



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

Notice is hereby given that a **Regular City Council Meeting** will be held by the governing body of the City of Burnet on the **23rd day of April 2024**, at **6:00 p.m.**, in the City of Burnet Council Chambers located at 2402 S. Water Street (Hwy. 281 South, Burnet Municipal Airport) Burnet, TX.

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

The following subjects will be discussed, to wit:

CALL TO ORDER:

ROLL CALL:

INVOCATION:

PLEDGES (US & TEXAS):

SPECIAL REPORTS/RECOGNITION:

- 1.1) Annual Audit Report: Jaynes, Reitmeier, Boyd & Therrell, P. C.: P. Langford
 - A. Audited Annual Comprehensive Financial Report
 - B. Compliance and Internal Control Report under a Single Audit
 - C. Letter to City Council
- 1.2) March 2024 Financial Report: P. Langford
- 1.3) Chamber of Commerce Quarterly Report: A. McKee
- 1.4) Municipal Court Quarterly Report: H. Sutton
- 1.5) Golf Course Quarterly Report: T. Nash

2. CONSENT AGENDA: *(All of the following items on the Consent Agenda are considered to be self-explanatory 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 March 26, 2024 City Council Workshop Meeting Minutes

2.2) Approval of the March 26, 2024 City Council Regular Meeting Minutes

3. PUBLIC HEARINGS/ACTION:

3.1) Public hearing and consideration of the following items:

A) Public Hearing and Action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING PROPERTIES KNOWN AS THE 101 HAMILTON CREEK CIRCLE, 103 HAMILTON CREEK CIRCLE, 105 HAMILTON CREEK CIRCLE, 109 HAMILTON CREEK CIRCLE, 113 HAMILTON CREEK CIRCLE, 117 HAMILTON CREEK CIRCLE, 119 HAMILTON CREEK CIRCLE, 108 HAMILTON CREEK CIRCLE, 104 HAMILTON CREEK CIRCLE, 100 HAMILTON CREEK CIRCLE, 800 HAMILTON CREEK EAST DRIVE, 900 HAMILTON CREEK DRIVE, 800 HAMILTON CREEK #12, 800 HAMILTON CREEK WEST DRIVE, AND 906 HAMILTON CREEK CIRCLE FROM THEIR PRESENT DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3” TO A DESIGNATION OF MANUFACTURED HOME – DISTRICT “M-1”; AND PROPERTY KNOWN AS 100 S HAMILTON CREEK DRIVE FROM ITS PRESENT DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3” TO A DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1”. L. Kimbler

Proceedings shall be conducted as follows:

- (1) Staff Presentation
- (2) Public Hearing
- (3) Consideration and action

B) Public Hearing and Action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING PROPERTY KNOWN AS 1736 W HWY 29 FROM ITS

PRESENT DESIGNATION OF MEDIUM COMMERCIAL – DISTRICT “C-2” TO A DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3” WITH A CONDITIONAL USE PERMIT TO ALLOW THE USE “MINI STORAGE WAREHOUSE”: L. Kimbler

Proceedings shall be conducted as follows:

- (1) Staff Presentation
- (2) Public Hearing
- (3) Consideration and action

C) Public Hearing and Action Item: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS, AMENDING CODE OF ORDINANCES, CHAPTER 118 (ENTITLED “ZONING”) FOR THE PURPOSE OF REMOVING THE USE “MANUFACTURED HOUSING AND SERVICES” FROM HEAVY COMMERCIAL – DISTRICT “C-3” AND RESTRICTING “MANUFACUTRED HOMES SALES AND SERVICES” USES TO HEAVY COMMERCIAL – DISTRICT “C-3” AND LIGHT INDUSTRIAL “I-1” WITH A CONDITIONAL USE PERMIT; PROVIDING FOR PENALTY; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE: L. Kimbler

Proceedings shall be conducted as follows:

- (1) Staff Presentation
- (2) Public Hearing
- (3) Consideration and action

3.2) THE CITY COUNCIL OF THE CITY OF BURNET SHALL CONDUCT A PUBLIC HEARING TO RECEIVE PUBLIC TESTIMONY AND COMMENTS ON THE MERITS OF A PROPOSED “PRELIMINARY PLAT” FOR APPROXIMATELY 11.76 ACRES OUT OF EUGENIO PEREZ SUBDIVISION NO. 41, ABS. NO. 672, AND THE SUSANO HERNANDEZ SURVEY NO. 40, ABS. NO. 398. THE PROPOSED “PRELIMINARY PLAT” WILL ESTABLISH DELAWARE SPRINGS SUBDIVISION, SECTION 25, CONSISTING OF 27 RESIDENTIAL LOTS: L. Kimbler

3.3) A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, CONDITIONALLY APPROVING THE PRELIMINARY PLAT OF DELAWARE

SPRINGS SUBDIVISION, SECTION 25, A PROPOSED 26-LOT RESIDENTIAL SUBDIVISION CONSISTING OF APPROXIMATELY 11.76 ACRES: L. Kimbler

4. ACTION ITEMS:

4.1) Discuss and consideration: SECOND AND FINAL READING OF AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS, AMENDING THE CITY CODE OF ORDINANCES SECTION 74-38(a) GOLF COURSE DAILY RATES; PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE: T. Nash

4.2) Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING CODE OF ORDINANCE CHAPTER 2 (ENTITLED "ADMINISTRATION"), BY AMENDING ARTICLE I (ENTITLED "IN GENERAL") AND ARTICLE II (ENTITLED "COUNCIL") AND ARTICLE IV (ENTITLED "OFFICERS AND DEPARTMENTS") TO COMPLY WITH THE CITY CHARTER, STATE LAW AND CURRENT CITY PRACTICES AND POLICIES; PROVIDING FOR PENALTY; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE: H. Erkan, Jr.

4.3) Discuss and consider action: Appointment of members to the City of Burnet Zoning Board of Adjustments: D. Vaughn

4.4) Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING VARIANCES TO THE CODE OF ORDINANCES, SECTION 98-42 – TRANSPORTATION IMPROVEMENTS AND SECTION 98-48 – BLOCKS AND LOTS FOR THE PROPOSED PRELIMINARY PLAT OF DELAWARE SPRINGS SUBDIVISION, SECTION 25: L. Kimbler

4.5) Discuss and consider action: TO SUSPEND THE EFFECTIVE DATE PROPOSED BY ATMOS – MIDTEX (ATMOS-MIDTEX) TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM FOR 45 DAYS, AND AUTHORIZE THE CITY'S CONTINUED PARTICIPATION IN A COALITION OF CITIES KNOWN AS THE ATMOS TEXAS MUNICIPALITIES: D. Vaughn

4.6) Discuss and consider action: A RESOLUTION BY THE CITY OF BURNET, TEXAS DESIGNATING CERTAIN CITY OFFICIALS TO SIGN CHECKS AND OTHER DISBURSEMENTS FOR ANY AUTHORIZED DEPOSITORY OF THE CITY OF BURNET, TEXAS: P. Langford

4.7) Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING A BIENNIAL AGREEMENT WITH GABRIEL, RODER, SMITH AND COMPANY FOR ACTUARIAL SERVICES PER THE MASTER AGREEMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID ENGAGEMENT LETTER ON BEHALF OF THE CITY: P. Langford

4.8) Discuss and consider action: Authorization and approval to purchase one (1) 2024 Chevrolet Blazer: B. Lee

4.9) Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS APPROVING A FORTY-YEAR AIRPORT GROUND LEASE AGREEMENT WITH CAREFLITE FOR APPROXIMATELY 0.972 +/- ACRES LOCATED AT THE SOUTH END OF THE AIRPORT. (A.Feild)

4.10) Discuss and consider action: A RESOLUTION OF THE BURNET CITY COUNCIL APPROVING A CONTRACT FOR MUNICIPAL COURT PROSECUTOR SERVICES: D. Vaughn

4.11) Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS ESTABLISHING AN EXEMPTION FROM AD VALOREM TAXES FOR QUALIFYING CHILD-CARE FACILITY PROPERTIES: D. Vaughn

5. EXECUTIVE SESSION:

5.1) Executive Session: The City of Burnet City Council shall meet in Executive Session in accordance to the provision of the Open Meetings Act, Texas Government Code, Chapter 551, and Sub-section 551.074 regarding deliberation on the appointment, employment, and duties of an acting City Manager: D. Vaughn

6. RECONVENE TO REGULAR SESSION FOR POSSIBLE ACTION:

6.1) Discuss and consider action: To confirm the City Manager's appointment of an Acting City Manager who may serve in times of absence or disability of the City Manager: D. Vaughn

7. REQUESTS FROM COUNCIL FOR FUTURE REPORTS: In accordance with Resolution 2020-28 Council Members may request the City Manager to prepare and present future reports on matter of public interest.

8. ADJOURN:

Dated this 23rd day of April 2024

City of Burnet

Mayor Gary Wideman

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

19, 2024 at or before 6 o'clock p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Kelly Dix, City Secretary

NOTICE OF ASSISTANCE AT THE PUBLIC MEETINGS:

The City of Burnet Council Chambers 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).



City of

BURNET • TEXAS



Annual Comprehensive Financial Report
For the Fiscal Year Ended
September 30, 2023

Annual Comprehensive Financial Report

of the



City of Burnet, Texas

Prepared by the
Finance Department
Year Ended September 30, 2023

City of Burnet, Texas

September 30, 2023

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City of Burnet, Texas

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March 25, 2024

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 annual comprehensive financial report of the City of Burnet, Texas, for the fiscal year ended September 30, 2023.

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, 2023. 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 6,800. 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 30th. 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 6,800. Burnet County's population is estimated at 53,900 which represents a 26% increase in population since 2010. 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 508 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.

Recently completed commercial projects in Burnet include the expansion of the H-E-B grocery store, the addition of a new Student Activity Center for the school district, the addition of portable buildings for Entegris, expansion of the Seven Lakes Dental offices, and the new Burnet County Defender’s Office.

Commercial projects currently underway include the Trailside addition of 58 duplexes, the South Highway 281 Delaware commercial park with 3 lots, and a new office building for the Hill Country Children’s Advocacy Center. Future commercial projects include Tractor Supply, a nationally branded extended stay hotel, Sunday Drive commercial park, a new City Hall, and a new First Baptist Church.

Several new residential developments have been planned and were under way in 2023. Subdivisions currently under construction include The Ranches at Delaware Creek Phase III with 19 single family lots, Eagles’ Nest Section III with 13 single family lots, Creekfall Phases I and II with 135 single family lots, West Fall Villages Phase III with 35 single family lots, The Ranches at Delaware Creek Phase II with 29 single family lots, and just outside the city limits is Headwaters of the San Gabriel Phase II with 26 single family lots. Future planned subdivisions and expansions include Creekfall Phase III with 116 single family lots, Delaware Springs Section 19 Phases III and IV with 43 single family lots, Honey Rock Subdivision with 299 single family lots, 2 multifamily lots, and 2 commercial lots, Hilltop Oaks with 100 single family lots, and the Springside Estate Subdivision with 105 single family lots.

Long-term financial planning and major initiatives. The following major projects have been budgeted for 2023-2024:

General Fund Capital Projects

- \$8,600,000 for new City Hall Building
- \$6,000,000 in Street Improvements
- \$434,500 in GHRC improvements
- \$250,000 for Dispatch and PD software
- \$200,000 for new Water Truck for Fire and Street department
- \$100,000 for Eclipse related expenses
- \$100,000 for Fire Department SCBA equipment
- \$60,000 for new Roller for Street department
- \$50,000 for Server Upgrades
- \$50,000 for CAD fire department laptops
- \$50,000 for Beautification Project
- \$50,000 for Park Improvements

Electric Fund Capital Projects

- \$350,000 for new Digger Truck
- \$275,000 for future funding of new Bucket Truck (Estimated 2025 delivery)
- \$200,000 for Subdivision Electrical Costs
- \$50,000 for Utility Maps and Models

Water/WW Fund Capital Projects

- \$756,000 in CDBG Water Line Project
- \$510,000 in Generation Equipment
- \$160,000 for Water Dump Truck
- \$155,000 for Creekfall Water Line Oversizing Project
- \$100,000 for Wells and Pumps Upgrade

Airport Fund Capital Projects

- \$1,500,000 for Jet Hanger
- \$200,000 for Airport Improvements
- \$200,000 for Ramp Grant Improvements
- \$100,000 for Deceleration Lane to Airport

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.
- Maintain an operating reserve for Delaware Springs Golf Course with prior year profits to allow the course to operate as a true enterprise fund and no longer be subsidized by the General Fund.
- Maintain the Self-funded Equipment Fund balance to properly fund equipment needs based on a five-year projection.
- Maintain council authorized capital reserve accounts for the General, Electric, Water/Wastewater, and Golf funds.

Acknowledgements

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

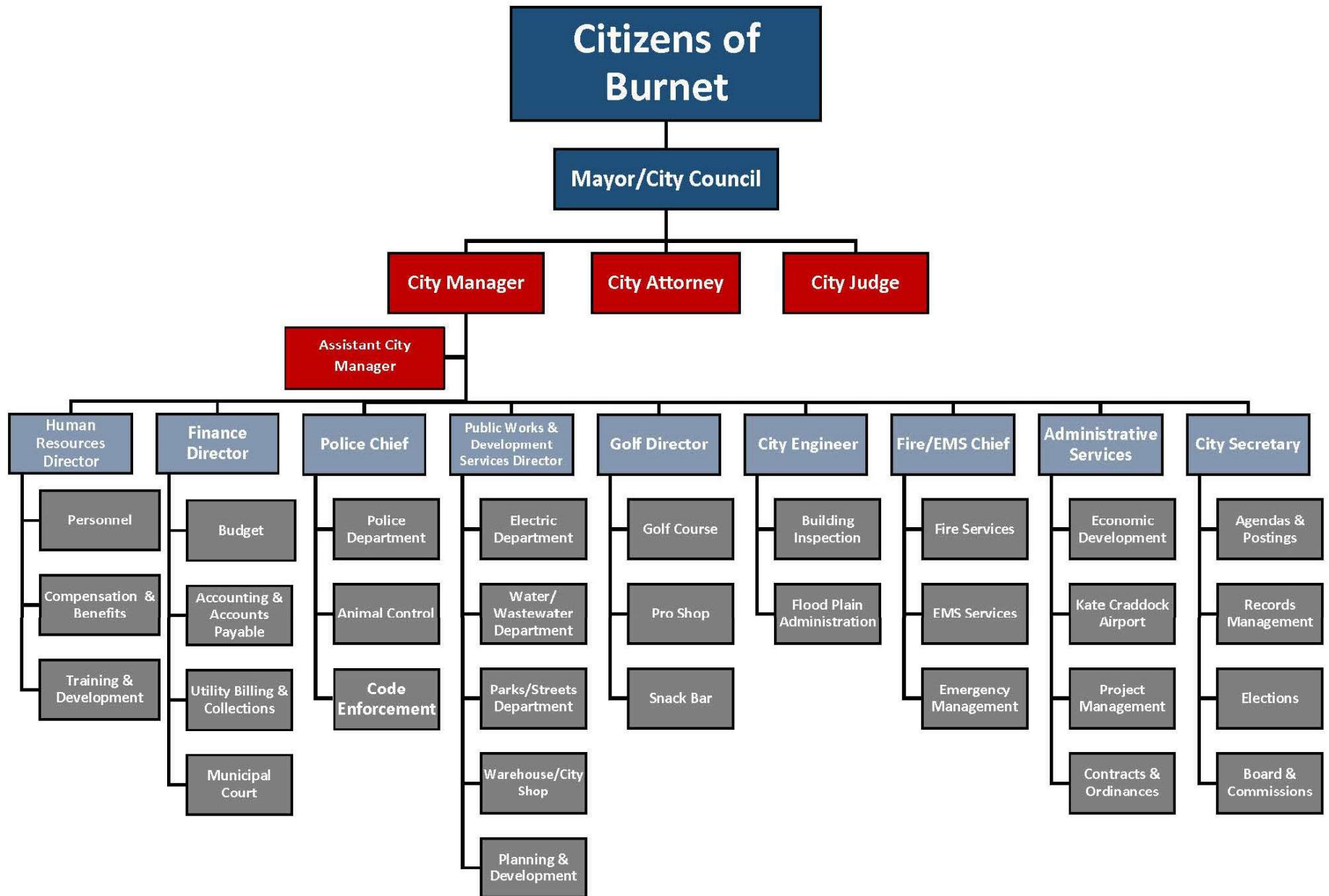
Respectfully submitted,

Handwritten signatures in blue ink. The signature on the left is 'David Vaughn' and the signature on the right is 'Patricia Langford'. A horizontal line connects the two signatures.

David Vaughn
City Manager

Patricia Langford, C.P.A.
Finance Director





City of Burnet, Texas
Elected Officials and City Staff
September 30, 2023

Elected Officials

City Council -Two-Year Terms

<u>Name</u>	<u>Position</u>	<u>Term</u>
Gary Wideman	Mayor	2023-2025
Philip Thurman	Mayor Pro Tem	2022-2024
Tres Clinton	Council Member	2023-2025
Ricky Langley	Council Member	2023-2025
Dennis Langley	Council Member	2022-2024
Joyce Laudenschlager	Council Member	2022-2025
Mary Jane Shanes	Council Member	2022-2024

City Staff

<u>Name</u>	<u>Position</u>
David Vaughn	City Manager
Habib Erkan	Assistant City Manager
Kelly Dix	City Secretary
Mark Ingram	Fire Chief / Emergency Management
Brian Lee	Police Chief
Tony Nash	Director of Golf
Haley Archer	Director of Human Resources
Patricia Langford	Director of Finance
Carley Kehoe Pearson	Director of Public Works/Development Services
Eric Belaj	City Engineer
Vacant	Water / Wastewater Superintendent
Taylor Stuckey	Electric Superintendent
Jeremy Stewart	Police Captain
John Miller	Deputy Chief of Fire Administration
Curtis Murphy	EMS Coordinator
Sandra Graves	Senior Accountant
Stefani Wright	Senior Accountant
Adrienne Feild	Administrative Services Spec / Airport Manager
Nadine Blair	Code Enforcement
Leslie Kimbler	Planning Manager
Tracy Shirley	Utility Billing Coordinator
Sonia Tucker	Customer Service Representative
Tamara Tinney	Municipal Court Judge
Tina Morgan	Municipal Court Clerk



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Burnet
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO





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:

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 16, 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 80 through 87 (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 90 through 97 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 Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements or our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based upon the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

March 25, 2024

Jaymes, Reitmeier, Boyd + Therrell, P.C.



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, 2023.

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 \$63,718,817 (*net position*). Unrestricted net position of the City is \$8,243,212. The City's total net position increased \$2,837,361 primarily due to continued profitability of utility services provided by the City and the recognition of \$1,024,229 from the Community Development Block Grant Program ("CDBG") – Community Resiliency Program ("CRP") under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$21,794,529, an increase of \$4,895,158 in comparison with the prior year primarily due to the issuance of Series 2022 Combination Tax and Revenue Certificates of Obligation in the amount of \$3,940,000 and proceeds of \$1,115,000 from the sale of a building to the Burnet Economic Development Corporation ("BEDC").
- 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 \$9,437,254, or approximately 71% of total general fund expenditures.
- The City's general fund total fund balance increased \$3,347,257 in the current year compared to an increase in the prior year of \$1,161,802 mainly due to proceeds of \$1,115,000 from the sale of a building to BEDC and a decrease in transfers out of \$3,371,437 to the General Capital Projects fund.
- During the current fiscal year, the Burnet Economic Development Corporation ("BEDC") purchased a building from the City in the amount of \$1,115,000 to be used for future economic development. Additionally, improvements to the Jackson Street parking lot amounted to \$321,112.

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 19 through 21 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 twelve 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 eight 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 22 through 26 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 28 through 31 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 33 through 78 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 80 through 87. 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. Also included are the comparative statements of net position and changes in net position for the BEDC. The other supplementary information can be found on pages 90 through 97 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 \$63,718,817 at the close of the most recent fiscal year.

City of Burnet's Net Position
September 30,

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 23,263,503	17,825,943	5,183,466	5,346,930	28,446,969	23,172,873
Capital assets, net	<u>39,330,801</u>	<u>38,478,979</u>	<u>36,847,358</u>	<u>37,708,568</u>	<u>76,178,159</u>	<u>76,187,547</u>
Total assets	<u>62,594,304</u>	<u>56,304,922</u>	<u>42,030,824</u>	<u>43,055,498</u>	<u>104,625,128</u>	<u>99,360,420</u>
Total deferred outflows of resources	<u>2,773,024</u>	<u>1,642,433</u>	<u>942,659</u>	<u>547,695</u>	<u>3,715,683</u>	<u>2,190,128</u>
Current liabilities	1,270,794	723,321	817,080	876,090	2,087,874	1,599,411
Noncurrent liabilities	<u>21,119,494</u>	<u>16,179,679</u>	<u>19,003,797</u>	<u>19,487,747</u>	<u>40,123,291</u>	<u>35,667,426</u>
Total liabilities	<u>22,390,288</u>	<u>16,903,000</u>	<u>19,820,877</u>	<u>20,363,837</u>	<u>42,211,165</u>	<u>37,266,837</u>
Total deferred inflows of resources	<u>1,843,120</u>	<u>2,559,971</u>	<u>567,709</u>	<u>842,284</u>	<u>2,410,829</u>	<u>3,402,255</u>
Net position:						
Net investment in capital assets	33,370,477	34,842,074	20,677,876	20,684,865	54,048,353	55,526,939
Restricted	1,427,252	1,366,394	-	-	1,427,252	1,366,394
Unrestricted	<u>6,336,191</u>	<u>2,275,916</u>	<u>1,907,021</u>	<u>1,712,207</u>	<u>8,243,212</u>	<u>3,988,123</u>
Total net position	<u>\$ 41,133,920</u>	<u>38,484,384</u>	<u>22,584,897</u>	<u>22,397,072</u>	<u>63,718,817</u>	<u>60,881,456</u>

By far, the largest portion of the City's net position (\$54.0 million or 84.8%) 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 (\$1.4 million or 2.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$8,243,212.

