and Water Emergency Plan**

### **SECTION 1. Approval of the Plan**

The City Council hereby approves the City of Burnet's Drought Contingency and Water Emergency Plan (the "Plan"). The City commits to implement the program changes according to the procedures set forth in the Plan.

### **SECTION 2. Declaration of policy, purpose, and intent**

(a) It is hereby declared that, because of the water conditions prevailing in the City, the water resources available to the City shall be put to the maximum beneficial use and that the waste, unreasonable use, or unreasonable method of use of water be prevented, and the conservation of such water to be extended with a view to the reasonable and beneficial use thereof in the interests of the people of the city and for the public health and welfare.

(b) Water uses regulated or prohibited under the Plan are considered to be nonessential uses, and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute Water Waste which subjects the offender(s) to enforcement as defined in Section 12 of this Plan.

### **SECTION 3. Public education**

The City will periodically provide its employees, City Council, and the general public with information about this Plan, including the importance of the Plan, information about the conditions under which each stage of the Plan is to be initiated, processes used to reduce water use, and impending or current drought conditions.

### **SECTION 4. Coordination and compliance with regional groups**

The City shall provide a copy of this Plan to the regional water planning groups for the service area of the City of Burnet to ensure consistency and coordination of drought contingency planning with the regional water planning groups.

### **SECTION 5. Authorization**

The City Manager is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The City Manager shall have the authority to initiate or terminate drought response stages or other water supply emergency response measures as required for public health, safety and welfare.

### **SECTION 6. Application**

The provisions of this Plan shall apply to all Customers and properties utilizing water provided by the City.

## **SECTION 7. Definitions**

For the purpose of this Plan, the following definitions shall apply:

*Auxiliary Source.* A source of water other than the City's public water system which may include reuse effluent, raw, ground or well water or other such source as approved by the City.

*City.* The City of Burnet, Texas.

*City Manager.* The City Manager or any designated person acting on the City Manager's behalf.

*Commercial/Nonresidential Customer.* All other customers not classified as residential customer, including but not limited to businesses, industry, schools, churches, large properties, athletic fields, municipally sponsored public gatherings, government entities, multifamily developments larger than triplexes, and property management associations (e.g. homeowners associations).

*Customer.* Any person, company, organization, corporation, partnership, association or entity receiving water supplied by the City.

*Drip Irrigation.* A method of irrigation which is typically installed below ground and consists of porous piping or emitters which allow the application of water at a slow and constant rate.

*Efficient Irrigation Technology.* Irrigation techniques that use the latest technology with variables such as, but not limited to, soil moisture sensors, rain shutoff devices, and evapotranspiration based watering system controllers.

*Outdoor Water Use.* Includes, but is not limited to, watering lawns, shrubs, vegetables, athletic fields, large properties, and other types of outdoor vegetation; washing vehicles, boats, and trailers; use of landscape irrigation systems; refilling or adding water to swimming pools or wading pools or ponds; the operation of aesthetic or recreational devices such as water slides; the watering of patios, driveways, parking areas, streets, tennis courts, sidewalks or other paved areas; and the watering of ground for foundations.

*Residential Customer.* Any person, company, organization, or other legal type entity receiving water supplied by the City at a location where the principal use of the property is for single-family, duplex, or triplex habitation.

*Soaker Hose.* A perforated or permeable garden-type hose or pipe that is laid above ground that provides irrigation at a slow and constant rate.

*Water Conservation.* Those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or Water Waste, improve the efficiency in the use of water or increase



the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Water Waste. The following uses constitute a Water Waste:

- (a) Washing sidewalks, walkways, driveways, parking lots, tennis courts, patios or other hard-surfaced areas except to alleviate immediate health or safety hazards.
- (b) Allowing water to run off a property, or allowing water to pond in the street or parking.
- (c) Operating a permanently installed irrigation system with broken heads, with heads that are out of adjustment that spray more than 10% of the spray on street or parking lots, or that are misting.
- (d) Failure to repair a controllable leak(s) within ten (10) business days after having been given notice directing the repair of such leak(s).
- (e) Washing an automobile, truck, trailer, boat, airplane, or other mobile equipment with a handheld hose not equipped with a pistol grip nozzle or other device that automatically shuts off water flow when the hose is not being used.

## **SECTION 8. Triggering and termination criteria for drought response stages**

- (a) The City Manager shall monitor the water supply and/or production and shall determine when conditions warrant initiation or termination of each drought response stage of the Plan.
- (b) The triggering criteria described below are based on Customer water consumption and water production/distribution system capacity; however, the stated triggering criteria are not intended as an exhaustive or finite listing, and regardless of whether any stated triggering criteria are present. The City Manager may initiate and/or terminate each drought response stage of the Plan to protect the public health, safety, and welfare, or as otherwise determined to be in the best interest of the City.

### **(1) Stage 1—Voluntary Water Conservation conditions.**

(A) Requirements for initiation. This stage shall be considered the baseline Water Conservation stage for all customers of the City and will be implemented at all times when stages 2–4 are not in effect. Customers are requested to adhere to a voluntary twice-per-week outdoor watering schedule and adhere to the water restrictions, as provided for in Section 9 of this Plan, at all times. This stage is designed to promote water efficiency throughout the City.

(B) Target reduction goal. During this stage, the target reduction goal is 5-10%.

(2) Stage 2—Moderate water shortage conditions.

(A) Requirements for initiation. Customers shall be required to comply with the requirements and restrictions as provided for in Section 9 of this Plan from May 1 through September 30 of each year, and at such times when one or a combination of the following triggering criteria occurs:

(i) Total daily water demand equals or exceeds 80% of the total system distribution or treatment capacity for three consecutive days;

(ii) Weather conditions have occurred and/or are predicted to occur which could jeopardize the long-term sustainability of the City's water supply;

(iii) Any other system demand or supply factors that, in the opinion of the City Manager, could jeopardize the health, safety and welfare of the public.

(B) Target reduction goal. During this stage, the target reduction goal is 10%–20%.

(C) Requirements for termination. Stage 2 of the Plan shall automatically terminate on September 30<sup>th</sup> of each year, unless otherwise determined by the City Manager. Upon termination of Stage 2, Stage 1 becomes operative, unless otherwise determined by the City Manager.

(3) Stage 3—Severe water shortage conditions.

(A) Requirements for initiation. Customers shall be required to comply with the requirements and water use restrictions provided for in Section 9 for Stage 3 of this Plan when one or a combination of such triggering criteria occurs:

(i) Total daily water demand equals or exceeds 90% of the total system distribution or treatment capacity for three consecutive days;

(ii) Any other system demand or supply factors that, in the opinion of the City Manager, could jeopardize the health, safety and welfare of the public;

(iii) Weather conditions have occurred and/or are predicted to occur which could jeopardize the long-term sustainability of the City's water supply;

(iv) The declaration of a Drought Worse than the Drought of Record by the Lower Colorado River Authority.

(B) Target reduction goal. During this stage, the target reduction goal is a minimum of 20%.

(C) Requirements for termination. Stage 3 of the Plan may be rescinded by the City Manager when the total daily water demand is less than 90% of the total system distribution or treatment capacity for three consecutive days or as otherwise determined by the City Manager. Upon termination of Stage 3, Stage 2 becomes operative, unless otherwise determined by the City Manager.

(4) Stage 4—Emergency water shortage conditions.

(A) Requirements for initiation.

(i) Customers shall be required to comply with the requirements and restrictions for Stage 4 of this Plan when the City Manager declares it is in the best interest of the City due to emergency situations, or system demand/supply factors that could jeopardize the health, safety and welfare of the public.

(ii) Weather conditions have occurred and/or are predicted to occur which could jeopardize the long-term sustainability of the City's water supply;

(iii) The declaration of a Drought Worse than the Drought of Record by the Lower Colorado River Authority.

(B) Target reduction goal. During this stage, the target reduction goal is a minimum of 30%.

(C) Requirements for termination. Stage 4 of the Plan may be rescinded by the City Manager upon his/her determination that conditions that initiated Stage 4 have either improved or no longer exist. Upon termination of Stage 4, Stage 3 becomes operative unless otherwise determined by the City Manager.

## **SECTION 9. Drought response stages**

The City shall monitor the water supply and/or production as needed and, in accordance with the triggering criteria set forth in Section 8 of the Plan, shall determine if a moderate, severe, or extreme condition exists and shall implement the following actions upon public notification:

(1) Stage 1—Voluntary Water Conservation stage. The goal for Stage 1 of the Plan is to maintain baseline Water Conservation measures and raise public and Customer awareness of water demand conditions. This stage is designed to promote water efficiency throughout the City.

(A) Voluntary water use measures.



(i) Water Customers shall voluntarily limit Outdoor Water Use by participating in the Twice-Per-Week watering schedule. Customers are encouraged to use the designated outdoor watering days, as provided for in Section 10 of this Plan.

(ii) Outdoor Water Use is discouraged between the hours of 10:00 a.m. and 7:00 p.m. except with handheld hoses equipped with a positive pistol grip nozzle or other device that automatically shuts off water flow when the hose is not being used, or handheld buckets. The following Outdoor Water Uses are exempt from the voluntary Twice-Per-Week watering schedule and can be done at any time of day:

- a. The irrigation of Commercial plant nurseries.
- b. Irrigation using an Auxiliary Source.
- c. Irrigation using a soaker hose or drip irrigation.
- d. New landscape installation during installation and the first twenty-one (21) days.
- e. The testing of new irrigation systems or existing irrigation systems being tested or under repair.

(iii) Water Customers are requested to practice Water Conservation and adhere to the restrictions provided for in each stage.

(iv) Water Waste is discouraged.

(2) Stage 2–Moderate water shortage conditions.

(A) Water use restrictions. Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

(i) Water Customers shall be required to limit Outdoor Water Use by participating in the Twice-Per-Week watering schedule for Outdoor Water Use. Outdoor Water Use shall only occur on designated outdoor watering days, and at designated times, as provided for in Section 10 of this Plan.

(ii) Drip Irrigation and soaker hoses are permitted for use at all times and are exempt from the weekly watering schedule and daily watering time restrictions. Soaker Hoses may be used at any time to water vegetable gardens or trees. Drip Irrigation attached to an automatic sprinkler system must have spray head zones turned off.



(iii) Notwithstanding other provisions to the contrary, Outdoor Water Use is prohibited between the hours of 10:00 a.m. and 7:00 p.m. except with handheld buckets or handheld hoses equipped with a positive pistol grip nozzle or other device that automatically shuts off water flow when the hose is not being used. Handheld watering can be done on any day without time restrictions. The following Outdoor Water Uses are exempt from the Twice-Per-Week watering schedule and can be done at any time of day:

- a. The irrigation of Commercial plant nurseries.
- b. Irrigation using an Auxiliary Source.
- c. Irrigation using a Soaker Hose or Drip Irrigation.
- d. New landscape installation during installation and the first twenty-one (21) days.
- e. The testing of new irrigation systems or existing irrigation systems being tested or under repair.

(iv) The washing of any motor vehicle, motorbikes, boats, trailers, airplanes and other vehicles is allowed on any day and can be done at any time of day. The washing shall be done with a handheld bucket or handheld hose equipped with a pistol grip nozzle or other device that automatically shuts off water flow when the hose is not being used.

(v) Splash pads and other Commercial recreational water devices are allowed to operate during this stage.

(vi) Commercially operated cosmetic power/pressure washing equipment is allowed providing it is fitted with a spray nozzle using no more than 3.5 gallons of water per minute and employing a working trigger shutoff with a protective weep mechanism. Equipment fitted with this technology is exempt from the watering schedule and is permitted for use at any time of day.

(vii) Use of water from fire hydrants shall be limited to firefighting and activities necessary to maintain public health, safety, and welfare. Use of water from designated fire hydrants for construction purposes may be allowed under special conditions and requires a meter.

(viii) Publicly owned parks, green spaces, athletic fields, golf courses and other similar public facilities shall be exempted from these restrictions.

(3) Stage 3–Severe water shortage conditions.

(A) Water use restrictions. Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- (i) All requirements of Stage 2 shall remain in effect during Stage 3 except:
  - a. Water Customers shall be required to limit Outdoor Water Use by participating in the Once-Per-Week watering schedule for Outdoor Water Use. Outdoor Water Use shall only occur on designated outdoor watering days, and at designated times, as provided for in Section 10 of this Plan.
  - b. Water Use for the installation of new landscaping and the first twenty-one (21) days thereafter shall be exempted from the restrictions of this stage, except watering of new landscaping shall not be permitted between the hours of 10:00 am and 7:00 pm.
  - c. The operation of decorative water features is allowed if the fountain supports life and/or recirculates water.
  - d. Only those splash pads and other Commercial recreational water devices equipped with recirculating devices are allowed to operate during this stage.
  - e. Events involving the use of water such as festivals, parties, water slides, and other activities involving the use of water are permitted if the water being used drains to a recirculating device, or onto a pervious surface to prevent Water Waste.
  - f. The washing of any motor vehicle, motorbikes, boats, trailers, airplanes and other vehicles is allowed only on the Once-Per-Week watering schedule as provided for in Section 10. The washing shall be done with a handheld bucket or handheld hose equipped with a pistol grip nozzle or other device that automatically shuts off water flow when the hose is not being used.
  - g. Charity carwashes are allowed on any day at any time with a handheld hose equipped with a pistol grip nozzle or other device that automatically shuts off water flow when the hose is not being used.
  - h. Use of water for the irrigation of publicly owned parks, green spaces, athletic fields, golf courses and other similar public facilities may seek a variance to these restrictions, provided the variance provides for alternative methods to achieve the target reduction goals of this stage.

(4) Stage 4—Emergency water supply conditions.

(A) Water use restrictions. Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- (i) All requirements of Stage 3 shall remain in effect during Stage 4 except:
  - a. Unless otherwise provided for herein, all outdoor irrigation using individual sprinklers or sprinkler systems is prohibited. All outdoor irrigation of vegetation must be done by hand-held hose equipped with a positive shut-off nozzle, drip irrigation, or a hand-held bucket on designated Outdoor Water Use days as outlined in the Once-Per-Week 5-Day Watering Schedule as provided for in Section 10. Use will be prohibited between the hours of 10:00 am and 7:00 pm.
  - b. Commercial plant nurseries may use only handheld hoses equipped with a positive pistol grip nozzle or other device that automatically shuts off water flow when the hose is not being used or handheld buckets.
  - c. All irrigation of landscaped areas is prohibited, including the use of drip and soaker hoses.
  - d. Commercial car washing facilities may operate for health and safety purposes only.
  - e. Use of water from fire hydrants shall be limited to firefighting and activities necessary to maintain public health, safety, and welfare only.
  - f. All cosmetic power/pressure washing is prohibited.
  - g. The washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment is prohibited.
  - h. Water use at events such as festivals, parties, water slides, and other activities is prohibited.
  - i. Operation of a splash pad or other similar aesthetic or recreational use of water is prohibited.
  - j. The use of ornamental fountains is prohibited unless the water is necessary to support aquatic life.
  - k. No permits shall be issued for the establishment of landscaping in new Residential and Commercial property.
  - l. Use of water for the irrigation of publicly owned parks, green spaces, athletic fields, golf courses and other similar public facilities shall may



seek a variance to these restrictions, provided the variance provides for alternative methods to achieve the target reduction goals of this stage.

m. Filling of all swimming pools, hot tubs, and wading pools, is prohibited except as otherwise provided for herein.

n. Replenishing of all swimming pools, hot tubs, and wading pools to maintenance level is permitted. Draining is permitted only onto pervious surfaces or onto a surface where water will be transmitted directly to a pervious surface, and only if:

1. Draining excess water from pool due to rain in order to lower water to maintenance level; or

2. Repairing, maintaining or replacing pool components that have become hazardous; or

3. Repair of a pool leak.

A. Single-family and Commercial pools. The automatic filling, refilling, or adding of potable water to Residential and Commercial swimming or wading pools and hot tubs due to a leak is prohibited. Residential swimming or wading pools and hot tubs may be refilled manually on the designated watering day before 10:00 a.m. and after 7:00 p.m., or may be refilled using an Auxiliary Source with no restriction.

B. Public pools. Refilling of public swimming pools as needed due to a leak is permitted on the designated watering day before 10:00 a.m. and after 7:00 p.m., or may be refilled using an Auxiliary Source with no restriction.

(B) In the event that severe water shortage conditions persist (Stage 4) for an extended period of time, the City Manager may order water rationing and/or terminate service to selected users of the system in accordance with the following sequence:

- (i) Recreational users.

- (ii) Commercial users (non-industrial).

- (iii) Industrial users

- (iv) Schools

(v) Residential users.

(vi) Hospitals

#### **SECTION 10. Watering Schedules**

Outdoor Water Use shall only occur on designated days, dependent upon the last digit of the address which appears on the utility bill for the property in question. The schedule is as follows:

##### **Twice-Per-Week Watering Schedule**

	Mon/Thur	Tue/Fri	Wed/Sat
Address Ending with #:	1,2, 5 or 6	3,4, 7 or 8	9 or 0

##### **Once-Per-Week Watering Schedule**

	Monday	Tuesday	Wednesday	Thursday	Friday
Address Ending with #:	1 or 2	3 or 4	5 or 6	7 or 8	9 or 0

Outdoor Water Use should not occur between the hours of 10:00 am and 7:00 pm.

#### **SECTION 11. Variances**

(a) The City Manager may, in writing, grant a variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, primary business, or fire protection for the public or the person requesting such variance or if one or more of the following conditions are met:

(1) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.

(2) Alternative methods can be implemented which will achieve the same level of reduction in water use.

(b) Persons requesting a variance from the provisions of this article shall file a petition for variance with the City Manager after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the City Manager and shall include the following:

(1) Name and address of the petitioner(s);

(2) Purpose of water use;

(3) Specific provision(s) of the Plan from which the petitioner is requesting relief;

(4) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Plan;

(5) Description of the relief requested;

(6) Period of time for which the variance is sought;

(7) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date; and

(8) Other pertinent information.

(c) Variances granted by the City Manager shall be subject to the following conditions, unless waived or modified by the City Manager:

(1) Variances granted shall include a start and end date for compliance;

(2) Variance requests must be submitted no more than two (2) months prior to the requested start date, and no less than 48 hours prior to the requested start date; and

(3) Variances granted shall expire on the date set at the time when the application was granted.

(d) Additionally, variances may be granted when a Customer is using Efficient Irrigation Technology for outdoor irrigation purposes. In order to receive this variance the requestor must have a master valve or flow sensor, the irrigation controller must have a cycle and soak capability, and will be subject to annual random irrigation checks by the City.

## **SECTION 12. Enforcement**

(a) No person shall knowingly or intentionally allow the use of water from the City of Burnet for residential, commercial, industrial, agricultural, governmental or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the City Manager, or his/her designee, in accordance with provisions of this Plan.

(b) Enforcement action for violations of the Plan during mandatory conservation will be taken by city law enforcement officials. A citation will be issued requiring the offending party to appear in the City of Burnet Municipal Court. Penalties for each violation shall consist of a possible fine of no less than \$50.00 and not to exceed \$ 1,000.00, termination of water service and/or both. Each day that an offense continues shall be a separate offense.

(c) Emergency Termination. If an officer charged with enforcement of this article determines that a violation of this Ordinance constitutes an immediate threat to the public health,



safety and welfare, and the owner, occupant, or person in control of the property (the “responsible party”) is absent or fails to immediately remedy the violation, the officer may terminate water services to such property. The City Manager shall hold a hearing within 72 hours after termination of service to determine whether the responsible party violated the ordinance, unless a later hearing date is requested by the responsible party or the responsible party is unable to be located, in which case the hearing shall be held as soon as possible. Promptly after terminating service, the officer charged with enforcement of this article shall give the responsible party written notice of the termination and hearing in compliance with TAC, Title 30, Section 291.88(b) by personal delivery or posting notice of the hearing on or near the front door of each building on the property. If it is determined at the hearing that the responsible party did not violate this article, the responsible party’s utilities shall be immediately reconnected without charge to the responsible party.

(d) Nonemergency Termination. An officer charged with enforcement of this article who determines that a violation of this article is present may seek termination of wastewater service to the property at which the violation is present after notice and hearing as provided in this subsection. The officer charged with enforcement of this article shall give written notice of the violation of this article to the responsible party and the requirement that the violation be remedied within ten (10) days or water service will be disconnected, such notice to comply with TAC, Title 30, Section 291.88(a). If the responsible party fails to shall remedy the violation within the time specified in the notice, the officer charged with enforcement of this article may terminate water service. The responsible party may request a hearing by the City Manager regarding termination of service. Written notice of the time and date of the hearing shall be given to the responsible party at least ten days before the hearing date. Notices required by this subsection shall be delivered to the responsible party by in person service, by letter addressed to the responsible party at his/her post office address.



## Development Services

## ITEM 4.3

Wallis Meshier  
Director of Development Services  
(512) 715-3215  
wmeshier@cityofburnet.com

### Agenda Item Brief

**Meeting Date:** April 9, 2019

**Agenda Item:** Discuss and consider action: SECOND AND FINAL READING OF AN ORDINANCE AMENDING ORDINANCE NO. 2012-06 TO REZONE APPROXIMATELY 0.44 ACRE, LEGALLY DESCRIBED AS BLOCK 16, LOTS 5 AND 6, JOHNSON ADDITION, FROM ITS PRESENT DESIGNATION OF SINGLE-FAMILY RESIDENTIAL – DISTRICT “R-1” TO A DESIGNATION OF MANUFACTURED HOME – DISTRICT “M-1,” AND BEING GENERALLY LOCATED ON THE NORTHEAST CORNER OF WESTFALL STREET AND EAST MARBLE STREET: W. Meshier

**Background:** This item is for consideration of a request to rezone the tract of land located on the northeast corner of East Marble Street and Westfall Street. The tract is currently undeveloped and zoned “R-1” (Single-Family Residential). The property owner has submitted a request to have the tract rezoned to a designation of “M-1” (Manufactured Home).

There have been no changes to Ordinance 2019-11 since the first reading on April 9, 2019.