The City's overall net position increased \$2,837,361. 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		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	\$ 5,652,566	6,465,825	17,712,148	17,582,503	23,364,714	24,048,328
Operating grants and contributions	13,723	1,625,461	-	5,892	13,723	1,631,353
Capital grants and contributions	1,217,289	206,039	-	-	1,217,289	206,039
General revenues:						
Property taxes	4,433,537	3,630,280	-	-	4,433,537	3,630,280
Sales taxes	2,775,485	2,704,461	-	-	2,775,485	2,704,461
Hotel/motel taxes	226,860	211,369	-	-	226,860	211,369
Franchise and other taxes	207,682	180,005	-	-	207,682	180,005
Gain on sale of land	-	-	-	279,381	-	279,381
Unrestricted interest and miscellaneous revenues	1,151,491	117,625	124,337	2,016	1,275,828	119,641
Total revenues	<u>15,678,633</u>	<u>15,141,065</u>	<u>17,836,485</u>	<u>17,869,792</u>	<u>33,515,118</u>	<u>33,010,857</u>
Expenses:						
General government	\$ 3,403,779	2,844,286	-	-	3,403,779	2,844,286
Public safety	8,292,785	7,670,549	-	-	8,292,785	7,670,549
Highways and streets	1,573,757	1,434,226	-	-	1,573,757	1,434,226
Aviation services	800,680	1,382,867	-	-	800,680	1,382,867
Culture and recreation	1,304,946	1,180,523	-	-	1,304,946	1,180,523
Sanitation	994,964	976,671	-	-	994,964	976,671
Economic development	493,087	82,351	-	-	493,087	82,351
Interest and other charges on long-term debt	459,636	206,101	-	-	459,636	206,101
Electric	-	-	7,453,957	6,952,848	7,453,957	6,952,848
Water and sewer	-	-	3,609,788	3,652,482	3,609,788	3,652,482
Delaware Springs Golf Course	-	-	2,290,378	1,966,802	2,290,378	1,966,802
Total expenses	<u>17,323,634</u>	<u>15,777,574</u>	<u>13,354,123</u>	<u>12,572,132</u>	<u>30,677,757</u>	<u>28,349,706</u>
Increase (decrease) in net position before transfers	(1,645,001)	(636,509)	4,482,362	5,297,660	2,837,361	4,661,151
Transfers	4,294,537	4,499,667	(4,294,537)	(4,499,667)	-	-
Increase in net position	2,649,536	3,863,158	187,825	797,993	2,837,361	4,661,151
Net position, beginning of year	<u>38,484,384</u>	<u>34,621,226</u>	<u>22,397,072</u>	<u>21,599,079</u>	<u>60,881,456</u>	<u>56,220,305</u>
Net position, end of year	<u>\$ 41,133,920</u>	<u>38,484,384</u>	<u>22,584,897</u>	<u>22,397,072</u>	<u>63,718,817</u>	<u>60,881,456</u>

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$2,649,536 as compared to an increase of \$3,863,158 in the prior year. Key elements of the changes from the prior year are as follows:

- Charges for services decreased \$813,259 due to a decrease in the sale of jet fuel of \$790,897 as a result of the new Fixed Based Operator (“FBO”) Agreement in which the City no longer sells jet fuel effective December 2022.
- Operating grants and contributions decreased \$1,611,738 due to ARPA revenue recognized in the prior year for firefighter salaries.
- Capital grants and contributions increased \$1,011,250 due to CARES revenue recognized in the current year under CDBG-CRP for ongoing construction of a new building under a Memorandum of Agreement with the Hill Country Children’s Advocacy Center.
- Property taxes increased \$803,257 during the year (approximately 22.1%), which is primarily due to increased property values and new property being added to the tax roll offset by a M&O tax rate decrease of \$0.0194 per \$100 valuation.
- Interest income increased \$797,654 due to proceeds received from the issuance of Series 2022 Certificates of Obligation in the amount of \$3,940,000 and increases in interest rates throughout the current year.

Overall, governmental expenses increased \$1,546,060 (9.8%) due to an increase in personnel costs resulting from a 3% salary increase that was approved (which included both a merit and cost of living component). In addition, during the prior year, the City adopted new pay scales for Police and Fire which resulted in additional increases above the 3%, a new police officer position was added, a full year of Engineering salaries were included (2 engineering positions were added midway through the prior year), and the City increased the dependent health care subsidy offered to employees. Also, aviation expenses decreased \$582,187 primarily as a result of the new FBO Agreement in which the City no longer sells jet fuel effective December 2022. Overall, governmental activities recognized a decrease in net position before transfers of \$1.6 million and \$0.6 million in 2023 and 2022, respectively. Transfers in were \$4.3 million and \$4.5 million in 2023 and 2022, respectively.

Business-Type Activities. During the current fiscal year, net position for business-type activities increased \$187,825 as compared to an increase of \$797,993 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 \$129,645 or less than 1% from the prior year. Electric and water consumption increased from prior year by less than 1% and 8.5%, respectively, due to the severe drought conditions during the summer months of fiscal year 2022; however, there was a net decrease in electric revenue of \$211,851 due to non-standard connections amounting to \$500,306 in the prior year that did not occur in the current year. Golf services and sales of merchandise increased \$309,067 due to an increase in the number of rounds played as compared to prior year and due to price increases based on demand for services.
- Gain on sale of land decreased \$279,381 due to the prior year sale of approximately 42 acres of land on the outer edge of the City’s golf course.

- Interest income increased \$122,321 due to increases in interest rates throughout the current year.

Overall, business-type expenses increased \$781,991 (6.2%) due to an increase in personnel costs resulting from a 3% salary increase that was approved (which included both a merit and cost of living component). In addition, during the prior year, the City adopted a new pay scale for the Water department which resulted in additional increases above the 3%, a new full time maintenance position and two part-time positions were added to the golf course, and the City increased the dependent health care subsidy offered to employees. Cost of power for electricity increased \$263,128 (4.7%) due to increases in the fuel and power cost recovery factor component of the wholesale rate. Overall, business-type activities recognized an increase in net position before transfers of \$4.5 million and \$5.3 million in 2023 and 2022, respectively. Transfers out were \$4.3 million and \$4.5 million in 2023 and 2022, respectively.

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 *governmental 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, 2023, the City's governmental funds reported combined fund balances of \$21,794,529, an increase of \$4,895,158 in comparison with the prior year. Of this amount, \$9,437,254 is available for spending at the government's discretion (*unassigned fund balance*). The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form, \$33,218; (2) restricted for particular purposes, \$9,427,686; or (3) assigned for particular purposes, \$2,896,371.

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 \$9,437,254. 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 71% of total general fund expenditures.

During the current fiscal year, fund balance for the general fund increased \$3,347,257 as compared to an increase of \$1,161,802 in the prior year. Key factors in this change are as follows:

- Property taxes increased \$527,081 during the year (approximately 17.0%), which is primarily due to increased property values and new property being added to the tax roll offset by a M&O tax rate decrease of \$0.0194 per \$100 valuation.
- Intergovernmental revenue decreased \$1,590,453 due to ARPA revenue recognized in the prior year for firefighter salaries.

- Expenses increased \$1,258,041, approximately 10.5% over the prior year due to annual raises, added positions, 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 \$4,385,654, which was approximately \$316,168 less than the prior year amount of \$4,701,822.
- Transfers out of \$882,616 were approximately \$3,446,928 less than the prior year amount of \$4,329,544, and resulted from prior year transfers to (1) the general capital projects fund for the acquisition of vehicles and other heavy equipment, (2) the golf fund for capital improvements, and (3) to nonmajor capital projects funds for the acquisition of vehicles and other airport improvements that did not occur in the current year.

During the current fiscal year, fund balance for the airport fund increased \$100,304 as compared to a decrease of \$56,640 in the prior year. Fuel sales decreased \$790,897 (with a corresponding decrease in cost of fuel purchased of \$561,187) due to the new FBO Agreement in which the City no longer sells jet fuel effective December 2022. Additionally, the airport fund is responsible for the debt service on its portion of the Series 2021 Certifications of Obligation; thus, debt service expenditures increased \$3,794. Transfers out for airport capital purchases decreased \$210,988 from the prior year.

During the current fiscal year, fund balance for the debt service fund increased by \$25,067 as compared to an increase of \$46,801 in the prior year. Property taxes increased by \$254,670 (47.3%) due to increased property values and new property being added to the tax roll and an I&S tax rate increase of \$0.0194 per \$100 valuation. Debt service expenditures increased \$295,562 due to the issuance of Series 2022 Combination Tax and Revenue Certificates of Obligation in the amount of \$3,940,000 and increases in scheduled debt payments.

The general capital projects fund is used to track various capital improvements and equipment purchases for the City, and is primarily funded by bond proceeds and transfers from the general and enterprise funds. During 2023, the City issued Series 2022 Combination Tax and Revenue Certificates of Obligation in the amount of \$3,940,000, which will be used for future street improvements. Capital expenditures for the current year of \$3,367,334 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 \$1,338,219; \$1,051,990, and (\$483,188), respectively. Net position for the electric and golf funds increased by \$103,425 and \$103,087, respectively. The net position for the water and sewer fund decreased by \$18,687. 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, there were no significant amendments to the general fund budget for expenditures and transfers out.

Final budget compared to actual results. During the year, actual revenues and transfers in were over budget by \$1,898,815. This was mostly attributable to proceeds of \$1,115,000 from the sale of a building to BEDC that were not budgeted and interest income that exceeded budget amounts by \$252,424 due to increases in interest rates throughout the year. Actual expenditures were 98.0% of appropriations, and transfers out were \$141,967 over appropriations.

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, 2023, amounts to \$76,178,159 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, right-of-use assets, machinery and equipment, and construction in progress. The total net decrease in the City's investment in capital assets for the current fiscal year was \$9,388 or less than 0.1%.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,938,707	3,938,707	605,396	605,396	4,544,103	4,544,103
Buildings	8,808,923	9,408,483	96,778	100,128	8,905,701	9,508,611
Infrastructure	20,911,776	20,486,287	34,436,586	35,456,785	55,348,362	55,943,072
Right-of-use assets	77,905	149,367	-	-	77,905	149,367
Machinery and equipment	3,988,565	3,110,655	1,349,249	1,491,790	5,337,814	4,602,445
Construction in progress	1,604,925	1,385,480	359,349	54,469	1,964,274	1,439,949
	<u>\$ 39,330,801</u>	<u>38,478,979</u>	<u>36,847,358</u>	<u>37,708,568</u>	<u>76,178,159</u>	<u>76,187,547</u>

Major capital asset activity during the current fiscal year included:

Work was completed on:

Recreation center improvements	\$ 201,285
Street improvements	1,141,252
Structures and lines - electric	276,674
Delaware Springs Golf Course improvements	81,094
Acquisition of fire truck and other public safety vehicles	\$ 2,189,425
Acquisition of other equipment	\$ 375,953

Work continued on:

New City Hall facility	\$ 217,483
Children's Advocacy facility	910,961
Aiport paving improvements	122,500
Chassis for digger truck	112,975
Water and sewer improvements	98,883
New generators - water plan	90,000

Also, during the year, the City sold a building to BEDC in the amount of \$1,115,000 at no gain or loss. Additional information on the City's capital assets can be found in Note III.C. on pages 48 to 51 of this report.

Long-Term Debt. At the end of the current fiscal year, the City had total long-term liabilities of \$40,123,291.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Certificates of obligation	\$ 11,570,000	8,120,000	13,965,000	14,740,000	25,535,000	22,860,000
Refunding bonds	-	-	1,965,000	2,085,000	1,965,000	2,085,000
Premiums	651,959	508,173	244,529	259,050	896,488	767,223
Total bonded debt	12,221,959	8,628,173	16,174,529	17,084,050	28,396,488	25,712,223
Lease liabilities	86,278	155,617	-	-	86,278	155,617
Compensated absences	562,856	537,691	137,443	208,753	700,299	746,444
Net pension liability	3,713,981	583,889	1,259,552	200,256	4,973,533	784,145
Total OPEB liability - life insurance	311,146	458,348	-	-	311,146	458,348
Total OPEB liability - health insurance	4,223,274	5,815,961	1,432,273	1,994,688	5,655,547	7,810,649
Total	\$ 21,119,494	16,179,679	19,003,797	19,487,747	40,123,291	35,667,426

The City's total outstanding debt increased by \$4.5 million during the current fiscal year. This change primarily resulted from this issuance of Series 2022 Combination Tax and Revenue Certificates of Obligation in the amount of \$4.1 million and increases in the net pension and OPEB liabilities of \$1.9 million, offset by scheduled principal payments on bonded debt and lease liabilities of \$1.5 million.

The City received an "AA-" rating from S & P Global Ratings for general obligation debt.

The Texas Attorney General limits the amount of general obligation debt a governmental entity may issue to an amount no greater than that which can be serviced by a debt service tax of \$1.50 per \$100 assessed valuation, based on 90% collections. The City's adopted debt service rate for fiscal year 2023 is \$0.11090 per \$100 assessed valuation. This represents only 7%, or \$1.3891, below the rate allowed by the Attorney General's imposed limit. Additional information on the City's long-term liabilities can be found in Note III.D. on pages 51 to 56 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 2024 fiscal year budget:

- Maintaining the current property tax rate of \$0.6131 per \$100 valuation.
- Projected increase in property taxes due to a significant increase in assessed property values;
- Review and adoption of new pay scales to ensure salaries and benefits are competitive with neighboring communities.
- The City Council's approval of the proposed sale of the building that was being renovated for the new City Hall location, and the decision to issue bonds for the construction of a new City Hall building.
- Issuing bonds for street improvement projects.

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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Burnet Economic Development Corporation, Inc.
Assets				
Cash and cash equivalents	\$ 20,142,200	2,407,933	22,550,133	2,123,359
Receivables (net of allowance for uncollectibles)	2,702,942	1,539,539	4,242,481	228,956
Inventories	33,218	1,591,539	1,624,757	-
Internal balances	355,545	(355,545)	-	-
Due from component unit	29,598	-	29,598	-
Restricted cash and cash equivalents	-	-	-	128,415
Properties held for resale	-	-	-	3,654,690
Capital assets not being depreciated:				
Land	3,938,707	605,396	4,544,103	41,360
Construction in progress	1,604,925	359,349	1,964,274	113,405
Capital assets, net of accumulated depreciation:				
Land improvements	-	-	-	305,057
Buildings	8,808,923	96,778	8,905,701	2,982,995
Infrastructure	20,911,776	34,436,586	55,348,362	-
Right-of-use assets	77,905	-	77,905	-
Machinery and equipment	3,988,565	1,349,249	5,337,814	7,999
Total assets	62,594,304	42,030,824	104,625,128	9,586,236
Deferred Outflows of Resources				
Deferred outflows of resources	2,773,024	942,659	3,715,683	-
Liabilities				
Accounts payable	886,628	88,875	975,503	1,787
Accrued interest payable	44,838	10,421	55,259	12,822
Accrued liabilities	276,313	140,005	416,318	-
Due to primary government	-	-	-	29,598
Deposits payable	6,640	577,779	584,419	-
Unearned revenue	56,375	-	56,375	-
Noncurrent liabilities:				
Due within one year	835,628	968,722	1,804,350	1,370,533
Due in more than one year	20,283,866	18,035,075	38,318,941	2,384,119
Total liabilities	22,390,288	19,820,877	42,211,165	3,798,859
Deferred Inflows of Resources				
Deferred inflows of resources	1,843,120	567,709	2,410,829	56,417
Net Position				
Net investment in capital assets	33,370,477	20,677,876	54,048,353	2,069,231
Restricted for:				
Debt service	275,752	-	275,752	-
Economic development	150,929	-	150,929	-
Aviation services	881,475	-	881,475	-
Public safety	119,096	-	119,096	-
Unrestricted	6,336,191	1,907,021	8,243,212	3,661,729
Total net position	\$ 41,133,920	22,584,897	63,718,817	5,730,960

See accompanying notes to financial statements.

City of Burnet, Texas

Statement of Activities

Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,403,779	596,560	-	-
Public safety	8,292,785	3,305,597	13,723	1,099,697
Highways and streets	1,573,757	-	-	-
Aviation services	800,680	500,749	-	112,000
Culture and recreation	1,304,946	54,289	-	5,592
Sanitation	994,964	1,195,371	-	-
Economic development	493,087	-	-	-
Interest and other charges	459,636	-	-	-
Total governmental activities	<u>17,323,634</u>	<u>5,652,566</u>	<u>13,723</u>	<u>1,217,289</u>
Business-type activities:				
Electric	7,453,957	10,233,561	-	-
Water and sewer	3,609,788	4,956,156	-	-
Delaware Springs Golf Course	2,290,378	2,522,431	-	-
Total business-type activities	<u>13,354,123</u>	<u>17,712,148</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 30,677,757</u>	<u>23,364,714</u>	<u>13,723</u>	<u>1,217,289</u>
Component unit:				
Burnet Economic				
Development Corporation	<u>\$ 545,875</u>	<u>65,335</u>	<u>-</u>	<u>410,893</u>

General revenues:
 Property taxes
 Sales taxes
 Hotel/motel taxes
 Franchise and other taxes
 Interest
 Miscellaneous
 Transfers
 Total general revenues and transfers

Change in net position

Net position, beginning of year

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.
(2,807,219)	-	(2,807,219)	
(3,873,768)	-	(3,873,768)	
(1,573,757)	-	(1,573,757)	
(187,931)	-	(187,931)	
(1,245,065)	-	(1,245,065)	
200,407	-	200,407	
(493,087)	-	(493,087)	
(459,636)	-	(459,636)	
(10,440,056)	-	(10,440,056)	
-	2,779,604	2,779,604	
-	1,346,368	1,346,368	
-	232,053	232,053	
-	4,358,025	4,358,025	
(10,440,056)	4,358,025	(6,082,031)	
			(69,647)
\$ 4,433,537	-	4,433,537	-
2,775,485	-	2,775,485	925,162
226,860	-	226,860	-
207,682	-	207,682	-
886,668	124,337	1,011,005	88,371
264,823	-	264,823	-
4,294,537	(4,294,537)	-	-
13,089,592	(4,170,200)	8,919,392	1,013,533
2,649,536	187,825	2,837,361	943,886
38,484,384	22,397,072	60,881,456	4,787,074
\$ 41,133,920	22,584,897	63,718,817	5,730,960

City of Burnet, Texas

**Balance Sheet
Governmental Funds**

September 30, 2023

	<u>General</u>	<u>Airport</u>	<u>Debt Service</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash and cash equivalents	\$ 7,918,372	882,844	572,501	7,682,414	3,086,069	20,142,200
Receivables (net of allowance for uncollectibles)	2,195,564	86,898	30,337	241,527	148,616	2,702,942
Due from other funds	255,992	-	3,950	-	671,212	931,154
Inventories	<u>33,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,218</u>
Total assets	\$ <u>10,403,146</u>	<u>969,742</u>	<u>606,788</u>	<u>7,923,941</u>	<u>3,905,897</u>	<u>23,809,514</u>
Liabilities						
Liabilities:						
Accounts payable	\$ 340,986	2,429	-	466,632	76,581	886,628
Accrued liabilities	274,008	1,714	-	-	591	276,313
Deposits payable	-	6,640	-	-	-	6,640
Unearned revenue	5,500	500	-	50,375	-	56,375
Due to other funds	<u>175,969</u>	<u>256</u>	<u>331,036</u>	<u>-</u>	<u>38,750</u>	<u>546,011</u>
Total liabilities	<u>796,463</u>	<u>11,539</u>	<u>331,036</u>	<u>517,007</u>	<u>115,922</u>	<u>1,771,967</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes	136,211	-	30,079	-	-	166,290
Unavailable revenue - leases	<u>-</u>	<u>76,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,728</u>
Total deferred inflow of resources	<u>136,211</u>	<u>76,728</u>	<u>30,079</u>	<u>-</u>	<u>-</u>	<u>243,018</u>
Fund Balances						
Nonspendable	33,218	-	-	-	-	33,218
Restricted	-	881,475	245,673	6,919,882	1,380,656	9,427,686
Assigned	-	-	-	487,052	2,409,319	2,896,371
Unassigned	<u>9,437,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,437,254</u>
Total fund balances	<u>9,470,472</u>	<u>881,475</u>	<u>245,673</u>	<u>7,406,934</u>	<u>3,789,975</u>	<u>21,794,529</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>10,403,146</u>	<u>969,742</u>	<u>606,788</u>	<u>7,923,941</u>	<u>3,905,897</u>	
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.						39,330,801
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						166,290
Long-term liabilities, including general obligation debt, the net pension and total OPEB liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.						<u>(20,157,700)</u>
Net position of governmental activities						\$ <u>41,133,920</u>

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, 2023

	General	Airport	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 3,621,004	-	793,168	-	-	4,414,172
Sales taxes	2,775,485	-	-	-	-	2,775,485
Hotel/motel taxes	-	-	-	-	226,860	226,860
Franchise and other taxes	207,682	-	-	-	-	207,682
Licenses and permits	198,420	-	-	-	-	198,420
Intergovernmental	1,210,067	-	-	1,024,229	112,000	2,346,296
Charges for services - sanitation	1,195,371	-	-	-	-	1,195,371
Charges for services - EMS	1,889,646	-	-	-	-	1,889,646
Charges for services - other	54,289	-	-	-	-	54,289
Fines	180,619	-	-	-	25,265	205,884
Interest	272,424	46,869	19,486	458,070	89,819	886,668
Contributions and donations	12,752	-	-	75,468	-	88,220
Fuel sales	-	265,417	-	-	-	265,417
Miscellaneous	396,710	235,332	-	4,920	3,073	640,035
Total revenues	<u>12,014,469</u>	<u>547,618</u>	<u>812,654</u>	<u>1,562,687</u>	<u>457,017</u>	<u>15,394,445</u>
Expenditures:						
Current:						
General government	2,880,674	-	-	213,306	-	3,093,980
Public safety	7,491,530	-	-	4,616	10,671	7,506,817
Highways and streets	888,083	-	-	-	-	888,083
Aviation services	-	398,861	-	-	-	398,861
Culture and recreation	930,073	-	-	-	-	930,073
Sanitation	994,964	-	-	-	-	994,964
Economic development	-	-	-	250,000	243,087	493,087
Debt service:						
Principal	69,339	40,000	450,000	-	-	559,339
Interest and fiscal charges	8,743	21,863	337,587	-	-	368,193
Bond issuance costs	-	-	-	110,371	-	110,371
Capital outlay	21,844	-	-	3,367,334	1,565,906	4,955,084
Total expenditures	<u>13,285,250</u>	<u>460,724</u>	<u>787,587</u>	<u>3,945,627</u>	<u>1,819,664</u>	<u>20,298,852</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,270,781)</u>	<u>86,894</u>	<u>25,067</u>	<u>(2,382,940)</u>	<u>(1,362,647)</u>	<u>(4,904,407)</u>
Other financing sources (uses):						
Issuance of certificates of obligation	-	-	-	3,940,000	-	3,940,000
Premium on certificates of obligation	-	-	-	180,417	-	180,417
Proceeds on sale of capital assets	1,115,000	41,610	-	92,000	136,001	1,384,611
Transfers in	4,385,654	-	-	145,369	760,312	5,291,335
Transfers out	(882,616)	(28,200)	-	-	(85,982)	(996,798)
Total other financing sources (uses)	<u>4,618,038</u>	<u>13,410</u>	<u>-</u>	<u>4,357,786</u>	<u>810,331</u>	<u>9,799,565</u>
Net change in fund balances	3,347,257	100,304	25,067	1,974,846	(552,316)	4,895,158
Fund balances, beginning of year	<u>6,123,215</u>	<u>781,171</u>	<u>220,606</u>	<u>5,432,088</u>	<u>4,342,291</u>	<u>16,899,371</u>
Fund balances, end of year	<u>\$ 9,470,472</u>	<u>881,475</u>	<u>245,673</u>	<u>7,406,934</u>	<u>3,789,975</u>	<u>21,794,529</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, 2023

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

Net change in fund balances - total governmental funds	\$ 4,895,158
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 (\$4,858,440) exceeded depreciation expense (\$2,891,618) in the current period.	1,966,822
In the statement of activities, only the gain or loss on the disposition of capital assets is reported. However, in the governmental funds, the proceeds from the disposition increase financial resources. Thus, the change in net position differs from the change in fund balances by the net book value of capital assets disposed.	(1,115,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	19,365
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.	(3,567,315)
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 benefit exceeded contributions to the plans in the current year.	<u>450,506</u>
Change in net position of governmental activities	<u><u>\$ 2,649,536</u></u>

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts (Budgetary Basis)	
Revenues:				
Property taxes	\$ 3,539,000	3,539,000	3,621,004	82,004
Sales taxes	2,782,000	2,782,000	2,775,485	(6,515)
Franchise and other taxes	170,000	170,000	207,682	37,682
Licenses and permits	153,300	153,300	198,420	45,120
Intergovernmental	1,045,967	1,045,967	1,068,098	22,131
Charges for services - sanitation	1,203,717	1,203,717	1,195,371	(8,346)
Charges for services - EMS	2,072,000	2,072,000	2,031,615	(40,385)
Charges for services - other	53,500	53,500	54,289	789
Fines	140,000	140,000	180,619	40,619
Interest	20,000	20,000	272,424	252,424
Contributions and donations	9,500	9,500	12,752	3,252
Miscellaneous	180,600	180,600	396,710	216,110
	<u>11,369,584</u>	<u>11,369,584</u>	<u>12,014,469</u>	<u>644,885</u>
Total revenues				
Expenditures:				
General government:				
Mayor and Council	18,595	18,595	18,296	299
Administrative	2,073,653	2,055,177	2,040,152	15,025
Planning and zoning	328,935	328,935	314,105	14,830
Engineering	310,618	310,618	290,224	20,394
City shop	117,369	117,369	102,110	15,259
Public works administration	167,835	183,666	181,080	2,586
Public safety:				
Police	3,371,116	3,371,116	3,274,602	96,514
Municipal court	103,183	105,293	103,888	1,405
Fire	4,646,744	4,646,744	4,607,866	38,878
Highways and streets	934,155	918,323	889,365	28,958
Culture and recreation:				
Parks	894,915	881,898	841,408	40,490
Recreation center	105,000	118,017	118,016	1
Sanitation	999,847	999,847	994,964	4,883
	<u>14,071,965</u>	<u>14,055,598</u>	<u>13,776,076</u>	<u>279,522</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(2,702,381)</u>	<u>(2,686,014)</u>	<u>(1,761,607)</u>	<u>924,407</u>
Other financing sources (uses):				
Proceeds on sale of capital assets	-	-	1,115,000	1,115,000
Transfers in	3,396,724	4,246,724	4,385,654	138,930
Transfers out	(233,456)	(249,823)	(391,790)	(141,967)
Total other financing sources (uses)	<u>3,163,268</u>	<u>3,996,901</u>	<u>5,108,864</u>	<u>1,111,963</u>
Net change in fund balances	460,887	1,310,887	3,347,257	2,036,370
Fund balances, beginning of year	<u>6,123,215</u>	<u>6,123,215</u>	<u>6,123,215</u>	-
Fund balances, end of year	\$ <u>6,584,102</u>	<u>7,434,102</u>	<u>9,470,472</u>	<u>2,036,370</u>

See accompanying notes to financial statements.