**Recommendation:** Staff recommends approval and adoption of Ordinance 2019-11 as presented.



## **ORDINANCE NO. 2019-11**

**AN ORDINANCE AMENDING ORDINANCE NO. 2012-06 TO REZONE APPROXIMATELY 0.44 ACRE, LEGALLY DESCRIBED AS BLOCK 16, LOTS 5 AND 6, JOHNSON ADDITION, FROM ITS PRESENT DESIGNATION OF SINGLE-FAMILY RESIDENTIAL – DISTRICT “R-1” TO A DESIGNATION OF MANUFACTURED HOME – DISTRICT “M-1,” AND BEING GENERALLY LOCATED ON THE NORTHEAST CORNER OF WESTFALL STREET AND EAST MARBLE STREET; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, The Planning and Zoning Commission of the City of Burnet, on April 8, 2019, did conduct a public hearing for the purpose of taking public comment regarding the proposal to assign Manufactured Home — District “M-1” to approximately 0.44 acre legally described as Block 16, Lots 5 and 6, Johnson Addition, said tract being generally located on the northeast corner of Westfall Street and East Marble Street; and

**WHEREAS**, The City Council of the City of Burnet, on April 9, 2019 did conduct its own public hearing for the purpose of taking public comment the proposal to assign Manufactured Home — District “M-1” to approximately 0.44 acre legally described as Block 16, Lots 5 and 6, Johnson Addition, said tract being generally located on the northeast corner of Westfall Street and East Marble Street; and

**WHEREAS**, The City Council, based on due consideration of the Planning and Zoning Commission recommendation, and its own findings, did determine that assigning Manufactured Home — District “M-1” to approximately 0.44 acre legally described as Block 16, Lots 5 and 6, Johnson Addition, said tract being generally located on the northeast corner of Westfall Street and East Marble Street to be consistent with development patterns in the surrounding area and consistent with the best public interest of the City;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:**

**Section 1. Findings.** The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

**Section 2. Zoning Changed.** Approximately 0.44 acre legally described as Block 16, Lots 5 and 6, Johnson Addition, said tract being generally located on the northeast corner of Westfall Street and East Marble Street is hereby assigned a zoning designation of Manufactured Home — District “M-1”.

**Section 3. Repealer.** Other ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent that they are in conflict.

**Section 4. Severability.** Should any provisions of this ordinance be held void or unconstitutional, it is hereby provided that all other parts of the same which are not held void or unconstitutional shall remain in full force and effect.

**Section 5. Effective Date.** This ordinance is effective upon final passage and approval.

**Section 6. Open Meetings.** It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meeting Act, Chapter. 551, Loc. Gov't. Code.

**PASSED AND APPROVED** on First Reading this 9<sup>th</sup> day of April, 2019.

**FINALLY PASSED AND APPROVED** on this 23<sup>rd</sup> day of April, 2019.

**CITY OF BURNET, TEXAS**

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Crista Goble Bromley, Mayor

**ATTEST:**

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Kelly Dix, City Secretary



## Development Services

## ITEM 4.4

Wallis Meshier  
Director of Development Services  
(512) 715-3215  
wmeshier@cityofburnet.com

### Agenda Item Brief

**Meeting Date:** April 9, 2019

**Agenda Item:** Discuss and consider action: SECOND AND FINAL READING OF AN ORDINANCE AMENDING ORDINANCE NO. 2012-06 TO REZONE APPROXIMATELY 4.010 ACRES, LEGALLY DESCRIBED AS LOT 4-D OUT OF THE ADMINISTRATIVE REPLAT OF LOT 4, ALGERITA HEIGHTS, PHASE ONE, FROM ITS PRESENT DESIGNATION OF MEDIUM COMMERCIAL – DISTRICT “C-2” TO A DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3,” SAID PROPERTY BEING GENERALLY LOCATED ON THE SOUTHWEST CORNER OF EAST POLK STREET (STATE HWY. 29) AND ALGERITA HILL: W. Meshier

**Background:** This item is for consideration of a request to rezone the tract of land located on the southwest corner of East Polk Street (State Hwy. 29) and Algerita Hill. The tract is currently undeveloped and zoned “C-2” (Medium Commercial). The property owner has submitted a request to have the tract rezoned to a designation of “C-3” (Heavy Commercial).

There have been no changes to Ordinance 2019-12 since the first reading on April 9, 2019.

**Recommendation:** Staff recommends approval and adoption of Ordinance 2019-12 as presented.

## **ORDINANCE NO. 2019-12**

**AN ORDINANCE AMENDING ORDINANCE NO. 2012-06 TO REZONE APPROXIMATELY 4.010 ACRES, LEGALLY DESCRIBED AS LOT 4-D OUT OF THE ADMINISTRATIVE REPLAT OF LOT 4, ALGERITA HEIGHTS, PHASE ONE, FROM ITS PRESENT DESIGNATION OF MEDIUM COMMERCIAL – DISTRICT “C-2” TO A DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3,” SAID PROPERTY BEING GENERALLY LOCATED ON THE SOUTHWEST CORNER OF EAST POLK STREET (STATE HWY. 29) AND ALGERITA HILL; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, The Planning and Zoning Commission of the City of Burnet, on April 8, 2019, did conduct a public hearing for the purpose of taking public comment regarding the proposal to assign Heavy Commercial — District “C-3” to approximately 4.010 acres, legally described as Lot 4-D out of the Administrative Replat of Lot 4, Algerita Heights, Phase One, said tract being generally located on the southwest corner of East Polk Street (State Hwy. 29) and Algerita Hill; and

**WHEREAS**, The City Council of the City of Burnet, on April 9, 2019 did conduct its own public hearing for the purpose of taking public comment the proposal to assign Heavy Commercial — District “C-3” to approximately 4.010 acres, legally described as Lot 4-D out of the Administrative Replat of Lot 4, Algerita Heights, Phase One, said tract being generally located on the southwest corner of East Polk Street (State Hwy. 29) and Algerita Hill; and

**WHEREAS**, The City Council, based on due consideration of the Planning and Zoning Commission recommendation, and its own findings, did determine that assigning Heavy Commercial — District “C-3” to approximately 4.010 acres, legally described as Lot 4-D out of the Administrative Replat of Lot 4, Algerita Heights, Phase One, said tract being generally located on the southwest corner of East Polk Street (State Hwy. 29) and Algerita Hill to be consistent with development patterns in the surrounding area and consistent with the best public interest of the City;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:**

**Section 1. Findings.** The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

**Section 2. Zoning Changed.** Approximately 4.010 acres, legally described as Lot 4-D out of the Administrative Replat of Lot 4, Algerita Heights, Phase One, said tract being generally located on the southwest corner of East Polk Street (State Hwy. 29) and

Algerita Hill is hereby assigned a zoning designation of Heavy Commercial — District “C-3”.

**Section 3. Repealer.** Other ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent that they are in conflict.

**Section 4. Severability.** Should any provisions of this ordinance be held void or unconstitutional, it is hereby provided that all other parts of the same which are not held void or unconstitutional shall remain in full force and effect.

**Section 5. Effective Date.** This ordinance is effective upon final passage and approval.

**Section 6. Open Meetings.** It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meeting Act, Chapter. 551, Loc. Gov’t. Code.

**PASSED AND APPROVED** on First Reading this 9<sup>th</sup> day of April, 2019.

**FINALLY PASSED AND APPROVED** on this 23<sup>rd</sup> day of April, 2019.

**CITY OF BURNET, TEXAS**

\_\_\_\_\_  
Crista Goble Bromley, Mayor

**ATTEST:**

\_\_\_\_\_  
Kelly Dix, City Secretary



## Public Works Department

## ITEM 4.4

Gene Courtney  
Public Works Director  
(512)-756-2402  
gcourtney@cityofburnet.com

### Agenda Item Brief

<b>Meeting Date:</b>	April 23,2019
<b>Agenda Item:</b>	Discuss and consider action: Acceptance of a Public Utility Easement granted by the Ambassadors for Christ: G. Courtney
<b>Background:</b>	The Ambassadors for Christ is in the beginning stages of construction of a new church at 709 North Water St.
<b>Information:</b>	The basis for this request is for the installation of a new fire hydrant along the east side of Hwy 281. There is a hydrant with in the require distance from this property on the west side of Hwy 281, but the Fire Department would have to close down the State Highway to use it for a fire at the subject property. The existing water main and service for this building is located on the back property line limiting the service area of the hydrant to a few buildings. Accepting this easement would allow staff to install a water main from its existing location (back property line) to the front property line (Hwy 281) allowing the placement of a new fire hydrant to service multiple structures along the east side of Hwy 281 without closing down the State Highway.
<b>Fiscal Impact:</b>	None
<b>Recommendation:</b>	Staff recommends acceptance of the Public Utility Easement granted from the Ambassadors for Christ.

**PUBLIC UTILITY EASEMENT**

DATE: 4/11/19

GRANTOR: **Ambassadors for Christ**

GRANTOR'S MAILING ADDRESS (including County): **PO Box 1357 Burnet,  
Burnet County, Texas 78611**

GRANTEE: **City of Burnet, Texas**

GRANTEE'S MAILING ADDRESS (including County): **PO Box 1369, Burnet,  
Burnet County, Texas 78611**

LIENHOLDER: **None**

CONSIDERATION: Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

PROPERTY:

BEING A 20 FT. WIDE UTILITY EASEMENT OUT OF THE JOHN HAMILTON SURVEY NO. 1, ABSTRACT NO. 405, BURNET COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN 0.75 ACRE TRACT DESCRIBED IN DOCUMENT TO THE AMBASSADORS FOR CHRIST CHURCH, RECORDED IN DOCUMENT NO. 201606282 OF THE OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS, SAID 20 FT. WIDE UTILITY AND ACCESS EASEMENT BEING MORE PARTICULARLY DESCRIBED THE SURVEY ATTACHED HERETO AS EXHIBIT "A" AND THE METES AND BOUNDS DESCRIPTION ATTACHED HERETO AS EXHIBIT "B".

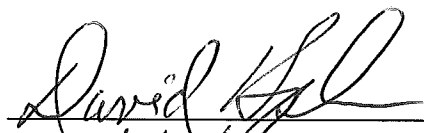
**GRANTOR**, for the **CONSIDERATION** paid to **GRANTOR**, hereby grants, sells, and conveys to **GRANTEE**, its successors and assigns, an exclusive, perpetual easement for all purposes necessary for installing, operating and maintaining any and all desired utility services within said easement, including but not limited to placing, constructing, operating, repairing, maintaining, rebuilding, replacing, relocating and removing or causing to be placed, constructed, operated, repaired, maintained, rebuilt, replaced, relocated and removed structures or improvements reasonably necessary for the supplying of electric, water and/or sanitary sewer service and all other utility services deemed necessary by the **GRANTEE** in, upon, under and across the **PROPERTY** more fully described and as shown in Exhibit "A" and Exhibit "B" attached hereto.

**GRANTOR** and **GRANTOR's** heirs, successors, and assigns shall retain the right to use all or part of the **PROPERTY** as long as such use does not interfere with **GRANTEE's** use of the **PROPERTY** for the purposes provided for herein. **GRANTEE** shall have the right to eliminate any encroachments into the **PROPERTY** that interfere with **GRANTEE's** use of the **PROPERTY** as a Public Utility Easement.

TO HAVE AND TO HOLD the above-described easement, together with all and singular the rights and appurtenances thereto in anyway belonging unto **GRANTEE**, and **GRANTEE's** successors and assigns forever; and **GRANTOR** does hereby bind itself, its successors and assigns to **WARRANT AND FOREVER DEFEND** all and singular the easement unto **GRANTEE**, its successor and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

When the context requires, singular nouns and pronouns include the plural.

**GRANTOR:**

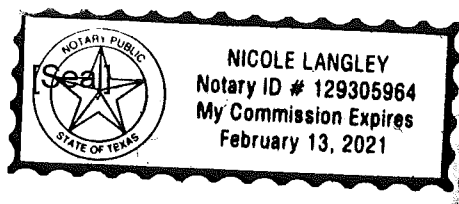


Date: 4/11/19  
By: David Humphries, Ambassadors for Christ

THE STATE OF TEXAS §  
COUNTY OF BURNET §

**BEFORE ME**, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared David Humphries, Ambassadors for Christ, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

**GIVEN UNDER MY HAND AND SEAL OF OFFICE** on this the 11<sup>th</sup> day of April, 2019.





Notary Public in and for the State of Texas

My Commission Expires: February 13, 2021

**After recording return to:**  
City of Burnet, Texas  
Attn. City Secretary  
1001 Buchanan Drive, Suite 4



P.O. Box 1369

**EXECUTED TO BE EFFECTIVE** the \_\_\_\_ day of \_\_\_\_\_, 2019.

**CITY OF BURNET, TEXAS**

\_\_\_\_\_  
Crista Goble Bromley, Mayor

**ATTEST:**

\_\_\_\_\_  
Kelly Dix, City Secretary

**THE STATE OF TEXAS     §**

**§**

**COUNTY OF BURNET     §**

**BEFORE ME**, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Crista Goble Bromley, Mayor of the City of Burnet, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

**GIVEN UNDER MY HAND AND SEAL OF OFFICE** on this the \_\_\_\_ day of \_\_\_\_\_, 2019.

[Seal]

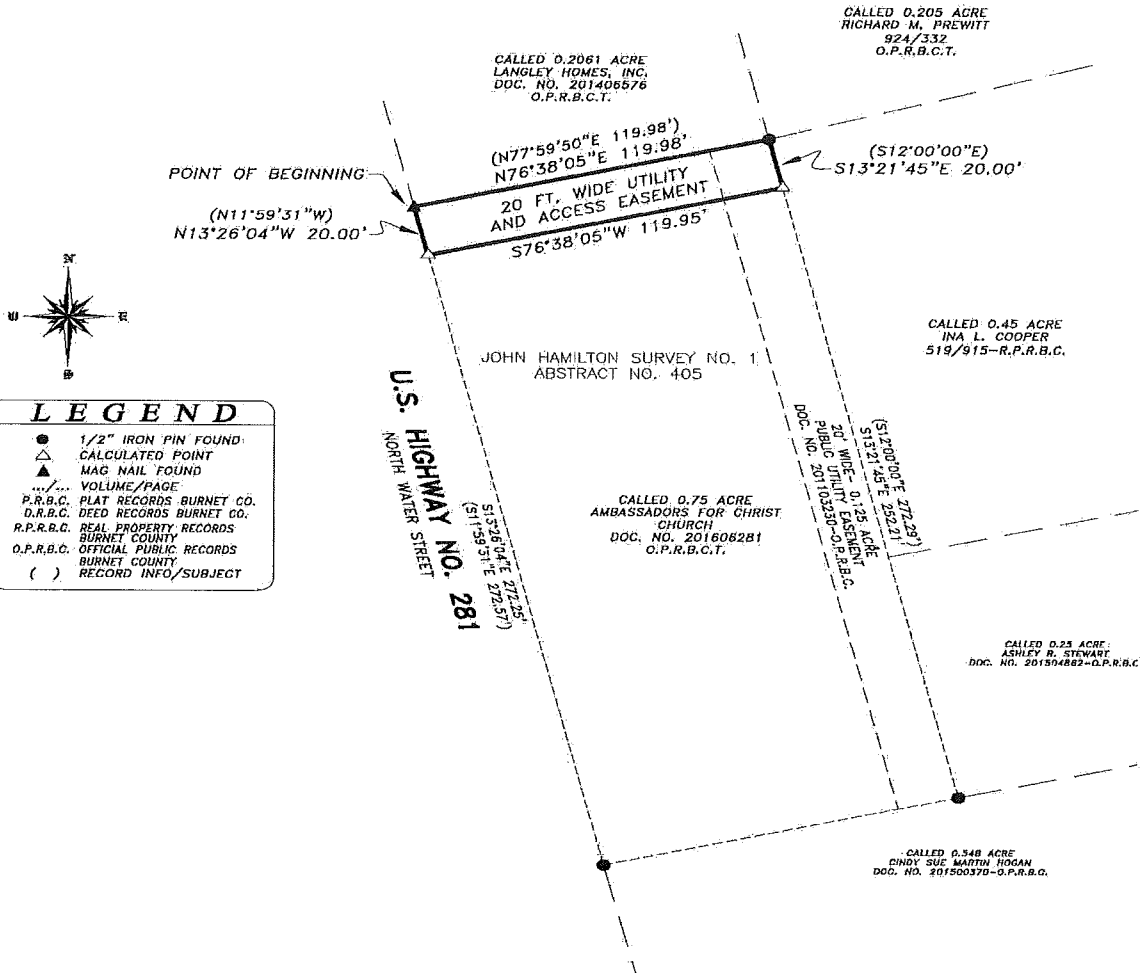
\_\_\_\_\_  
Notary Public in and for the State of Texas

My Commission Expires: \_\_\_\_\_

**AFTER RECORDING RETURN TO:**

City of Burnet, Texas  
Attn. City Secretary  
1001 Buchanan Drive, Suite 4  
P.O. Box 1369  
Burnet, TX 78611

# EXHIBIT "A"



## LEGEND

- 1/2" IRON PIN FOUND
- △ CALCULATED POINT
- ▲ MAG NAIL FOUND
- VOLUME/PAGE
- P.R.B.C. PLAT RECORDS BURNET CO.
- D.R.B.C. DEED RECORDS BURNET CO.
- R.P.R.B.C. REAL PROPERTY RECORDS BURNET COUNTY
- O.P.R.B.C. OFFICIAL PUBLIC RECORDS BURNET COUNTY
- ( ) RECORD INFO/SUBJECT

### NOTES:

1) SUBJECT PROPERTY IS LOCATED WITHIN ZONE X (AREAS OUTSIDE THE 100 YR FLOOD) AS GRAPHICALLY IDENTIFIED ON FEMA F.I.R.M., MAP NO. 48053C0340F, EFFECTIVE 3/15/2012.

2) BASIS OF BEARINGS ARE TO THE NORTH AMERICAN DATUM OF 1983, TEXAS COORDINATE SYSTEM, CENTRAL ZONE.

## 20 FT. WIDE UTILITY AND ACCESS EASEMENT SURVEY

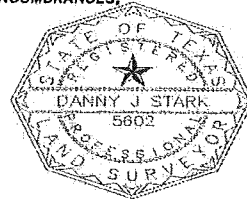
LEGAL DESCRIPTION: BEING A 20 FT. WIDE UTILITY EASEMENT OUT OF THE JOHN HAMILTON SURVEY NO. 1, ABSTRACT NO. 405, BURNET COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN 0.75 ACRE TRACT DESCRIBED IN DOCUMENT NO. 201606282 OF THE OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS, SAID 20 FT. WIDE UTILITY AND ACCESS EASEMENT BEING MORE PARTICULARLY DESCRIBED BY SEPARATE METES AND BOUNDS DESCRIPTION OF EVEN DATE TO ACCOMPANY THIS SURVEY.

THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT AND MAY HAVE ADDITIONAL ENCUMBRANCES. SURVEYOR NOT RESPONSIBLE FOR ANY ENCUMBRANCES THAT A TITLE COMMITMENT MAY DISCLOSE.

SUBJECT TO CURRENT REGULATIONS AND ORDINANCES OF THE CITY OF BURNET, BURNET COUNTY, TEXAS.

I HEREBY CERTIFY THAT THIS SURVEY WAS PERFORMED ON THE GROUND AND WAS SURVEYED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THIS PROFESSIONAL SERVICE MEETS OR EXCEEDS THE CURRENT MINIMUM STANDARDS OF PRACTICE AS ESTABLISHED BY THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING.

*Danny J. Stark*  
DANNY J. STARK, R.P.L.S. NO. 5602 DATED 4/8/2019



PROJ. NO. 17760  
PREPARED FOR: AMBASSADORS FOR CHRIST CHURCH  
TECH: GSM  
APPROVED: K. CUPLIN  
FIELDWORK PERFORMED ON: 4/8/2019  
COPYRIGHT 2019 PROFESSIONAL FIRM NO: 10126900

1500 OLLIE LANE  
MARBLE FALLS, TX 78654  
PH. 325-388-3300/830-693-8815  
WWW.CUPLINASSOCIATES.COM

SCALE 1" = 50'  
0 25 50

DATE	NO.	DESCRIPTION
	2	
	1	
REVISIONS		

## EXHIBIT "B"

**CUPLIN & ASSOCIATES, Inc.**  
land surveyors & planners

Prepared For: Ambassadors for Christ Church  
Project No. 17760  
Date: 04/08/2019

BEING A 20 FT. WIDE UTILITY EASEMENT OUT OF THE JOHN HAMILTON SURVEY NO. 1, ABSTRACT NO. 405, BURNET COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN 0.75 ACRE TRACT DESCRIBED IN DOCUMENT TO THE AMBASSADORS FOR CHRIST CHURCH, RECORDED IN DOCUMENT NO. 201606282 OF THE OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS, SAID 20 FT. WIDE UTILITY AND ACCESS EASEMENT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a MAG nail found in the Eastern Right of Way line of U. S. Highway 281 (North Water Street) at the Southwest corner of a tract of land called 0.2061 acres in an instrument to Langley Homes, Inc. of record in Document No. 201406576, Official Public Records of Burnet County, Texas, and the Northwest corner of said Ambassadors of Christ Church tract (hereafter called Church tract) and the Northwest corner hereof;

THENCE N 76°38'05" E, with the Southern boundary line of said Langley Homes tract, a distance of 119.98 feet to a 1/2" iron rod found at the Southeast corner of said Southeast corner of said Langley Homes tract, the Southwest corner of a tract of land called 0.205 acres in an instrument to Richard M. Prewitt, of record in Volume 924, Page 332, Official Public Records of Burnet County, Texas, and the Northwest corner of a tract of land called 0.45 acres in an instrument to Ina L. Cooper, of record in Volume 519, Page 915, Real Property Records of Burnet County, Texas, for the Northeast corner hereof;

THENCE S 13°21'45" E, with the Western boundary line of said Cooper tract, a distance of 20.00 feet to a calculated point in the Western boundary line of said Cooper tract and the Eastern boundary line of said Church tract, for the Southeast corner hereof;

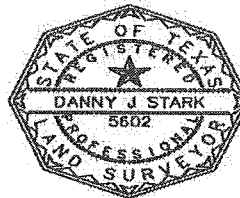
THENCE S 76°38'05" W, crossing said Church tract, a distance of 119.95 feet to a calculated point in the Eastern Right of Way line of said Highway 281, for the Southwest corner hereof;

THENCE N 13°26'04" W, with the Eastern Right of Way line of said Highway 281, a distance of 20.00 feet to the POINT OF BEGINNING and calculated to contain 2399 square feet or 0.06 acres.

I hereby certify that this survey was performed on the ground and was surveyed by me or under my direct supervision and that this professional service meets or exceeds the current minimum standards of practice as established by the Texas Board of Professional Land Surveying. Basis of Bearings are to Texas Coordinate System, Central Zone. A Plat of Survey of even date was prepared as is intended to accompany the above described tract of land.

  
\_\_\_\_\_  
Danny J. Stark, Registered Professional Land Surveyor No. 5602

Dated: 04/08/2019





## Administration

## ITEM 4.5

Evan Milliorn  
(512)-715-3200  
emilliorn@cityofburnet.com

### Agenda Item Brief

**Meeting Date:** April 23, 2019

**Agenda Item:** Discuss and consider action: A RESOLUTION PROVIDING FOR THE SALE OF PROPERTY ACQUIRED BY THE BURNET CENTRAL APPRAISAL DISTRICT AT A DELINQUENT TAX SALE FURTHER DESCRIBED AS LOT 3 BLOCK 18, JOHNSON ADDITION OF BURNET, BURNET COUNTY, TEXAS: E. Milliorn

**Background:** This tract is a standard city lot and is located in the 1000 Block of E. Marble between Hill and Clark Street as shown on Exhibit "A". The tract is currently undeveloped and encumbered with an "arroyo" or a natural drainage channel that flows large amounts of water in a flash flooding event. There is no dedicated FEMA floodplain on this tract. The current zoning designation for this tract is Single-family District (R-1).