City of Burnet, Texas

**Airport Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual – Budgetary Basis**

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Rent income and other	\$ 246,579	253,249	235,332	(17,917)
Fuel sales	14,712	255,982	265,417	9,435
Interest	4,500	4,500	46,869	42,369
	265,791	513,731	547,618	33,887
Total revenues				
Expenditures:				
Current:				
Aviation services	151,009	400,704	398,861	1,843
Debt service:				
Principal	-	40,000	40,000	-
Interest and fiscal charges	-	21,863	21,863	-
	151,009	462,567	460,724	1,843
Total expenditures				
Excess of revenues over expenditures	114,782	51,164	86,894	35,730
Other financing sources (uses):				
Proceeds on sale of capital assets	-	-	41,610	41,610
Transfers out	(82,902)	(31,874)	(28,200)	3,674
Total other financing sources (uses)	(82,902)	(31,874)	13,410	45,284
Net change in fund balances	31,880	19,290	100,304	81,014
Fund balances, beginning of year	781,171	781,171	781,171	-
Fund balances, end of year	\$ 813,051	800,461	881,475	81,014

See accompanying notes to financial statements.



City of Burnet, Texas
Statement of Net Position –
Proprietary Funds
September 30, 2023

	Business-type Activities - Enterprise Funds			Total
	Electric	Water and Sewer	Delaware Springs Golf Course	
Assets				
Current assets:				
Cash and cash equivalents	\$ 533,377	947,237	927,319	2,407,933
Receivables (net of allowance for uncollectibles)	1,088,815	450,724	-	1,539,539
Inventories	1,056,343	436,370	98,826	1,591,539
Due from other funds	73,315	496,634	1,375	571,324
Total current assets	<u>2,751,850</u>	<u>2,330,965</u>	<u>1,027,520</u>	<u>6,110,335</u>
Noncurrent assets:				
Capital assets:				
Land	11,171	357,759	236,466	605,396
Buildings	134,006	-	-	134,006
Infrastructure	8,109,954	47,317,670	3,878,352	59,305,976
Machinery and equipment	2,496,505	2,288,502	2,536,008	7,321,015
Construction in progress	148,311	211,038	-	359,349
Less accumulated depreciation	<u>(5,843,070)</u>	<u>(20,341,641)</u>	<u>(4,693,673)</u>	<u>(30,878,384)</u>
Total capital assets, net	<u>5,056,877</u>	<u>29,833,328</u>	<u>1,957,153</u>	<u>36,847,358</u>
Total assets	<u>7,808,727</u>	<u>32,164,293</u>	<u>2,984,673</u>	<u>42,957,693</u>
Deferred Outflows of Resources				
Deferred outflows of resources	<u>299,168</u>	<u>401,008</u>	<u>242,483</u>	<u>942,659</u>
Liabilities				
Current liabilities:				
Accounts payable	6,939	48,484	33,452	88,875
Accrued interest payable	187	10,234	-	10,421
Accrued liabilities	67,505	22,026	50,474	140,005
Deposits payable	577,779	-	-	577,779
Due to other funds	-	154,952	771,917	926,869
Compensated absences - current	16,405	25,121	27,196	68,722
General obligation debt payable - current	50,000	850,000	-	900,000
Total current liabilities	<u>718,815</u>	<u>1,110,817</u>	<u>883,039</u>	<u>2,712,671</u>
Noncurrent liabilities:				
Compensated absences	16,404	25,121	27,196	68,721
General obligation debt payable	2,788	15,271,741	-	15,274,529
Net pension liability	395,128	538,688	325,736	1,259,552
Total OPEB liability - health insurance	449,312	612,558	370,403	1,432,273
Total noncurrent liabilities	<u>863,632</u>	<u>16,448,108</u>	<u>723,335</u>	<u>18,035,075</u>
Total liabilities	<u>1,582,447</u>	<u>17,558,925</u>	<u>1,606,374</u>	<u>20,747,746</u>
Deferred Inflows of Resources				
Deferred inflows of resources	<u>178,093</u>	<u>242,799</u>	<u>146,817</u>	<u>567,709</u>
Net Position				
Net investment in capital assets	5,009,136	13,711,587	1,957,153	20,677,876
Unrestricted	<u>1,338,219</u>	<u>1,051,990</u>	<u>(483,188)</u>	<u>1,907,021</u>
Total net position	<u>\$ 6,347,355</u>	<u>14,763,577</u>	<u>1,473,965</u>	<u>22,584,897</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, 2023

	Business-type Activities - Enterprise Funds			Total
	Electric	Water and Sewer	Delaware Springs Golf Course	
Operating revenues:				
Charges for sales and services:				
Electric service	\$ 10,106,828	-	-	10,106,828
Water and sewer services	-	4,907,464	-	4,907,464
Golf services	-	-	1,748,296	1,748,296
Sales of merchandise	-	-	706,780	706,780
Other operating revenue	126,733	48,692	67,355	242,780
Total operating revenues	<u>10,233,561</u>	<u>4,956,156</u>	<u>2,522,431</u>	<u>17,712,148</u>
Operating expenses:				
Personnel	837,754	1,172,178	1,005,435	3,015,367
Materials and supplies	62,618	256,045	132,710	451,373
Repairs and maintenance	137,013	347,713	147,924	632,650
Purchased services	122,608	389,706	144,106	656,420
Purchases for resale	5,867,362	78,610	439,324	6,385,296
Other operating expenses	100,583	3,787	-	104,370
Depreciation	315,673	1,288,765	420,879	2,025,317
Total operating expenses	<u>7,443,611</u>	<u>3,536,804</u>	<u>2,290,378</u>	<u>13,270,793</u>
Operating income	<u>2,789,950</u>	<u>1,419,352</u>	<u>232,053</u>	<u>4,441,355</u>
Nonoperating revenues (expenses):				
Interest earnings	43,279	40,678	40,380	124,337
Interest expense	(10,346)	(72,984)	-	(83,330)
Total nonoperating revenues (expenses)	<u>32,933</u>	<u>(32,306)</u>	<u>40,380</u>	<u>41,007</u>
Income before transfers	2,822,883	1,387,046	272,433	4,482,362
Transfers in	30,000	-	223,210	253,210
Transfers out	<u>(2,749,458)</u>	<u>(1,405,733)</u>	<u>(392,556)</u>	<u>(4,547,747)</u>
Change in net position	103,425	(18,687)	103,087	187,825
Net position, beginning of year	<u>6,243,930</u>	<u>14,782,264</u>	<u>1,370,878</u>	<u>22,397,072</u>
Net position, end of year	<u>\$ 6,347,355</u>	<u>14,763,577</u>	<u>1,473,965</u>	<u>22,584,897</u>

See accompanying notes to financial statements.

City of Burnet, Texas
Statement of Cash Flows –
Proprietary Funds
Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 10,108,633	4,950,388	2,522,431	17,581,452
Receipts of customer deposits	87,259	-	-	87,259
Payments to employees for salaries and wages	(686,820)	(505,056)	(554,023)	(1,745,899)
Payments to suppliers and others	(6,798,785)	(1,881,067)	(1,343,739)	(10,023,591)
Return of customer deposits	(97,414)	-	-	(97,414)
Net cash provided by operating activities	2,612,873	2,564,265	624,669	5,801,807
Cash flows from noncapital financing activities:				
Transfers from other funds	30,000	-	223,210	253,210
Transfers to other funds	(2,749,458)	(1,405,733)	(392,556)	(4,547,747)
Net cash used in noncapital financing activities	(2,719,458)	(1,405,733)	(169,346)	(4,294,537)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(504,571)	(362,425)	(297,111)	(1,164,107)
Principal paid on capital debt	(50,000)	(845,000)	-	(895,000)
Interest paid on capital debt	(13,321)	(85,125)	-	(98,446)
Net cash used in capital and related financing activities	(567,892)	(1,292,550)	(297,111)	(2,157,553)
Cash flows from investing activities:				
Interest on investments	43,279	40,678	40,380	124,337
Net cash provided by investing activities	43,279	40,678	40,380	124,337
Net increase (decrease) in cash and cash equivalents	(631,198)	(93,340)	198,592	(525,946)
Cash and cash equivalents, beginning of year	1,164,575	1,040,577	728,727	2,933,879
Cash and cash equivalents, end of year	\$ 533,377	947,237	927,319	2,407,933

(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 to net cash provided by operating activities:				
Operating income	\$ 2,789,950	1,419,352	232,053	4,441,355
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	315,673	1,288,765	420,879	2,025,317
Decrease (increase) in assets and liabilities:				
Accounts receivable	(114,773)	(5,768)	-	(120,541)
Inventories	(210,659)	(1,183)	(99)	(211,941)
Due from other funds	(30,000)	-	-	(30,000)
Deferred outflows	(113,824)	(176,493)	(104,647)	(394,964)
Accounts payable	(29,611)	(27,146)	9,769	(46,988)
Accrued liabilities	(14,507)	4,688	8,547	(1,272)
Customer deposits	(10,155)	-	-	(10,155)
Compensated absences	(21,867)	(51,060)	1,617	(71,310)
Net pension liability	331,180	454,231	273,885	1,059,296
Total OPEB liability	(187,658)	(228,691)	(146,066)	(562,415)
Deferred inflows	(90,876)	(112,430)	(71,269)	(274,575)
Total adjustments	<u>(177,077)</u>	<u>1,144,913</u>	<u>392,616</u>	<u>1,360,452</u>
Net cash provided by operating activities	<u>\$ 2,612,873</u>	<u>2,564,265</u>	<u>624,669</u>	<u>5,801,807</u>

See accompanying notes to financial statements.



City of Burnet, Texas

Notes to Financial Statements

September 30, 2023

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 hangar rentals and fuel sales.

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 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)

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

There were no material outstanding encumbrances as of September 30, 2023 for the general fund, airport fund, general capital projects fund, and other non-major funds.

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. Additionally, all leases are deemed to be short term leases.

There were no adjustments necessary for the general fund and 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 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

City of Burnet, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

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

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, land improvements, buildings, machinery and equipment, right-of-use assets, 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.

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.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

I. Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

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

<u>Assets</u>	<u>Years</u>
Land improvements	10
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 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. Bond issuance costs are expensed when incurred.

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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 (“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.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

I. Summary of Significant Accounting Policies (continued)

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 assets 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 assets 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 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.

City of Burnet, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

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 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.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

I. Summary of Significant Accounting Policies (continued)

Q. Fund Balance Policies (continued)

The components and specific purpose details of nonspendable, restricted, and assigned fund balances of governmental funds at September 30, 2023 are as follows:

	<u>General</u>	<u>Airport</u>	<u>Debt Service</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:						
Inventories	\$ 33,218	-	-	-	-	33,218
Restricted:						
Aviation services	-	881,475	-	-	-	881,475
General obligation debt service	-	-	245,673	-	-	245,673
Capital projects	-	-	-	6,919,882	1,110,631	8,030,513
Economic development	-	-	-	-	150,929	150,929
Public safety	-	-	-	-	119,096	119,096
Assigned:						
Capital projects	-	-	-	487,052	2,409,319	2,896,371
Unassigned	<u>9,437,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,437,254</u>
	<u>\$ 9,470,472</u>	<u>881,475</u>	<u>245,673</u>	<u>7,406,934</u>	<u>3,789,975</u>	<u>21,794,529</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 \$20,157,700 difference are as follows.

General obligation debt	\$ (11,570,000)
Premiums on general obligation debt	(651,959)
Lease liabilities	(86,278)
Compensated absences	(562,856)
Accrued interest payable	(44,838)
Net pension liability, net of related deferred inflows of \$144,608 and deferred outflows of \$2,238,965	(1,619,624)
Total OPEB liability - life insurance, net of related deferred inflows of \$92,411 and deferred outflows of \$8,275	(395,282)
Total OPEB liability - health insurance, net of related deferred inflows of \$1,529,373 and deferred outflows of \$525,784	<u>(5,226,863)</u>
	<u>\$ (20,157,700)</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states “the issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$3,567,315 difference are as follows.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

II. Reconciliation of Government-Wide and Fund Financial Statements (continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities (continued)

Issuance of certificates of obligation	\$ (3,940,000)
Premiums on issuance of certificates of obligation	(180,417)
Principal payments on general obligation debt	490,000
Amortization of premiums	36,631
Principal payments on lease liabilities	69,339
Accrued interest payable	(17,703)
Accrued compensated absences	(25,165)
	<u>\$ (3,567,315)</u>

III. Detailed Notes On All Activities and Funds

A. Cash Deposits and Investments

Investments of the City at September 30, 2023, consist of investments in Texas Local Government Investment Pool (“TexPool”) of \$20,768,388. 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 & Poor’s.

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 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 26 days as of September 30, 2023.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

A. Cash Deposits and Investments (continued)

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	\$ 995
Carrying amount of deposits	4,032,524
Carrying amount of investments	<u>20,768,388</u>
	<u>24,801,907</u>
Per the statement of net position for the City:	
Cash and cash equivalents	<u>22,550,133</u>
Per the statement of net position for the Burnet Economic Development Corporation:	
Cash and cash equivalents	2,123,359
Restricted cash and cash equivalents	<u>128,415</u>
	<u>2,251,774</u>
	<u>\$ 24,801,907</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

B. Receivables

Primary Government

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, debt service, general capital projects and for the nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts:

	<u>General</u>	<u>Airport</u>	<u>Debt Service</u>	<u>General Capital Projects</u>	<u>Nonmajor Govern- mental</u>	<u>Total</u>
Receivables:						
Property taxes	\$ 136,211	-	30,337	-	-	166,548
Sales taxes	481,605	-	-	-	-	481,605
Hotel/motel taxes	-	-	-	-	98,616	98,616
Intergovernmental	-	-	-	237,587	50,000	287,587
EMS	2,118,503	-	-	-	-	2,118,503
Lease receivable	-	76,578	-	-	-	76,578
Receivable from Burnet Economic Development Corporatior	1,115,000	-	-	-	-	1,115,000
Other	<u>132,567</u>	<u>10,320</u>	<u>-</u>	<u>3,940</u>	<u>-</u>	<u>146,827</u>
	3,983,886	86,898	30,337	241,527	148,616	4,491,264
Less: allowance for uncollectibles	<u>(1,788,322)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,788,322)</u>
	<u>\$ 2,195,564</u>	<u>86,898</u>	<u>30,337</u>	<u>241,527</u>	<u>148,616</u>	<u>2,702,942</u>

Component Unit

Below is the detail of receivables for the Burnet Economic Development Corporation, including the applicable allowances for uncollectible accounts:

	<u>Burnet Economic Developmen Corporation</u>
Receivables:	
Sales taxes	\$ 160,535
Lease receivable	<u>68,421</u>
	228,956
Less: allowance for uncollectibles	<u>-</u>
	<u>\$ 228,956</u>

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

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

C. Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 3,938,707	-	-	3,938,707
Construction in progress	<u>1,385,480</u>	<u>1,331,308</u>	<u>(1,111,863)</u>	<u>1,604,925</u>
Total capital assets not being depreciated	<u>5,324,187</u>	<u>1,331,308</u>	<u>(1,111,863)</u>	<u>5,543,632</u>
Capital assets, being depreciated:				
Buildings	15,278,863	-	-	15,278,863
Infrastructure	31,915,140	1,353,388	(5,615)	33,262,913
Right-of-use assets	220,829	-	-	220,829
Machinery and equipment	<u>14,161,477</u>	<u>2,189,425</u>	<u>(52,945)</u>	<u>16,297,957</u>
Total capital assets, being depreciated	<u>61,576,309</u>	<u>3,542,813</u>	<u>(58,560)</u>	<u>65,060,562</u>
Less accumulated depreciation for:				
Buildings	(5,870,380)	(599,560)	-	(6,469,940)
Infrastructure	(11,428,853)	(923,548)	1,264	(12,351,137)
Right-of-use assets	(71,462)	(71,462)	-	(142,924)
Machinery and equipment	<u>(11,050,822)</u>	<u>(1,297,048)</u>	<u>38,478</u>	<u>(12,309,392)</u>
Total accumulated depreciation	<u>(28,421,517)</u>	<u>(2,891,618)</u>	<u>39,742</u>	<u>(31,273,393)</u>
Total capital assets, being depreciated, net	<u>33,154,792</u>	<u>651,195</u>	<u>(18,818)</u>	<u>33,787,169</u>
	<u>\$ 38,478,979</u>	<u>1,982,503</u>	<u>(1,130,681)</u>	<u>39,330,801</u>
<i>Business-type activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 605,396	-	-	605,396
Construction in progress	<u>54,469</u>	<u>332,194</u>	<u>(27,314)</u>	<u>359,349</u>
Total capital assets not being depreciated	<u>659,865</u>	<u>332,194</u>	<u>(27,314)</u>	<u>964,745</u>
Capital assets, being depreciated:				
Buildings	134,006	-	-	134,006
Infrastructure	58,783,467	522,509	-	59,305,976
Machinery and equipment	<u>6,984,297</u>	<u>336,718</u>	-	<u>7,321,015</u>
Total capital assets being depreciated	<u>65,901,770</u>	<u>859,227</u>	-	<u>66,760,997</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

C. Capital Assets (continued)

Primary Government (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business-type activities:</i> (continued)				
Less accumulated depreciation for:				
Buildings	(33,878)	(3,350)	-	(37,228)
Infrastructure	(23,326,682)	(1,542,708)	-	(24,869,390)
Machinery and equipment	(5,492,507)	(479,259)	-	(5,971,766)
Total accumulated depreciation	(28,853,067)	(2,025,317)	-	(30,878,384)
 Total capital assets, being depreciated, net	 37,048,703	 (1,166,090)	 -	 35,882,613
	\$ 37,708,568	(833,896)	(27,314)	36,847,358

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

General government	\$ 340,039
Public safety	1,017,092
Highways and streets	720,724
Aviation services	411,637
Culture and recreation	402,126
Total depreciation expense	\$ 2,891,618

At September 30, 2023, the City's governmental activities construction contract commitments with contractors are as follows:

Project Title	Spent to Date	Remaining Commitment
New City Hall building	\$ 349,844	\$ 6,810,000
Children's Advocacy building	910,961	2,700,000
Comprehensive plan	28,337	10,000
Airport box hanger	60,442	1,840,000
Airport paving	122,500	60,000
New teen center at Recreation Center	80,000	20,000
Community center remodel	3,605	95,000
Hamilton Creek extension	49,236	5,000
	\$ 1,604,925	\$ 11,540,000

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

C. Capital Assets (continued)

Primary Government (continued)

The construction contract commitments will be financed with remaining bond proceeds, federal funding provided under a CDBG award, and available resources.

At September 30, 2023, the City’s business-type activities construction contract commitments with contractors are as follows:

Project Title	Spent to Date	Remaining Commitment
Chassis for digger truck	\$ 112,975	\$ 240,000
Conduit for Creek Fall	35,336	155,000
New generators - water plant	117,155	510,000
Water improvements	93,883	35,000
	\$ 359,349	\$ 940,000

The construction contract commitments will be financed with available resources.

Component Unit

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Burnet Economic Development Corporation:</i>				
Capital assets, not being depreciated:				
Land	\$ 41,360	-	-	41,360
Construction in progress	-	113,405	-	113,405
Total capital assets not being depreciated	41,360	113,405	-	154,765
Capital assets, being depreciated:				
Land improvements	-	321,112	-	321,112
Buildings	3,376,976	-	-	3,376,976
Machinery and equipment	13,780	8,420	-	22,200
Total capital assets being depreciated	3,390,756	329,532	-	3,720,288
Less accumulated depreciation for:				
Land improvements	-	(16,055)	-	(16,055)
Buildings	(281,415)	(112,566)	-	(393,981)
Machinery and equipment	(13,780)	(421)	-	(14,201)
Total accumulated depreciation	(295,195)	(129,042)	-	(424,237)
Total capital assets, being depreciated, net	3,095,561	200,490	-	3,296,051
	\$ 3,136,921	313,895	-	3,450,816

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

C. Capital Assets (continued)

At September 30, 2023, the component unit’s construction contract commitments with contractors are as follows:

<u>Project Title</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Downtown restroom facility	\$ <u>113,405</u>	\$ <u>590,000</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, 2023 is as follows:

	<u>Date</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
<i>Governmental Activities</i>					
Combination tax and revenue certificates of obligation	2019	2,920,000	2.00%-5.00%	2039	2,470,000
Combination tax and revenue certificates of obligation	2021	5,755,000	1.50%-4.00%	2041	5,305,000
Combination tax and revenue certificates of obligation	2022	3,940,000	3.50%-5.00%	2042	<u>3,795,000</u>
					<u>\$ 11,570,000</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)

	<u>Date</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
<i>Business-Type Activities</i>					
Combination tax and revenue certificates of obligation	2010	11,425,000	0.00%	2040	\$ 6,685,000
Combination tax and revenue certificates of obligation	2012	9,900,000	0.00%	2042	6,460,000
Combination tax and revenue certificates of obligation	2019	970,000	2.00%-5.00%	2039	820,000
General obligation refunding bonds	2021	2,315,000	3.00%	2045	<u>1,965,000</u>
					<u>\$ 15,930,000</u>

Changes in the City's long-term liabilities for the year ended September 30, 2023 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation debt	\$ 8,120,000	3,940,000	(490,000)	11,570,000	490,000
Premiums	<u>508,173</u>	<u>180,417</u>	<u>(36,631)</u>	<u>651,959</u>	<u>-</u>
Total bonded debt	8,628,173	4,120,417	(526,631)	12,221,959	490,000
Lease liabilities	155,617	-	(69,339)	86,278	64,200
Compensated absences	537,691	525,806	(500,641)	562,856	281,428
Net pension liability	583,889	3,130,092	-	3,713,981	-
Total OPEB liability - life insurance	458,348	-	(147,202)	311,146	-
Total OPEB liability - health insurance	<u>5,815,961</u>	<u>-</u>	<u>(1,592,687)</u>	<u>4,223,274</u>	<u>-</u>
	<u>\$ 16,179,679</u>	<u>7,776,315</u>	<u>(2,836,500)</u>	<u>21,119,494</u>	<u>835,628</u>
Business-type activities:					
General obligation debt	\$ 16,825,000	-	(895,000)	15,930,000	900,000
Premiums	<u>259,050</u>	<u>-</u>	<u>(14,521)</u>	<u>244,529</u>	<u>-</u>
Total bonded debt	17,084,050	-	(909,521)	16,174,529	900,000
Compensated absences	208,753	110,655	(181,965)	137,443	68,722
Net pension liability	200,256	1,059,296	-	1,259,552	-
Total OPEB liability - health insurance	<u>1,994,688</u>	<u>-</u>	<u>(562,415)</u>	<u>1,432,273</u>	<u>-</u>
	<u>\$ 19,487,747</u>	<u>1,169,951</u>	<u>(1,653,901)</u>	<u>19,003,797</u>	<u>968,722</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, the net pension liability, and total OPEB liabilities – life insurance and health insurance, are substantially liquidated by the General Fund.