The 2018 Assessed Valuation for this property is \$11,001.

**Information:** Roger A. Van Voorhees submitted a bid on the tract for a total sum of \$1,600. The distribution on monies will be as follows if all entities approve the sale at the offered amount:

Deed Recording Fee	\$38.00
Court Costs	\$751.00
Abstract Fee	\$175.00
City of Burnet	\$104.19
Burnet County	\$ 59.51
Burnet County Special	\$ 7.03
Water Conservation District	\$ 1.58

BCISD	\$213.69
Attorney Ad Litem Fee	\$250.00
Total	\$1,600.00

**Fiscal Impact:** \$104.19 in Appraisal District Tax Revenue.

**Recommendation:** Adopt Resolution R2019-08 as presented on Exhibit "B".

Exhibit "A"



**Exhibit "B"**

**RESOLUTION NO. R2019-08**

**A RESOLUTION PROVIDING FOR THE SALE OF PROPERTY  
ACQUIRED BY THE BURNET CENTRAL APPRAISAL DISTRICT AT  
DELINQUENT TAX SALE FURTHER DESCRIBED AS LOT 3 BLOCK  
18, JOHNSON ADDITION OF BURNET, BURNET COUNTY, TEXAS**

**WHEREAS**, Lot 3 Block 18, Johnson Addition of Burnet, Burnet County, Texas, being that property more particularly described in Volume 318, Page 591 of the Deed of Records of Burnet County, Texas was offered for sale by the Sheriff at Burnet County, Texas at a public auction pursuant to a judgement of foreclosure for delinquent taxes by the District Court; and

**WHEREAS**, no sufficient bid was received and the property was struck off to the Burnet Central Appraisal District, Trustee, pursuant to TEX.PROP.TAX CODE Section 34.01(j); and

**WHEREAS**, TEX.PROP.TAX CODE Section 34.05(a) provides that we may accept a sufficient bid. A bid of ONE THOUSAND AND SIX HUNDRED AND NO/100 DOLLARS (\$1,600.00) has been made by ROGER A. VAN VOORHEES, said bid being less than the taxes due.

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:** the Mayor of the City of Burnet is hereby authorized to convey Lot 3 Block 18, Johnson Addition of Burnet, Burnet County, Texas to ROGER A. VAN VOORHEES, for the sum of ONE THOUSAND AND SIX HUNDRED AND NO/100 DOLLARS (\$1,600.00) payable to the Chief Appraiser of the Burnet Central Appraisal District for distribution as provided by law.

**PASSED, APPROVED AND ADOPTED** this the 23<sup>rd</sup> day of April, 2019.

**CITY OF BURNET, TEXAS**

**ATTEST:**

\_\_\_\_\_  
Crista Goble Bromley, Mayor

\_\_\_\_\_  
Kelly Dix, City Secretary





## Administration

## ITEM 4.6

Evan Milliorn  
Administrative Services  
(512) 715 - 3200  
emilliorn@cityofburnet.com

### Agenda Item Brief

<b>Meeting Date:</b>	April 23, 2019
<b>Agenda Item:</b>	Discuss and consider action: Acceptance of a 10-foot wide (0.04 acre) public utility easement, located in the John Hamilton survey no. 1, abstract no. 405, Burnet County, Texas, further being a portion of Post Oak Street, and portions of a called 0.649 acre tract, described in document to James C. Wukasch and Suzanne W. Wukasch, recorded in document no. 201405169 of the official public records of Burnet County: E. Milliorn
<b>Background:</b>	<p>The easement is approximately 0.04-acres and for the most part, located within an unpaved portion of Post Oak Street between the old Watts Street rights-of-way and Hamilton Creek. There is currently an overhead electric line located within the proposed easement.</p> <p>Although most of the 0.04-acres is located within the existing right-of-way, there is a very small portion located on private property that is owned by Mr. and Mrs. Wukasch. Therefore, Mr. and Mrs. Wukasch have signed the City's standard Public Utility Easement document conveying said easement to the City.</p>
<b>Information:</b>	Once approved by Council, and recorded in Official Public Records of Burnet County; the easement will be identified on the forthcoming replat showing the new property lines involved in this transaction.
<b>Fiscal Impact:</b>	None.
<b>Recommendation:</b>	Staff concurs and recommends a motion by Council to accept the public utility easement.



Exhibit "A"  
**PUBLIC UTILITY EASEMENT**

DATE: \_\_\_\_\_

GRANTOR: **James C. Wukasch and Suzanne W. Wukasch, a married couple**

GRANTOR'S MAILING ADDRESS (including County): **PO Box 401, Burnet, Burnet County, Texas 78611**

GRANTEE: **City of Burnet, Texas**

GRANTEE'S MAILING ADDRESS (including County): **PO Box 1369, Burnet, Burnet County, Texas 78611**

LIENHOLDER: **None**

CONSIDERATION: Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

PROPERTY:

BEING A 10-FOOT WIDE (0.04 ACRE) PUBLIC UTILITY EASEMENT, LOCATED IN THE JOHN HAMILTON SURVEY NO. 1, ABSTRACT NO. 405, BURNET COUNTY, TEXAS, FURTHER BEING A PORTION OF POST OAK STREET, AND PORTIONS OF A CALLED 0.649 ACRE TRACT, DESCRIBED IN DOCUMENT TO JAMES C. WUKASCH AND SUZANNE W. WUKASCH, RECORDED IN DOCUMENT NO. 201405169 OF THE OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS, FURTHER DESCRIBED BY THE SURVEY ATTACHED HERETO AS EXHIBIT "A" AND THE METES AND BOUNDS DESCRIPTION ATTACHED HERETO AS EXHIBIT "B".

**GRANTOR**, for the **CONSIDERATION** paid to **GRANTOR**, hereby grants, sells, and conveys to **GRANTEE**, its successors and assigns, an exclusive, perpetual easement for all purposes necessary for installing, operating and maintaining any and all desired utility services within said easement, including but not limited to placing, constructing, operating, repairing, maintaining, rebuilding, replacing, relocating and removing or causing to be placed, constructed, operated, repaired, maintained, rebuilt, replaced, relocated and removed structures or improvements reasonably necessary for the supplying of electric, water and/or sanitary sewer service and all other utility services deemed necessary by the **GRANTEE** in, upon, under and across the **PROPERTY** more fully described and as shown in Exhibit "A" attached hereto.

**GRANTOR** and **GRANTOR's** heirs, successors, and assigns shall retain the right to use all or part of the **PROPERTY** as long as such use does not interfere with **GRANTEE's** use of the **PROPERTY** for the purposes provided for herein. **GRANTEE**

shall have the right to eliminate any encroachments into the **PROPERTY** that interfere with **GRANTEE's** use of the **PROPERTY** as a Public Utility Easement.

**TO HAVE AND TO HOLD** the above-described easement, together with all and singular the rights and appurtenances thereto in anyway belonging unto **GRANTEE**, and **GRANTEE's** successors and assigns forever; and **GRANTOR** does hereby bind itself, its successors and assigns to **WARRANT AND FOREVER DEFEND** all and singular the easement unto **GRANTEE**, its successor and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

When the context requires, singular nouns and pronouns include the plural.

**GRANTOR:**

\_\_\_\_\_  
By: James C. Wukasch

Date: \_\_\_\_\_

**GRANTOR:**

\_\_\_\_\_  
By: Suzanne W. Wukasch

Date: \_\_\_\_\_

**THE STATE OF TEXAS     §**

**§**

**COUNTY OF BURNET     §**

**BEFORE ME**, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared James C. Wukasch, the property owner, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

**GIVEN UNDER MY HAND AND SEAL OF OFFICE** on this the \_\_\_\_day of \_\_\_\_\_, 2019.

[Seal]

\_\_\_\_\_  
Notary Public in and for the State of Texas

My Commission Expires:\_\_\_\_\_

**THE STATE OF TEXAS   §**  
                                      **§**  
**COUNTY OF BURNET   §**

**BEFORE ME**, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Suzanne W. Wukasch, the property owner, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

**GIVEN UNDER MY HAND AND SEAL OF OFFICE** on this the \_\_\_\_\_day of \_\_\_\_\_, 2019.

[Seal]

\_\_\_\_\_  
Notary Public in and for the State of Texas

My Commission Expires:\_\_\_\_\_

**ACCEPTED AND EXECUTED TO BE EFFECTIVE** the \_\_\_\_ day of \_\_\_\_\_, 2019.

**ACCEPTED:**  
**CITY OF BURNET, TEXAS**

\_\_\_\_\_  
Crista Goble Bromley, Mayor

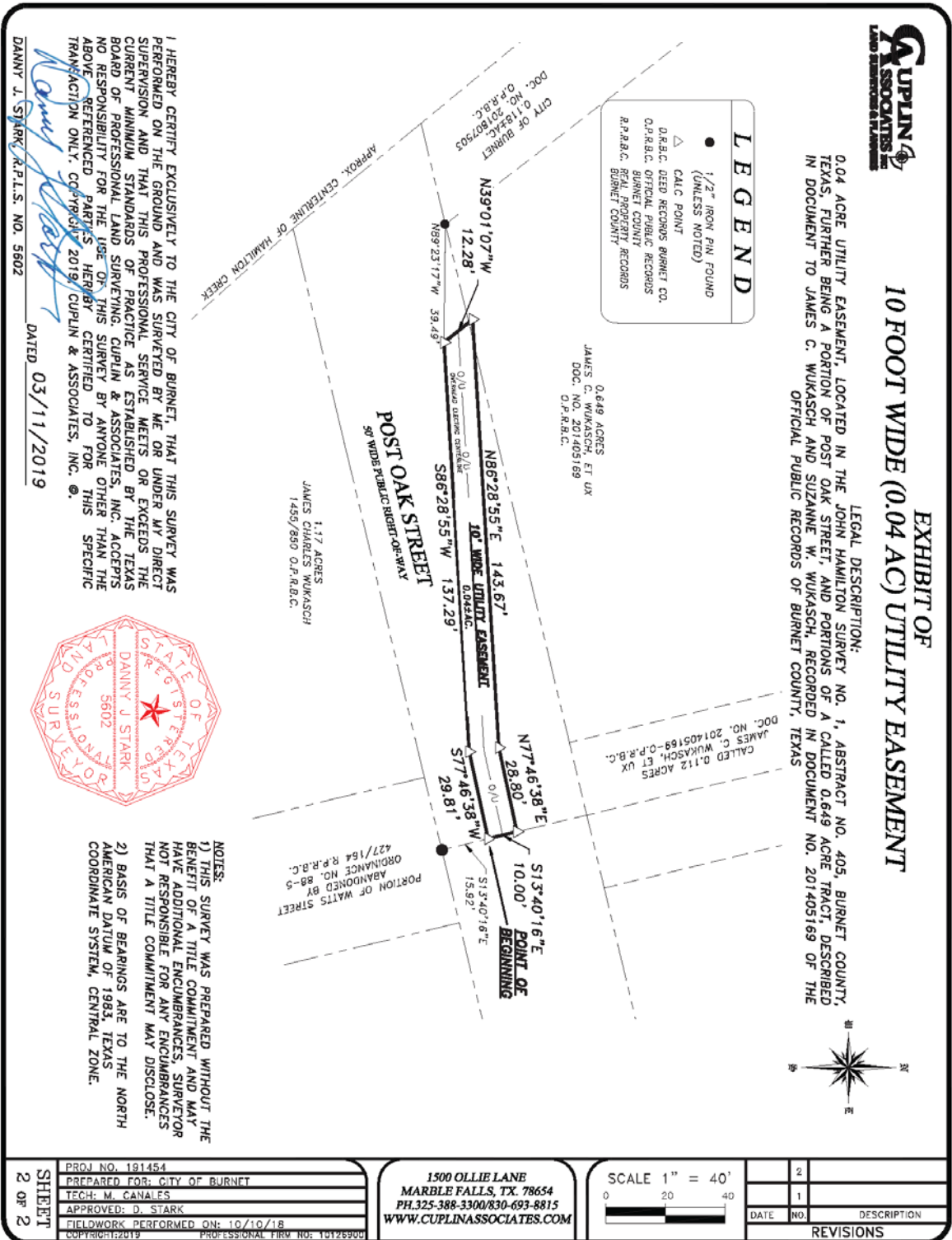
**ATTEST:**

\_\_\_\_\_  
Kelly Dix, City Secretary

**AFTER RECORDING RETURN TO:**

City of Burnet, Texas  
Attn. City Secretary  
1001 Buchanan Drive, Suite 4  
P.O. Box 1369  
Burnet, TX 78611

# Exhibit "A"



## Exhibit "B"



Prepared For: City of Burnet  
Project No.: 171454  
Date: 3/11/2019

FIELD NOTES ONLY OF A 0.04 ACRE UTILITY EASEMENT, LOCATED IN THE JOHN HAMILTON SURVEY NO. 1, ABSTRACT NO. 405, BURNET COUNTY, TEXAS, FURTHER BEING A PORTION OF POST OAK STREET, AND PORTIONS OF A CALLED 0.649 ACRE TRACT, DESCRIBED IN DOCUMENT TO JAMES C. WUKASCH AND SUZANNE W. WUKASCH, RECORDED IN DOCUMENT NO. 201405169 OF THE OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** at a calculated point within the right-of-way of said Post Oak Street, at the southeast corner hereof, **WHENCE** a 1/2" iron rod found on the south right-of-way line of said Post Oak Street bears South 13°40'16" East a distance of 15.92';

**THENCE** over and across said Post Oak Street right-of-way, and said 0.649 acre tract, the following six (6) courses and distances:

- 1) South 77°46'38" West, a distance of 29.81' to a calculated point;
- 2) South 86°28'55" West, a distance of 137.29' to a calculated point at the southwest corner hereof, **WHENCE** a 1/2" iron rod found at the southwest corner of said 0.649 acre tract bears North 89°23'17" West a distance of 39.49';
- 3) North 39°01'07" West, a distance of 12.28' to a calculated point at the northwest corner hereof;
- 4) North 86°28'55" East, a distance of 143.67' to a calculated point;
- 5) North 77°46'38" East, a distance of 28.80' to a calculated point for the northeast corner hereof;
- 6) South 13°40'16" East, a distance of 10.00' to the **POINT OF BEGINNING**, containing 0.04 of an acre, more or less.

I HEREBY CERTIFY EXCLUSIVELY TO THE CITY OF BURNET, THAT THIS SURVEY WAS PERFORMED ON THE GROUND AND WAS SURVEYED BY ME OR UNDER MY DIRECT. CUPLIN & ASSOCIATES, INC. ACCEPTS NO RESPONSIBILITY FOR THE USE OF THIS SURVEY BY ANYONE OTHER THAN THE ABOVE REFERENCED PARTIES HEREBY CERTIFIED TO FOR THIS SPECIFIC TRANSACTION ONLY. COPYRIGHT 2019, CUPLIN & ASSOCIATES, INC. ©. BASIS OF BEARINGS ARE TO TEXAS COORDINATE SYSTEM, CENTRAL ZONE. A PLAT OF SURVEY WAS PREPARED TO ACCOMPANY THE ABOVE DESCRIBED TRACT OF LAND.

  
\_\_\_\_\_  
Danny J. Stark  
Registered Professional Land Surveyor No. 5602

Dated: 3/11/2019







## Administration

## ITEM 4.7

Evan Milliorn  
Administrative Services  
(512) 715 - 3200  
emilliorn@cityofburnet.com

### Agenda Item Brief

<b>Meeting Date:</b>	April 23, 2019
<b>Agenda Item:</b>	Discuss and consider action: Acceptance of a 20-foot wide (0.06 acre) public utility easement, located in the John Hamilton Survey no. 1, Abstract no. 405, Burnet County, Texas, further being a portion of Post Oak Street, and portions of a called 0.112 acre tract and a 0.649 acre tract, described in document to James C. Wukasch and Suzanne W. Wukasch, recorded in document no. 201405169 of the official public records of Burnet County, Texas: E. Milliorn
<b>Background:</b>	<p>The easement is approximately 0.06-acres and for the most part, located within an unpaved portion of Post Oak Street between the old Watts Street rights-of-way and Hamilton Creek. There is currently a sewer line located within the proposed easement.</p> <p>Although most of the 0.06-acres is located within the existing right-of-way, there is a very small portion located on private property that is owned by Mr. and Mrs. Wukasch. Therefore, Mr. and Mrs. Wukasch have signed the City's standard Public Utility Easement document conveying said easement to the City.</p>
<b>Information:</b>	Once approved by Council, and recorded in Official Public Records of Burnet County; the easement will be identified on the forthcoming replat showing the new property lines involved in this transaction.
<b>Fiscal Impact:</b>	None.
<b>Recommendation:</b>	Staff concurs and recommends a motion by Council to accept the public utility easement.



Exhibit "A"  
**PUBLIC UTILITY EASEMENT**

DATE: \_\_\_\_\_

GRANTOR: **James C. Wukasch and Suzanne W. Wukasch, a married couple**

GRANTOR'S MAILING ADDRESS (including County): **PO Box 401, Burnet, Burnet County, Texas 78611**

GRANTEE: **City of Burnet, Texas**

GRANTEE'S MAILING ADDRESS (including County): **PO Box 1369, Burnet, Burnet County, Texas 78611**

LIENHOLDER: **None**

CONSIDERATION: Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

PROPERTY:

BEING A 20-FOOT WIDE (0.06 ACRE) UTILITY EASEMENT, LOCATED IN THE JOHN HAMILTON SURVEY NO. 1, ABSTRACT NO. 405, BURNET COUNTY, TEXAS, FURTHER BEING A PORTION OF POST OAK STREET, AND PORTIONS OF A CALLED 0.112 ACRE TRACT AND A 0.649 ACRE TRACT, DESCRIBED IN DOCUMENT TO JAMES C. WUKASCH AND SUZANNE W. WUKASCH, RECORDED IN DOCUMENT NO. 201405169 OF THE OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS, FURTHER DESCRIBED BY THE SURVEY ATTACHED HERETO AS EXHIBIT "A" AND THE METES AND BOUNDS DESCRIPTION ATTACHED HERETO AS EXHIBIT "B".

**GRANTOR**, for the **CONSIDERATION** paid to **GRANTOR**, hereby grants, sells, and conveys to **GRANTEE**, its successors and assigns, an exclusive, perpetual easement for all purposes necessary for installing, operating and maintaining any and all desired utility services within said easement, including but not limited to placing, constructing, operating, repairing, maintaining, rebuilding, replacing, relocating and removing or causing to be placed, constructed, operated, repaired, maintained, rebuilt, replaced, relocated and removed structures or improvements reasonably necessary for the supplying of electric, water and/or sanitary sewer service and all other utility services deemed necessary by the **GRANTEE** in, upon, under and across the **PROPERTY** more fully described and as shown in Exhibit "A" attached hereto.

**GRANTOR** and **GRANTOR's** heirs, successors, and assigns shall retain the right to use all or part of the **PROPERTY** as long as such use does not interfere with **GRANTEE's** use of the **PROPERTY** for the purposes provided for herein. **GRANTEE**

shall have the right to eliminate any encroachments into the **PROPERTY** that interfere with **GRANTEE's** use of the **PROPERTY** as a Public Utility Easement.

**TO HAVE AND TO HOLD** the above-described easement, together with all and singular the rights and appurtenances thereto in anyway belonging unto **GRANTEE**, and **GRANTEE's** successors and assigns forever; and **GRANTOR** does hereby bind itself, its successors and assigns to **WARRANT AND FOREVER DEFEND** all and singular the easement unto **GRANTEE**, its successor and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

When the context requires, singular nouns and pronouns include the plural.

**GRANTOR:**

---

By: James C. Wukasch

Date: \_\_\_\_\_

**GRANTOR:**

---

By: Suzanne W. Wukasch

Date: \_\_\_\_\_

**THE STATE OF TEXAS   §**

**§**

**COUNTY OF BURNET   §**

**BEFORE ME**, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared James C. Wukasch, the property owner, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

**GIVEN UNDER MY HAND AND SEAL OF OFFICE** on this the \_\_\_\_day of \_\_\_\_\_, 2019.

[Seal]

\_\_\_\_\_  
Notary Public in and for the State of Texas

My Commission Expires:\_\_\_\_\_

**THE STATE OF TEXAS   §  
                                     §  
COUNTY OF BURNET   §**

**BEFORE ME**, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Suzanne W. Wukasch, the property owner, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

**GIVEN UNDER MY HAND AND SEAL OF OFFICE** on this the \_\_\_\_day of \_\_\_\_\_, 2019.

[Seal]

\_\_\_\_\_  
Notary Public in and for the State of Texas

My Commission Expires:\_\_\_\_\_

**ACCEPTED AND EXECUTED TO BE EFFECTIVE** the \_\_\_\_ day of \_\_\_\_\_, 2019.

**ACCEPTED:  
CITY OF BURNET, TEXAS**

\_\_\_\_\_  
Crista Goble Bromley, Mayor

**ATTEST:**

\_\_\_\_\_  
Kelly Dix, City Secretary

**AFTER RECORDING RETURN TO:**

City of Burnet, Texas  
Attn. City Secretary  
1001 Buchanan Drive, Suite 4  
P.O. Box 1369  
Burnet, TX 78611

# EXHIBIT "A"



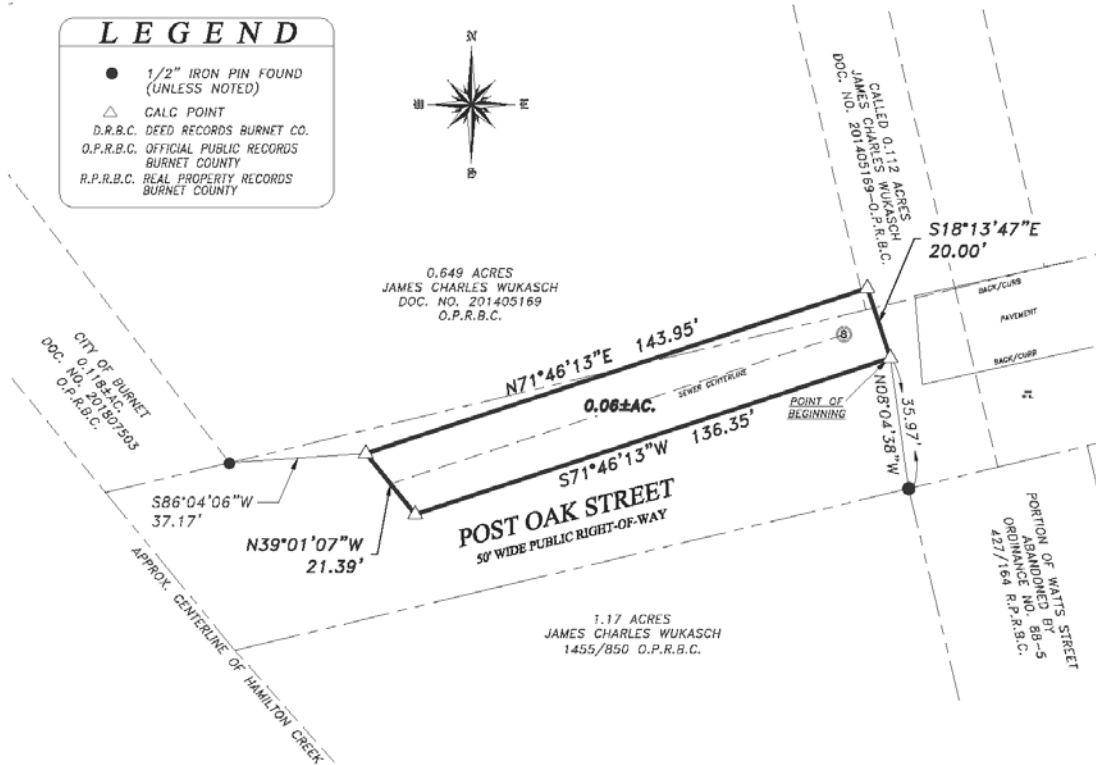
## EXHIBIT OF 20 FOOT WIDE (0.06 AC) UTILITY EASEMENT

### LEGAL DESCRIPTION:

0.06 ACRE TRACT OF LAND, OUT OF THE JOHN HAMILTON SURVEY NO. 1, ABSTRACT NO. 405, BURNET COUNTY, TEXAS, FURTHER BEING A PORTION OF POST OAK STREET, AND PORTIONS OF A CALLED 0.112 ACRE TRACT AND A 0.649 ACRE TRACT, DESCRIBED IN DOCUMENT TO JAMES C. WUKASCH AND SUZANNE W. WUKASCH, RECORDED IN DOCUMENT NO. 201405169 OF THE OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS

### LEGEND

- 1/2" IRON PIN FOUND (UNLESS NOTED)
- △ CALC. POINT
- D.R.B.C. DEED RECORDS BURNET CO.
- O.P.R.B.C. OFFICIAL PUBLIC RECORDS BURNET COUNTY
- R.P.R.B.C. REAL PROPERTY RECORDS BURNET COUNTY



### NOTES:

1) THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT AND MAY HAVE ADDITIONAL ENCUMBRANCES, SURVEYOR NOT RESPONSIBLE FOR ANY ENCUMBRANCES THAT A TITLE COMMITMENT MAY DISCLOSE.

2) BASIS OF BEARINGS ARE TO THE NORTH AMERICAN DATUM OF 1983, TEXAS COORDINATE SYSTEM, CENTRAL ZONE.

I HEREBY CERTIFY EXCLUSIVELY TO THE CITY OF BURNET, THAT THIS SURVEY WAS PERFORMED ON THE GROUND AND WAS SURVEYED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THIS PROFESSIONAL SERVICE MEETS OR EXCEEDS THE CURRENT MINIMUM STANDARDS OF PRACTICE AS ESTABLISHED BY THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING. CUPLIN & ASSOCIATES, INC. ACCEPTS NO RESPONSIBILITY FOR THE USE OF THIS SURVEY BY ANYONE OTHER THAN THE ABOVE REFERENCED PARTIES HEREBY CERTIFIED TO FOR THIS SPECIFIC TRANSACTION ONLY. COPYRIGHT 2019, CUPLIN & ASSOCIATES, INC. ©.

*Danny J. Stark*  
DANNY J. STARK, R.P.L.S. NO. 5602

DATED 3/19/2019



SHEET 2 OF 2

PROJ. NO. 171454  
PREPARED FOR: CITY OF BURNET, TEXAS  
TECH: M. CANALES  
APPROVED: D. STARK  
FIELDWORK PERFORMED ON: 10/10/18  
COPYRIGHT 2019 PROFESSIONAL FIRM NO: 10126900

1500 OLLIE LANE  
MARBLE FALLS, TX. 78654  
PH. 325-388-3300/830-693-8815  
WWW.CUPLINASSOCIATES.COM

SCALE 1" = 30'  
0 15 30

DATE	NO.	DESCRIPTION
	2	
	1	
REVISIONS		

## EXHIBIT "B"



Prepared For: City of Burnet  
Project No.: 171454  
Date: 3/12/2019

**FIELD NOTES ONLY OF A 0.06 ACRE TRACT OF LAND, OUT OF THE JOHN HAMILTON SURVEY NO. 1, ABSTRACT NO. 405, BURNET COUNTY, TEXAS, FURTHER BEING A PORTION OF POST OAK STREET, AND PORTIONS OF A CALLED 0.112 ACRE TRACT AND A 0.649 ACRE TRACT, DESCRIBED IN DOCUMENT TO JAMES C. WUKASCH AND SUZANNE W. WUKASCH, RECORDED IN DOCUMENT NO. 201405169 OF THE OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:**

**BEGINNING** at a calculated point within the right-of-way of said Post Oak Street, at the southeast corner hereof, **WHENCE** a 1/2" iron rod found at the northeast corner of a 1.17 acre tract described in deed to James Charles Wukasch recorded in Volume 1455, Page 850, Official Public Records Burnet County, Texas, bears South 08°04'38" East a distance of 35.97';

**THENCE** over and across said Post Oak Street right-of-way, said 0.649 acre tract, said 1.284 acre tract, and said 0.112 acre tract, the following two courses and distances:

- 1) South 71°46'13" West, a distance of 136.35' to a calculated point at the southwest corner hereof;
- 2) North 39°01'07" West, a distance of 21.39' to a calculated point at the northwest corner hereof, **WHENCE** a 1/2" iron rod found at the southwest corner of said 0.649 acre tract bears South 86°04'06" East a distance of 37.17';

**THENCE** North 71°46'13" East, a distance of 143.95' to calculated point, for the northeast corner hereof;

**THENCE** South 18°13'47" East, a distance of 20.00' the **POINT OF BEGINNING**, containing 0.06 of an acre, more or less.

I HEREBY CERTIFY EXCLUSIVELY TO THE CITY OF BURNET, THAT THIS SURVEY WAS PERFORMED ON THE GROUND AND WAS SURVEYED BY ME OR UNDER MY DIRECT. CUPLIN & ASSOCIATES, INC. ACCEPTS NO RESPONSIBILITY FOR THE USE OF THIS SURVEY BY ANYONE OTHER THAN THE ABOVE REFERENCED PARTIES HEREBY CERTIFIED TO FOR THIS SPECIFIC TRANSACTION ONLY. COPYRIGHT 2019, CUPLIN & ASSOCIATES, INC. ©. BASIS OF BEARINGS ARE TO TEXAS COORDINATE SYSTEM, CENTRAL ZONE. A PLAT OF SURVEY WAS PREPARED TO ACCOMPANY THE ABOVE DESCRIBED TRACT OF LAND.

  
\_\_\_\_\_  
Danny J. Stark  
Registered Professional Land Surveyor No. 5602

Dated: 3/12/2019





## Administration

## ITEM 4.8

Evan Milliorn  
Administrative Services  
(512) 715 - 3200  
emilliorn@cityofburnet.com

### Agenda Item Brief

<b>Meeting Date:</b>	April 23, 2019
<b>Agenda Item:</b>	Discuss and consider action: Acceptance of a 15-foot wide (0.07 acre) public utility easement, located in the John Hamilton Survey no. 1, Abstract no. 405, Burnet County, Texas, further being a portion of Post Oak Street, and portions of a called 0.649 acre tract, described in document to James C. Wukasch and Suzanne W. Wukasch, recorded in document no. 201405169 of the official public records of Burnet County, Texas: E. Milliorn
<b>Background:</b>	<p>The easement is approximately 0.07-acres and for the most part, located within an unpaved portion of Post Oak Street between the old Watts Street rights-of-way and Hamilton Creek. There is currently a water line located within the proposed easement.</p> <p>Although most of the 0.07-acres is located within the existing right-of-way, there is a very small portion located on private property that is owned by Mr. and Mrs. Wukasch. Therefore, Mr. and Mrs. Wukasch have signed the City's standard Public Utility Easement document conveying said easement to the City.</p>
<b>Information:</b>	Once approved by Council, and recorded in Official Public Records of Burnet County; the easement will be identified on the forthcoming replat showing the new property lines involved in this transaction.
<b>Fiscal Impact:</b>	None.
<b>Recommendation:</b>	Staff concurs and recommends a motion by Council to accept the public utility easement.

Exhibit "A"  
**PUBLIC UTILITY EASEMENT**

DATE: \_\_\_\_\_

GRANTOR: **James C. Wukasch and Suzanne W. Wukasch, a married couple**

GRANTOR'S MAILING ADDRESS (including County): **PO Box 401, Burnet, Burnet County, Texas 78611**

GRANTEE: **City of Burnet, Texas**

GRANTEE'S MAILING ADDRESS (including County): **PO Box 1369, Burnet, Burnet County, Texas 78611**

LIENHOLDER: **None**

CONSIDERATION: Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

PROPERTY:

BEING A 15-FOOT WIDE (0.07 ACRE) UTILITY EASEMENT, LOCATED IN THE JOHN HAMILTON SURVEY NO. 1, ABSTRACT NO. 405, BURNET COUNTY, TEXAS, FURTHER BEING A PORTION OF POST OAK STREET, AND PORTIONS OF A CALLED 0.649 ACRE TRACT, DESCRIBED IN DOCUMENT TO JAMES C. WUKASCH AND SUZANNE W. WUKASCH, RECORDED IN DOCUMENT NO. 201405169 OF THE OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS, FURTHER DESCRIBED BY THE SURVEY ATTACHED HERETO AS EXHIBIT "A" AND THE METES AND BOUNDS DESCRIPTION ATTACHED HERETO AS EXHIBIT "B".

**GRANTOR**, for the **CONSIDERATION** paid to **GRANTOR**, hereby grants, sells, and conveys to **GRANTEE**, its successors and assigns, an exclusive, perpetual easement for all purposes necessary for installing, operating and maintaining any and all desired utility services within said easement, including but not limited to placing, constructing, operating, repairing, maintaining, rebuilding, replacing, relocating and removing or causing to be placed, constructed, operated, repaired, maintained, rebuilt, replaced, relocated and removed structures or improvements reasonably necessary for the supplying of electric, water and/or sanitary sewer service and all other utility services deemed necessary by the **GRANTEE** in, upon, under and across the **PROPERTY** more fully described and as shown in Exhibit "A" attached hereto.

**GRANTOR** and **GRANTOR's** heirs, successors, and assigns shall retain the right to use all or part of the **PROPERTY** as long as such use does not interfere with **GRANTEE's** use of the **PROPERTY** for the purposes provided for herein. **GRANTEE**



shall have the right to eliminate any encroachments into the **PROPERTY** that interfere with **GRANTEE's** use of the **PROPERTY** as a Public Utility Easement.

**TO HAVE AND TO HOLD** the above-described easement, together with all and singular the rights and appurtenances thereto in anyway belonging unto **GRANTEE**, and **GRANTEE's** successors and assigns forever; and **GRANTOR** does hereby bind itself, its successors and assigns to **WARRANT AND FOREVER DEFEND** all and singular the easement unto **GRANTEE**, its successor and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

When the context requires, singular nouns and pronouns include the plural.

**GRANTOR:**

\_\_\_\_\_  
By: James C. Wukasch

Date: \_\_\_\_\_

**GRANTOR:**

\_\_\_\_\_  
By: Suzanne W. Wukasch

Date: \_\_\_\_\_

**THE STATE OF TEXAS   §**

**§**

**COUNTY OF BURNET   §**

**BEFORE ME**, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared James C. Wukasch, the property owner, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

**GIVEN UNDER MY HAND AND SEAL OF OFFICE** on this the \_\_\_\_day of \_\_\_\_\_, 2019.

[Seal]

\_\_\_\_\_  
Notary Public in and for the State of Texas

My Commission Expires:\_\_\_\_\_

**THE STATE OF TEXAS   §  
                                     §  
COUNTY OF BURNET   §**

**BEFORE ME**, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Suzanne W. Wukasch, the property owner, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

**GIVEN UNDER MY HAND AND SEAL OF OFFICE** on this the \_\_\_\_day of \_\_\_\_\_, 2019.

[Seal]

\_\_\_\_\_  
Notary Public in and for the State of Texas

My Commission Expires:\_\_\_\_\_

**ACCEPTED AND EXECUTED TO BE EFFECTIVE** the \_\_\_\_ day of \_\_\_\_\_, 2019.

**ACCEPTED:  
CITY OF BURNET, TEXAS**

\_\_\_\_\_  
Crista Goble Bromley, Mayor

**ATTEST:**

\_\_\_\_\_  
Kelly Dix, City Secretary

**AFTER RECORDING RETURN TO:**

City of Burnet, Texas  
Attn. City Secretary  
1001 Buchanan Drive, Suite 4  
P.O. Box 1369  
Burnet, TX 78611

# EXHIBIT "A"



## EXHIBIT OF 15 FOOT WIDE (0.07 AC) UTILITY EASEMENT

LEGAL DESCRIPTION:  
0.07 ACRE UTILITY EASEMENT, LOCATED IN THE JOHN HAMILTON SURVEY NO. 1, ABSTRACT NO. 405, BURNET COUNTY, TEXAS, FURTHER BEING A PORTION OF POST OAK STREET, AND PORTIONS OF A CALLED 0.649 ACRE TRACT, DESCRIBED IN DOCUMENT TO JAMES C. WUKASCH AND SUZANNE W. WUKASCH, RECORDED IN DOCUMENT NO. 201405169 OF THE OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS

### LEGEND

- 1/2" IRON PIN FOUND (UNLESS NOTED)
- ▲ 60D NAIL FOUND
- △ CALC. POINT
- D.B.C. DEED RECORDS BURNET CO.
- O.P.R.B.C. OFFICIAL PUBLIC RECORDS
- BURNET COUNTY
- BURNET COUNTY
- BURNET COUNTY

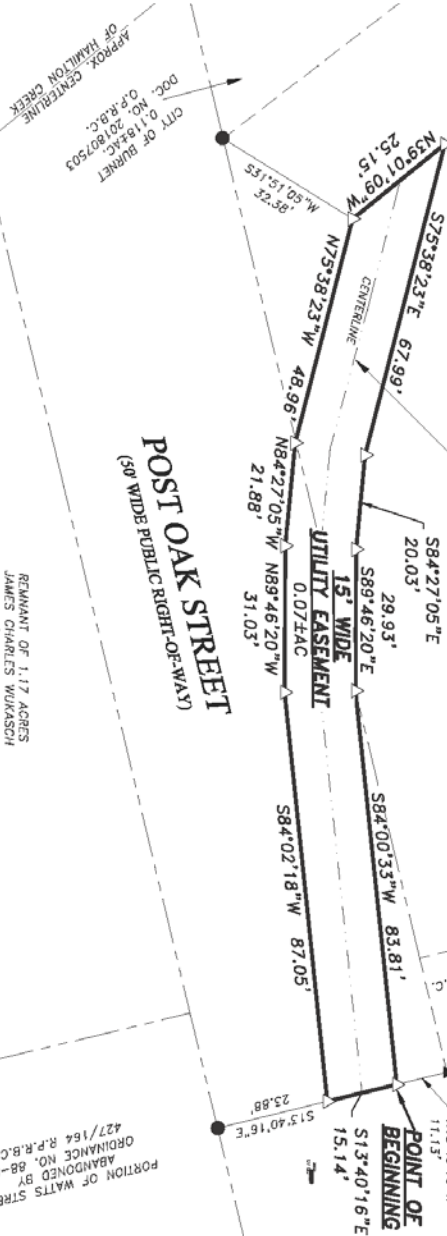
0.649 ACRES  
JAMES C. WUKASCH, ET UX  
DOC. NO. 201405169  
O.P.R.B.C.

UNDERGROUND WATER LINE  
AS INDICATED BY  
FATHOMING

DOC. NO. 201405169-0.P.R.B.C.  
CALLED 0.112 ACRES  
JAMES C. WUKASCH, ET UX



### POST OAK STREET (50' WIDE PUBLIC RIGHT-OF-WAY)



PORTION OF WATTS STREET  
ABANDONED BY  
ORDINANCE NO. 88-5  
427/164 R.P.R.B.C.

REMANENT OF 1.17 ACRES  
JAMES WUKASCH  
1455/850 O.P.R.B.C.

NOTES:  
1) THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT AND MAY HAVE ADDITIONAL ENCUMBRANCES. SURVEYOR NOT RESPONSIBLE FOR ANY ENCUMBRANCES THAT A TITLE COMMITMENT MAY DISCLOSE.  
2) BASIS OF BEARINGS ARE TO THE NORTH AMERICAN DATUM OF 1983, TEXAS COORDINATE SYSTEM, CENTRAL ZONE.

I HEREBY CERTIFY EXCLUSIVELY TO THE CITY OF BURNET, THAT THIS SURVEY WAS PERFORMED ON THE GROUND AND WAS SUPERVISED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THIS PROFESSIONAL SERVICE MEETS OR EXCEEDS THE CURRENT MINIMUM STANDARDS OF PRACTICE AS ESTABLISHED BY THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING. CUPLIN & ASSOCIATES, INC. ACCEPTS NO RESPONSIBILITY FOR THE USE OF THIS SURVEY BY ANYONE OTHER THAN THE ABOVE REFERENCED PARTIES HEREBY CERTIFIED TO FOR THIS SPECIFIC TRANSACTION ONLY. COPYRIGHT 2019, CUPLIN & ASSOCIATES, INC.

DANNY J. STARK, R.P.L.S. NO. 5602

DATED 3/13/2019



PROJ. NO. 171454	2 OF 2
PREPARED FOR: CITY OF BURNET	
TECH: M. CANALES	
APPROVED: D. STARK	
FIELDWORK PERFORMED ON: 10/10/18	
COPYRIGHT: 2019	

1500 OLLIE LANE  
MARBLE FALLS, TX. 78654  
PH. 325-388-3300/830-693-8815  
WWW.CUPLINASSOCIATES.COM

SCALE 1" = 30'  
0 15 30

DATE	NO.	DESCRIPTION
	1	
	2	

## EXHIBIT "B"



Prepared For: City of Burnet  
Project No.: 171454  
Date: 3/11/2019

**FIELD NOTES ONLY OF A 0.07 ACRE UTILITY EASEMENT, LOCATED IN THE JOHN HAMILTON SURVEY NO. 1, ABSTRACT NO. 405, BURNET COUNTY, TEXAS, FURTHER BEING A PORTION OF POST OAK STREET, AND PORTIONS OF A CALLED 0.649 ACRE TRACT, DESCRIBED IN DOCUMENT TO JAMES C. WUKASCH AND SUZANNE W. WUKASCH, RECORDED IN DOCUMENT NO. 201405169 OF THE OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:**

**BEGINNING** at a calculated point within the right-of-way of said Post Oak Street, at the northeast corner hereof, **WHENCE** a 60D nail found on the north right-of-way line of said Post Oak Street, at the southeast corner of a 0.112 acre tract described in said James Charles Wukasch deed, bears North 13°40'16" East a distance of 11.13';

**THENCE** over and across said Post Oak Street right-of-way, the following ten (10) courses and distances:

- 1) South 13°40'16" East, a distance of 15.14' to a calculated point for the southeast corner hereof, **WHENCE** a MAG nail found with "CUPLIN" shiner found on the south right-of-way line of Post Oak Street bears South 13°40'16" East a distance of 23.88';
- 2) South 84°02'18" West, a distance of 87.05' to a calculated point;
- 3) North 89°46'20" West, a distance of 31.03' to a calculated point;
- 4) North 84°27'05" West, a distance of 21.88' to a calculated point;
- 5) North 75°38'23" West, a distance of 48.96' to a calculated point at the southwest corner hereof, **WHENCE** a 1/2" iron rod found at the southwest corner of said 0.649 acre tract bears South 31°51'05" West a distance of 32.38';
- 6) North 39°01'09" West, a distance of 25.15' to a calculated point for the southwest corner hereof;
- 7) South 75°38'23" East, a distance of 67.99' to a calculated point;
- 8) South 84°27'05" East, a distance of 20.03' to a calculated point;
- 9) South 89°46'20" East, a distance of 29.93' to a calculated point;
- 10) North 84°00'33" East, a distance of 83.81' to the **POINT OF BEGINNING**, containing 0.07 of an acre, more or less.

I HEREBY CERTIFY EXCLUSIVELY TO THE CITY OF BURNET, THAT THIS SURVEY WAS PERFORMED ON THE GROUND AND WAS SURVEYED BY ME OR UNDER MY DIRECT. CUPLIN & ASSOCIATES, INC. ACCEPTS NO RESPONSIBILITY FOR THE USE OF THIS SURVEY BY ANYONE OTHER THAN THE ABOVE REFERENCED PARTIES HEREBY CERTIFIED TO FOR THIS SPECIFIC TRANSACTION ONLY. COPYRIGHT 2019, CUPLIN & ASSOCIATES, INC. ©. BASIS OF BEARINGS ARE TO TEXAS COORDINATE SYSTEM, CENTRAL ZONE. A PLAT OF SURVEY WAS PREPARED TO ACCOMPANY THE ABOVE DESCRIBED TRACT OF LAND.

A handwritten signature in blue ink, reading "Danny J. Stark", is written over a horizontal line.

Dated: 3/11/2019

Danny J. Stark  
Registered Professional Land Surveyor No. 5602





# CITY OF BURNET

---

Financial Report  
YTD March 31, 2019

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*Bluebonnet Capital of Texas - Lakes, Hills, History*

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***Capital Project Funding Report.....23-24***

	CITY OF BURNET MARCH FINANCIAL SUMMARY	FY 2019
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Overall, the City's financial results for the period ending March 31st, 2019 are tracking well within the budget.

### GENERAL FUND

The General Fund is currently showing a profit of \$1,549,306 which is up \$75,829 over last year.

Revenues (excluding the Use of Fund Balance) are at 60.60% of budget for the year and have increased \$451,031 over last year mainly due to the following: Property Tax Collections are at 97% of budget and are up \$170,160 over last year; EMS collections are at 52.26% of budget and are up \$102,064 over last year; and Inter-local revenues from the school resource officer program have increased \$63,742.

Expenses (excluding capital and other transfers) are at 48.7% of budget for the year and have increased \$375,203 over last year. The most significant increases in expenses are in the police personnel costs due to the addition of two school resource officers, fire department salaries and overtime because of increasing transport and 911 calls, and the operating subsidy transferred to the golf course.

### GOLF COURSE

The Golf Course Fund is currently showing a loss of \$95,366. Last year, they were showing a profit of \$14,756 at this time. The increased loss over last year is mostly due to budgeted increases in expenses and decreasing green fee and cart rental revenues and prepaid green fees.