The debt service requirements for the City’s general obligation bonds follow:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Governmental Activities</i>			
2024	\$ 490,000	358,701	848,701
2025	500,000	343,651	843,651
2026	515,000	326,307	841,307
2027	535,000	308,519	843,519
2028	555,000	290,207	845,207
2029 - 2033	3,115,000	1,109,010	4,224,010
2034 - 2038	3,575,000	638,132	4,213,132
2039 - 2042	2,285,000	154,625	2,439,625
	<u>\$ 11,570,000</u>	<u>3,529,152</u>	<u>15,099,152</u>

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Business-Type Activities</i>			
2024	\$ 900,000	83,375	983,375
2025	850,000	78,575	928,575
2026	855,000	74,325	929,325
2027	855,000	69,825	924,825
2028	860,000	65,325	925,325
2029 - 2033	4,365,000	266,975	4,631,975
2034 - 2038	4,450,000	165,075	4,615,075
2039 - 2043	2,735,000	55,200	2,790,200
2044 - 2045	60,000	2,700	62,700
	<u>\$ 15,930,000</u>	<u>861,375</u>	<u>16,791,375</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)

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.

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 \$13,145,000 in combination tax and revenue certificates of obligation issued from 2010 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 \$13,145,000. Principal and interest paid for the current year and total pledged net revenues for the current year were \$735,000 and \$1,945,456, respectively.

Primary Government – City as Lessee

The City leases its City Hall building and certain other equipment used in operations. These leases require monthly payments, and have terms between 33 months and 46 months. As of September 30, 2023, the principal and interest requirements for leases to maturities are as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Governmental Activities</i>			
2024	\$ 64,200	3,830	68,030
2025	<u>22,078</u>	<u>423</u>	<u>22,501</u>
	<u>\$ 86,278</u>	<u>4,253</u>	<u>90,531</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

D. Long-Term Liabilities (continued)

Component Unit

Changes in the component unit's long-term liabilities for the year ended September 30, 2023 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	\$ 1,625,000	-	(115,000)	1,510,000	125,000
Notes payable	<u>1,256,509</u>	<u>1,115,000</u>	<u>(126,857)</u>	<u>2,244,652</u>	<u>1,245,533</u>
	<u>\$ 2,881,509</u>	<u>1,115,000</u>	<u>(241,857)</u>	<u>3,754,652</u>	<u>1,370,533</u>

In July 2021, the BEDC entered into a \$1,400,000 promissory note payable with a local financial institution that is secured by a pledge of the BEDC's sales tax revenues. Interest accrues at 2.86%, and principal and interest of \$13,428 are due in monthly installments until maturity in July 2031, at which time all remaining unpaid principal and interest are due. The outstanding note payable balance at September 30, 2023 is \$1,129,652.

In January 2023, the BEDC entered into a \$1,115,000 promissory note payable with the City that is secured by real estate. No interest accrues, and principal is due at maturity in January 2024, at which time all remaining unpaid principal is due. The outstanding note payable balance at September 30, 2023 is \$1,115,000. As more fully described below in Note III.N, subsequent to year end, the maturity date was extended to September 30, 2024.

General obligation debt outstanding for the component unit at September 30, 2023 is as follows:

	<u>Date</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
<i>Component Unit</i>					
Combination tax and revenue certificates of obligation	2018	2,045,000	4.50%	2033	\$ <u>1,510,000</u>
					\$ <u>1,510,000</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

D. Long-Term Liabilities (continued)

Component Unit (continued)

The debt service requirements for the component unit’s general obligation debt and notes payable follow:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Component Unit</i>			
2024	\$ 1,370,533	98,556	1,469,089
2025	264,315	89,148	353,463
2026	273,208	79,406	352,614
2027	282,213	69,326	351,539
2028	291,333	58,905	350,238
2029 - 2033	<u>1,273,050</u>	<u>134,160</u>	<u>1,407,210</u>
	<u>\$ 3,754,652</u>	<u>529,501</u>	<u>4,284,153</u>

E. Leases

Primary Government as Lessor

The City leases certain easements to individuals for the purpose of moving aircraft from the lessees’ real property to the runways, taxiways, and apron of the Burnet Municipal Airport – Kate Craddock Field. The related lease receivable and deferred inflows of resources are presented as amounts equal to the present value of lease payments expected to be received during the lease term. The deferred inflows of resources are amortized as lease revenue on a straight-line basis over the lease term. The total amount of lease revenue and lease related interest revenue recognized in the current year is \$12,311.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

E. Leases (continued)

Primary Government as Lessor (continued)

Principal and interest payments scheduled to be received from lease receivable are as follows:

Year Ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Governmental Activities</i>			
2024	\$ 4,654	7,657	12,311
2025	5,120	7,191	12,311
2026	5,631	6,680	12,311
2027	6,195	6,116	12,311
2028	6,814	5,497	12,311
2029 - 2033	33,393	16,388	49,781
2034 - 2038	12,415	4,376	16,791
2039	2,356	236	2,592
	<u>\$ 76,578</u>	<u>54,141</u>	<u>130,719</u>

Component Unit as Lessor

Burnet Economic Development Corporation leases building space that is used for winery operations. This lease expires on September 30, 2024, and may be extended for an additional five years upon written notice from the lessee prior to October 1, 2023. The related lease receivable and deferred inflows of resources are presented as amounts equal to the present value of lease payments expected to be received during the lease term. The deferred inflows of resources are amortized as lease revenue on a straight-line basis over the lease term. The total amount of lease revenue and lease related interest revenue recognized in the current year is \$66,000.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

E. Leases (continued)

Component Unit as Lessor (continued)

Principal and interest payments scheduled to be received from lease receivable are as follows:

Year Ended September 30,	Principal	Interest	Total
<i>Component Unit</i>			
2024	\$ 68,421	3,579	72,000
	\$ 68,421	3,579	72,000

F. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2023 is as follows:

Fund	Receivable	Payable
General	\$ 255,992	175,969
Airport	-	256
Debt service	3,950	331,036
Other governmental	671,212	38,750
Electric	73,315	-
Water and sewer	496,634	154,952
Delaware Springs Golf Course	1,375	771,917
Burnet Economic Development Corporation	-	29,598
	\$ 1,502,478	1,502,478

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.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

G. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2023 is as follows:

	Transfer out:						Total
	General	Airport	Nonmajor Governmental	Electric	Water and Sewer	Delaware Springs Golf Course	
Transfer in:							
General	\$ -	28,200	55,982	2,749,458	1,328,803	223,211	4,385,654
General capital projects	145,369	-	-	-	-	-	145,369
Nonmajor governmental	514,037	-	-	-	76,930	169,345	760,312
Electric	-	-	30,000	-	-	-	30,000
Delaware Springs Golf Course	223,210	-	-	-	-	-	223,210
	<u>\$ 882,616</u>	<u>28,200</u>	<u>85,982</u>	<u>2,749,458</u>	<u>1,405,733</u>	<u>392,556</u>	<u>5,544,545</u>

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.

H. Employee Benefits

Pension Plan

Plan Description - The City participates as one of 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (“TMRS”). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the “TMRS Act”) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (“ACFR”) that can be obtained at tmrs.com.

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

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

H. Employee Benefits (continued)

Pension Plan (continued)

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 member’s benefit is calculated based on the sum of the member’s contributions, with interest, and the City-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

Employees Covered by Benefit Terms – At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled to but not yet receiving benefits	85
Active employees	<u>134</u>
	<u>294</u>

Contributions – Member contribution rates in TMRS are either 5%, 6%, or 7% of the member’s total compensation, 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 (EAN) actuarial cost method. The City’s contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

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 12.65% and 13.22% in calendar years 2023 and 2022, respectively. The City’s contributions to TMRS for the year ended September 30, 2023 were \$1,155,435 and were equal to the required contributions.

Net Pension Liability – The City’s net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

H. Employee Benefits (continued)

Pension Plan (continued)

Actuarial assumptions – The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

H. Employee Benefits (continued)

Pension Plan (continued)

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 asset allocation portfolios, the actuary 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 in fiscal year 2023 are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public and Private Markets	12.0%	8.1%
Real Estate	12.0%	5.8%
Hedge Funds	5.0%	6.9%
Private Equity	<u>10.0%</u>	11.8%
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 member 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 members. 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)

H. Employee Benefits (continued)

Pension Plan (continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2021	\$ 30,134,906	29,350,761	784,145
Changes for the year:			
Service cost	1,391,984	-	1,391,984
Interest	2,030,583	-	2,030,583
Difference between expected and actual experience	310,007	-	310,007
Change in assumptions	-	-	-
Contributions - employer	-	1,099,285	(1,099,285)
Contributions - employee	-	582,072	(582,072)
Net investment income	-	(2,141,755)	2,141,755
Benefit payments, including refunds of employee contributions	(1,496,377)	(1,496,377)	-
Administrative expense	-	(18,540)	18,540
Other changes	-	22,124	(22,124)
Net changes	2,236,197	(1,953,191)	4,189,388
Balance at December 31, 2022	\$ 32,371,103	27,397,570	4,973,533

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.

	Current		
	1% Decrease (5.75%)	Rate Assumption (6.75%)	1% Increase (7.75%)
City's net pension liability	\$ 10,019,618	4,973,533	927,767

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. The report may be obtained on the Internet at tmrs.com.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

H. 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, 2023, the City recognized pension expense of \$1,346,006. At September 30, 2023, 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	\$ 872,309	-
Differences between expected and actual experience	249,692	193,650
Change in assumptions	4,903	-
Difference between projected and actual investment earnings, net	<u>1,871,380</u>	<u>-</u>
	<u>\$ 2,998,284</u>	<u>193,650</u>

The \$872,309 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Measurement Year Ended December 31,</u>	
2023	\$ 96,923
2024	466,261
2025	544,558
2026	<u>824,583</u>
Total	<u>\$ 1,932,325</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

H. 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 assets accumulated in a trust, 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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to but not yet receiving benefits	17
Active employees	<u>134</u>
	<u>209</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, 2023 were \$24,970, 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)

H. 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, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability – life insurance in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	3.50% to 11.5% per year, including inflation
Discount rate	4.05% (based on the Fidelity Index's "20-year Municipal GO AA Index" rate as of December 31, 2022)
Administrative expenses	All administrative expenses are paid through the TMRS Pension Trust
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

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

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

H. Employee Benefits (continued)

OPEB – Life Insurance (continued)

The changes in the total OPEB liability – life insurance for the measurement period ending December 31, 2022 were as follows:

	Total OPEB Liability - Life Insurance
Balance at December 31, 2021	\$ <u>458,348</u>
Changes for the year:	
Service cost	21,620
Interest	8,548
Differences between expected and actual experience	1,901
Changes in assumptions or other inputs	(170,124)
Benefit payments **	<u>(9,147)</u>
Net changes	<u>(147,202)</u>
Balance at December 31, 2022	\$ <u><u>311,146</u></u>

** For the SDBF, no assets are accumulated in a trust.
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 4.05%, 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 (3.05%) or one percentage point higher (5.05%) than the current rate.

	1% Decrease (3.05%)	Current Discount Rate Assumption (4.05%)	1% Increase (5.05%)
Total OPEB liability - life insurance	\$ <u>375,363</u>	<u>311,146</u>	<u>262,004</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

H. 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, 2023, the City recognized OPEB expense – life insurance of \$17,178.

At September 30, 2023, the City reported deferred outflows of resources related to OPEB – life insurance from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 8,275	-
Differences between expected and actual experience	-	13,842
Change in assumptions	-	78,569
	<u>\$ 8,275</u>	<u>92,411</u>

The \$8,275 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, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense – life insurance as follows:

<u>Measurement Year Ended December 31,</u>	
2023	\$ (15,590)
2024	(13,472)
2025	(20,821)
2026	(31,820)
2027	<u>(10,708)</u>
Total	<u>\$ (92,411)</u>

City of Burnet, Texas

Notes to Financial Statements (Continued)

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

H. 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 assets accumulated in a trust, 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.

An actuarial valuation to determine the total OPEB liability is required to be performed at least every two years. If the actuarial valuation used to determine the total OPEB liability is not calculated as of the measurement date, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the measurement date. The total OPEB liability is based on an actuarial valuation performed as of December 31, 2021, rolled forward to December 31, 2022.

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.

City of Burnet, Texas

Notes to Financial Statements (Continued)

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

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

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 which 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.

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.

Disability Retirement Benefits

To be eligible for continuation of health care benefits, disability retirements must meet the health care benefit eligibility conditions above for normal retirement benefits.

Death-in-service Retirement Benefits

The City does not provide death-in-service benefits to a surviving spouse of an employee.

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.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

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

Vision and Dental Coverage

Retirees are not eligible for vision 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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries	25
Active members	<u>17</u>
	<u>42</u>

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 determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

Actuarial Assumptions: The total OPEB liability – health insurance in the December 31, 2021 actuarial valuation, rolled forward to December 31, 2022, was determined using the following actuarial assumptions:

Valuation Date	December 31, 202, rolled forward to December 31, 2022
Actuarial Cost Method	Individual Entry-Age
Discount rate	4.05% as of December 31, 2022
Inflation	2.50% per year
Salary increases	3.50% to 11.5% per year, including inflation
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System ("TMRS")
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.
Health care trend rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years. Post-65: Initial rate of 5.30% declining to an ultimate rate of 4.15% after 12 years.
Participation rates	It was assumed that 95% of eligible retirees would choose to receive retiree health care benefits through the City. Additionally, 50% of future retirees that retire prior to age 55 were assumed to have health care coverage available to them through a separate employer. 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 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

The changes in the total OPEB liability – health insurance for the measurement period ending December 31, 2022 were as follows:

	Total OPEB Liability - Health Insurance
	<u> </u>
Balance at December 31, 2021	\$ 7,810,649
Changes for the year:	
Service cost	152,794
Interest	143,660
Differences between expected and actual experience	(14,373)
Changes in assumptions or other inputs	(2,278,336)
Benefit payments **	<u>(158,847)</u>
Net changes	<u>(2,155,102)</u>
Balance at December 31, 2022	\$ <u>5,655,547</u>

** No assets are accumulated in a trust for the retiree health insurance plan. 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.

Total OPEB liabilities recognized for health and life insurance amounted to \$5,966,693 as of September 30, 2023

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 4.05%, 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 (3.05%) or one percentage point higher (5.05%) than the current rate.

	1% Decrease <u>(3.05%)</u>	Current Discount Rate Assumption <u>(4.05%)</u>	1% Increase <u>(5.05%)</u>
Total OPEB liability - health insurance	\$ <u>6,546,408</u>	<u>5,655,547</u>	<u>4,937,752</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

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:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB liability - health insurance	\$ 4,861,154	5,655,547	6,647,160

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, 2023, the City recognized OPEB benefit – health insurance of \$(653,524). Total OPEB benefit recognized for health and life insurance amounted to \$(636,346) for the year ended September 30, 2023.

At September 30, 2023, the City reported deferred outflows of resources related to OPEB – health insurance from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 148,049	-
Differences between expected and actual experience	6,076	486,990
Change in assumptions	549,972	1,561,050
	\$ 704,097	2,048,040

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

The \$148,049 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, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in OPEB expense – health insurance as follows:

Measurement Year Ended December 31,	
2023	\$ (988,017)
2024	<u>(503,975)</u>
Total	<u>\$ (1,491,992)</u>

I. 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)

J. 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, 2023:

	Statement of Net Position		Balance Sheet		
	Governmental Activities	Business-Type Activities -	General Fund	Airport Fund	Debt Service Fund
Deferred outflows of resources:					
OPEB - life insurance	\$ 8,275	-	-	-	-
OPEB - health insurance	525,784	178,313	-	-	-
Total OPEB related	534,059	178,313	-	-	-
Pension related	2,238,965	759,319	-	-	-
Deferred charge on refunding	-	5,027	-	-	-
	<u>\$ 2,773,024</u>	<u>942,659</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
OPEB - life insurance	\$ 92,411	-	-	-	-
OPEB - health insurance	1,529,373	518,667	-	-	-
Total OPEB related	1,621,784	518,667	-	-	-
Pension related	144,608	49,042	-	-	-
Unavailable property tax revenue	-	-	136,211	-	30,079
Unavailable lease revenue	76,728	-	-	76,728	-
	<u>\$ 1,843,120</u>	<u>567,709</u>	<u>136,211</u>	<u>76,728</u>	<u>30,079</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/OPEB expense.

City of Burnet, Texas

Notes to Financial Statements (Continued)

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

K. Short-term Leases

The City leases building space and airport hangers to various individuals and organizations under short-term lease agreements. For the year ended September 30, 2023, the City recognized lease income of \$205,882 under these short-term lease agreements.

L. 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 2021. 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, 2023, was \$974,598.

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, 2023, was \$5,867,362.

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, 2023, was \$78,610.

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.

City of Burnet, Texas

Notes to Financial Statements (Continued)

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

M. 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.

The City of Burnet had not granted any tax abatements as of September 30, 2023.

N. Subsequent Event

Subsequent to year end, the City issued \$3,970,000 Series 2023 Combination Tax and Revenue Certificates of Obligation to be used for street, drainage, and other infrastructure improvements. Also, the City and the BEDC modified and extended the maturity date of the \$1,115,000 note receivable/ payable to September 30, 2024.

O. 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. 101, *Compensated Absences* (issued June 2022) – The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this statement are effective for the City’s financial statements beginning October 1, 2024.

GASB Statement No. 102, *Certain Risk Disclosures* (issued December 2023) – The objective of this statement is provide users of governmental financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this statement are effective for the City’s financial statements beginning October 1, 2024.

Required Supplementary Information

City of Burnet, Texas
Schedule of Changes in Net Pension Liability and Related Ratios

Last Nine Measurement Dates

	2022	2021	2020	2019
Total Pension Liability				
Service cost	\$ 1,391,984	1,210,171	1,128,348	1,061,415
Interest (on the Total Pension Liability)	2,030,583	1,933,214	1,819,990	1,735,099
Difference between expected and actual experience	310,007	(335,760)	77,824	(206,289)
Change in assumptions	-	-	-	47,523
Benefit payments, including refunds of employee contributions	<u>(1,496,377)</u>	<u>(1,415,684)</u>	<u>(1,363,670)</u>	<u>(1,463,461)</u>
Net change in Total Pension Liability	2,236,197	1,391,941	1,662,492	1,174,287
Total Pension Liability - beginning	<u>30,134,906</u>	<u>28,742,965</u>	<u>27,080,473</u>	<u>25,906,186</u>
Total Pension Liability - ending (a)	<u>\$ 32,371,103</u>	<u>30,134,906</u>	<u>28,742,965</u>	<u>27,080,473</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,099,285	924,916	899,357	854,102
Contributions - employee	582,072	504,238	484,269	457,788
Net investment income	(2,141,755)	3,384,149	1,829,197	3,253,250
Benefit payments, including refunds of employee contributions	(1,496,377)	(1,415,684)	(1,363,670)	(1,463,461)
Administrative expense	(18,540)	(15,664)	(11,853)	(18,387)
Other	22,124	108	(463)	(551)
Net change in Plan Fiduciary Net Position	(1,953,191)	3,382,063	1,836,837	3,082,741
Plan Fiduciary Net Position - beginning	<u>29,350,761</u>	<u>25,968,698</u>	<u>24,131,861</u>	<u>21,049,120</u>
Plan Fiduciary Net Position - ending (b)	<u>\$ 27,397,570</u>	<u>29,350,761</u>	<u>25,968,698</u>	<u>24,131,861</u>
Net Pension Liability - ending (a) - (b)	\$ 4,973,533	784,145	2,774,267	2,948,612
Plan Fiduciary Net Position as a percentage of Total Pension Liability	84.64%	97.40%	90.35%	89.11%
Covered payroll	\$ 8,315,314	7,203,399	6,918,135	6,539,833
Net Pension Liability as a percentage of covered payroll	59.81%	10.89%	40.10%	45.09%

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 2014 is not available.

See accompanying independent auditor's report.

December 31,				
<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
995,287	925,253	924,216	848,679	753,691
1,642,995	1,538,815	1,449,752	1,395,492	1,317,058
(61,582)	93,706	(80,956)	50,376	(61,528)
-	-	-	35,571	-
<u>(1,027,072)</u>	<u>(1,071,693)</u>	<u>(876,457)</u>	<u>(774,915)</u>	<u>(1,097,550)</u>
1,549,628	1,486,081	1,416,555	1,555,203	911,671
<u>24,356,558</u>	<u>22,870,477</u>	<u>21,453,922</u>	<u>19,898,719</u>	<u>18,987,048</u>
<u>25,906,186</u>	<u>24,356,558</u>	<u>22,870,477</u>	<u>21,453,922</u>	<u>19,898,719</u>
791,829	724,953	710,491	652,621	602,184
427,686	398,326	404,345	379,117	377,039
(644,826)	2,613,821	1,180,461	25,372	937,360
(1,027,072)	(1,071,693)	(876,457)	(774,915)	(1,097,550)
(12,455)	(13,549)	(13,325)	(15,452)	(9,786)
<u>(650)</u>	<u>(688)</u>	<u>(718)</u>	<u>(764)</u>	<u>(805)</u>
(465,488)	2,651,170	1,404,797	265,979	808,442
<u>21,514,608</u>	<u>18,863,438</u>	<u>17,458,641</u>	<u>17,192,662</u>	<u>16,384,220</u>
<u>21,049,120</u>	<u>21,514,608</u>	<u>18,863,438</u>	<u>17,458,641</u>	<u>17,192,662</u>
4,857,066	2,841,950	4,007,039	3,995,281	2,706,057
81.25%	88.33%	82.48%	81.38%	86.40%
6,109,805	5,690,364	5,776,351	5,415,950	5,386,274
79.50%	49.94%	69.37%	73.77%	50.24%

City of Burnet, Texas
Schedule of Pension Contributions

Fiscal Years Ended

	2023	2022	2021	2020
Actuarially determined contributions	\$ 1,155,435	1,076,480	916,631	889,655
Contributions in relation to the actuarially determined contributions	<u>1,155,435</u>	<u>1,076,480</u>	<u>916,631</u>	<u>889,655</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 9,037,372	8,201,093	7,114,710	6,834,933
Contributions as a percentage of covered payroll	12.79%	13.13%	12.88%	13.02%

Notes to Schedule of Contributions

Valuation Date: December 31, 2022

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	23 years (longest amortization ladder)
Asset Valuation Method	10 year smoothed fair value, 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50%, 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 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

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.