Total revenues (less cogs) are at 45.34% of budget and are down \$46,435 compared to last year. Green Fee rounds are down 13% compared to last year. During the first quarter, increased rain impacted rounds played but during the month of March rounds were impacted because of an increase in tournaments. The course hosted 8 days of high school district tournaments during which the course was essentially closed and the revenue generated from those tournaments was not received until April. In addition, annual fee revenues are down because more members have switched from the annual to the semi-annual or monthly membership plans. However, when the semi-annual fees are paid in April, we expect this variance to decrease.

Total expenses (less cogs) are at 46.66% of budget and have increased \$63,688 or 10.82% compared to last year. This is mainly due to the following budgeted increases: personnel costs increased mainly because the golf course added an additional maintenance position and transfers to self-funded are up due to new equipment purchases scheduled for this year.

Despite the decrease in revenues, the fund is still on track to finish the year within budget.

### ELECTRIC FUND

The Electric Fund is currently showing a profit of \$282,102 which is down \$22,651 over last year. This is mostly due to budgeted increases in expenses.



	CITY OF BURNET MARCH FINANCIAL SUMMARY	FY 2019
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Revenues (less the cost of power and use of fund balance) are at 46.71% of the budget and have decreased by \$6,554 or less than 1% over last year. Billed electric consumption is tracking consistently with last year and is up less than 1% compared to last year.

Expenses (less cost of power and xfers to capital projects) are at 44.30% of the budget and have increased \$16,097. The increase is mostly due to budgeted increases in personnel costs as a result of the training program.

### WATER/WASTEWATER

The Water and Wastewater Fund is showing a profit of \$171,025 which is down \$42,095 compared to last year.

Revenues (less the use of fund balance) are at 46.79% of the annual budget and have decreased by \$37,069 over last year. Billed water consumption is down over 11% compared to last year mainly because of a significant increase in rain over last year. As a result, water sales are down \$53,171 compared to last year. Wastewater sales which are based on the prior year's averaged winter consumption through February and the current year's averaged winter consumption for March have increased \$10,822.

Expenses (less xfers to capital projects) are at 47.03% of the annual budget and have increased \$5,026 over last year. The fund did incur some costly repairs at both the water and sewer plant early in the year but those increases are being offset by decreases in other areas. Compared to budget, expenses in total are tracking well within our budgeted expectations for this time.

### AIRPORT

The Airport Fund is showing a profit of \$100,728 which is up \$41,542 compared to last year mainly due to an increase in net jet sales.

Revenues (less cogs and the use of fund balance) are at 59.21% of budget and are up \$32,729 over last year. Net jet fuel sales are \$95,590 and are up \$27,562 over last year while net avgas sales are at \$30,698 and are down slightly compared to last year.

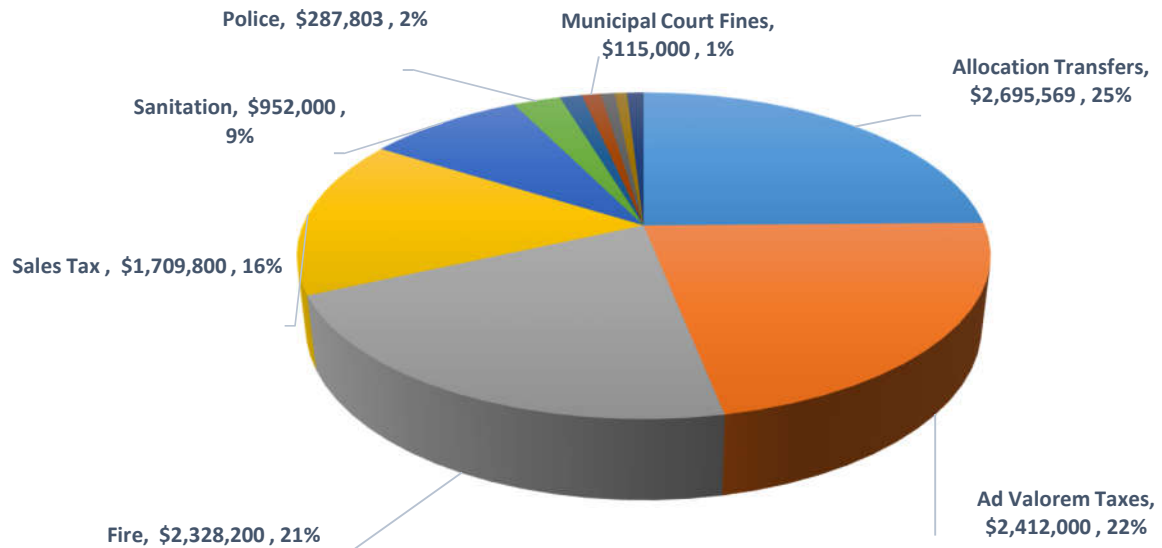
Expenses (less cogs and xfers to capital projects) are at 44.87% of budget and have decreased \$8,813 over last year and are tracking very well with the budget.

### UNRESTRICTED CASH RESERVES

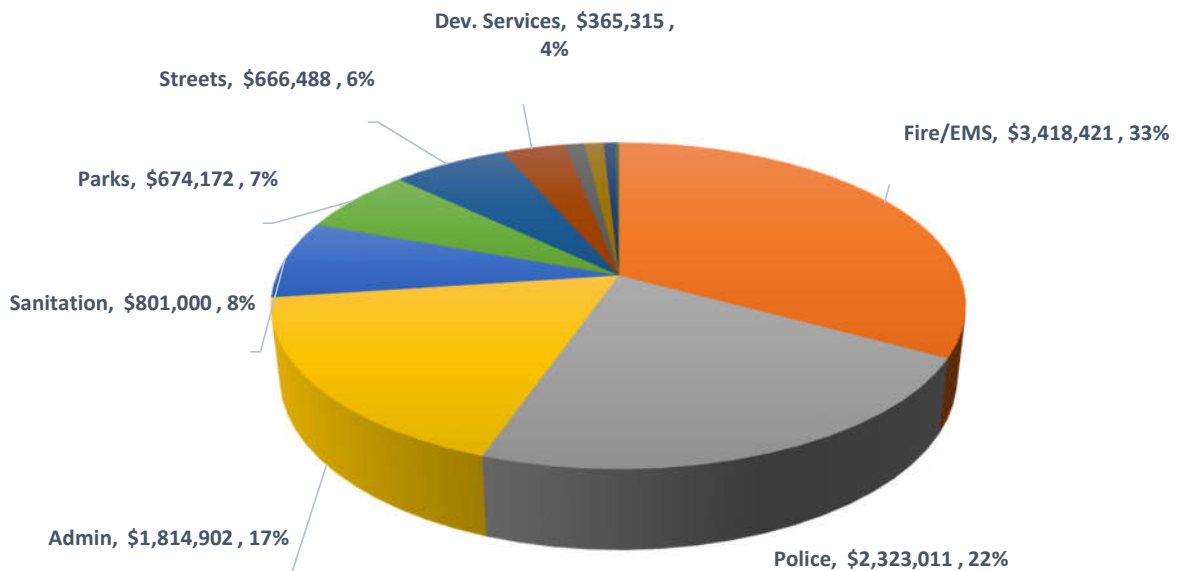
Total unrestricted cash for the City as of March 31<sup>st</sup>, 2019 is \$7,073,727.76. That is \$3,913,527.76 above our 75 day required reserve amount and \$3,280,880.76 above our 90 day required reserve amount. The balance remaining in capital projects to be funded from reserves is \$2,399,758.

## GENERAL FUND ORIGINAL BUDGET 2018-19

### Revenues (Less Use of Fund Balance)



### Expenses (Less Capital/Other)

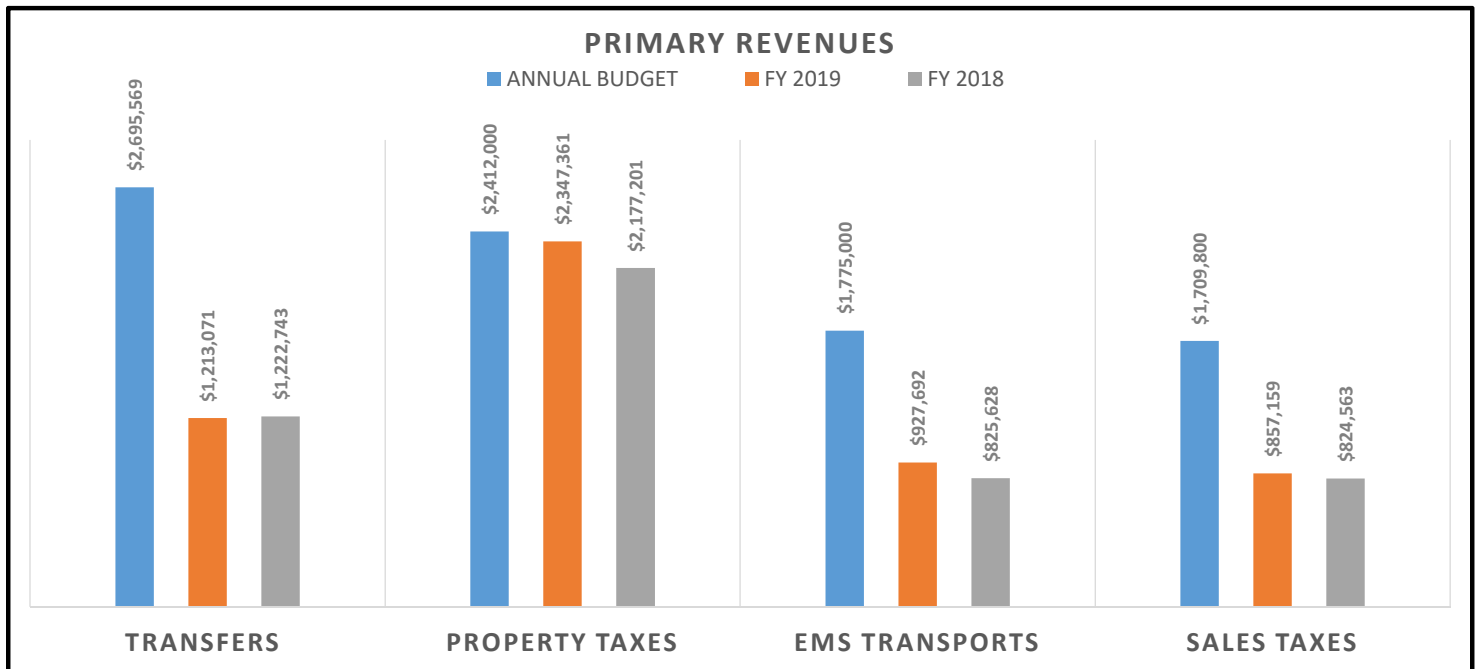


## GENERAL FUND DASHBOARD

### SUMMARY COMPARISON:

	ANNUAL BUDGET	ACTUAL YTD MAR 2019	% OF BUDGET	PY ACTUAL YTD MAR 2018	VARIANCE OVER PY	% OVER PY
REV (less fund balance)	\$ 10,895,031	\$ 6,602,544	60.60%	\$ 6,151,513	\$ 451,031	7.33%
EXP (less capital/other)	10,373,977	5,053,238	48.71%	4,678,036	375,202	8.02%
NET PROFIT (LOSS)	\$ 521,054	\$ 1,549,306	297.34%	\$ 1,473,477	\$ 75,829	5.15%

### CHARTS/TABLES:



**GENERAL FUND**  
**REVENUES AND EXPENSES by Department**  
**YTD MARCH 2019**

% of year completed: 50.00

	ANNUAL BUDGET 2018-2019	ACTUAL YTD MAR 2019	% OF BUDGET	PRIOR YEAR YTD MAR 2018	VARIANCE OVER PY	% OVER PY
<b>REVENUE</b>						
Ad Valorem Taxes	\$ 2,412,000	\$ 2,347,361	97.32%	\$ 2,177,201	\$ 170,160	7.82%
Sales Tax	1,709,800	857,159	50.13%	824,563	32,596	3.95%
Fire Department Revenue	2,328,200	1,213,459	52.12%	1,064,009	149,450	14.05%
Planning and Zoning fees	74,070	51,243	69.18%	43,524	7,719	17.74%
Allocation Transfers	2,695,569	1,213,071	45.00%	1,222,743	(9,672)	-0.79%
Trash Collections	952,000	487,814	51.24%	473,937	13,877	2.93%
Police Department Revenue	287,803	161,888	56.25%	103,052	58,836	57.09%
Municipal Court Fines	115,000	65,229	56.72%	58,481	6,748	11.54%
Other taxes and franchise fees	134,989	100,540	74.48%	90,102	10,437	11.58%
BEDC payments for service	85,000	42,500	50.00%	40,500	2,000	4.94%
Rental Fees	33,100	18,434	55.69%	26,890	(8,456)	-31.45%
Interest Income	25,000	16,683	66.73%	8,834	7,849	88.85%
Misc Revenue	2,500	27,163	1086.53%	17,676	9,487	53.67%
Transfer from Hotel Motel fund	40,000	-	0.00%	-	-	
Use of Fund Balance	1,605,750	408,726	25.45%	732,244	(323,518)	-44.18%
<b>Total Revenue</b>	<b>\$ 12,500,781</b>	<b>\$ 7,011,270</b>	<b>56.09%</b>	<b>\$ 6,883,757</b>	<b>\$ 127,514</b>	<b>1.85%</b>
<i>Total Revenue less fund balance</i>	<i>\$ 10,895,031</i>	<i>\$ 6,602,544</i>	<i>60.60%</i>	<i>\$ 6,151,513</i>	<i>\$ 451,031</i>	<i>7.33%</i>
<b>OPERATING EXPENSES</b>						
Mayor & Council	\$ 19,550	\$ 6,015	30.77%	\$ 11,460	\$ (5,445)	-47.51%
Admin (including op subsidy to golf )	1,807,402	873,797	48.35%	767,755	106,042	13.81%
Police	2,330,511	1,145,694	49.16%	977,188	168,506	17.24%
Municipal Court	68,992	36,669	53.15%	34,527	2,142	6.20%
Fire/EMS	3,418,421	1,759,176	51.46%	1,598,702	160,474	10.04%
Sanitation	801,000	416,716	52.02%	385,663	31,053	8.05%
Streets	666,488	271,429	40.73%	293,403	(21,974)	-7.49%
Parks	674,172	265,227	39.34%	292,056	(26,828)	-9.19%
Development Services	365,315	177,646	48.63%	175,755	1,891	1.08%
City Shop	110,126	47,663	43.28%	53,210	(5,547)	-10.42%
Community Development	-	1		31,691	(31,690)	
Galloway Hammond	112,000	53,204	47.50%	56,628	(3,423)	-6.04%
Sub-total	\$ 10,373,977	\$ 5,053,238	48.71%	\$ 4,678,036	\$ 375,202	8.02%
<b>CAPITAL/OTHER EXP (USES OF FUND BAL)</b>						
Transfers to Capital Funds	\$ 825,000	\$ 348,476	42.24%	\$ 732,244	\$ (383,768)	-52.41%
Loan Defeasance	716,000	-	0.00%	-	-	
Other expenses	64,750	60,250	93.05%	-	60,250	
	\$ 1,605,750	\$ 408,726	25.45%	\$ 732,244	\$ (323,518)	-44.18%
<b>Total Expenses</b>	<b>\$ 11,979,727</b>	<b>\$ 5,461,964</b>	<b>45.59%</b>	<b>\$ 5,410,280</b>	<b>\$ 51,685</b>	<b>0.96%</b>
<i>Total Expenses less capital/other</i>	<i>\$ 10,373,977</i>	<i>\$ 5,053,238</i>	<i>48.71%</i>	<i>\$ 4,678,036</i>	<i>\$ 375,202</i>	<i>8.02%</i>
<b>Net Profit (Loss)</b>	<b>\$ 521,054</b>	<b>\$ 1,549,306</b>	<b>297.34%</b>	<b>\$ 1,473,477</b>	<b>\$ 75,829</b>	<b>5.15%</b>

# GENERAL FUND

## REVENUES AND EXPENSES by Category

### YTD March 2019

% of year completed: 50.00

	ANNUAL BUDGET 2018-2019	ACTUAL YTD MAR 2019	% OF BUDGET	PY ACTUAL YTD MAR 2018	VARIANCE OVER PY	% OVER PY
<b>REVENUE</b>						
Ad Valorem Taxes:						
Current Taxes Real Property	\$ 2,360,000	\$ 2,316,057	98.14%	\$ 2,099,409	\$ 216,648	10.32% A
Delinquent Taxes Real Property	30,000	21,909	73.03%	68,862	(46,952)	-68.18% B
Penalty & Interest	22,000	9,395	42.70%	8,930	464	5.20%
Sub-total	2,412,000	2,347,361	97.32%	2,177,201	170,160	7.82%
Sales Tax	1,709,800	857,159	50.13%	824,563	32,596	3.95% C
Fire Department Revenue:						
EMS fees	1,775,000	927,692	52.26%	825,628	102,064	12.36% D
Fire/EMS interdepartmental fees	542,000	279,221	51.52%	232,260	46,961	20.22% E
Misc Fire Revenue	11,200	6,546	58.45%	6,121	425	6.94%
Sub-total Fire Revenue	2,328,200	1,213,459	52.12%	1,064,009	149,450	14.05%
Planning and Zoning fees	74,070	51,243	69.18%	43,524	7,719	17.74%
Allocation Transfers In:						
Return on Investment	1,520,000	696,090	45.80%	692,210	3,880	0.56%
In-Lieu of Property Tax	126,801	58,631	46.24%	59,746	(1,115)	-1.87%
In-Lieu of franchise	211,335	97,718	46.24%	99,577	(1,859)	-1.87%
Admin Allocations	778,520	336,801	43.26%	344,605	(7,804)	-2.26%
Shop Allocations	58,913	23,832	40.45%	26,605	(2,774)	-10.42%
Sub-total Allocation Transfers	2,695,569	1,213,071	45.00%	1,222,743	(9,672)	-0.79%
Trash Collections	952,000	487,814	51.24%	473,937	13,877	2.93%
Police Department Revenue:						
Interlocal School Resource Officers	277,193	153,996	55.56%	90,254	63,742	70.63% F
Misc PD Revenue	10,610	7,892	74.38%	12,799	(4,906)	-38.34%
Sub-total Police Department Rev	287,803	161,888	56.25%	103,052	58,836	57.09%
Municipal Court Fines	115,000	65,229	56.72%	58,481	6,748	11.54%
Other taxes and franchise fees	134,989	100,540	74.48%	90,102	10,437	11.58%
BEDC payments for service	85,000	42,500	50.00%	40,500	2,000	4.94%
Rental Fees	33,100	18,434	55.69%	26,890	(8,456)	-31.45%
Interest Income	25,000	16,683	66.73%	8,834	7,849	88.85%
Misc Revenue	2,500	27,163	1086.53%	17,676	9,487	53.67%
Transfer from Hotel Motel fund	40,000	-	0.00%	-	-	
Use of Fund Balance	1,605,750	408,726	25.45%	732,244	(323,518)	-44.18% G
<b>Total Revenue</b>	<b>\$ 12,500,781</b>	<b>\$ 7,011,270</b>	<b>56.09%</b>	<b>\$ 6,883,757</b>	<b>\$ 127,514</b>	<b>1.85%</b>
<i>Total Revenue less fund balance</i>	<i>\$ 10,895,031</i>	<i>\$ 6,602,544</i>	<i>60.60%</i>	<i>\$ 6,151,513</i>	<i>\$ 451,031</i>	<i>7.33%</i>

# GENERAL FUND

## REVENUES AND EXPENSES by Category

### YTD March 2019

% of year completed: 50.00

	ANNUAL BUDGET 2018-2019	ACTUAL YTD MAR 2019	% OF BUDGET	PY ACTUAL YTD MAR 2018	VARIANCE OVER PY	% OVER PY
<b>OPERATING EXPENSES</b>						
<b>Personnel Costs</b>						
Mayor & Council	\$ -	\$ -		\$ 345	\$ (345)	-100.00%
Admin	739,530	374,531	50.64%	343,104	31,427	9.16% H
Police	1,834,158	891,058	48.58%	734,866	156,192	21.25% F
Municipal Court	32,342	16,939	52.38%	16,114	826	5.12%
Fire/EMS	2,565,542	1,353,655	52.76%	1,216,523	137,133	11.27% I
Streets	464,278	194,975	42.00%	202,110	(7,134)	-3.53%
Parks	367,285	140,991	38.39%	181,313	(40,322)	-22.24% J
Development Services	262,715	133,157	50.68%	129,492	3,665	2.83%
City Shop	72,676	36,500	50.22%	33,816	2,684	7.94%
Community Development	-	1		28,244	(28,243)	-100.00% H
Sub-total	6,338,526	3,141,808	49.57%	2,885,926	255,882	8.87%
<b>Supplies</b>						
Mayor & Council	1,200	271	22.61%	103	168	163.52%
Admin	69,700	41,223	59.14%	45,288	(4,065)	-8.98%
Police	145,750	95,056	65.22%	68,853	26,203	38.06% K
Municipal Court	4,250	1,531	36.01%	1,441	90	6.24%
Fire/EMS	199,400	93,587	46.93%	90,622	2,965	3.27%
Sanitation	19,000	10,655	56.08%	9,133	1,523	16.67%
Streets	48,750	23,298	47.79%	18,500	4,799	25.94%
Parks	57,700	21,142	36.64%	15,604	5,538	35.49%
Development Services	7,100	9,357	131.79%	6,507	2,850	43.79%
City Shop	21,150	7,938	37.53%	10,458	(2,519)	-24.09%
Community Development	-	-		148	(148)	-100.00%
Sub-total	574,000	304,060	52.97%	266,657	37,403	14.03%
<b>Repairs &amp; Maintenance</b>						
Mayor & Council	3,850	1,563	40.60%	1,983	(420)	-21.18%
Admin	129,800	30,210	23.27%	22,112	8,098	36.62%
Police	61,500	21,170	34.42%	17,357	3,813	21.97%
Municipal Court	5,200	5,002	96.20%	4,793	210	4.37%
Fire/EMS	115,000	46,943	40.82%	42,839	4,104	9.58%
Sanitation	-	-		-	-	
Streets	75,000	13,623	18.16%	22,697	(9,075)	-39.98%
Parks	73,100	23,758	32.50%	30,755	(6,998)	-22.75%
Development Services	6,500	1,619	24.91%	2,003	(384)	-19.17%
City Shop	10,500	753	7.17%	6,492	(5,739)	-88.41%
Community Development	-	-		-	-	
Galloway Hammond	12,000	3,204	26.70%	6,628	(3,423)	-51.65%
Sub-total	492,450	147,845	30.02%	157,659	(9,815)	-6.23%
<b>Services/Other</b>						
Mayor & Council	14,500	4,180	28.83%	9,029	(4,848)	-53.70%
Admin	549,395	273,961	49.87%	285,596	(11,636)	-4.07%
Police	132,180	62,948	47.62%	61,290	1,658	2.71%
Municipal Court	27,200	13,197	48.52%	12,180	1,017	8.35%
Fire/EMS	283,650	137,576	48.50%	126,694	10,882	8.59%
Sanitation	782,000	406,061	51.93%	376,530	29,530	7.84% L
Streets	2,000	1,302	65.12%	1,472	(169)	-11.51%
Parks	130,950	56,769	43.35%	44,569	12,200	27.37%
Development Services	89,000	33,513	37.66%	37,753	(4,240)	-11.23%
City Shop	5,800	2,472	42.63%	2,444	28	1.14%
Community Development	-	1		3,299	(3,298)	-99.97%
Sub-total	2,016,675	991,980	49.19%	960,856	31,124	3.24%

# GENERAL FUND

## REVENUES AND EXPENSES by Category

### YTD March 2019

% of year completed: 50.00

	ANNUAL BUDGET 2018-2019	ACTUAL YTD MAR 2019	% OF BUDGET	PY ACTUAL YTD MAR 2018	VARIANCE OVER PY	% OVER PY
Transfers to Self-funded						
Mayor & Council	-	-		-	-	
Admin	-	-		-	-	
Police	150,923	75,461	50.00%	81,704	(6,243)	-7.64%
Municipal Court	-	-		-	-	
Fire/EMS	254,829	127,415	50.00%	122,023	5,391	4.42%
Sanitation	-	-		-	-	
Streets	76,460	38,230	50.00%	48,624	(10,394)	-21.38%
Parks	45,137	22,569	50.00%	19,814	2,754	13.90%
Development Services	-	-		-	-	
City Shop	-	-		-	-	
Community Development	-	-		-	-	
Sub-total	527,349	263,675	50.00%	272,166	(8,491)	-3.12%
Capital Outlay						
Admin	-	-		14,258	(14,258)	-100.00%
Police	6,000	-	0.00%	13,117	(13,117)	-100.00%
Sub-total	6,000	-	0.00%	27,375	(27,375)	-100.00%
Transfer to Golf - Admin & Op Subsidy	318,977	153,873	48.24%	57,397	96,475	168.08% M
YMCA Operating Subsidy	100,000	50,000		50,000	-	0.00%
<b>CAPITAL/OTHER EXP (USES OF FUND BAL)</b>						
Transfer to Gen Cap Project Fund	725,000	286,653	39.54%	571,283	(284,630)	-49.82%
Transfer to Golf Cap Project Fund	100,000	61,823	61.82%	160,961	(99,138)	-61.59%
Transfer to Debt Service	716,000	-	0.00%	-	-	
Development Services Staffing	64,750	60,250		-	60,250	
Sub-total	1,605,750	408,726	25.45%	732,244	(323,518)	-44.18% G
<b>Total Expenses</b>	<b>\$ 11,979,727</b>	<b>\$ 5,461,965</b>	<b>45.59%</b>	<b>\$ 5,410,280</b>	<b>\$ 51,686</b>	<b>0.96%</b>
<i>Total Expenses less capital/other</i>	<i>\$ 10,373,977</i>	<i>\$ 5,053,239</i>	<i>48.71%</i>	<i>\$ 4,678,036</i>	<i>\$ 375,203</i>	<i>8.02%</i>
<b>Net Profit (Loss)</b>	<b>\$ 521,054</b>	<b>\$ 1,549,305</b>	<b>297.34%</b>	<b>\$ 1,473,477</b>	<b>\$ 75,828</b>	<b>5.15%</b>

A Increase over last year expected due to increased appraisal values.

B Last year the City received a large delinquent collection in December.

C Increase in Sales Tax collections consistent with prior year trends.

D EMS collections are up mainly due to increased transports calls.

E Increase mainly due to a timing difference, payments were received earlier from the county this year.

F Increased the number of School Resource Officers from 2 to 4. BCISD reimburses the City for a portion of their personnel costs per an interlocal agreement.

G Fund balance is used to offset transfers to the Capital Project Fund/Other expenses; net effect to operations is \$0.

H Community development salaries were reallocated to admin in the current year.

I EMS personnel costs are up due to increased transport and 911 calls which have resulted in increased overtime hours.

J Down from the prior year mainly due to the loss of the Parks supervisor. In addition, there has been staff turnover which is why they are under budget.

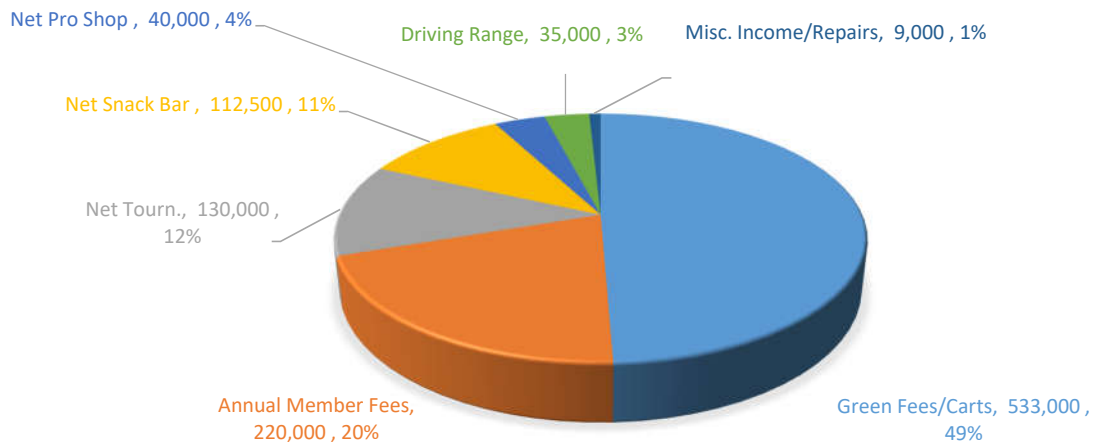
K Timing difference due to earlier payment under the contract with Hill Country Humane Society.

L Net expenses are up mostly due to addition of the monthly City Wide Clean Up which began last year in April.

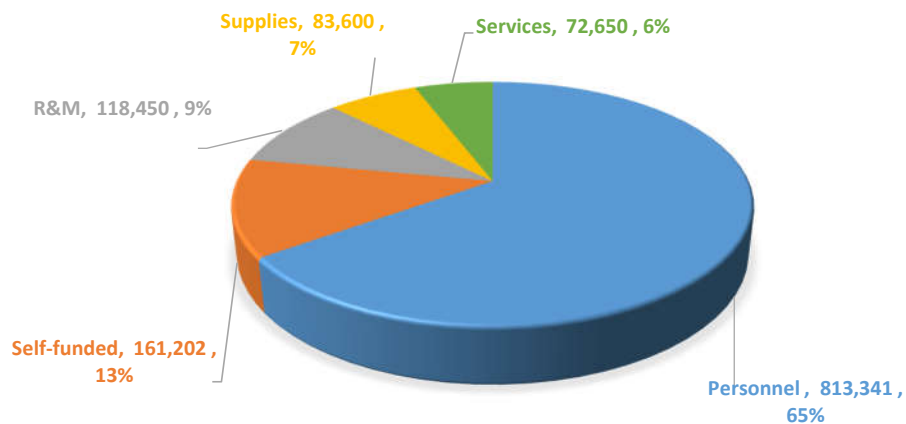
M The general fund subsidizes operating losses at the golf course. Transfers increased in the current year because the golf course is showing a loss of \$(95,366); during the prior year, they were showing a gain of \$14,756.33. In addition, admin transfer is up \$1,109.

## ***GOLF COURSE ORIGINAL BUDGET 2018-19***

### **NET REVENUES (EXCLUDES TRANSFERS FROM GENERAL )**



### **NET EXPENSES (EXCLUDES ADMIN ALLOCATION)**



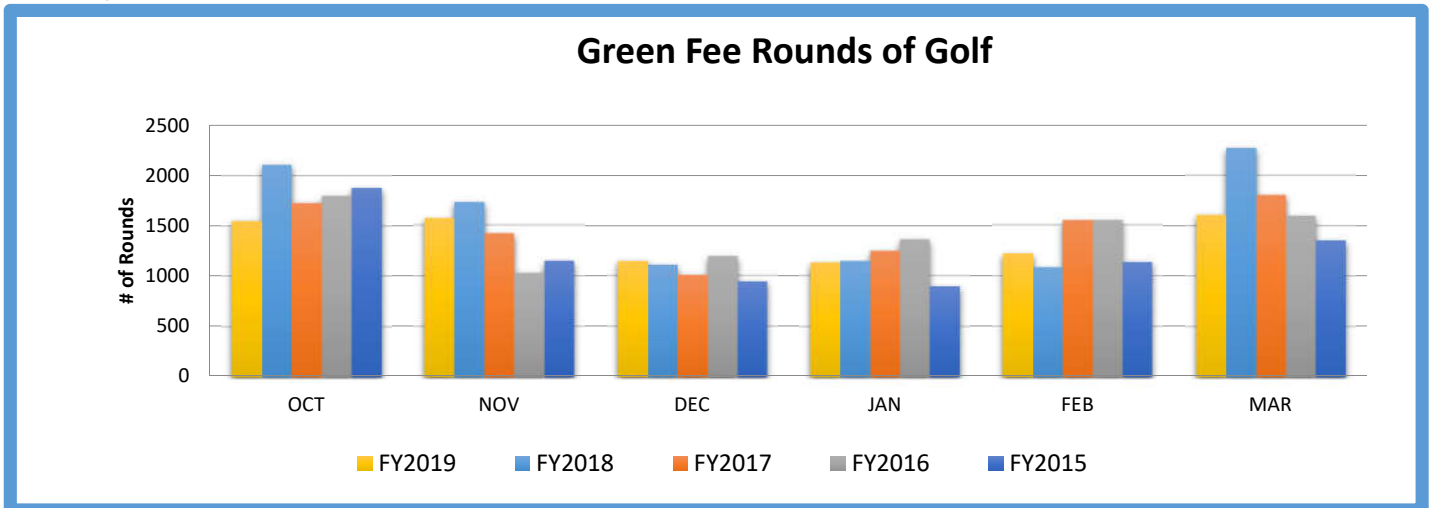


## GOLF COURSE FUND DASHBOARD

### CURRENT RESULTS COMPARISON

	ANNUAL BUDGET	ACTUAL YTD MAR 2019	% OF BUDGET	PRIOR YR YTD MAR 2018	VARIANCE OVER PY	% OVER PY
REV (net of cogs/tourn exp)	\$ 1,228,733	\$ 557,131	45.34%	\$ 603,565	\$ (46,435)	-7.69%
EXP (net of cogs/tourn exp)	1,398,476	652,497	46.66%	588,809	63,688	10.82%
PROFIT (LOSS)	\$ (169,743)	\$ (95,366)	56.18%	\$ 14,756	\$ (110,122)	-746.27%

### TABLES/CHARTS



Rounds of Golf*	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
2018-2019	1,553	1,571	1,145	1,134	1,218	1,609	8,230
2017-2018	2,110	1,728	1,107	1,149	1,086	2,270	9,450
OVER (UNDER)	(557)	(157)	38	(15)	132	(661)	(1,220)
	-26.40%	-9.09%	3.43%	-1.31%	12.15%	-29.12%	-12.91%

\*Does not include annual dues or tournament rounds played.

**DELAWARE SPRINGS GOLF COURSE  
SUMMARY OF REVENUES AND EXPENSES  
YTD MARCH 2019**

% of year completed: 50.00

	ANNUAL BUDGET 2018-2019		ACTUAL YTD MAR 2019	% OF BUDGET	PRIOR YEAR YTD MAR 2018		VARIANCE OVER PY	% OVER PY	
REVENUE									
<u>Charges for Services</u>									
Green Fees/Cart Rentals	\$	533,000	\$	195,168	36.62%	\$	225,490	\$ (30,322)	-13.45% A
Prepaid Green Fees/ Annual Cart Rentals/ Trail fees and Cart Storage		220,000		164,332	74.70%		180,359	(16,028)	-8.89% B
Net Tournament		130,000		58,078	44.68%		56,702	1,376	2.43%
Pavilion Revenue		-		600	-		500	100	20.00%
Driving Range		35,000		14,683	41.95%		15,745	(1,061)	-6.74%
Net Charges for Services		918,000		432,861	47.15%		478,797	(45,936)	-9.59%
<u>Sales less Cost of Goods Sold</u>									
Pro Shop Sales		167,000		74,118			67,834	6,284	
Cost of Merchandise		127,000		54,725			51,297	3,429	
Net Pro Shop Sales		40,000		19,393	48.48%		16,537	2,856	17.27%
		-		-			-		
Snack Bar/Beer Cart Sales		247,000		97,942			105,098	(7,156)	
Cost of Merchandise		134,500		55,345			58,930	(3,585)	
Net Snack Bar/Beer Cart Sales		112,500		42,597	37.86%		46,168	(3,571)	-7.73%
Transfer - Overhead		149,233		58,507	39.20%		57,397	1,109	1.93%
Misc. Income/Repairs		9,000		3,774	41.93%		4,666	(893)	-19.14%
Total Revenue	\$	1,228,733	\$	557,131	45.34%	\$	603,565	\$ (46,435)	-7.69%
EXPENSES									
Personnel Costs	\$	813,341	\$	393,595	48.39%	\$	364,708	\$ 28,887	7.92% C
Supplies		83,600		38,586	46.16%		34,790	3,796	10.91%
Repairs & Maintenance		118,450		49,335	41.65%		38,780	10,554	27.22%
Services		72,650		31,873	43.87%		32,560	(687)	-2.11%
Transfer to Self funded equipment		161,202		80,601	50.00%		60,573	20,028	33.06% D
Admin Allocation		149,233		58,507	39.20%		57,397	1,109	1.93%
Total Expenses	\$	1,398,476	\$	652,497	46.66%	\$	588,809	\$ 63,688	10.82%
Net Profit (Loss)	\$	(169,743)	\$	(95,366)	56.18%	\$	14,756	\$ (110,122)	-746.27%
Operating Subsidy from General Fund	\$	169,744	\$	95,366	56.18%	\$	-		
Net Profit (Loss)	\$	1	\$	-		\$	14,756		

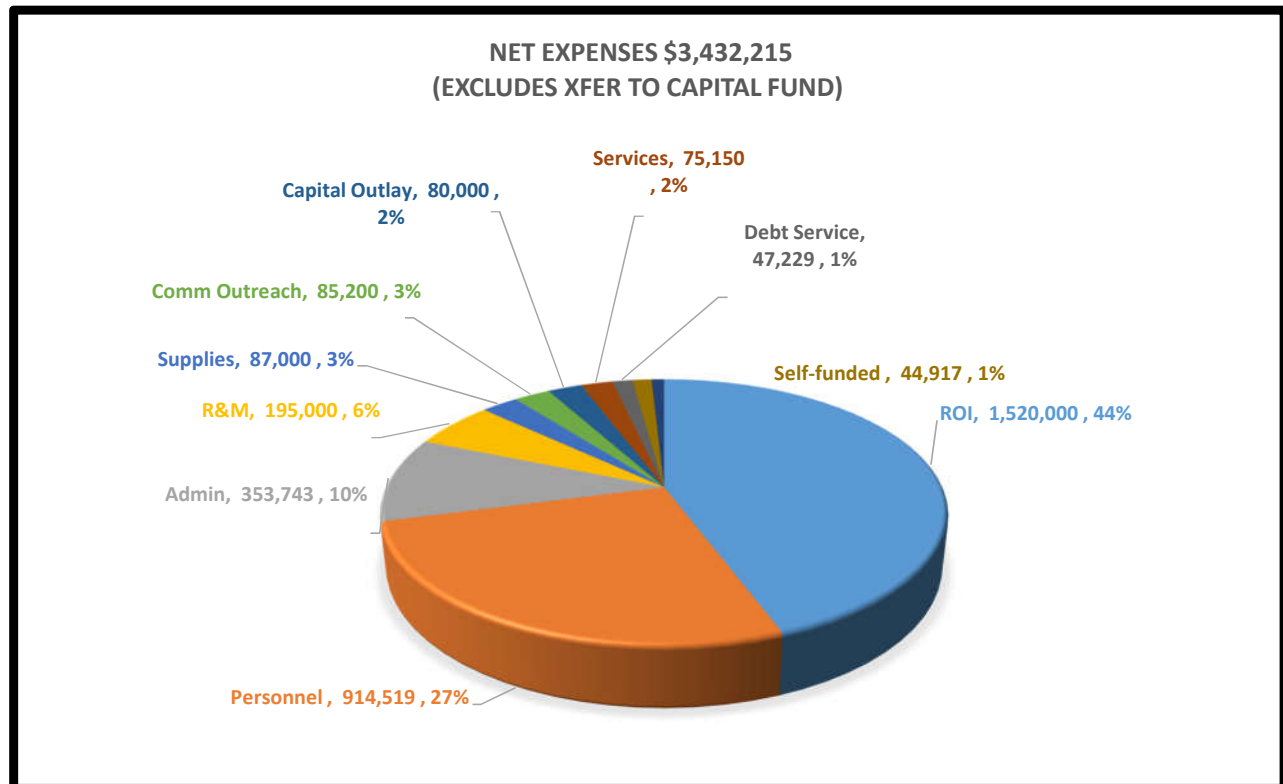
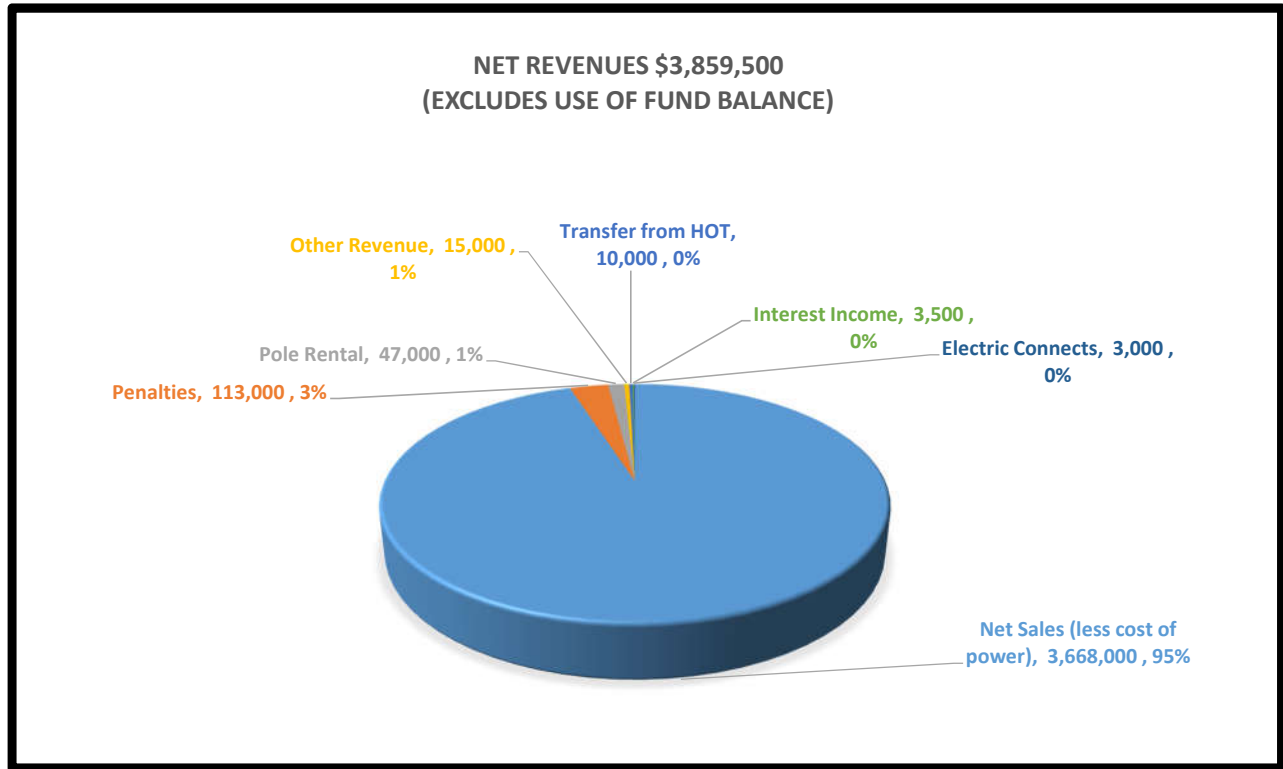
A Decrease due to rounds being down. Increased rain especially during the 1st quarter has impacted play.

B Decrease due to more members switching from annual to semi-annual and monthly; should level out in April when semi-annual dues are due.

C Up mainly because added additional maintenance position. On track with budget.

D Increased for new equipment purchases but on track with budget.