September 30,				
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
837,493	771,831	724,651	682,912	648,053
<u>837,493</u>	<u>771,831</u>	<u>724,651</u>	<u>682,912</u>	<u>648,053</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,425,991	5,982,896	5,659,002	5,506,318	5,385,452
13.03%	12.90%	12.81%	12.40%	12.03%

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

Last Six Measurement Dates

	December 31,					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability - Life Insurance						
Service cost	\$ 21,620	19,449	12,453	10,464	12,831	10,243
Interest (on the Total OPEB Liability - Life Insurance)	8,548	8,922	10,092	10,544	9,831	9,579
Difference between expected and actual experience	1,901	(17,752)	(4,303)	1,229	(10,286)	-
Change in assumptions	(170,124)	15,315	62,713	62,243	(21,779)	24,553
Benefit payments **	(9,147)	(7,924)	(2,767)	(2,616)	(1,833)	(2,276)
Net change in Total OPEB Liability - Life Insurance	(147,202)	18,010	78,188	81,864	(11,236)	42,099
Total OPEB Liability - life insurance - beginning	<u>458,348</u>	<u>440,338</u>	<u>362,150</u>	<u>280,286</u>	<u>291,522</u>	<u>249,423</u>
Total OPEB Liability - life insurance - ending	<u>\$ 311,146</u>	<u>458,348</u>	<u>440,338</u>	<u>362,150</u>	<u>280,286</u>	<u>291,522</u>
Covered-employee payroll	<u>\$ 8,315,314</u>	<u>7,203,399</u>	<u>6,918,135</u>	<u>6,539,833</u>	<u>6,109,805</u>	<u>5,690,364</u>
Total OPEB Liability - Life Insurance as a percentage of covered payroll	3.74%	6.36%	6.36%	5.54%	4.59%	5.12%

** For the TMRS Supplemental Death Benefit Fund ("SDBF"), no assets are accumulated in a trust. 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.

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 2017 is not available.

See accompanying independent auditor's report.

City of Burnet, Texas
Schedule of OPEB – Life Insurance Contributions
Fiscal Years Ending

	September 30,					
	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 24,970	15,997	12,302	11,121	10,924	10,171
Contributions in relation to the actuarially determined contributions	<u>24,970</u>	<u>15,997</u>	<u>12,302</u>	<u>11,121</u>	<u>10,924</u>	<u>10,171</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	<u>\$ 9,037,372</u>	<u>8,201,093</u>	<u>7,114,710</u>	<u>6,834,933</u>	<u>6,425,991</u>	<u>5,982,896</u>
Contributions as a percentage of covered payroll	0.28%	0.20%	0.17%	0.16%	0.17%	0.17%

Notes to Schedule of OPEB - Life Insurance Contributions

Valuation Date: December 31, 2022

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	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Discount rate*	4.05%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Other Information:

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

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 Six Measurement Dates

	December 31,					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability - Health Insurance						
Service cost	\$ 152,794	147,109	176,841	135,278	175,111	150,174
Interest (on the Total OPEB Liability - Health Insurance)	143,660	174,500	204,947	266,180	245,548	248,688
Difference between expected and actual experience of the total OPEB liability	(14,373)	(1,293,531)	(3,621)	(573,842)	37,721	-
Change in assumptions *	(2,278,336)	208,659	1,059,259	568,616	(532,622)	644,918
Benefit payments **	<u>(158,847)</u>	<u>(155,073)</u>	<u>(145,292)</u>	<u>(132,787)</u>	<u>(166,304)</u>	<u>(163,990)</u>
Net change in Total OPEB Liability - Health Insurance	(2,155,102)	(918,336)	1,292,134	263,445	(240,546)	879,790
Total OPEB Liability - health insurance - beginning	<u>7,810,649</u>	<u>8,728,985</u>	<u>7,436,851</u>	<u>7,173,406</u>	<u>7,413,952</u>	<u>6,534,162</u>
Total OPEB Liability - health insurance - ending	\$ <u>5,655,547</u>	<u>7,810,649</u>	<u>8,728,985</u>	<u>7,436,851</u>	<u>7,173,406</u>	<u>7,413,952</u>
Covered-employee payroll	\$ <u>1,253,759</u>	<u>1,557,422</u>	<u>1,502,020</u>	<u>2,097,610</u>	<u>2,087,178</u>	<u>2,001,111</u>
Total OPEB Liability - Health Insurance as a percentage of covered payroll	451.09%	501.51%	581.15%	354.54%	343.69%	370.49%

* Changes in assumptions reflect a change in the discount rate from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

** No assets are accumulated in a trust for the retiree health insurance plan. Due to the plan being considered an unfunded OPEB Plan under GASB 75, benefit payments are determined as follows:

a. Explicit benefit payments	\$ 114,196	111,483	104,753	95,737	132,725	130,878
b. Implicit benefit payments	44,651	43,590	40,539	37,050	33,579	33,112
c. Total benefit payments	\$ <u>158,847</u>	<u>155,073</u>	<u>145,292</u>	<u>132,787</u>	<u>166,304</u>	<u>163,990</u>

(continued)

City of Burnet, Texas

Schedule of Changes in Total OPEB Liability –
Health Insurance and Related Ratios

(continued)

Valuation Date: December 31, 2021, rolled forward to December 31, 2022

Methods and Assumptions:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	4.05% as of December 31, 2022
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System ("TMRS").
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.
Health Care Trend Rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years; Post-65: Initial rate of 5.50% declining to an ultimate rate of 4.15% after 12 years.
Participation Rates	It was assumed that 95% of eligible retirees would choose to receive retiree health care benefits through the City. Additionally, 50% of future retirees that retire prior to age 55 were assumed to have health care coverage available to them through a separate employer. 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 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

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 2017 is not available.

See accompanying independent auditor's report.



Supplementary Information

City of Burnet, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue						Capital Projects			Total Nonmajor Governmental Funds	
	Hotel/ Motel Tax	Police Seizure	Court Security and Technology	FD Community	PD Explorer Program	FD Explorer Program	Total	General Capital Equipment	Airport Capital Project		Total
Assets											
Cash and cash equivalents	\$ 106,328	123	96,290	13,876	6,214	3,513	226,344	1,785,674	1,074,051	2,859,725	3,086,069
Receivables	98,616	-	-	-	-	-	98,616	-	50,000	50,000	148,616
Due from other funds	-	-	-	-	-	-	-	671,212	-	671,212	671,212
Total assets	\$ 204,944	123	96,290	13,876	6,214	3,513	324,960	2,456,886	1,124,051	3,580,937	3,905,897
Liabilities and Fund Balances											
Liabilities:											
Accounts and retainages payable	\$ 15,265	-	329	-	-	-	15,594	47,567	13,420	60,987	76,581
Accrued expenses	-	-	591	-	-	-	591	-	-	-	591
Due to other funds	38,750	-	-	-	-	-	38,750	-	-	-	38,750
Total liabilities	54,015	-	920	-	-	-	54,935	47,567	13,420	60,987	115,922
Fund balances:											
Restricted	150,929	123	95,370	13,876	6,214	3,513	270,025	-	1,110,631	1,110,631	1,380,656
Assigned	-	-	-	-	-	-	-	2,409,319	-	2,409,319	2,409,319
Total fund balances	150,929	123	95,370	13,876	6,214	3,513	270,025	2,409,319	1,110,631	3,519,950	3,789,975
Total liabilities and fund balances	\$ 204,944	123	96,290	13,876	6,214	3,513	324,960	2,456,886	1,124,051	3,580,937	3,905,897

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, 2023

	Special Revenue						Capital Projects			Total Nonmajor Governmental Funds	
	Hotel/ Motel Tax	Police Seizure	Court Security and Technology	FD Community	PD Explorer Program	FD Explorer Program	Total	General Capital Equipment	Airport Capital Project		Total
Revenues:											
Hotel/motel taxes	\$ 226,860	-	-	-	-	-	226,860	-	-	-	226,860
Intergovernmental	-	-	-	-	-	-	-	-	112,000	112,000	112,000
Fines	-	-	25,265	-	-	-	25,265	-	-	-	25,265
Interest	8,982	3	3,326	-	144	94	12,549	30,791	46,479	77,270	89,819
Miscellaneous	1,430	-	-	971	-	-	2,401	672	-	672	3,073
Total revenues	<u>237,272</u>	<u>3</u>	<u>28,591</u>	<u>971</u>	<u>144</u>	<u>94</u>	<u>267,075</u>	<u>31,463</u>	<u>158,479</u>	<u>189,942</u>	<u>457,017</u>
Expenditures:											
Current:											
Public safety	-	-	10,561	-	-	110	10,671	-	-	-	10,671
Economic development	243,087	-	-	-	-	-	243,087	-	-	-	243,087
Capital outlay	-	-	-	-	-	-	-	1,374,053	191,853	1,565,906	1,565,906
Total expenditures	<u>243,087</u>	<u>-</u>	<u>10,561</u>	<u>-</u>	<u>-</u>	<u>110</u>	<u>253,758</u>	<u>1,374,053</u>	<u>191,853</u>	<u>1,565,906</u>	<u>1,819,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,815)</u>	<u>3</u>	<u>18,030</u>	<u>971</u>	<u>144</u>	<u>(16)</u>	<u>13,317</u>	<u>(1,342,590)</u>	<u>(33,374)</u>	<u>(1,375,964)</u>	<u>(1,362,647)</u>
Other financing sources (uses):											
Proceeds from sale of capital assets	-	-	-	-	-	-	-	136,001	-	136,001	136,001
Transfers in	-	-	-	-	-	-	-	760,312	-	760,312	760,312
Transfers out	(85,982)	-	-	-	-	-	(85,982)	-	-	-	(85,982)
Total other financing sources (uses)	<u>(85,982)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,982)</u>	<u>896,313</u>	<u>-</u>	<u>896,313</u>	<u>810,331</u>
Net change in fund balances	(91,797)	3	18,030	971	144	(16)	(72,665)	(446,277)	(33,374)	(479,651)	(552,316)
Fund balances, beginning of year	<u>242,726</u>	<u>120</u>	<u>77,340</u>	<u>12,905</u>	<u>6,070</u>	<u>3,529</u>	<u>342,690</u>	<u>2,855,596</u>	<u>1,144,005</u>	<u>3,999,601</u>	<u>4,342,291</u>
Fund balances, end of year	\$ <u>150,929</u>	<u>123</u>	<u>95,370</u>	<u>13,876</u>	<u>6,214</u>	<u>3,513</u>	<u>270,025</u>	<u>2,409,319</u>	<u>1,110,631</u>	<u>3,519,950</u>	<u>3,789,975</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, 2023

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Hotel/motel taxes	\$ 190,000	190,000	226,860	36,860
Interest earned	300	300	8,982	8,682
Miscellaneous	<u>1,600</u>	<u>1,600</u>	<u>1,430</u>	<u>(170)</u>
Total revenues	<u>191,900</u>	<u>191,900</u>	<u>237,272</u>	<u>45,372</u>
Expenditures:				
Economic development	<u>111,600</u>	<u>276,600</u>	<u>243,087</u>	<u>33,513</u>
Total expenditures	<u>111,600</u>	<u>276,600</u>	<u>243,087</u>	<u>33,513</u>
Excess (deficiency) of revenues over (under) expenditures	<u>80,300</u>	<u>(84,700)</u>	<u>(5,815)</u>	<u>78,885</u>
Other financing uses:				
Transfers out	<u>(57,195)</u>	<u>(87,195)</u>	<u>(85,982)</u>	<u>1,213</u>
Total other financing uses	<u>(57,195)</u>	<u>(87,195)</u>	<u>(85,982)</u>	<u>1,213</u>
Net change in fund balances	23,105	(171,895)	(91,797)	80,098
Fund balances, beginning of year	<u>242,726</u>	<u>242,726</u>	<u>242,726</u>	<u>-</u>
Fund balances, end of year	<u>\$ 265,831</u>	<u>70,831</u>	<u>150,929</u>	<u>80,098</u>

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, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	646,244	646,244	793,168	146,924
Interest	400	400	19,486	19,086
Total revenues	646,644	646,644	812,654	166,010
Expenditures:				
Debt service:				
Principal	440,000	450,000	450,000	-
Interest and fiscal charges	357,922	348,982	337,587	11,395
Total expenditures	797,922	798,982	787,587	11,395
Excess (deficiency) of revenues over (under) expenditures	(151,278)	(152,338)	25,067	177,405
Other financing sources:				
Transfers in	151,678	151,678	-	(151,678)
Net change in fund balances	400	(660)	25,067	25,727
Fund balances, beginning of year	220,606	220,606	220,606	-
Fund balances, end of year	\$ 221,006	219,946	245,673	25,727

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, 2023

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.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored in the subsequent year.

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. Also, all leases are considered to be short-term leases. 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.



City of Burnet, Texas
Burnet Economic Development Corporation
Discretely Presented Component Unit
Comparative Statement of Net Position

September 30, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,123,359	1,764,476
Receivables (net of allowance for uncollectibles)	228,956	278,902
Properties held for resale	3,654,690	2,458,398
Total current assets	6,007,005	4,501,776
Noncurrent assets:		
Restricted cash and cash equivalents	128,415	190,029
Capital assets:		
Land	41,360	41,360
Land improvements	321,112	-
Buildings	3,376,976	3,376,976
Machinery and equipment	22,200	13,780
Construction in process	113,405	-
Less accumulated depreciation	(424,237)	(295,195)
Total capital assets, net	3,450,816	3,136,921
Total noncurrent assets	3,579,231	3,326,950
Total assets	9,586,236	7,828,726
Liabilities		
Current liabilities:		
Accounts payable	1,787	4,025
Accrued interest payable	12,822	13,685
Due to primary government	29,598	29,598
General obligation debt payable - current	125,000	115,000
Long-term notes payable - current	1,245,533	126,857
Total current liabilities	1,414,740	289,165
Noncurrent liabilities:		
General obligation debt payable	1,385,000	1,510,000
Long-term notes payable	999,119	1,129,652
Total noncurrent liabilities	2,384,119	2,639,652
Total liabilities	3,798,859	2,928,817
Deferred Inflows of Resources		
Unavailable revenue - leases	56,417	112,835
Net Position		
Net investment in capital assets	2,069,231	1,701,950
Unrestricted	3,661,729	3,085,124
Total net position	\$ 5,730,960	4,787,074

See accompanying independent auditor's report.

City of Burnet, Texas
Burnet Economic Development Corporation
Discretely Presented Component Unit
Comparative Statement of Revenues, Expenses and Changes in Net Position
Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Charges for sales and services	\$ 65,335	111,560
Total operating revenues	<u>65,335</u>	<u>111,560</u>
Operating expenses:		
Purchased services	203,243	156,259
Materials and supplies	85,410	6,720
Other operating expenses	21,636	17,270
Depreciation	129,042	112,566
Total operating expenses	<u>439,331</u>	<u>292,815</u>
Operating loss	<u>(373,996)</u>	<u>(181,255)</u>
Nonoperating revenues (expenses):		
Sales taxes	925,162	901,487
Interest earnings	88,371	20,058
Interest expense	<u>(106,544)</u>	<u>(114,958)</u>
Total nonoperating revenues (expenses)	<u>906,989</u>	<u>806,587</u>
Income before capital contributions	532,993	625,332
Capital contributions	<u>410,893</u>	<u>-</u>
Change in net position	943,886	625,332
Net position, beginning of year	<u>4,787,074</u>	<u>4,161,742</u>
Net position, end of year	<u>\$ 5,730,960</u>	<u>4,787,074</u>

See accompanying independent auditor's report.



Statistical Section



Statistical Section

This part of the City of Burnet's Annual Comprehensive 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 Annual Comprehensive financial reports for the relevant year.

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 20,794,433	21,214,029	28,741,370	30,231,996	30,869,534
Restricted	1,278,648	1,340,997	1,238,789	1,235,092	1,314,155
Unrestricted	<u>328,263</u>	<u>774,101</u>	<u>(80,675)</u>	<u>(99,778)</u>	<u>(2,141,612)</u>
Total governmental activities net position	<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>
Business-type activities					
Net investment in capital assets	\$ 17,877,613	17,511,195	18,152,400	18,881,590	19,529,455
Restricted	-	-	-	-	-
Unrestricted	<u>3,216,317</u>	<u>2,988,386</u>	<u>2,547,964</u>	<u>2,217,305</u>	<u>962,974</u>
Total business-type activities net position	<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>
Primary government					
Net investment in capital assets	\$ 38,672,046	38,725,224	46,893,770	49,113,586	50,398,989
Restricted	1,278,648	1,340,997	1,238,789	1,235,092	1,314,155
Unrestricted	<u>3,544,580</u>	<u>3,762,487</u>	<u>2,467,289</u>	<u>2,117,527</u>	<u>(1,178,638)</u>
Total primary government net position	<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>

Table 1

2019	2020	2021	2022	2023
32,264,739	33,804,992	34,193,243	34,842,074	33,370,477
1,125,161	1,062,536	1,290,949	1,366,394	1,427,252
<u>(2,772,944)</u>	<u>(2,202,019)</u>	<u>(862,966)</u>	<u>2,275,916</u>	<u>6,336,191</u>
<u>30,616,956</u>	<u>32,665,509</u>	<u>34,621,226</u>	<u>38,484,384</u>	<u>41,133,920</u>
20,825,955	20,380,238	20,347,624	20,684,865	20,677,876
-	-	-	-	-
<u>652,130</u>	<u>1,813,119</u>	<u>1,251,455</u>	<u>1,712,207</u>	<u>1,907,021</u>
<u>21,478,085</u>	<u>22,193,357</u>	<u>21,599,079</u>	<u>22,397,072</u>	<u>22,584,897</u>
53,090,694	54,185,230	54,540,867	55,526,939	54,048,353
1,125,161	1,062,536	1,290,949	1,366,394	1,427,252
<u>(2,120,814)</u>	<u>(388,900)</u>	<u>388,489</u>	<u>3,988,123</u>	<u>8,243,212</u>
<u>52,095,041</u>	<u>54,858,866</u>	<u>56,220,305</u>	<u>60,881,456</u>	<u>63,718,817</u>

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 1,832,646	1,935,695	2,128,923	2,230,501	2,332,969
Public safety	4,936,996	5,115,418	5,468,034	5,718,420	5,588,410
Highways and streets	743,803	735,677	764,824	883,301	868,877
Aviation services	699,167	585,925	430,876	633,950	729,812
Culture and recreation	1,032,949	980,761	1,001,469	987,084	942,121
Sanitation	754,222	785,024	775,516	764,511	801,329
Economic development	154,296	236,673	498,496	150,989	360,908
Interest	113,603	99,480	87,978	80,111	69,592
Total governmental activities expenses	<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>
Business-type activities:					
Electric	6,956,392	7,287,947	6,035,719	6,057,551	6,457,978
Water and sewer	2,499,121	2,679,434	2,942,937	2,988,463	3,074,170
Delaware Springs Golf Course	1,643,559	1,615,377	1,536,738	1,683,511	1,609,209
Total business-type activities expenses	<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>
Total primary government expenses	<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>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 249,286	208,301	186,002	170,918	218,257
Public safety	1,858,195	2,072,672	1,884,904	1,751,748	2,065,945
Aviation services	825,914	652,944	590,356	779,047	847,149
Culture and recreation	21,534	21,012	24,058	17,008	16,748
Sanitation	845,773	898,728	863,235	925,486	954,670
Operating grants and contributions	372,945	532,971	565,044	607,145	690,265
Capital grants and contributions	812,732	767,048	6,200,801	1,185,608	85,709
Total governmental activities program revenues	<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>
Business-type activities:					
Charges for services:					
Electric	9,570,705	9,895,841	8,529,957	8,521,053	9,067,840
Water and sewer	4,053,284	4,038,239	4,069,235	4,207,289	4,374,178
Delaware Springs Golf Course	1,274,035	1,308,048	1,313,858	1,389,782	1,456,633
Capital grants and contributions	-	161,496	26,649	166,277	-
Total business-type activities program revenues	<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>
Total primary government program revenues	<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>
Net (expense)/revenue					
Governmental activities	\$ (5,281,303)	(5,320,977)	(841,716)	(6,011,907)	(6,815,275)
Business-type activities	<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>
Total primary government net expense	<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>

Table 2

2019	2020	2021	2022	2023
2,288,577	2,709,203	2,587,631	2,844,286	3,403,779
6,621,584	6,747,415	7,350,318	7,670,549	8,292,785
998,227	1,182,772	1,135,566	1,434,226	1,573,757
1,093,963	741,666	930,254	1,382,867	800,680
998,187	977,788	1,053,829	1,180,523	1,304,946
844,095	879,551	920,917	976,671	994,964
170,345	145,148	76,457	82,351	493,087
56,662	182,268	264,949	206,101	459,636
<u>13,071,640</u>	<u>13,565,811</u>	<u>14,319,921</u>	<u>15,777,574</u>	<u>17,323,634</u>
6,547,489	6,596,612	6,781,809	6,952,848	7,453,957
3,294,198	3,213,760	3,363,972	3,652,482	3,609,788
1,789,522	1,677,563	1,878,176	1,966,802	2,290,378
<u>11,631,209</u>	<u>11,487,935</u>	<u>12,023,957</u>	<u>12,572,132</u>	<u>13,354,123</u>
<u>24,702,849</u>	<u>25,053,746</u>	<u>26,343,878</u>	<u>28,349,706</u>	<u>30,677,757</u>
263,089	297,132	314,654	533,015	596,560
2,061,493	2,215,738	2,363,198	3,416,730	3,305,597
775,946	613,680	893,683	1,261,086	500,749
21,013	2,500	20,976	82,596	54,289
981,223	1,039,547	1,099,224	1,172,398	1,195,371
853,397	934,478	1,128,376	1,625,461	13,723
926,587	645,914	49,504	206,039	1,217,289
<u>5,882,748</u>	<u>5,748,989</u>	<u>5,869,615</u>	<u>8,297,325</u>	<u>6,883,578</u>
9,286,346	9,499,716	9,125,087	10,436,014	10,233,561
4,350,687	4,568,093	4,620,814	4,933,125	4,956,156
1,363,083	1,329,072	1,783,795	2,213,364	2,522,431
189,568	1,070,193	70,520	5,892	-
<u>15,189,684</u>	<u>16,467,074</u>	<u>15,600,216</u>	<u>17,588,395</u>	<u>17,712,148</u>
<u>21,072,432</u>	<u>22,216,063</u>	<u>21,469,831</u>	<u>25,885,720</u>	<u>24,595,726</u>
(7,188,892)	(7,816,822)	(8,450,306)	(7,480,249)	(10,440,056)
<u>3,558,475</u>	<u>4,979,139</u>	<u>3,576,259</u>	<u>5,016,263</u>	<u>4,358,025</u>
<u>(3,630,417)</u>	<u>(2,837,683)</u>	<u>(4,874,047)</u>	<u>(2,463,986)</u>	<u>(6,082,031)</u>