## ***ELECTRIC FUND ORIGINAL BUDGET 2018-19***

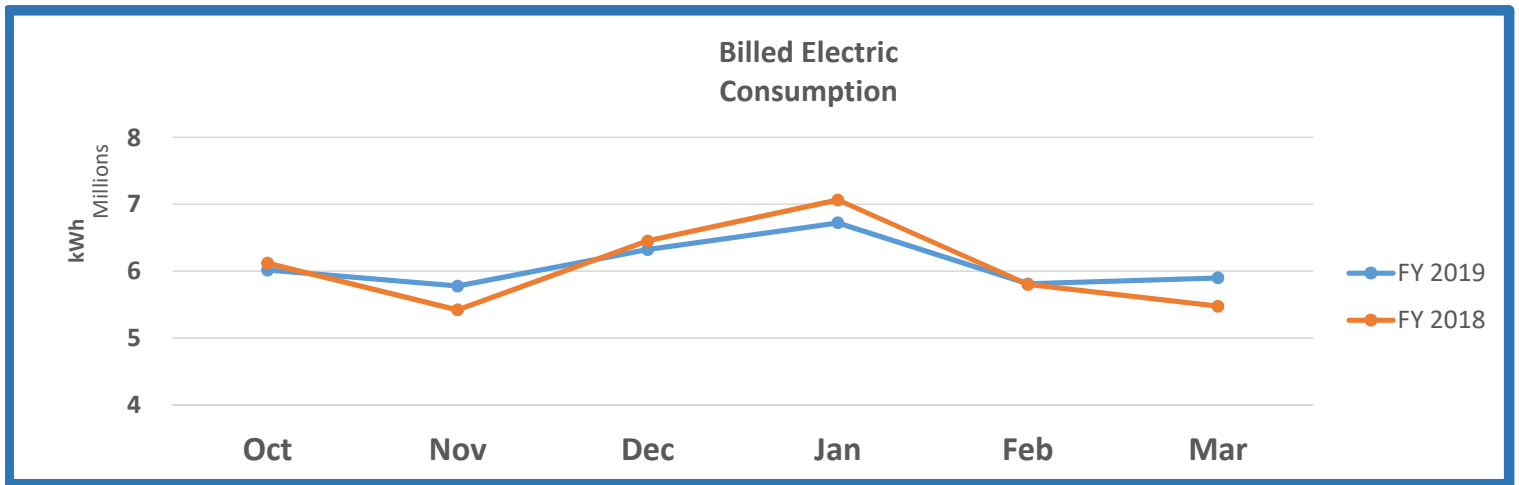


## ELECTRIC FUND DASHBOARD

### CURRENT RESULTS COMPARISON

	ANNUAL BUDGET	ACTUAL YTD MAR 2019	% OF BUDGET	PRIOR YR YTD MAR 2018	VARIANCE OVER PY	% OVER PY
REV (less cogs and fund bal)	\$ 3,859,500	\$ 1,802,666	46.71%	\$ 1,809,220	\$ (6,554)	-0.36%
EXP (less cogs and cap xfers)	3,432,215	1,520,564	44.30%	1,504,467	16,097	1.07%
PROFIT (LOSS)	<u>\$ 427,285</u>	<u>\$ 282,102</u>	66.02%	<u>\$ 304,753</u>	<u>\$ (22,651)</u>	-7.43%

### TABLES/CHARTS



#### YTD Billed Consumption in kWh:

Oct18 - Mar19	36,563,582
Oct 17 -Mar18	<u>36,344,676</u>
ytd variance	<u>218,906</u>
	0.60%

**ELECTRIC FUND  
REVENUES AND EXPENSES  
YTD MARCH 2019**

% of year completed: 50.00

	ANNUAL BUDGET 2018-2019	ACTUAL YTD MAR 2019	% OF BUDGET	PRIOR YEAR YTD MAR 2018	VARIANCE OVER PY	% OVER PY
<b>REVENUE</b>						
Electric Sales	\$ 8,384,000	\$ 4,026,671		\$ 4,007,205	\$ 19,466	
Cost of Power	4,716,000	2,308,886		2,294,890	13,996	
Net Sales	3,668,000	1,717,784	46.83%	1,712,315	5,469	0.32%
Penalties	113,000	45,689	40.43%	67,062	(21,373)	-31.87% A
Electric Connects	3,000	22,605	753.49%	23,297	(692)	-2.97%
Pole Rental	47,000	-	0.00%	182	(182)	
Other Revenue	15,000	6,051	40.34%	5,836	215	3.69%
Interest Income	3,500	10,537	301.06%	529	10,008	1892.44% B
Transfer from HOT	10,000	-	0.00%	-	-	
Use of Fund Balance	75,000	26,063	34.75%	13,500	12,563	93.05% C
<b>Total Revenue</b>	<b>\$ 3,934,500</b>	<b>\$ 1,828,729</b>	<b>46.48%</b>	<b>\$ 1,822,721</b>	<b>\$ 6,008</b>	<b>0.33%</b>
<i>Total Revenue less fund balance</i>	<i>\$ 3,859,500</i>	<i>\$ 1,802,666</i>	<i>46.71%</i>	<i>\$ 1,809,220</i>	<i>\$ (6,554)</i>	<i>-0.36%</i>
<b>EXPENSES</b>						
Personnel Costs	\$ 914,519	\$ 420,201	45.95%	\$ 395,062	\$ 25,139	6.36% D
Supplies	87,000	42,430	48.77%	38,638	3,793	9.82%
Repairs & Maintenance	195,000	60,877	31.22%	49,045	11,832	24.12% E
Services	75,150	32,520	43.27%	36,823	(4,304)	-11.69%
Transfer to Self-funded equipment	44,917	22,458	50.00%	33,172	(10,714)	-32.30% F
Community Outreach	85,200	47,009	55.17%	56,358	(9,349)	-16.59% G
Capital Outlay	80,000	10,695	13.37%	9,163	1,532	16.72%
Transfer to Capital Project Fund	75,000	26,063	34.75%	13,500	12,563	93.05% C
Transfers to Debt Service	47,229	23,615	50.00%	24,277	(662)	-2.73%
Transfer to GF - ROI	1,520,000	696,090	45.80%	692,210	3,880	0.56%
Transfer to GF- Admin Allocation	353,743	152,752	43.18%	156,416	(3,664)	-2.34%
Transfer to GF- Shop Allocation	29,457	11,916	40.45%	13,303	(1,387)	-10.42%
<b>Total Expenses</b>	<b>\$ 3,507,215</b>	<b>\$ 1,546,627</b>	<b>44.10%</b>	<b>\$ 1,517,967</b>	<b>\$ 28,659</b>	<b>1.89%</b>
<i>Total Expenses less xfers to capital project</i>	<i>\$ 3,432,215</i>	<i>\$ 1,520,564</i>	<i>44.30%</i>	<i>\$ 1,504,467</i>	<i>\$ 16,097</i>	<i>1.07%</i>
<b>Net Profit (Loss)</b>	<b>\$ 427,285</b>	<b>\$ 282,102</b>	<b>66.02%</b>	<b>\$ 304,753</b>	<b>\$ (22,651)</b>	<b>-7.43%</b>

A Penalties are down mainly because our largest commercial customer paid late fees in December and January of the prior year.

B Interest rates have increased over prior year and excess pooled cash has been moved to Texpool investment account for higher returns.

C Fund Balance is used to offset transfers to the Capital Project Fund; net effect to operations is \$0.

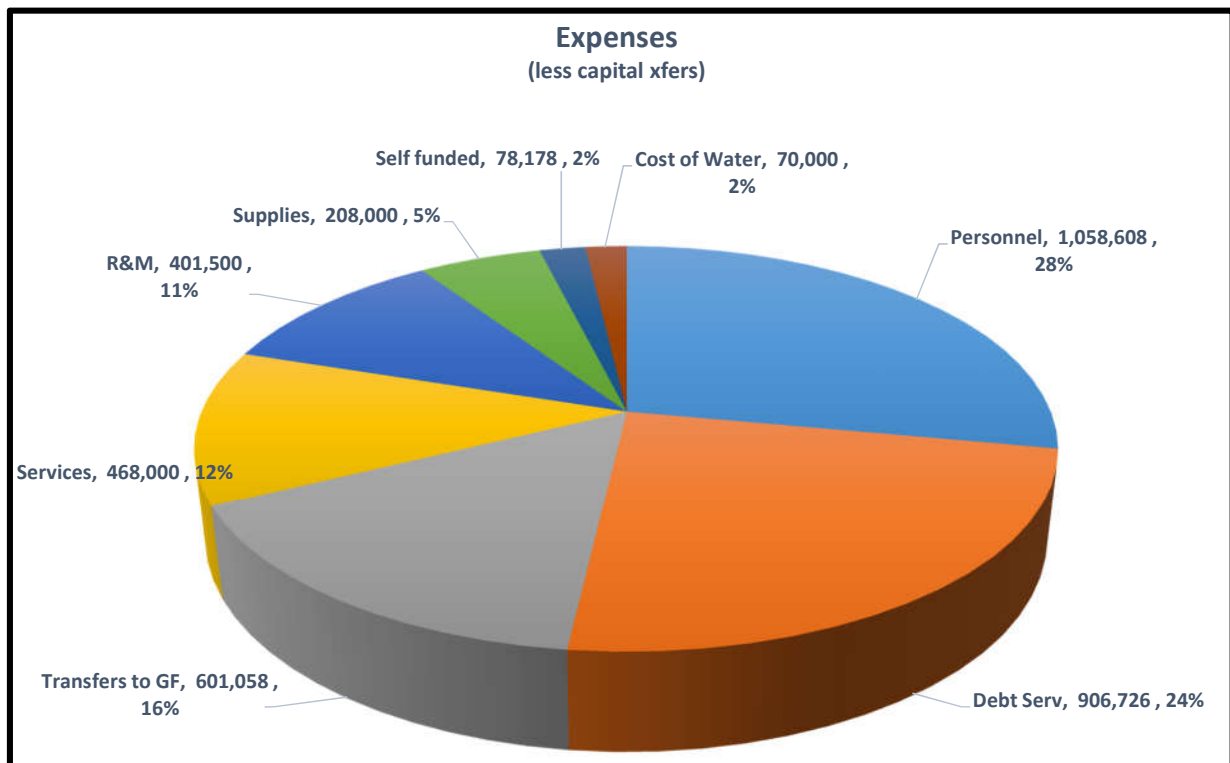
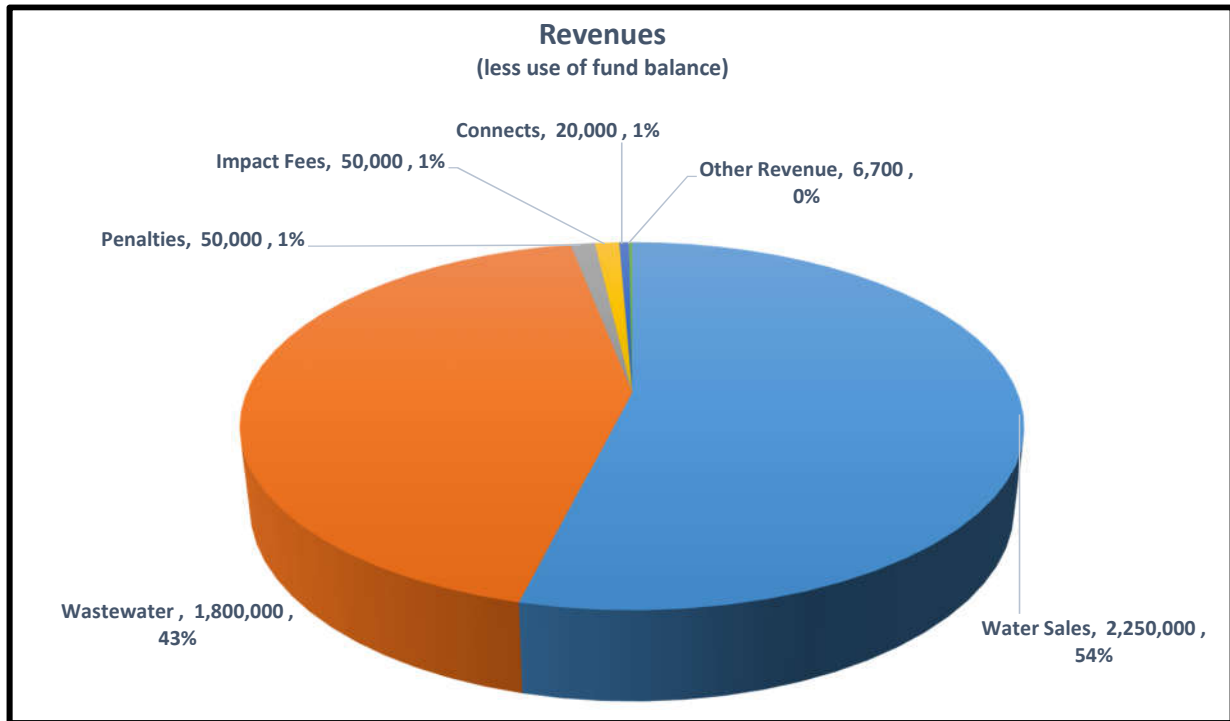
D Budgeted personnel increases; tracking well with budget.

E Timing difference - Software maintenance agreements with Elster and Electsolve were paid earlier this year than last year.

F Transfers to self-funded account for new equipment purchases were decreased in current year.

G Last year was the final year the City was obligated under the Operating Agreement with the YMCA to provide them with a \$10,000 utility credit.

## ***WATER/WW FUND ORIGINAL BUDGET 2018-19***

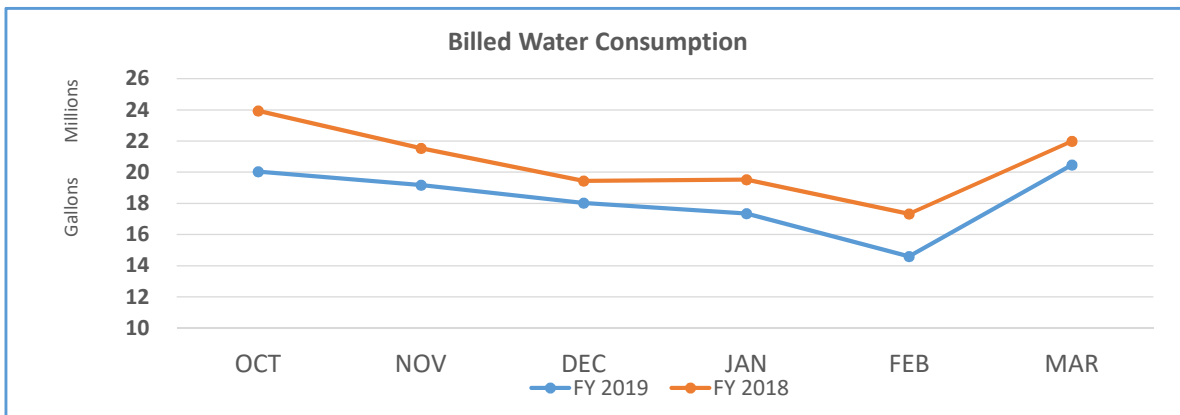


## WATER/WW FUND DASHBOARD

### CURRENT RESULTS COMPARISON

	ANNUAL BUDGET	ACTUAL YTD MAR 2019	% OF BUDGET	PRIOR YR YTD MAR 2018	VARIANCE OVER PY	% OVER PY
REV (less use of fund bal)	\$ 4,176,700	\$ 1,954,362	46.79%	\$ 1,991,431	\$ (37,069)	-1.86%
EXP (less capital xfers)	3,792,070	1,783,337	47.03%	1,778,311	5,026	0.28%
PROFIT (LOSS)	\$ 384,630	\$ 171,025	44.46%	\$ 213,120	\$ (42,095)	-19.75%

### TABLES/CHARTS



#### YTD Billed Consumption in gallons:

Oct18 - Mar19	109,681,211
Oct 17 -Mar18	123,734,955
ytd variance	(14,053,744)
	-11.36%

**WATER W/W FUND  
REVENUES AND EXPENSES  
YTD MARCH 2019**

% of year completed: 50.00

	ANNUAL BUDGET 2018-2019	ACTUAL YTD MAR 2019	% OF BUDGET	PRIOR YEAR YTD MAR 2018	VARIANCE OVER PY	% OVER PY	
<b>REVENUE</b>							
Water Sales	\$ 2,250,000	\$ 985,331	43.79%	\$ 1,038,502	\$ (53,171)	-5.12%	A
Wastewater Sales	1,800,000	914,137	50.79%	903,315	10,822	1.20%	B
Penalties	50,000	22,799	45.60%	28,070	(5,272)	-18.78%	
Water/Sewer Connects	20,000	15,650	78.25%	18,231	(2,581)	-14.15%	
Irrigation Revenue	2,500	2,250	90.00%	1,095	1,155	105.48%	
Other Revenue	3,000	2,341	78.05%	1,203	1,139	94.68%	
Interest Income	1,200	11,854	987.79%	1,015	10,839	1067.86%	C
Use Impact Fees	50,000	-	0.00%	-	-		
Use of Fund Balance	177,400	17,915	10.10%	-	17,915		D
<b>Total Revenue</b>	<b>\$ 4,354,100</b>	<b>\$ 1,972,277</b>	<b>45.30%</b>	<b>\$ 1,991,431</b>	<b>\$ (19,154)</b>	<b>-0.96%</b>	
<i>Total Revenue less fund balance</i>	<i>\$ 4,176,700</i>	<i>\$ 1,954,362</i>	<i>46.79%</i>	<i>\$ 1,991,431</i>	<i>\$ (37,069)</i>	<i>-1.86%</i>	
<b>EXPENSES</b>							
Personnel Costs	\$ 1,058,608	\$ 513,878	48.54%	\$ 508,250	\$ 5,628	1.11%	
Supplies	208,000	86,914	41.79%	90,478	(3,564)	-3.94%	
Repairs & Maintenance	401,500	198,570	49.46%	168,164	30,406	18.08%	E
Services	468,000	188,427	40.26%	206,564	(18,137)	-8.78%	F
Transfer to Self-funded equipment	78,178	39,089	50.00%	21,115	17,974	85.12%	G
Cost of Water	70,000	29,897	42.71%	34,707	(4,810)	-13.86%	
Transfers to Capital Fund	177,400	17,915	10.10%	-	17,915		D
Capital Outlay	-	-		11,809	(11,809)	-100.00%	H
Transfers to Debt Service	906,726	453,363	50.00%	454,130	(767)	-0.17%	
Transfer to GF - In Lieu of Property Tax	126,801	58,631	46.24%	59,746	(1,115)	-1.87%	
Transfer to GF - In Lieu of Franchise	211,335	97,718	46.24%	99,577	(1,859)		
Transfer to GF- Admin Allocation	233,466	104,934	44.95%	110,468	(5,534)	-5.01%	
Transfer to GF- Shop Allocation	29,456	11,916	40.45%	13,303	(1,387)	-10.43%	
<b>Total Expenses</b>	<b>\$ 3,969,470</b>	<b>\$ 1,801,252</b>	<b>45.38%</b>	<b>\$ 1,778,311</b>	<b>\$ 22,941</b>	<b>1.29%</b>	
<i>Total Expenses less xfers to capital project</i>	<i>\$ 3,792,070</i>	<i>\$ 1,783,337</i>	<i>47.03%</i>	<i>\$ 1,778,311</i>	<i>\$ 5,026</i>	<i>0.28%</i>	
<b>Net Profit (Loss)</b>	<b>\$ 384,630</b>	<b>\$ 171,025</b>	<b>44.46%</b>	<b>\$ 213,120</b>	<b>\$ (42,095)</b>	<b>-19.75%</b>	

A Water sales are down over prior year due to decreased water consumption resulting from increased rainfall.

B Wastewater sales from Oct - Feb were based on the prior year's averaged consumption during the winter (Dec - Feb); Mar is based on current year's averaged winter consumption.

C Interest rates have increased over prior year and excess pooled cash has been moved to Texpool investment account for higher returns.

D Fund Balance is used to offset transfers to the Capital Project Fund; net effect to operations is \$0.

E Up due to repairs for Inks Lake HSP2 Water Pump, RAS pump#2 at the Sewer Plant and for the pump at the Ranch lift station.

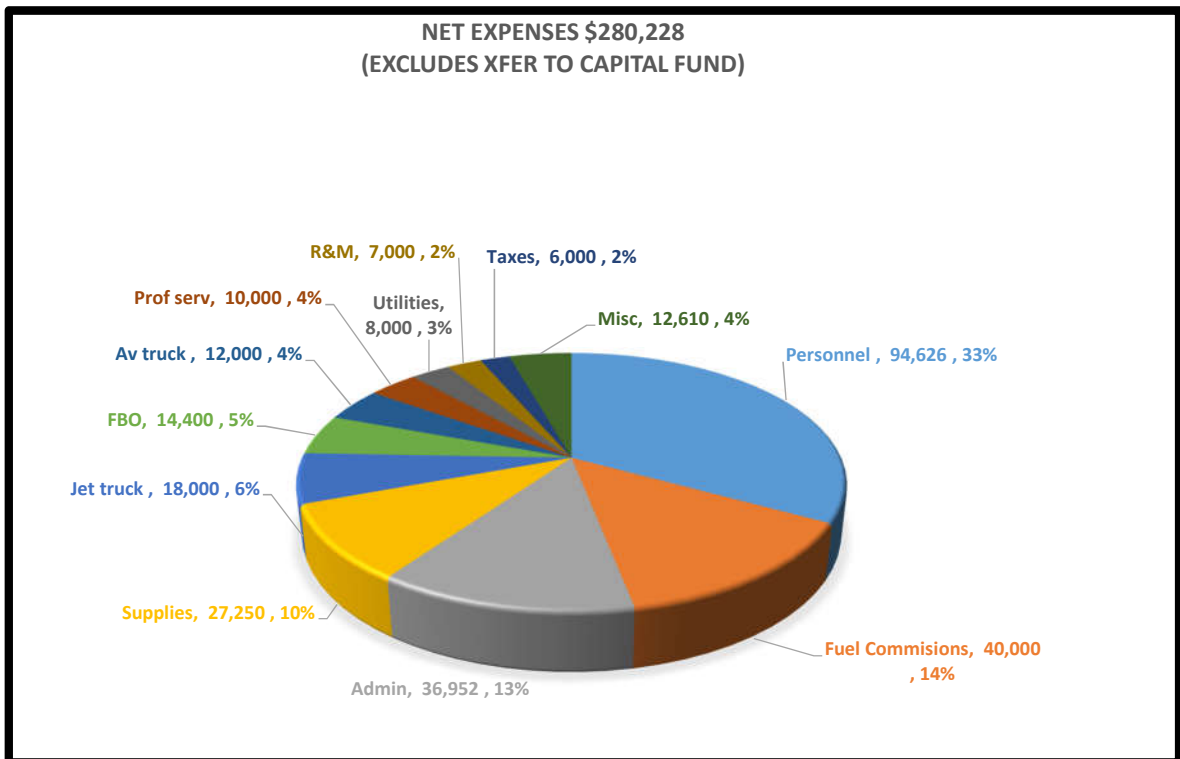
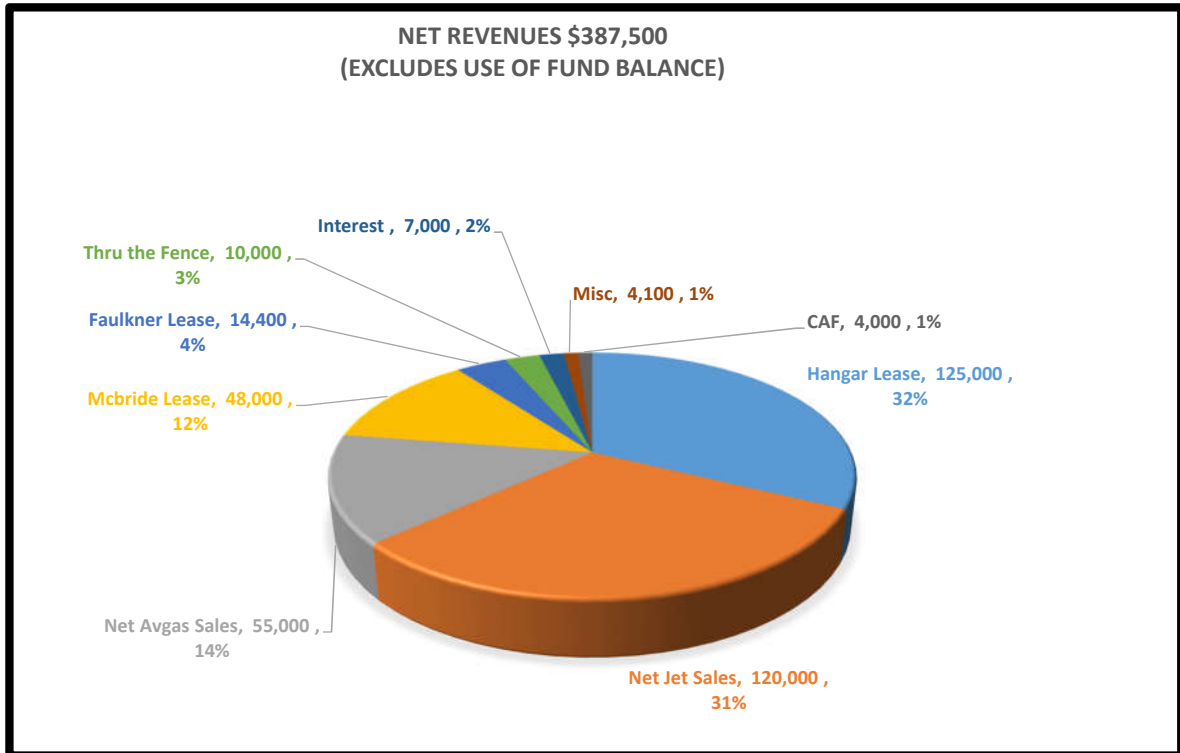
F Utilities decreased because electric consumption dropped due to a change in machine operations.