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 2,078,955	2,139,732	2,245,634	2,276,681	2,709,971
Sales taxes	1,432,699	1,475,565	1,578,655	1,705,022	1,675,298
Franchise taxes	125,108	139,780	125,361	132,068	133,242
Hotel/motel taxes	108,832	136,372	151,168	165,925	172,794
Unrestricted investment earnings	86,584	60,127	9,266	15,367	32,468
Miscellaneous	-	-	-	-	-
Gain on sale of capital assets	2,640	3,028	73,141	22,588	100,781
Transfers	1,713,937	3,792,711	3,228,848	3,162,082	2,558,930
Total governmental activities	<u>5,548,755</u>	<u>7,747,315</u>	<u>7,412,073</u>	<u>7,479,733</u>	<u>7,383,484</u>
Business-type activities:					
Unrestricted investment earnings	56,859	59,421	5,326	5,737	21,862
Miscellaneous	-	-	-	-	-
Gain on sale of capital assets	5,762	-	-	-	-
Transfers	(1,713,937)	(3,792,711)	(3,228,848)	(3,162,082)	(2,558,930)
Total business-type activities	<u>(1,651,316)</u>	<u>(3,733,290)</u>	<u>(3,223,522)</u>	<u>(3,156,345)</u>	<u>(2,537,068)</u>
Total primary government	<u>\$ 3,897,439</u>	<u>4,014,025</u>	<u>4,188,551</u>	<u>4,323,388</u>	<u>4,846,416</u>
Change in Net Position					
Governmental activities	\$ 267,452	2,426,338	6,570,357	1,467,826	568,209
Business-type activities	<u>2,147,636</u>	<u>87,576</u>	<u>200,783</u>	<u>398,531</u>	<u>1,220,226</u>
Total primary government	<u>\$ 2,415,088</u>	<u>2,513,914</u>	<u>6,771,140</u>	<u>1,866,357</u>	<u>1,788,435</u>

Table 2
(continued)

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
2,803,398	3,036,155	3,306,674	3,630,280	4,433,537
1,815,467	2,158,149	2,426,055	2,704,461	2,775,485
178,949	153,535	161,960	180,005	207,682
188,403	152,756	209,190	211,369	226,860
72,170	67,975	4,157	117,625	886,668
-	-	-	-	264,823
79,741	-	-	-	-
<u>2,625,643</u>	<u>4,296,805</u>	<u>4,297,987</u>	<u>4,499,667</u>	<u>4,294,537</u>
<u>7,763,771</u>	<u>9,865,375</u>	<u>10,406,023</u>	<u>11,343,407</u>	<u>13,089,592</u>
52,149	32,938	2,790	2,016	124,337
-	-	-	-	-
675	-	-	279,381	-
<u>(2,625,643)</u>	<u>(4,296,805)</u>	<u>(4,297,987)</u>	<u>(4,499,667)</u>	<u>(4,294,537)</u>
<u>(2,572,819)</u>	<u>(4,263,867)</u>	<u>(4,295,197)</u>	<u>(4,218,270)</u>	<u>(4,170,200)</u>
<u>5,190,952</u>	<u>5,601,508</u>	<u>6,110,826</u>	<u>7,125,137</u>	<u>8,919,392</u>
574,879	2,048,553	1,955,717	3,863,158	2,649,536
<u>985,656</u>	<u>715,272</u>	<u>(718,938)</u>	<u>797,993</u>	<u>187,825</u>
<u>1,560,535</u>	<u>2,763,825</u>	<u>1,236,779</u>	<u>4,661,151</u>	<u>2,837,361</u>

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General fund					
Reserved	\$ -	-	-	-	-
Unreserved, designated	-	-	-	-	-
Nonspendable	26,258	34,715	50,566	50,454	36,831
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	<u>1,962,327</u>	<u>4,072,418</u>	<u>3,900,868</u>	<u>4,267,005</u>	<u>4,120,481</u>
Total general fund	<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>
All other governmental funds					
Reserved	\$ -	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	31,988	23,382	35,120	34,647	80,641
Restricted for:					
Debt service	120,691	174,187	194,298	161,167	172,217
Capital projects	-	-	-	-	-
Aviation services	825,598	787,609	583,320	720,176	811,348
Public safety	-	-	-	-	-
Other purposes	283,494	335,826	405,857	443,014	232,911
Committed to:					
EMS fund	-	-	-	-	-
Other funds	-	-	-	-	-
Assigned to:					
Capital projects	-	-	245,071	238,148	238,148
Other funds	727,856	595,825	293,272	484,646	916,581
Unassigned	<u>(362,151)</u>	<u>(174,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>

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

Table 3

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
-	-	-	-	-
-	-	-	-	-
64,178	30,388	26,382	33,809	33,218
-	-	-	-	-
-	-	-	-	-
<u>3,763,630</u>	<u>4,007,662</u>	<u>4,935,031</u>	<u>6,089,406</u>	<u>9,437,254</u>
<u><u>3,827,808</u></u>	<u><u>4,038,050</u></u>	<u><u>4,961,413</u></u>	<u><u>6,123,215</u></u>	<u><u>9,470,472</u></u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
43,070	30,355	54,272	85,468	-
160,286	186,688	173,805	220,606	245,673
-	-	5,512,394	5,037,081	6,919,882
674,307	655,053	783,539	705,846	881,475
-	-	82,997	99,964	119,096
185,638	176,974	180,250	242,726	1,261,560
-	-	-	-	-
-	-	-	-	-
-	15,607	-	4,384,465	487,052
1,422,626	2,164,128	2,287,189	-	2,409,319
-	-	-	-	-
<u><u>2,485,927</u></u>	<u><u>3,228,805</u></u>	<u><u>9,074,446</u></u>	<u><u>10,776,156</u></u>	<u><u>12,324,057</u></u>

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 3,774,931	3,889,905	4,094,869	4,308,989	4,653,385
Licenses and permits	29,124	35,416	43,302	48,375	76,264
Intergovernmental	418,804	454,410	466,308	525,335	549,042
Charges for services	2,481,080	2,866,090	2,628,738	2,517,800	2,876,101
Fines	109,499	105,213	138,653	171,494	154,334
Interest	86,584	60,127	9,266	15,367	32,468
Rents & Royalties	-	-	-	-	-
Contributions and donations	439,141	13,247	357,735	46,827	55,803
Fuel Sales	628,419	450,941	387,664	571,420	645,987
Miscellaneous	482,580	461,311	449,548	444,416	521,212
Total revenues	<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>
Expenditures					
General government	1,603,151	1,617,461	1,734,087	1,884,218	2,018,763
Public safety	4,126,923	4,349,630	4,432,456	4,754,902	4,909,014
Highways and streets	413,237	401,815	404,575	500,807	506,475
Aviation services	660,658	546,632	400,793	599,848	680,576
Culture and recreation	1,570,961	756,395	728,381	716,884	730,237
Solid waste	754,222	785,024	775,516	764,511	801,329
Economic development	154,296	166,347	495,398	147,985	360,908
Debt service:					
Principal	1,284,492	311,780	293,644	295,508	302,373
Interest	133,127	100,986	89,366	81,510	71,012
Bond issuance costs	-	-	-	-	-
Capital outlay	2,868,984	821,510	2,754,235	1,397,635	1,633,719
Total expenditures	<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>
Excess of revenues over (under) expenditures	<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>
Other financing sources (uses)					
Insurance recoveries	340	3,028	73,141	13,104	9,377
Certificate of obligation issued	-	-	-	-	-
Sale of assets	2,300	-	-	9,484	91,404
Transfers in	4,660,317	4,999,879	6,796,823	4,305,350	4,683,078
Other resources	-	-	-	-	-
Transfers out	(2,757,140)	(1,207,168)	(3,478,225)	(1,143,268)	(2,124,148)
Issuance of debt	-	-	-	-	-
Other uses	-	-	-	-	-
Total other financing sources (uses)	<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>
Net change in fund balances	<u>\$ (3,214,072)</u>	<u>2,274,819</u>	<u>(140,629)</u>	<u>690,885</u>	<u>209,901</u>
Debt service as a percentage of noncapital expenditures	12.71%	6.80%	3.62%	4.43%	3.52%

(1) Corrected prior year calculation of 4.34% to 4.48%.

Table 4

2019	2020	2021	2022	2023
4,976,544	5,533,614	6,058,885	6,728,256	7,624,199
96,049	129,465	90,591	232,002	198,420
691,831	1,016,354	1,238,814	2,555,150	2,346,296
2,918,726	2,810,599	3,109,901	3,599,251	3,139,306
141,039	141,993	155,890	170,465	205,884
72,170	60,051	4,157	89,014	886,668
-	-	-	-	-
308,274	281,646	111,118	146,276	88,220
579,980	403,961	683,989	1,056,314	265,417
653,649	394,956	479,312	537,867	640,035
<u>10,438,262</u>	<u>10,772,639</u>	<u>11,932,657</u>	<u>15,114,595</u>	<u>15,394,445</u>
1,994,505	2,407,351	2,237,383	2,533,513	3,093,980
5,530,537	5,586,519	6,225,567	6,787,298	7,506,817
500,252	658,101	623,699	819,645	888,083
591,772	463,677	642,079	1,034,867	398,861
672,571	674,580	760,648	842,407	930,073
844,095	879,551	920,917	976,671	994,964
170,345	145,060	76,457	82,351	493,087
918,678	265,000	1,400,000	395,212	559,339
61,730	105,489	112,985	233,711	368,193
-	83,222	140,076	-	110,371
2,207,471	5,940,047	2,464,697	3,073,686	4,955,084
<u>13,491,956</u>	<u>17,208,597</u>	<u>15,604,508</u>	<u>16,779,361</u>	<u>20,298,852</u>
(3,053,694)	(6,435,958)	(3,671,851)	(1,664,766)	(4,904,407)
125,368	3,976	-	-	-
-	2,920,000	5,755,000	-	3,940,000
7,260	3,948	-	28,611	1,384,611
5,172,297	7,708,438	7,440,115	9,136,607	5,291,335
-	164,349	387,868	-	180,417
(2,546,654)	(3,411,633)	(3,142,128)	(4,636,940)	(996,798)
-	-	-	-	-
-	-	-	-	-
<u>2,758,271</u>	<u>7,389,078</u>	<u>10,440,855</u>	<u>4,528,278</u>	<u>9,799,565</u>
<u>(295,423)</u>	<u>953,120</u>	<u>6,769,004</u>	<u>2,863,512</u>	<u>4,895,158</u>
8.44%	3.96%	12.42%	4.48% (1)	6.72%

Table 5

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

Fiscal Year	Property Tax (1)	Sales Tax	Franchise Tax	Hotel/Motel Occupancy Tax	Total
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
2019	2,803,398	1,815,467	178,949	188,403	4,986,217
2020	3,036,155	2,158,149	153,535	152,756	5,500,595
2021	3,261,680	2,426,055	161,960	209,190	6,058,885
2022	3,632,421	2,704,461	180,005	211,369	6,728,256
2023	4,414,172	2,775,485	207,682	226,860	7,624,199

(1) Includes penalty and interest on delinquent taxes

Source: City Budget

Table 6

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

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Less: Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value (1)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
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 %
2019	691,575,136	55,812,105	271,524,447	475,862,794	0.6237	747,387,241	63.67 %
2020	737,114,976	65,495,455	275,852,919	526,757,512	0.6237	802,610,431	65.63 %
2021	765,753,218	63,873,110	269,799,959	559,826,369	0.6181	829,626,328	67.48 %
2022	850,224,222	73,167,479	292,825,435	630,566,266	0.6131	923,391,701	68.29 %
2023	1,052,097,085	86,288,904	372,552,408	765,833,581	0.6131	1,138,385,989	67.27 %

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)								
2014	0.5315	0.0950	0.6265	0.3533	0.0418	1.2625	0.0098	2.2939
2015	0.5155	0.1110	0.6265	0.3700	0.0440	1.2625	0.0096	2.3126
2016	0.5200	0.1065	0.6265	0.3601	0.0424	1.3300	0.0091	2.3681
2017	0.5392	0.0873	0.6265	0.3551	0.0418	1.3200	0.0091	2.3525
2018	0.5403	0.0834	0.6237	0.3551	0.0418	1.2800	0.0085	2.3091
2019	0.5507	0.0730	0.6237	0.3483	0.0417	1.2600	0.0080	2.2817
2020	0.5430	0.0807	0.6237	0.3582	0.0417	1.1850	0.0074	2.2160
2021	0.5514	0.0667	0.6181	0.3582	0.0417	1.1463	0.0072	2.1715
2022	0.5216	0.0915	0.6131	0.3530	0.0467	1.0770	0.0067	2.0965
2023	0.5022	0.1109	0.6131	0.3361	0.0405	1.0596	0.0057	2.0550

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	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Entegris, Inc	\$ 14,201,203	1	1.25 %	\$		
Entegris, Inc	9,472,885	2	0.83 %			
R&L Partnership, LLC	5,692,922	3	0.50 %	2,243,305	6	0.50 %
Delaware Springs Ranch Inv, LLC	4,517,647	4	0.40 %			
Judy & Thrasher, Inc	4,272,044	5	0.38 %	4,163,323	2	0.93 %
Rockford Corp	4,237,950	6	0.37 %			
First State Bank of Burnet	4,187,688	7	0.37 %	1,909,223	7	0.42 %
Atmos Energy/Mid-Tex Distr	3,876,738	8	0.34 %			
Del Mar Management, LLC	3,411,068	9	0.30 %			
Burnet Hotel, LLC	3,136,014	10	0.28 %			
ATMI Materials inc				21,053,019	1	4.68 %
MAHADEV LLC				2,363,557	4	0.53 %
Four Cooks Realty LLc				2,549,880	3	0.57 %
BJV Fox Holdings LP				1,841,420	8	0.41 %
LCRA Transmission Service Corp				1,692,915	10	0.38 %
Fickett Franklin I Chariable Foundation				1,760,235	9	0.39 %
Hoover Building Supply, Inc				2,271,837	5	0.50 %
Totals	\$ <u>57,006,159</u>		<u>5.01 %</u>	\$ <u>41,848,714</u>		<u>9.30 %</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	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	2,043,399	2,009,792	98.36	22,983	2,032,775	99.48
2015	2,135,048	2,092,046	97.99	28,361	2,120,407	99.31
2016	2,222,953	2,182,536	98.18	28,136	2,210,672	99.45
2017 ⁽¹⁾	2,332,812	2,235,486	95.83	92,106	2,327,593	99.78
2018	2,596,423	2,545,204	98.03	35,301	2,580,505	99.39
2019	2,793,355	2,725,436	97.57	41,198	2,766,634	99.04
2020	3,056,024	3,004,098	98.30	41,254	3,045,352	99.65
2021	3,216,208 ⁽²⁾	3,178,525	98.83	26,248	3,204,772	99.64
2022	3,591,240	3,545,050	98.71	68,073	3,613,123	100.61
2023	4,355,158	4,301,672	98.77	-	4,301,672	98.77

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
(2) Fiscal Year 2021: Levy amount collected within the fiscal year was adjusted from \$3,276,452 to \$3,178,525

(*) 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	Premiums	Leases	General Obligation Bonds with Revenue Pledge	Premiums	Leases			
2014	3,561,983	-	-	23,314,492	-	-	26,876,475	25.57 %	1,561
2015	3,250,203	-	-	22,271,272	-	-	25,521,475	22.32 %	1,375
2016	2,956,559	-	-	21,306,916	-	-	24,263,475	17.27 %	1,063
2017	2,661,051	-	-	20,343,424	-	-	23,004,475	16.28 %	1,005
2018	2,358,678	-	-	19,503,797	-	-	21,862,475	15.21 %	973
2019	1,440,000	-	-	18,658,475	-	-	20,098,475	13.99 %	895
2020	4,095,000	156,132	-	18,742,475	51,930	-	23,045,537	15.89 %	1,017
2021	8,450,000	535,783	-	17,725,000	273,571	-	26,984,354	14.42 %	950
2022	8,120,000	508,173	155,617	16,825,000	259,050	-	25,867,840	12.12 %	791
2023	11,570,000	651,959	86,278	15,930,000	244,529	-	28,482,766	11.76 %	800

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.

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

Fiscal Year	General Obligation Bonds	Premiums	Less: Amounts Available in Debt Service Fund	Total	Percentage of Taxable Value (1) of Property	Per Capita (2)
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%	352
2019	1,440,000	-	160,286	1,279,714	0.27%	204
2020	4,095,000	156,132	186,688	4,064,444	0.77%	622
2021	8,450,000	535,783	173,805	8,811,978	1.57%	1,337
2022	8,120,000	508,173	220,606	8,407,567	1.33%	1,288
2023	11,570,000	651,959	245,673	11,976,286	1.56%	1,761

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.

City of Burnet, Texas
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds and Lease Liabilities
(Unaudited)
September 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
City of Burnet	\$ <u>12,308,237</u> (1)	100.00 %	\$ <u>12,308,237</u>
Total direct	<u>12,308,237</u>		<u>12,308,237</u>
Overlapping:			
Burnet Consolidated Independent School District	63,985,000	21.82 %	13,961,527
Burnet County	<u>15,274,025</u>	7.44 %	<u>1,136,387</u>
Total overlapping	<u>79,259,025</u>		<u>15,097,914</u>
Total direct and overlapping debt	\$ <u><u>91,567,262</u></u>		\$ <u><u>27,406,151</u></u>

Source: City of Burnet, Texas Comptroller Website

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, 2023

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 2023 tax roll	\$ 765,833,581
Limit on amount designated for debt service	<u>1.50%</u>
Legal debt limit	\$ <u>11,487,504</u>
Actual amount expended for general obligation debt service during the year ended September 30, 2023	\$ <u>1,535,232</u>

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			Coverage
				Principal	Interest	Total	
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
2019	4,379,085	2,011,469	2,367,616	804,000	102,726	906,726	2.61
2020	4,584,281	1,880,386	2,703,895	846,000	125,056	971,056	2.78
2021	4,620,814	1,960,579	2,660,235	860,000	110,620	970,620	2.74
2022	4,933,125	2,292,954	2,640,171	855,000	88,464	943,464	2.80
2023	4,956,156	2,248,039	2,708,117	845,000	85,125	930,125	2.91

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
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			Coverage
				Principal	Interest	Total	
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
2019	9,310,772	6,227,594	3,083,178	41,322	9,602	50,924	60.54
2020	9,516,466	6,274,068	3,242,398	40,000	8,148	48,148	67.34
2021	9,125,087	6,463,795	2,661,292	45,000	6,740	51,740	51.44
2022	10,436,014	6,641,456	3,794,558	45,000	4,350	49,350	76.89
2023	10,233,561	7,127,938	3,105,623	50,000	3,000	53,000	58.60

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Operating and Nonoperating Revenue:					
Charges for Services	\$ 9,504,832	9,841,737	8,463,572	8,457,602	9,007,547
Rents and Royalties	-	-	-	-	-
Misc.	98,262	85,170	67,836	64,632	60,293
Total	<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>
Operating Expense:					
Electric System (1)	<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>

(1) Excludes depreciation expense

Table 16

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
9,069,036	8,824,263	9,056,485	10,318,679	10,106,828
-	-	-	-	-
<u>217,310</u>	<u>675,453</u>	<u>70,116</u>	<u>117,335</u>	<u>126,733</u>
<u>9,286,346</u>	<u>9,499,716</u>	<u>9,126,601</u>	<u>10,436,014</u>	<u>10,233,561</u>
<u>6,227,594</u>	<u>6,274,068</u>	<u>6,463,795</u>	<u>6,641,456</u>	<u>7,127,938</u>

Table 17

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

Customer	Customer Type	2023			2014		
		Annual Sales	Rank	Percentage of Total Sales	Annual Sales	Rank	Percentage of Total Sales
Entegris	Manufacturing	\$ 1,195,412	1	13.27 %	\$ 989,149	1	10.81 %
Burnet CISD Schools	Public Education	943,648	2	10.48	638,326	2	6.97
Seton HealthCare	Medical Facility	325,367	3	3.61	291,755	6	3.19
Sure Cast	Manufacturing	240,132	4	2.67	378,016	4	4.13
H.E.B #433	Grocery	225,631	5	2.5	262,650	7	2.87
Burnet Co Correctional Facility	Local Government	282,039	6	3.13	348,566	5	3.81
TDCJ-Utilities Energy	State Government	376,885	7	4.18	463,623	3	5.07
COB Sewer Dept	Local Government	145,512	8	1.62	146,275	9	1.6
Burnet County	Local Government	182,813	9	2.03	131,109	10	1.43
Stealth	Manufacturing	113,130	10	1.26	-		0
Repro-Lon	Manufacturing				158,507	8	
Totals		<u>\$ 4,030,569</u>		<u>44.75 %</u>	<u>\$ 3,807,977</u>		<u>39.88 %</u>

Source: Finance Department, City of Burnet, Texas
Utility Billing Reports - Consumption - Customer Ranking
Utility Billing Reports - Account Reports - Customer History

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)
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	6,216	142,346,400	22,900	3,183	2.90%
2019	6,266	140,765,690	22,465	3,201	2.90%
2020	6,530	226,610,590	34,703	3,078	2.90%
2021	6,592	187,166,656	28,393	3,075	3.10%
2022	6,526	213,478,512	32,712	3,255	4.10%
2023	6,800	242,229,600	35,622	3,277	6.40%

Source: (1) (2) (3) (5) US Census Bureau; and Worldpopulationreview.com
(4) Burnet Consolidated Independent School District

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	2023		2014	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Burnet CISD	508	22.58%	448	27.23%
Burnet County	407	18.09%	306	18.60%
Entegris	257	11.42%	102	6.20%
City of Burnet	155	6.89%	114	6.93%
YMCA of the Highland Lakes	150	6.67%	*	*
Stealth Products	124	5.51%	100	6.08%
Seton Highland Lakes	296	13.16%	250	15.20%
Texas Dept. of Criminal Justice	114	5.07%	123	7.48%
H-E-B	199	8.84%	115	6.99%
Sure Cast	40	1.78%	87	5.29%
Total	2,250	100.00%	1,645	100.00%

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

Table 20

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration	5.2	5.75	6.25	6.75	7	7.25	7.5	9.5	9.5	9.5
Engineering	0	0	0	0	0	0	0	0	0	2
Municipal Court	1	1	1	1	0.5	1	1	1	1	1
Planning & Zoning	3.6	2.8	3.2	3.2	3	4	4	4	4	3
Economic Development	0.5	0.75	0.75	1.5	0.75	0	0	0	0	0
Police Department	17	18	18	18	19.5	22	21	25	24	26
Streets Department	6.5	6.5	6.25	7.75	7.75	8.75	8.75	10.75	10.75	10.75
Parks Department	7.5	7.5	7.85	7.25	7.25	7.75	7.75	9.75	9.75	9.75
Airport	0.7	0.7	0.8	0.8	1.75	1.5	1.5	1.5	1.5	1.5
Fire Department	30	30	30	30	30	33	33	33	33	33
Electric Department	10.5	11.5	11	10	10.5	10.5	10.5	10.75	10.75	11.25
Water/Wastewater Department	16.5	15.5	16	15.75	15.5	15.5	15.5	19.75	18.75	18.25
Golf Course	15	15.5	15.9	15	15	17	12	19.2	27	29
Total	<u>114.00</u>	<u>115.50</u>	<u>117.00</u>	<u>117.00</u>	<u>118.50</u>	<u>128.25</u>	<u>122.50</u>	<u>144.2</u>	<u>150</u>	<u>155</u>

Source: City Budget Department - HR

* 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	Fiscal				
	2014	2015	2016	2017	2018
General government					
Building permits issued	241	282	356	297	306
Building inspections conducted	870	1,027	1,337	1,066	836
Police					
Calls for Service	7,129	8,845	8,110	7,548	8,024
Assistance to Citizens	120	128	130	213	94
Miles Driven	152,408	139,734	127,933	136,166	151,732
Offense Reports	1,259	1,025	1,075	1,035	911
Physical arrests	512	318	318	484	400
Traffic violations	2,672	2,259	2,637	3,205	3,453
Fire/EMS					
Fire-Number of Calls City	465	557	715	816	844
EMS- Total number of Calls	4,142	4,347	4,893	4,150	4,370
Inspections	113	149	240	240	212
Water/Wastewater					
Effluent- Reclaimed Water (millions of gallons)	199.624	195.167	234.876	216.659	213.790
Average daily sewage treatment (millions of gallons)	0.55	0.53	0.64	0.59	0.59
Total Consumption Lake/Ground Water (millions of gallons)	310.087	351.440	298.094	324.233	319.341
Average daily consumption (millions of gallons)	0.850	0.963	0.817	0.888	0.875
Golf Course					
Rounds of Golf	18,005	19,069	19,218	20,605	22,741

Sources: Various City of Burnet Department's Scorecard Reports

Notes: 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.

* Is now being figured into the Calls for Service Category

Table 21

2019	2020	2021	2022	2023
291	309	400	386	365
983	1,099	1714	2292	1675
8,737	9,940	11667	11221	11973
16	*	*	261	138
126,866	124,920	156,715	160,000	160,000
845	857	956	1179	852
340	346	330	519	475
2,677	3,004	4668	4401	4715
852	511	376	338	197
4,321	3,964	4755	4569	4139
226	63	71	69	52
220.610	190.948	199.434	200.000	209.840
0.60	0.52	0.518	0.547	0.57
308.8	354.647	340.091	398	404.3
0.846	0.972	0.821	1.09	1.1
20,215	20,514	25,656	27,630	28,679

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

Function/Program	Fiscal				
	2014	2015	2016	2017	2018
Public safety:					
Police:					
Stations	1	1	1	1	1
Patrol units	22	22	22	22	22
Fire:					
Fire stations	1	2	2	2	2
Culture and recreation:					
Parks acreage	117	117	117	117	117
Playgrounds	4	4	4	4	4
RV Park	1	1	1	1	1
Splash Park	1	1	1	1	1
Amphitheaters	1	1	1	1	1
Community/Meeting centers	2	2	2	2	2
Water:					
Service connections	2,313	2,328	2,395	2,435	2,498
Water mains (miles)	56	58	58	60	60
Water pump stations	4	4	4	4	4
Fire hydrants	375	378	389	391	394
Plant capacity (millions of gallons)	2.88	2.88	2.88	2.88	2.88
Sewer:					
Service connections	2,111	2,123	2,183	2,231	2,273
Sanitary sewers (miles)	50	50	50	50	50
Number of lift stations	13	12	12	12	12
Treatment plant capacity (millions of gallons)	0.726	1.7	1.7	1.7	1.7
Electric:					
Service connections	2,867	2,863	2,934	2,960	3,021

Source: Various City of Burnet Department's Scorecard Reports

Table 22

2019	2020	2021	2022	2023
1	1	1	1	1
22	20	24	24	23
2	2	2	2	2
117	117	117	117	117
4	4	4	4	4
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
2	2	2	2	2
2,557	2,670	2,759	2,771	2,839
62	60	62	64	66
4	3	3	3	3
414	425	425	450	471
2.88	3.60	3.60	3.60	3.60
2,332	2,395	2,395	2,487	2,555
52	50	52	54	55
12	12	12	12	12
1.7	1.7	1.7	1.7	1.7
3,073	3,143	3,211	3,287	3,652

City of Burnet, Texas
Compliance and Internal Control Reports
Under *Government Auditing Standards*
and the Uniform Guidance
Schedule of Expenditures of Federal Awards
September 30, 2023

City of Burnet, Texas

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and the aggregate remaining fund information of the City of Burnet, Texas (the “City”), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated March 25, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances 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 significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

March 25, 2024



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**INDEPENDENT AUDITOR’S REPORTS ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM; ON INTERNAL CONTROL
OVER COMPLIANCE; AND ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Burnet, Texas’ (the “City”) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (“OMB”) *Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended September 30, 2023. The City’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2023.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (“GAAS”); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for its major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and the aggregate remaining fund information of the City of Burnet, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated March 25, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such 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. The information has been subjected to auditing procedures applied in the audit of the 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

March 25, 2024

City of Burnet, Texas
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2023

(1) Summary of Auditor's Results***Financial Statements***

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- o Material weakness(es) identified? yes x no
 o Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no***Federal Awards***

Internal control over major programs:

- o Material weakness(es) identified? yes x no
 o Significant deficiency(ies) identified? yes x none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) ? yes x no

Identification of major federal programs:

Federal Assistance

<u>Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant Program

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as federal low-risk auditee?

 yes x no

City of Burnet, TexasSchedule of Findings and Questioned Costs
(Continued)(2) Financial Statement Findings

None noted.

(3) Federal Award Findings and Questioned Costs

None noted.

City of Burnet, Texas

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2023

Grantor/Pass-Through Grantor/Program or Cluster/Title	Federal Assistance Listing Number	Grantor / Pass Through Grantor / Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Passed through Texas Department of Housing and Community Affairs:				
COVID-19 - Community Development Block Grant Community Resiliency Program	14.228	069451268	\$ -	1,024,229
Total Passed Through Texas Department of Housing and Community Affairs			-	1,024,229
Total U.S. Department of Housing and Urban Development			-	1,024,229
<u>U.S. Department of Transportation</u>				
Passed through Texas Department of Transportation:				
COVID-19 - Airport Improvement Program Airport Programs, and Infrastructure Investment and Jobs Act Programs	20.106	17460004603000	-	62,000
Total Passed Through Texas Department of Transportation			-	62,000
Total U.S. Department of Transportation			-	62,000
Total Expenditures of Federal Awards			\$ -	1,086,229

See accompanying notes to schedule of
expenditures of federal awards

City of Burnet, Texas

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2023

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Burnet, Texas (the “City”) under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) Summary of Significant Accounting Policies

Expenditures reported in the accompanying Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Grantor and pass-through grantor identifying numbers are presented where available.

(3) Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Reconciliation to Financial Statements

Following is a reconciliation of the schedule of expenditures of federal awards to the statement of revenues, expenditures and changes in fund balances – governmental funds for the year ended September 30, 2023:

Expenditures per the Schedule of Federal Awards	\$	1,086,229
State grant award		50,000
Other intergovernmental revenue - charges for services provided for EMS and other		1,210,067
Total intergovernmental revenue per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$	2,346,296



JAYNES REITMEIER BOYD & THERRELL, P.C.
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March 25, 2024

The Members of the City Council
City of Burnet, Texas
1001 Buchanan Drive Suite 4
Burnet, TX 78611

Dear Members of the City Council:

We have audited the 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 the City of Burnet, Texas (the “City”) as of and for the year ended September 30, 2023, and have issued our report thereon dated March 25, 2024. 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 December 1, 2023, 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.

Significant Risks Identified

Completeness and accuracy of census data for the other postretirement plan (“OPEB”) for health insurance was identified as a significant risk for this audit engagement. We performed procedures on the completeness and accuracy for a sample of census data for OPEB – health insurance and noted no exceptions.

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 2023. 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.

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. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

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. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

- Recognize proceeds in the general fund of \$1.1 million from sale of building to Burnet Economic Development Corporation.
- Recognize accounts payable and related amounts due from other governments in the amount of \$0.2 million for construction costs and related grant revenues incurred through year end.

- Properly record proceeds of \$4.0 million from issuance of bonds in governmental funds.
- Adjust pension and OPEB liabilities and related deferred inflows and outflows to amounts provided by consulting actuaries.
- Properly recognize depreciation expense in enterprise funds.

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 management representation 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, the budgetary comparison schedules for the Hotel/Motel Tax and Debt Service funds, and the comparative statements of net position and changes in net position for the Burnet Economic Development Corporation (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. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information appears to be materially misstated. If, based upon the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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.

Respectfully,

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



City of Burnet

(512) 756-6093
FAX (512) 756-8560
www.cityofburnet.com

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

March 25, 2024

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”), which comprise 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 as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, “the financial statements”), for the purpose of expressing opinions on whether the 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 such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 March 25, 2024.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 1, 2023, 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. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. With respect to preparation of the financial statements, note disclosures, and schedule of expenditures of federal awards, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including a process to monitor the system of internal control.
6. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
7. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
8. 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.
9. 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.
10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
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*, and GASB Statement No. 37, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus*, 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 net position components and fund balance classifications have been properly reported.
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. Deposit and investment risks have been properly and fully disclosed.
21. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
22. All required supplementary information is measured and presented within the prescribed guidelines.
23. Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
24. With regard to pensions and OPEB:
 - a. 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.
 - b. Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.

Information Provided

25. We have provided you with:
 - a. 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;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the City and others from whom you determined it necessary to obtain audit evidence.
 - d. A written acknowledgement of all the documents that we expect to issue that will be included in the annual comprehensive financial report and the planned timing and method of issuance of that annual report;
 - e. A final version of the annual comprehensive financial report (including all the documents that, together, comprise the annual comprehensive financial report) in a timely manner prior to the date of the auditor's report.
26. The financial statements and any other information included in the annual comprehensive financial report are consistent with one another, and the other information does not contain any material misstatements.
27. All transactions have been recorded in the accounting records and are reflected in the financial statements.
28. 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.
29. We have provided to you our evaluation of the City's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
30. We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
31. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.

32. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
33. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
34. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
35. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
36. We have disclosed to you the identity of all the City's related parties and the nature of all the related party relationships and transactions of which we are aware.
37. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
38. The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
39. We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
40. 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 statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
41. There are no:
 - a. 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.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
42. 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 and reported in the notes to the financial statements.

43. 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.
44. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with 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.

Required Supplementary Information

45. With respect to management's discussion and analysis, the schedules of changes in net pension and total OPEB liabilities and related ratios, and the schedules of pension and OPEB contributions and notes to schedules of pension and OPEB contributions (collectively, the required supplementary information or "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 its form and content, is 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.

Supplementary Information

46. With respect to the schedule of expenditures of federal awards and the other supplementary information as listed in the table of contents (collectively, "the supplementary information") accompanying the financial statements:
 - We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
 - We believe the supplementary information, including form and content, is 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 supplementary information and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

- When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the City of the supplementary information and the auditor’s report thereon.

Single Audit

47. With respect to federal awards, we represent the following to you:

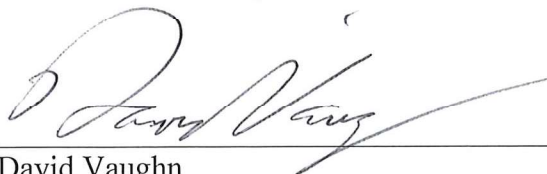
- a. We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”).
- b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
- c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
- d. The methods of measurement or presentation have not changed from those used in the prior period.
- e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- f. We are responsible for including the auditor’s report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- g. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- h. We have notified you of federal awards and funding increments that were received before December 26, 2014 (if any) and differentiated those awards from awards and funding increments received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
- i. When the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the City of the schedule of expenditures of federal awards and the auditor’s report thereon.
- j. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.

- k. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
- l. We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
- m. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- n. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.
- o. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- p. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- q. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared and are prepared on a basis consistent with the schedule of expenditures of federal awards.
- r. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- s. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- t. We have charged costs to federal awards in accordance with applicable cost principles.
- u. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- v. The reporting package does not contain personally identifiable information.
- w. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications with these service organizations related to noncompliance at the City.

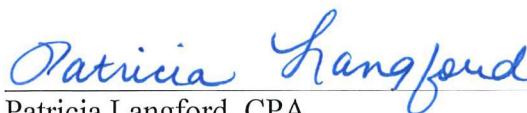
- x. We have reviewed, approved, and taken responsibility for the financial statements and related notes, and the schedule of expenditures of federal awards, and an acknowledgment of the auditor's role in the preparation of this information.
- y. We have reviewed, approved, and taken responsibility for accrual adjustments for the government-wide financial statements and an acknowledgment of the auditor's role in the preparation of the adjustments.
- z. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
- aa. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements.
- bb. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
- cc. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form.

Respectfully,

CITY OF BURNET, TEXAS



David Vaughn
City Manager



Patricia Langford, CPA
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 and Other Financing Sources</i>	<i>Expenditures and Other Financing Uses</i>	<i>Net Change in Fund Balance</i>
Amounts Per Financial Statements		10,403,146	932,674	9,470,472	17,515,123	14,167,866	3,347,257
Effect of Current Period Uncorrected Misstatements		(100,840)	(80,767)	(20,073)	(20,073)	-	(20,073)
Effect of Prior Period Uncorrected Misstatements					27,430	-	27,430
Net Effect of Uncorrected Misstatements		(100,840)	(80,767)	(20,073)	7,357	-	7,357
<i>No.</i>	<i>Description</i>						
1	Understatement of accrued franchise tax revenues and related deferred inflow - historically not accrued by the City	(100,840)	(80,767)	(20,073)	(20,073)	-	(20,073)

Summary of Uncorrected Misstatements - General Capital Projects 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 and Other Financing Sources</i>	<i>Expenditures and Other Financing Uses</i>	<i>Net Change in Fund Balance</i>
Amounts Per Financial Statements		7,923,941	517,007	7,406,934	5,920,473	3,945,627	1,974,846
Effect of Current Period Uncorrected Misstatements		-	(44,400)	44,400	-	(44,400)	44,400
Effect of Prior Period Uncorrected Misstatements					-	-	-
Net Effect of Uncorrected Misstatements		-	(44,400)	44,400	-	(44,400)	44,400
<i>No.</i>	<i>Description</i>						
1	Understatement of accrued retainage for construction contract - City recognizes expense when cash is paid.	-	(44,400)	44,400	-	(44,400)	44,400

Summary of Uncorrected Misstatements - Electric 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>Net Position</i>	<i>Revenues and Transfers In</i>	<i>Expenses and Transfers Out</i>	<i>Change in Net Position</i>
	Amounts Per Financial Statements	8,107,895	1,760,540	6,347,355	10,306,840	10,203,415	103,425
	Effect of Current Period Uncorrected Misstatements	(84,500)	-	(84,500)	-	84,500	(84,500)
	Effect of Prior Period Uncorrected Misstatements				-	(27,000)	27,000
	Net Effect of Uncorrected Misstatements	(84,500)	-	(84,500)	-	57,500	(57,500)
<i>No.</i>	<i>Description</i>						
1	Results of price test for inventory - projected estimate of understatement of inventory.	(84,500)	-	(84,500)	-	84,500	(84,500)

Summary of Uncorrected Misstatements - Water and Sewer 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>Net Position</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Change in Net Position</i>
Amounts Per Financial Statements		32,565,301	17,801,724	14,763,577	4,996,834	5,015,521	(18,687)
Effect of Current Period Uncorrected Misstatements		(167,275)	-	(167,275)	(167,275)	-	(167,275)
Effect of Prior Period Uncorrected Misstatements					-	-	-
Net Effect of Uncorrected Misstatements		(167,275)	-	(167,275)	(167,275)	-	(167,275)
<i>No.</i>	<i>Description</i>						
1	Understatement of capital assets - City will recognize non-cash developer contributions in FY 2024.	(167,275)	-	(167,275)	(167,275)	-	(167,275)

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 and Transfers In</i>	<i>Expenses</i>	<i>Change in Net Position</i>	
Amounts Per Financial Statements	65,367,328	24,233,408	41,133,920	19,973,170	17,323,634	2,649,536	
Effect of Current Period Uncorrected Misstatements	(249,675)	(44,400)	(205,275)	(249,675)	(44,400)	(205,275)	
Effect of Prior Period Uncorrected Misstatements				83,700	-	83,700	
Net Effect of Uncorrected Misstatements	(249,675)	(44,400)	(205,275)	(165,975)	(44,400)	(121,575)	
<i>No.</i>	<i>Description</i>						
1	Understatement of accrued franchise tax revenues - historically not accrued by the City	(100,840)	-	(100,840)	(100,840)	-	(100,840)
2	Understatement of capital assets - City will recognize non-cash developer contributions in FY 2024.	(148,835)	-	(148,835)	(148,835)	-	(148,835)
3	Understatement of accrued retainage for construction contract - City recognizes expense when cash is paid.	-	(44,400)	44,400	-	(44,400)	44,400

Summary of Uncorrected Misstatements - Business-Type 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 and Transfers Out</i>	<i>Change in Net Position</i>	
Amounts Per Financial Statements	42,973,483	20,388,586	22,584,897	17,836,485	17,648,660	187,825	
Effect of Current Period Uncorrected Misstatements	(251,775)	-	(251,775)	(167,275)	84,500	(251,775)	
Effect of Prior Period Uncorrected Misstatements				-	27,000	(27,000)	
Net Effect of Uncorrected Misstatements	(251,775)	-	(251,775)	(167,275)	111,500	(278,775)	
<i>No.</i>	<i>Description</i>						
1	Results of price test for inventory - projected estimate of understatement of inventory.	(84,500)	-	(84,500)	-	84,500	(84,500)
2	Understatement of capital assets - City will recognize non-cash developer contributions in FY 2024.	(167,275)	-	(167,275)	(167,275)	-	(167,275)

City of Burnet, Texas

Report to City Council

April 23, 2024





Audit Scope and Results

Responsibilities

Management is responsible for the preparation and presentation of the annual comprehensive financial report (ACFR).

Our responsibility is to conduct an audit of those financial statements in accordance with generally accepted auditing standards, and express opinions on those financial statements based on our audit.



Audit Scope and Results

Management's Discussions and Analysis Basic Financial Statements

- Government-wide financial statements
- Fund financial statements
 - Governmental funds
 - Proprietary funds
- Notes to Financial Statements

Required Supplementary Information

- Pension and OPEB-related schedules

Supplementary Information

- Combining nonmajor governmental funds financial statements, budgetary comparison schedules, and comparative statements for the Burnet Economic Development Corporation.



Audit Scope and Results

As a result of our audit procedures, in our opinion,...

...the financial statements do present fairly, in all material respects, the financial position... as of September 30, 2023, and the changes in financial position and cash flows... for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Net Position

Government-Wide Financial Statements

	Governmental Activities	Business-Type Activities	Total
Net position, beginning of year	\$ 38,484,384	22,397,072	60,881,456
Change in net position	2,649,536	187,825	2,837,361
Net position, end of year	\$ 41,133,920	22,584,897	63,718,817



Compliance with Budget

General Fund – Budgetary Basis

	Final Budget	Actual	Variance
Revenues	\$ 11,369,584	12,014,469	644,885
Expenditures	(14,055,598)	(13,776,076)	279,522
Excess Expenditures over Revenues	(2,686,014)	(1,761,607)	924,407
Proceeds on sale of building	-	1,115,000	1,115,000
Transfers in	4,246,724	4,385,654	138,930
Transfers out	(249,823)	(391,790)	(141,967)
Net change in fund balance	\$ 1,310,887	3,347,257	2,036,370



Fund Balance

General Fund

Fund balance, beginning of year	\$ 6,123,215
Net change in fund balance	3,347,257
Fund balance, end of year	\$ 9,470,472

Nonspendable	\$ 33,218
Unassigned	9,437,254
Fund balance	9,470,472

(Unassigned fund balance equals 243 days
of 2023 operating expenditures and transfers out)



Operating Results - *Proprietary Funds*

	2023	2022
Operating revenue	\$ 17,712,148	17,582,503
Operating expense	(13,270,793)	(12,484,105)
Operating income	4,441,355	5,098,398
Nonoperating revenue (expense)	41,007	199,262
Transfers in	253,210	350,834
Transfers out	(4,547,747)	(4,850,501)
Change in net position	\$ 187,825	797,993



Compliance and Internal Control at the Financial Statement Level

Considered internal controls to design audit procedures, but not to express an opinion on the effectiveness of controls.

No material weaknesses identified.



Compliance Audit – Federal Awards

Considered internal controls over compliance to design audit procedures, but not to express an opinion on the effectiveness of controls.

No material weaknesses in controls over compliance identified.



Compliance Audit – Federal Awards

As a result of our audit procedures, in our opinion,...

...the City complied, in all material respects, with the compliance requirements that could have a direct and material effect on its major federal program for the year ended September 30, 2023.



Questions ?

City of Burnet

Financial Report



FYTD MARCH 31, 2024



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GENERAL FUND

The General Fund ended the period with a profit of \$2,395,040. Total revenues are tracking above the average budget for the period mainly because of the timing of property tax collections.

The General Fund's primary revenues include:

- **Property tax collections** – ended the period at 97% of budget and increased by \$406,173 over last year.
- **Sales tax collections** – ended the period at 52% of budget and increased by \$97,807 over the same period last year.
- **EMS transfer collections** – ended the period at 58% of budget and increased by \$162,522 over the same period last year.
 - The hospital transfer call volume has increased by 7% over the same period last year.
- **Transfers In from other funds** – ended the period at 46% of budget and increased by \$44,709 over the same period last year.

Total expenditures ended the period on track at 49% of budget.

GOLF COURSE

The Golf Course ended the period with a profit of \$195,686 which is down \$23,609 from this time last year mainly because of increasing expenses.

Total revenues ended the period at 55% of budget. Compared to last year, revenues have increased \$101,547 mainly because of the rate increases that went into effect in July of 2023 and a 5% increase in the number of green fee rounds.

Operating Expenses ended the period on track at 47% of budget. Compared to last year, expenses have increased by \$125,157 mainly because of increasing personnel costs, maintenance costs, and changes in the accounting for admin expenses. During prior years, the general fund subsidized all of the golf fund's admin expenses but this year the golf fund is responsible for \$50,000 of admin expenses.

ELECTRIC FUND

The Electric fund ended the period with a profit of \$148,949 and total revenues and expenses are tracking as expected with the budget. Compared to last year, electric consumption in total is down by less than 1%.



CITY OF BURNET
FYTD MARCH FINANCIAL SUMMARY

FY 2024

WATER/WASTEWATER

The Water/Wastewater fund ended the period with a profit of \$143,651 and total revenues and expenses are tracking as expected with the budget. Compared to last year, water consumption has increased by 1.77%.

AIRPORT (Restricted Fund)

The Airport Fund ended the period with a profit of \$46,213 and total revenues and expenses are tracking as expected with the budget.

Compared to last year, avgas gallons sold are down 16% and jet gallons sold are down 15%.

CASH RESERVES

Total "Unrestricted" cash reserve balance for the city as of March 31, 2024, was \$8,337,740. That is **\$3,837,740** above our 90-day required reserve amount.

Total "Restricted by Council" cash reserve balance for the city as of March 31, 2024, was **\$4,859,489**.