G Increased for new equipment purchases but on track with budget.

H During the previous year, replaced high service pump at water plant.



## AIRPORT FUND ORIGINAL BUDGET 2018-19

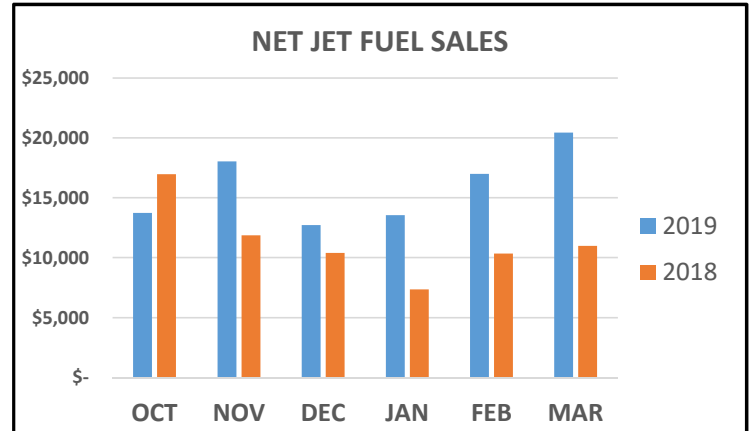
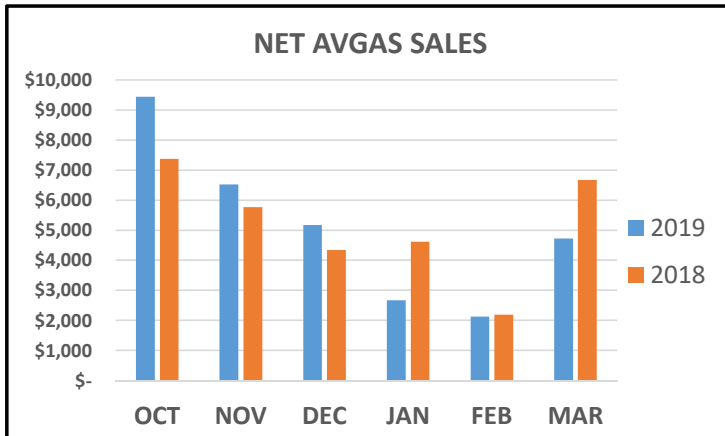


# AIRPORT FUND DASHBOARD

## CURRENT RESULTS COMPARISON

	ANNUAL BUDGET	ACTUAL YTD MAR 2019	% OF BUDGET	PRIOR YR YTD MAR 2018	VARIANCE OVER PY	% OVER PY
REV (less fuel purchases and fund bal)	\$ 387,500	\$ 229,432	59.21%	\$ 196,703	\$ 32,729	16.64%
EXP (less fuel purchases and fund bal)	286,838	128,703	44.87%	137,516	(8,813)	-6.41%
PROFIT (LOSS)	\$ 100,662	\$ 100,728	100.07%	\$ 59,186	\$ 41,542	70.19%

## TABLES/CHARTS



	2019	2018
AvSales	\$ 88,777.15	\$ 115,986.21
Av Purchases	58,079.36	85,005.81
Profit	\$ 30,697.79	\$ 30,980.40
%	34.58%	26.71%

### Avgas Gallons Sold:

2019	19,117
2018	28,708
Increase(decrease)	(9,591)
	-33%

	2019	2018
Jet Sales	\$ 204,770.40	\$ 156,146.86
Jet Purchases	109,180.76	88,118.98
Profit	\$ 95,589.64	\$ 68,027.88
%	46.68%	43.57%

### Jet Gallons Sold:

2019	44,267
2018	41,755
Increase(decrease)	2,512
	6.02%

**AIRPORT FUND  
REVENUES AND EXPENSES  
YTD MARCH 2019**

% of year completed: 50.00

	ANNUAL BUDGET 2018-2019	ACTUAL YTD MAR 2019	% OF BUDGET	PRIOR YEAR* YTD MAR 2018	VARIANCE OVER PY	% OVER PY
<b>REVENUE</b>						
Av Gas Sales	\$ 255,000	\$ 88,777		\$ 115,986	\$ (27,209)	
Av Gas Purchases	200,000	58,079		85,006	(26,926)	
Net Sales	55,000	30,698	55.81%	30,980	(283)	-0.91%
Jet Gas Sales	325,000	204,770		156,147	48,624	
Jet Gas Purchases	205,000	109,181		88,119	21,062	
Net Sales	120,000	95,590	79.66%	68,028	27,562	40.52% A
Contributions/Misc Rev	-	275		59	216	366.26%
Sign Rental Revenue	900	-	0.00%	-	-	
Penalties	1,000	500	50.00%	150	350	233.33%
All Hangar Lease	125,000	63,050	50.44%	62,787	263	0.42%
CAF Admissions	4,000	2,188	54.70%	2,188	-	0.00%
McBride Lease	48,000	23,149	48.23%	23,149	(0)	0.00%
Thru the Fence Lease	10,000	-	0.00%	-	-	
Airport Parking Permit	2,200	120	5.45%	120	-	0.00%
Hanger Lease - Faulkner	14,400	7,200	50.00%	7,200	-	0.00%
Interest Earned	7,000	6,663	95.18%	2,042	4,621	226.30%
Use of Fund Balance	491,700	76,613	15.58%	-	76,613	B
<b>Total Revenue</b>	<b>\$ 879,200</b>	<b>\$ 306,045</b>	<b>34.81%</b>	<b>\$ 196,703</b>	<b>\$ 109,342</b>	<b>55.59%</b>
<i>Total Revenue less fund balance</i>	<i>\$ 387,500</i>	<i>\$ 229,432</i>	<i>59.21%</i>	<i>\$ 196,703</i>	<i>\$ 32,729</i>	<i>16.64%</i>
<b>EXPENSES</b>						
Personnel Costs	\$ 94,626	\$ 46,990	49.66%	\$ 44,060	\$ 2,930	6.65%
Supplies	27,250	9,657	35.44%	8,787	870	9.90%
Repairs & Maintenance	7,000	329	4.70%	5,550	(5,221)	-94.07%
Contract Labor - FBO	14,400	7,200	50.00%	7,200	-	0.00%
Commission on Fuel Sal	40,000	15,846	39.61%	17,616	(1,770)	-10.05%
Schools/Seminars	2,000	1,450	72.50%	-	1,450	
Insurance & Bonds	10,610	7,017	66.13%	407	6,610	1626.08%
Professional Services	10,000	42	0.42%	-	42	
Property Taxes	6,000	4,461	74.35%	4,219	242	5.73%
Utilities	8,000	3,888	48.59%	4,220	(333)	-7.88%
Av fuel truck lease	12,000	6,000	50.00%	6,000	-	0.00%
Jet fuel truck lease	18,000	8,400	46.67%	8,400	-	0.00%
Transfers to Debt Service	-	-		13,137	(13,137)	C
Transfers to Capital/Uses of Fund Bal	491,700	76,613	15.58%	-	76,613	B
Admin Allocation	36,952	17,425	47.15%	17,920	(495)	-2.76%
<b>Total Expenses</b>	<b>\$ 778,538</b>	<b>\$ 205,316</b>	<b>26.37%</b>	<b>\$ 137,516</b>	<b>\$ 67,800</b>	<b>49.30%</b>
<i>Total Expense less xfers to capital project</i>	<i>\$ 286,838</i>	<i>\$ 128,703</i>	<i>44.87%</i>	<i>\$ 137,516</i>	<i>\$ (8,813)</i>	<i>-6.41%</i>
<b>Net Profit (Loss)</b>	<b>\$ 100,662</b>	<b>\$ 100,728</b>	<b>100.07%</b>	<b>\$ 59,186</b>	<b>\$ 41,542</b>	<b>70.19%</b>

\*Restated prior year to exclude the Ramp Grant revenues and expenses in order to be consistent with current year budget change to move the Ramp Grant activity to the capital fund.

A Jet fuel sales are up mainly due to increased margins and a 6% increase in gallons sold.

B Fund Balance is used to offset transfers to the Capital Project Fund; net effect to operations is \$0.

C The airport debt was paid off during the previous year.

**OTHER FUNDS  
REVENUES AND EXPENSES  
YTD MARCH 2019**

	ANNUAL BUDGET 2018-2019	ACTUAL YTD MAR 2019	% OF BUDGET	PRIOR YEAR YTD MAR 2018	VARIANCE OVER PY	% OVER PY
<b>HOTEL/MOTEL FUND</b>						
Revenues	\$ 260,475	\$ 100,619	38.63%	\$ 101,253	\$ (634)	-0.63%
Expenses	253,927	54,674	21.53%	57,768	(3,094)	-5.36%
Net Profit (Loss)	<u>\$ 6,548</u>	<u>\$ 45,945</u>		<u>\$ 43,485</u>	<u>\$ 2,460</u>	
<b>BEDC</b>						
Revenues	\$ 4,741,500	\$ 2,522,257	53.20%	\$ 671,274	\$ 1,850,982	275.74%
Expenses	3,863,104	1,622,963	42.01%	481,520	1,141,443	237.05%
Net Profit (Loss)	<u>\$ 878,396</u>	<u>\$ 899,294</u>		<u>\$ 189,754</u>	<u>\$ 709,540</u>	
<b>SELF FUNDED EQUIPMENT FUND</b>						
Revenues	\$ 859,646	\$ 453,432	52.75%	\$ 438,292	\$ 15,139	3.45%
Expenses	930,200	227,035	24.41%	381,117	(154,082)	-40.43%
Net Profit (Loss)	<u>\$ (70,554)</u>	<u>\$ 226,397</u>		<u>\$ 57,176</u>	<u>\$ 169,221</u>	
<b>DEBT SERVICE FUND</b>						
Revenues	\$ 1,673,956	\$ 477,326	28.51%	\$ 491,919	\$ (14,593)	-2.97%
Expenses	1,673,956	797,447	47.64%	799,998	(2,552)	-0.32%
Net Profit (Loss)	<u>\$ -</u>	<u>\$ (320,120)</u>		<u>\$ (308,079)</u>	<u>\$ (12,041)</u>	
<b>INTEREST &amp; SINKING DEBT FUND</b>						
Revenues	\$ 1,030,327	\$ 311,771	30.26%	\$ 336,396	\$ (24,625)	-7.32%
Expenses	1,030,327	175,972	17.08%	174,854	1,118	0.64%
Net Profit (Loss)	<u>\$ -</u>	<u>\$ 135,799</u>		<u>\$ 161,542</u>	<u>\$ (25,743)</u>	

**CITY OF BURNET  
CASH AND INVESTMENT REPORT  
AS OF MARCH 2019**

Acct #	Bank	Account Name	Account Type	Balance March 2019	Date Purchased	Maturity Date	Interest Rate
<b>Unrestricted Accounts</b>							
984/2410	FSB	Operating Cash	Checking	\$ 2,160,246.76	N/A	N/A	0.10 %
		Less Claim on Cash for Airport		(27,370.83)			
2329	FSB	Golf Course Petty Cash	Checking	1,540.67	N/A	N/A	— %
2535	FSB	Operating Reserve	M/M	384,711.04	N/A	N/A	0.20 %
2352	FSB	Delaware Springs-Credit Card Acct	Checking	-	N/A	N/A	— %
2378	FSB	Airport - Credit Card Acct	Checking	-	N/A	N/A	— %
2386	FSB	Utility - Credit Card Acct	Checking	-	N/A	N/A	— %
2469	FSB	Court - Credit Card Acct	Checking	-	N/A	N/A	— %
2711100002	TexPool	Operating Reserve	Investment	4,554,600.12	N/A	N/A	1.8896 %

Total Unrestricted \$ 7,073,727.76

75 Day Reserve Requirement	3,160,200.00
Unrestricted Cash over 75 day reserve	<u>\$ 3,913,527.76</u>
90 Day Reserve Requirement	3,792,847.00
Unrestricted Cash over 90 day reserve	<u>\$ 3,280,880.76</u>

**Restricted by Council Action**

2711100004	TexPool	Capital Reserve	Investment	\$ 452,854.06	N/A	N/A	1.8896 %
Total Restricted by Council				<u>\$ 452,854.06</u>			

**Restricted by Purpose or Law**

Acct #	Bank	Account Name	Account Type	Balance March 2019	Date Purchased	Maturity Date	Interest Rate
1453	FSB	Bond Reserve	M/M	\$ 87,496.04	N/A	N/A	0.20 %
2188	FSB	Self Funded Equipment	M/M	785,063.96	N/A	N/A	0.20 %
2402	FSB	Hotel / Motel	M/M	50,529.42	N/A	N/A	0.20 %
2711100005	TexPool	Hotel / Motel	Investment	133,885.46	N/A	N/A	1.8896 %
2451	FSB	Construction Account	Checking	104,884.47	N/A	N/A	— %
2485	FSB	PD Seizure	M/M	2,960.70	N/A	N/A	0.20 %
2493	FSB	Municipal Court Special Revenue	M/M	46,021.91	N/A	N/A	0.20 %
2519	FSB	Impact Fees - Water	M/M	88,440.23	N/A	N/A	0.20 %
2543	FSB	Airport Reserve	M/M	79,820.67	N/A	N/A	0.20 %
		Plus Airport Claim on Cash		27,370.83	N/A	N/A	
2711100009	TexPool	Airport Reserve	Investment	646,452.96	N/A	N/A	1.8896 %
2568	FSB	Benevolent Fund	Checking	-	N/A	N/A	— %
2576	FSB	Interest & Sinking Acct	M/M	209,987.73	N/A	N/A	0.20 %
2584	FSB	Impact Fees - Wastewater	M/M	37,584.27	N/A	N/A	0.20 %
2592	FSB	BEDC	Super NOW	793,820.47	N/A	N/A	0.10 %
2711100008	TexPool	BEDC Project Fund	Investment	855,233.67	N/A	N/A	1.8896 %
2711100010	TexPool	BEDC	Investment	812,561.82	N/A	N/A	1.8896 %
2634	FSB	Benefit Trust Account	M/M	-	N/A	N/A	— %
2675	FSB	Police Department Explorer Program	M/M	6,277.76	N/A	N/A	— %
2691	FSB	Fire Department Explorer Program	M/M	2,351.56	N/A	N/A	0.20 %
3012	FSB	Franchise Fee Account	Super NOW	82,860.05	N/A	N/A	0.10 %
58776	FSB	Fire Dept. Community Acct	M/M	14,619.89	N/A	N/A	— %
2711100007	TexPool	TWDB	Investment	67,186.92	N/A	N/A	1.8896 %
2711100006	TexPool	TWDB	Investment	40,791.61	N/A	N/A	1.8896 %
		City of Burnet, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2010					
143033000	US Bank	Escrow Account	Investment	3,134.37	N/A	N/A	0.34 %
82-020-01-0	Bank of	City of Burnet Ctr 2012 TWDB Escrow	Investment	269,326.23	N/A	N/A	0.3700 %
62315	FSB	BEDC Bond Fund		78,700.90	N/A	N/A	
62364	FSB	BEDC Project Fund	Investment	-	N/A	N/A	
Total Restricted Cash				<u>\$ 5,327,363.90</u>			

Total All Cash \$ 12,853,945.72

**CITY OF BURNET  
CAPITAL PROJECT FUNDING REPORT  
YTD MARCH 2019**

GENERAL CAPITAL PROJECT FUND					
DESCRIPTION	TOTAL COST	2018-2019 BUDGET	YTD MARCH ACTUAL	%	BALANCE FOR 2018-2019
<u>CAPITAL PROJECTS:</u>					
Police Department Facility	\$ 5,200,000	\$ 2,973,000	\$ 50,102	2%	\$ 2,922,898
HCHS Animal Shelter	10,000	10,000	8,416	84%	1,584
Public Safety Mobile CAD	95,000	95,000	14,665	15%	80,335
					-
Security Upgrade EMS Nar	30,000	30,000	21,470	72%	8,530
New Tank on Water Truck	30,000	30,000	-	0%	30,000
Burn Building / Training	130,000	130,000	-	0%	130,000
					-
Street Overlay - JHP	200,000	200,000	184,963	92%	15,037
Street Overlay	200,000	200,000	55,292	28%	144,708
					-
Community Center Stage	30,000	30,000	27,250	91%	2,750
Park Improvements	200,000	200,000	82,025	41%	117,975
					-
Tree Replacements	10,000	10,000	-	0%	10,000
					-
GHRC Capital Maintenance	50,000	50,000	26,854	54%	23,146
	6,185,000	3,958,000	471,038	12%	3,486,962
<u>OTHER PROJECTS:</u>					
LOAN DEFEASANCE	716,000	716,000	-	0%	716,000
DEVELOPMENT SERVICES STAFFING	44,000	44,000	44,000	100%	-
	760,000	760,000	44,000	6%	716,000
					-
	\$ 6,945,000	\$ 4,718,000	\$ 515,038	11%	\$ 4,202,962

BALANCE TO BE FUNDED FROM:		
\$1,485,000 OPERATING RESERVES	\$3,223,000 OTHER SOURCES	TOTAL
\$ -	\$ 2,922,898	\$ 2,922,898
1,584	-	1,584
80,335	-	80,335
		-
8,530	-	8,530
30,000	-	30,000
80,000	50,000	130,000
		-
-	15,037	15,037
144,708	-	144,708
		-
2,750	-	2,750
117,975	-	117,975
		-
-	10,000	10,000
		-
23,146	-	23,146
489,028	2,997,935	3,486,962
		-
716,000	-	716,000
-	-	-
716,000	-	716,000
		-
\$ 1,205,028	\$ 2,997,935	\$ 4,202,962

GOLF COURSE CAPITAL PROJECT FUND					
DESCRIPTION	TOTAL COST	2018-2019 BUDGET	YTD MARCH ACTUAL	%	BALANCE FOR 2018-2019
<u>CAPITAL PROJECTS:</u>					
C/O - Course Improvement - Includes new control panel for irrigation pump house, replacement of irrigation heads and valves, and new sodding around irrigation heads and other areas as needed.	\$ 100,000	\$ 100,000	\$ 61,823	62%	\$ 38,178

BALANCE TO BE FUNDED FROM:		
\$100,000 OPERATING RESERVES	\$0 OTHER SOURCES	TOTAL
\$ 38,178	\$ -	\$ 38,178

**CITY OF BURNET  
CAPITAL PROJECT FUNDING REPORT  
YTD MARCH 2019**

ELECTRIC CAPITAL PROJECT FUND					
DESCRIPTION	TOTAL COST	2018-2019 BUDGET	YTD MARCH ACTUAL	%	BALANCE FOR 2018-2019
<u>CAPITAL PROJECTS:</u>					
Subdivision Electrical Costs	\$ 150,000	\$ 150,000	\$ 79,586	53%	\$ 70,414

BALANCE TO BE FUNDED FROM:		
\$75,000 OPERATING RESERVES	\$75,000 OTHER SOURCES	TOTAL
\$ 27,068	\$ 43,346	\$ 70,414

W/WW CAPITAL PROJECT FUND					
DESCRIPTION	TOTAL COST	2018-2019 BUDGET	YTD MARCH ACTUAL	%	BALANCE FOR 2018-2019
<u>CAPITAL PROJECTS:</u>					
Water System Improvements - Wofford	\$ 50,000	\$ 50,000	\$ -	0%	\$ 50,000
SSES Line Improvements - Proj F	250,000	250,000	241,745	97%	8,255
SSES Line Improvements - Proj E	820,000	820,000	347,336	0%	472,664
Manholes - Proj B	400,000	400,000	5,445	1%	394,555
Oak Vista/CR 100 water line expansion	70,000	70,000	35,515		34,485
LCRA Composting Facility	75,000	75,000	-	0%	75,000
	<u>\$ 1,665,000</u>	<u>\$ 1,665,000</u>	<u>\$ 630,041</u>	<u>38%</u>	<u>\$ 1,034,959</u>

BALANCE TO BE FUNDED FROM:		
\$ 665,000 OPERATING RESERVES	\$1,000,000 OTHER SOURCES	TOTAL
\$ 50,000	\$ -	\$ 50,000
	8,255	8,255
470,000	2,664	472,664
	394,555	394,555
34,485		34,485
75,000	-	75,000
<u>\$ 629,485</u>	<u>\$ 405,474</u>	<u>\$ 1,034,959</u>

AIRPORT CAPITAL PROJECT FUND					
DESCRIPTION	TOTAL COST	2018-2019 BUDGET	YTD MARCH ACTUAL	%	BALANCE FOR 2018-2019
<u>CAPITAL PROJECTS:</u>					
RAMP GRANT EXPENDITURES	\$ 100,000	\$ 100,000	\$ 22,917	23%	\$ 77,083
PURCHASE AIRPORT PROPERTY	400,000	400,000	23,207	6%	376,793
RUNWAY REPAIRS	41,500	41,500	41,470		30
	<u>\$ 541,500</u>	<u>\$ 541,500</u>	<u>\$ 87,594</u>	<u>16%</u>	<u>\$ 453,906</u>

BALANCE TO BE FUNDED FROM:		
\$0 OPERATING RESERVES	\$500,000 OTHER SOURCES	TOTAL
\$ -	\$ 77,083	\$ 77,083
-	376,793	376,793
-	30	30
<u>\$ -</u>	<u>\$ 453,906</u>	<u>\$ 453,906</u>

TOTAL CAPITAL/OTHER PROJECTS				
	2018-2019 BUDGET	YTD MARCH ACTUAL	%	BALANCE FOR 2018-2019
TOTAL CAPITAL/OTHER PROJECTS	\$ 7,174,500	\$ 1,374,082	19%	\$ 5,800,418
TRANSFER TO CAPITAL EQUIPMENT RESERVES	500,000	-	0%	500,000
TOTAL CAPITAL/OTHER	<u>\$ 7,674,500</u>	<u>\$ 1,374,082</u>	<u>18%</u>	<u>\$ 6,300,418</u>

BALANCE TO BE FUNDED FROM:		
OPERATING RESERVES	OTHER SOURCES	TOTAL
\$ 1,899,758	\$ 3,900,660	\$ 5,800,418
500,000	-	500,000
<u>\$ 2,399,758</u>	<u>\$ 3,900,660</u>	<u>\$ 6,300,418</u>

FUNDING:	
USE OF FUND BALANCE	\$ 2,825,000
OTHER SOURCES	4,849,500
	<u>\$ 7,674,500</u>