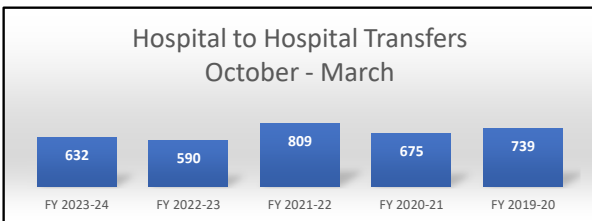
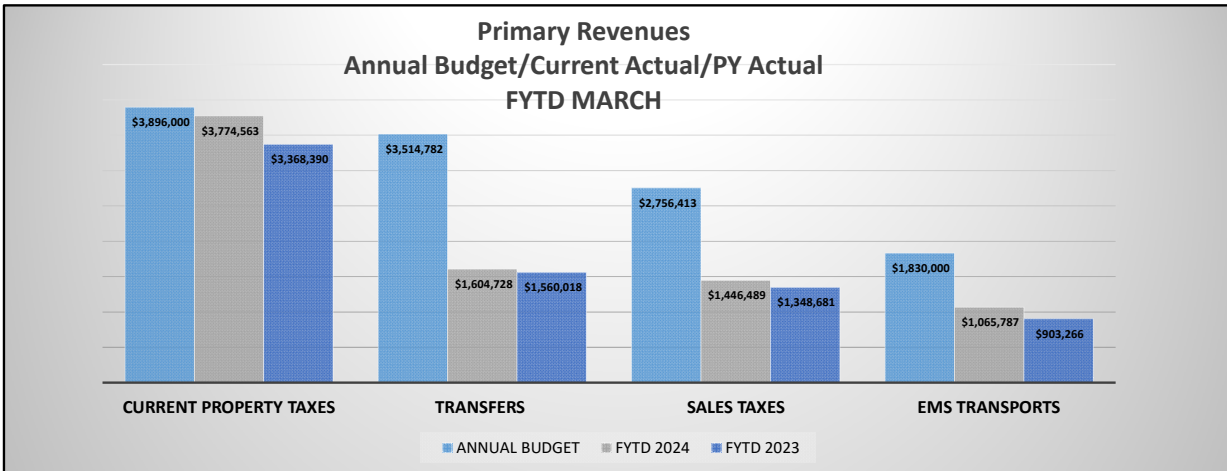
GENERAL FUND DASHBOARD

FYTD MARCH 2024

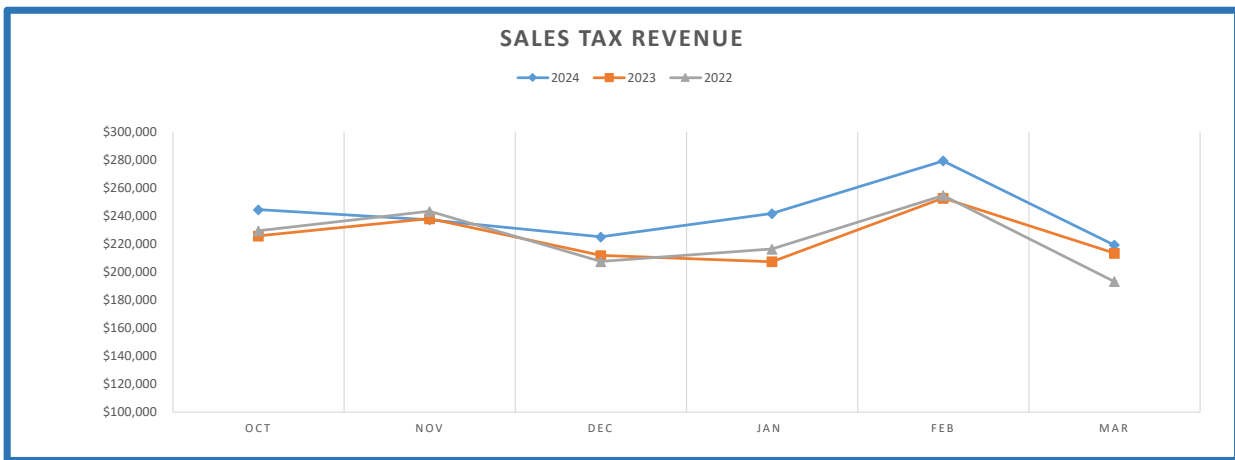
CURRENT RESULTS COMPARISON

	ORIGINAL BUDGET	ACTUAL FYTD MAR 2024	% OF BUDGET	PY BUDGET 2022-2023	ACTUAL FYTD MAR 2023	% OF BUDGET
REV	\$ 15,442,407	\$ 9,734,868	63%	\$ 14,766,308	\$ 9,022,567	61%
EXPENSES	14,878,137	7,339,828	49%	14,305,521	7,010,192	49%
PROFIT (LOSS)	\$ 564,270	\$ 2,395,040		\$ 460,787	\$ 2,012,374	

TABLES/CHARTS



FYTD 2024	632	
FYTD 2023	590	
Increase (Decrease)	42	7%



FYTD 2024	1,446,489	
FYTD 2023	1,348,681	
Increase (Decrease)	97,807	7%

City of Burnet, Texas
 General Fund
 Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Unaudited)
 FYTD MARCH 2024

	50% of year complete			PY BUDGET 2022-2023	PY ACTUAL FYTD MAR 2023	% OF BUDGET
	ORIGINAL BUDGET 2023-24	ACTUAL FYTD MAR 2024	% OF BUDGET			
REVENUE						
Ad valorem taxes	\$ 3,896,000	\$ 3,774,563	97%	\$ 3,476,000	\$ 3,368,390	97%
Sales taxes	2,756,413	1,446,489	52%	2,782,000	1,348,681	48%
Interfund Transfers	3,514,782	1,604,728	46%	3,396,724	1,560,018	46%
EMS Transfers	1,830,000	1,065,787	58%	2,072,000	903,266	44%
Franchise and other taxes	264,000	155,991	59%	162,000	187,406	116%
Court Fines and Fees	163,000	70,144	43%	140,000	87,612	63%
Grants & Donations	3,000	2,397	80%	9,500	2,722	29%
Licenses & Permits	176,500	83,232	47%	153,300	103,516	68%
Charges for Services	2,486,812	1,287,922	52%	2,369,684	1,213,217	51%
Other Revenue	351,900	243,614	69%	205,100	247,739	121%
Use of Fund Balance (for Abatements)	30,000	30,000	100%	-	-	#DIV/0!
Total Revenue	\$ 15,472,407	\$ 9,764,868	63%	\$ 14,766,308	\$ 9,022,567	61%
<i>Total Revenue less fund balance</i>	<i>\$ 15,442,407</i>	<i>\$ 9,734,868</i>	<i>63%</i>	<i>\$ 14,766,308</i>	<i>\$ 9,022,567</i>	<i>61%</i>
EXPENDITURES						
Personnel Services	\$ 9,966,970	\$ 4,827,478	48%	\$ 9,592,515	\$ 4,647,301	48%
Supplies & Materials	589,175	240,479	41%	591,175	250,227	42%
Repairs & Maint	652,520	282,595	43%	612,211	349,476	57%
Contractual Services	2,200,015	1,163,486	53%	2,102,170	1,053,558	50%
Other Designated Expenses	752,047	427,783	57%	686,568	335,952	49%
Transfers to Self-funded	511,937	255,969	50%	514,037	251,784	49%
Capital Outlay	-	37,697	-	-	14,034	-
Transfers to Golf Admin/Grant Fund	205,473	104,342	51%	206,845	107,859	52%
Sub-total	<u>\$ 14,878,137</u>	<u>\$ 7,339,828</u>	<u>49%</u>	<u>\$ 14,305,521</u>	<u>\$ 7,010,192</u>	<u>49%</u>
CAPITAL/OTHER EXP (USES OF FUND BAL)						
Transfers - Capital/Other Uses of FB	30,000	30,000	100%	\$ -	\$ -	#DIV/0!
	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>100%</u>	<u>\$ -</u>	<u>\$ -</u>	<u>#DIV/0!</u>
Total Expenditures	\$ 14,908,137	\$ 7,369,828	49%	\$ 14,305,521	\$ 7,010,192	49%
<i>Total Expenditures less Capital/Other</i>	<i>\$ 14,878,137</i>	<i>\$ 7,339,828</i>	<i>49%</i>	<i>\$ 14,305,521</i>	<i>\$ 7,010,192</i>	<i>49%</i>
NET CHANGE IN FUND BALANCE	\$ 564,270	\$ 2,395,040		\$ 460,787	\$ 2,012,374	

KEY VARIANCES - BUDGET vs ACTUAL (50% of Year Complete)

Revenues

-Ad valorem taxes are tracking above the average budget for the period because of the timing of collections. This is expected given that the majority of collections are typically received in December or January each year.

- EMS revenues are tracking above budget because of increasing transport run numbers. Hospital transport run numbers have increased by 7% over last year.

- Court revenues are tracking lower than expected and the prior year. Part of the decrease is likely a timing difference due to the fact that the previous Court Clerk retired in October and the new Court Administrator did not start until 1/22/2024 so after the court clerk left, there was a delay in actively pursuing payments, issuing warrants, and setting up payment plans.

-Licenses & Permits are tracking below the average budget mainly because of decreased inspection fees. State legislation changed in September which means the current ordinance for inspection fees is no longer in compliance. Staff is planning to review options to establish a new rate.

- Other Revenue includes Interest Income which is coming in higher than expected because of high interest rates at Texpool. Texpool is averaging just over 5.3% interest.

Expenditures

- See Expenditures by Department/Category for more detail.

City of Burnet, Texas
 General Fund
 Expenditures by Department/Category
 FYTD MARCH 2024

50% of year complete

	ORIGINAL BUDGET			ACTUAL			PY BUDGET			
	2023-24			FYTD MAR 2024			2022-2023			
			% OF			% OF			% OF	
			BUDGET			BUDGET			BUDGET	
EXPENDITURES (Less transfers to capital/other):										
City Council										
Personnel Services	\$	450	\$	-			\$	-	\$	-
Supplies & Materials		1,550		646	42%		2,000		23	1%
Repairs & Maint		1,000		170	17%		1,000		126	13%
Contractual Services		8,020		2,862	36%		7,020		3,132	45%
Other Designated Expenses		9,075		4,938	54%		8,575		5,555	65%
Capital Outlay		-		7,485			-		-	
Total Expenditures		20,095		16,101	80%		18,595		8,836	48%
General Administration										
Personnel Services		1,330,989		620,103	47%		1,277,069		606,856	48%
Supplies & Materials		20,400		12,837	63%		21,700		9,712	45%
Repairs & Maint		109,000		39,125	36%		91,000		83,340	92%
Contractual Services		281,090		185,989	66%		260,303		136,800	53%
Other Designated Expenses		475,964		258,440	54%		423,581		214,300	51%
Transfers Golf Admin/Grant Fund		205,473		104,342	51%		206,845		107,859	52%
Total Expenditures		2,422,916		1,220,835	50%		2,280,498		1,158,867	51%
Municipal Court										
Personnel Services		75,689		46,230	61%		73,658		36,761	50%
Supplies & Materials		675		603	89% imm.		675		42	6%
Repairs & Maint		6,500		-	0%		8,500		6,296	74%
Contractual Services		27,500		14,840	54%		15,300		8,060	53%
Other Designated Expenses		7,150		5,399	76%		5,050		3,411	68%
Total Expenditures		117,514		67,072	57%		103,183		54,570	53%
Police/Animal Shelter/K-9										
Personnel Services		2,748,870		1,307,663	48%		2,610,113		1,257,160	48%
Supplies & Materials		130,300		54,369	42%		138,200		56,932	41%
Repairs & Maint		121,370		49,439	41%		113,950		72,397	64%
Contractual Services		243,584		127,423	52%		228,350		131,866	58%
Other Designated Expenses		91,308		102,076	112%		99,162		38,848	39%
Transfers to Self-funded		174,839		87,420	50%		181,341		90,671	50%
Capital Outlay		-		-			-		-	
Total Expenditures		3,510,271		1,728,389	49%		3,371,116		1,647,873	49%
Fire/EMS										
Personnel Services		3,684,261		1,903,438	52%		3,584,056		1,741,893	49%
Supplies & Materials		249,050		106,797	43%		243,650		106,890	44%
Repairs & Maint		176,000		76,276	43%		174,500		78,100	45%
Contractual Services		324,518		168,075	52%		302,070		143,950	48%
Other Designated Expenses		93,600		32,827	35%		74,600		44,787	60%
Transfers to Self-funded		260,079		130,040	50%		267,868		142,734	53%
Capital Outlay		-		-			-		-	
Total Expenditures		4,787,508		2,417,452	50%		4,646,744		2,258,353	49%
Streets										
Personnel Services		791,616		360,363	46%		753,705		392,543	52%
Supplies & Materials		80,550		26,887	33%		77,300		40,986	53%
Repairs & Maint		94,000		60,817	65%		89,400		34,788	39%
Contractual Services		7,350		5,298	72%		8,750		2,168	25%
Other Designated Expenses		6,000		299	5%		5,000		433	9%
Transfers to Self-funded		34,504		17,252	50%		26,611		13,306	50%
Capital Outlay		-		23,280			-		-	
Total Expenditures		1,014,020		494,196	49%		960,766		484,223	50%
City Shop										
Personnel Services		72,756		36,680	50%		78,439		32,300	41%
Supplies & Materials		17,850		6,704	38%		15,000		8,365	56%
Repairs & Maint		12,200		4,250	35%		12,500		3,871	31%
Contractual Services		6,380		3,233	51%		6,380		2,918	46%
Other Designated Expenses		5,000		4,093	82%		5,050		2,327	46%
Total Expenditures		114,186		54,960	48%		117,369		49,780	42%
Sanitation										
Contractual Services		1,002,573		490,985	49%		974,947		480,853	49%
Other Designated Expenses		25,000		5,233	21%		25,000		9,297	37%
Total Expenditures		1,027,573		496,218	48%		999,947		490,149	49%
PW Admin										
Personnel Services		169,543		71,379	42%		164,985		81,860	50%
Supplies & Materials		2,700		500	19%		1,800		547	30%
Repairs & Maint		500		579	116% i		200		96	48%
Contractual Services		1,000		1,867	187%		-		488	
Other Designated Expenses		4,000		2,117	53%		850		2,547	300%
Transfers to Self-funded		-		-			-		-	
Total Expenditures		177,743		76,442	43%		167,835		85,538	51%

City of Burnet, Texas
 General Fund
 Expenditures by Department/Category
 FYTD MARCH 2024

50% of year complete

	ORIGINAL BUDGET			ACTUAL		
	2023-24	FYTD MAR 2024	% OF BUDGET	PY BUDGET 2022-2023	PY ACTUAL FYTD MAR 2023	% OF BUDGET
EXPENDITURES (Less transfers to capital/other):						
Parks						
Personnel Services	629,305	267,391	42%	589,046	274,821	47%
Supplies & Materials	76,500	26,919	35%	79,000	25,295	32%
Repairs & Maint	108,450	41,653	38%	101,650	50,786	50%
Contractual Services	87,900	46,008	52%	88,650	40,141	45%
Other Designated Expenses	9,150	3,334	36%	8,500	1,376	16%
Capital Outlay		6,932			14,034	
Transfers to Self-funded	32,367	16,184	50%	28,069		0%
Total Expenditures	943,672	408,421	43%	894,915	406,453	45%
Galloway Hammond						
Repairs & Maint	5,000	1,603	32%	5,000	13,626	273%
Contractual Services	100,000	50,000	50%	100,000	50,000	50%
Capital Outlay	-	-	0%	-	-	0%
Total Expenditures	105,000	51,603	49%	105,000	63,626	61%
Development Services						
Personnel Services	188,510	100,975	54%	187,774	90,633	48%
Supplies & Materials	6,000	3,096	52%	5,650	1,115	20%
Repairs & Maint	8,000	2,863	36%	8,261	3,892	47%
Contractual Services	102,300	63,626	62%	99,050	51,886	52%
Other Designated Expenses	20,250	7,954	39%	28,200	9,908	35%
Capital Outlay				-	-	
Total Expenditures	325,060	178,513	55%	328,935	157,434	48%
Engineering						
Personnel Services	274,981	113,257	41%	273,670	132,474	48%
Supplies & Materials	3,600	1,120	31%	6,200	321	5%
Repairs & Maint	10,500	5,820	55%	6,250	2,160	35%
Contractual Services	7,800	3,279	42%	11,350	1,296	11%
Other Designated Expenses	5,550	1,074	19%	3,000	3,165	105%
Transfers to Self-funded	10,148	5,074	50%	10,148	5,074	50%
Total Expenditures	312,579	129,625	41%	310,618	144,490	
TOTAL EXPENDITURES	\$ 14,878,137	\$ 7,339,828	49%	\$ 14,305,521	\$ 7,010,192	49%

KEY EXPENDITURE VARIANCES - BUDGET vs ACTUAL (50% of Year Complete)

<i>CITY COUNCIL - Other Designated Expenses are tracking higher than the average budget mainly because it includes council's travel and conference expenses for the 2023 TML Conference held in October.</i>
<i>CITY COUNCIL - Capital Outlay is tracking higher than budgeted because they include expenses for the new Council SharePoint site which was not part of the original budget.</i>
<i>ADMIN - Supplies are tracking higher than the average budget mainly because of postage refill costs.</i>
<i>ADMIN - Contractual Services are tracking above budget because of the timing of the Audit (majority of work is performed in Dec) and increasing City Attorney services. The bulk of City Attorney fees are related to a code enforcement property issue that will be reimbursed when the property lien is paid.</i>
<i>ADMIN - Designated expenses are tracking higher than the average budget because of the timing of the insurance payments which are paid quarterly and an increase in employee programs due to the addition of quarterly employee events.</i>
<i>COURT - Personnel costs are tracking higher than average because the City's long tenured Court Clerk retired in October and received payouts for accrued comp, sick, and vacation time. In addition, the court clerk was replaced with a court administrator position at a higher salary.</i>
<i>COURT - Contractual Services are tracking higher than the average for the period because of increasing housing of prisoners costs. The county billed us approximately \$3,300 for inmate housing that was related to the prior year but not billed until the current fiscal year.</i>
<i>COURT - Other Designated Expenses are tracking higher than the average budget because the City had a retirement party for the retiring Court Clerk in October and added training for the new Court Administrator.</i>
<i>PD - Designated Expenses are tracking higher than the average mainly because of the new lease agreement with Lenslock for cameras, replacement of computers, and travel expenses including payment for the Administrative Officers Course (AOC) program and per the diem paid in advance.</i>
<i>STREETS - Repairs and Maintenance are tracking higher than the average budget because of costly repairs to the Sweeper (approximately \$12K) and a new motor for a work truck (approximately \$8K).</i>
<i>STREETS - Contractual services include uniforms and are tracking higher than the average budget because of the purchase of replacement boots and uniforms in October and November.</i>
<i>STREETS - Capital Outlay includes \$6K for new hose, \$7K for shredder, and \$10K for new solar powered radar speed signs.</i>
<i>CITY SHOP - Designated expenses are tracking higher than the average budget because of the purchase of a generator and portable fuel tanks.</i>
<i>PW ADMIN - Contractual services includes communications which are tracking higher than average due to service contract for new laptops for the department.</i>
<i>PW ADMIN - Other Designated Expenses are tracking higher than the average budget because of travel. Director attended TML in October and APA conference in November.</i>
<i>PARKS - Capital Outlay includes \$7K for their portion of new shredder purchased for public works departments.</i>
<i>DEVELOPMENT SERVICES - Personnel costs are running slightly above average because of temporary reclass changes for Director. Expect account to be under budget by year end.</i>
<i>DEVELOPMENT SERVICES - Contractual services are tracking higher than the average budget because of increasing inspection fees performed by ATS.</i>
<i>ENGINEERING - R&M expenses include software expenses which are tracking higher than the average budget because of the timing of software purchases. SmartNet and infrastructure software were purchased during first quarter. In addition replaced tires on the engineering vehicle in February.</i>

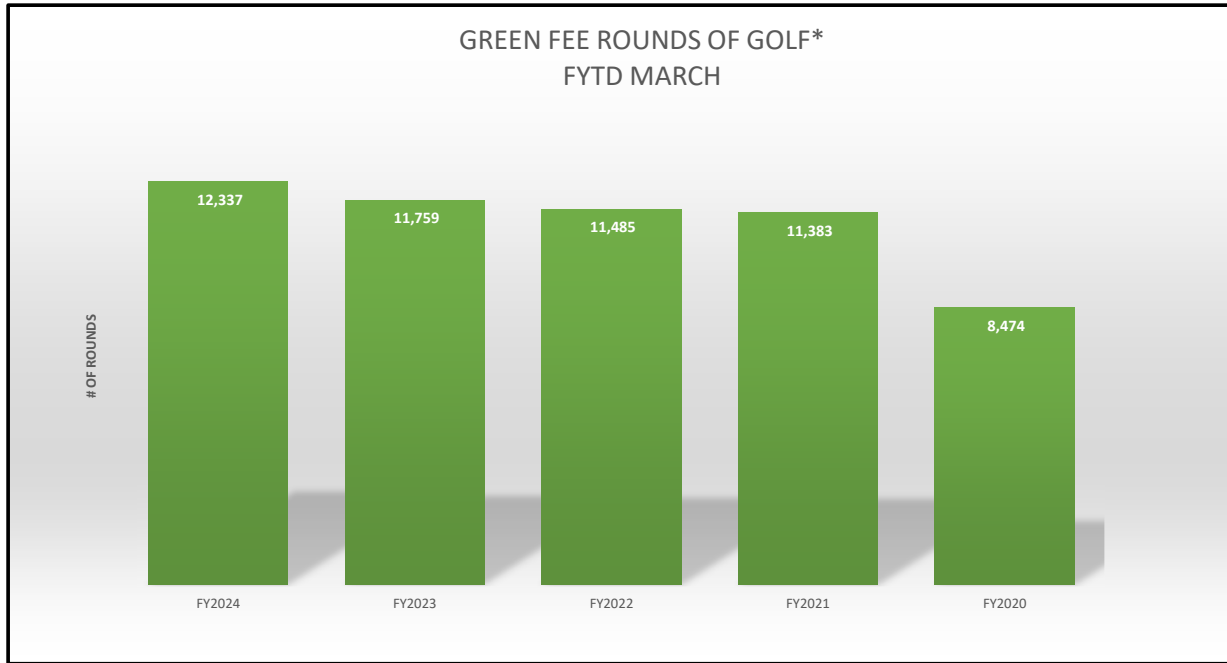
GOLF COURSE FUND DASHBOARD

FYTD MARCH 2024

CURRENT RESULTS COMPARISON

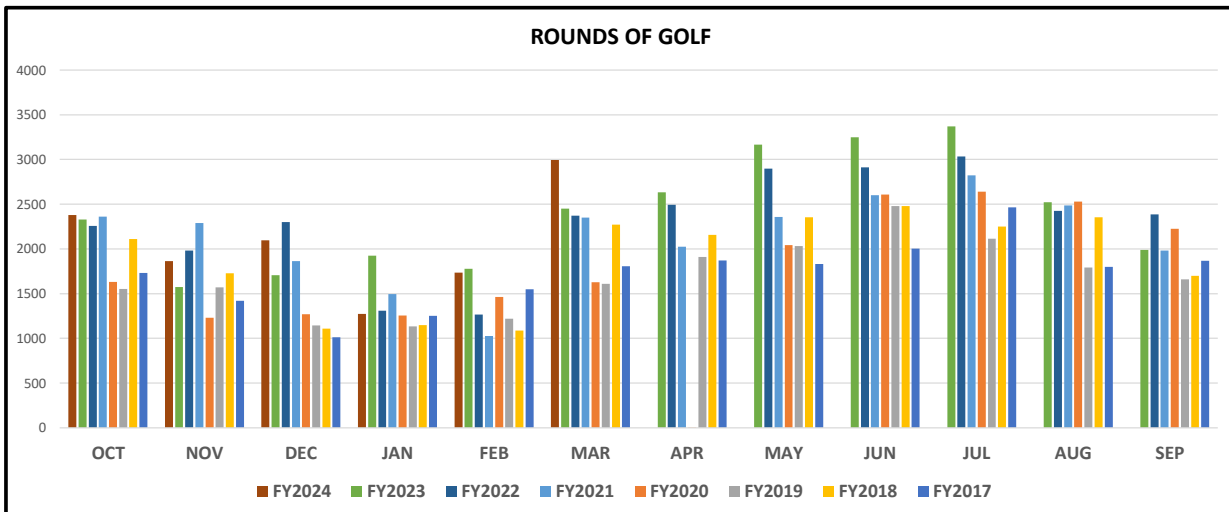
	ORIGINAL BUDGET	ACTUAL FYTD MAR 2024	% OF BUDGET	PY BUDGET 2022-2023	ACTUAL FYTD MAR 2023	% OF BUDGET
REV (net of cogs/tourn exp)	\$ 2,144,918	\$ 1,173,723	55%	\$ 1,860,895	\$ 1,072,175	58%
EXPENSES	2,077,634	978,036	47%	1,778,214	852,880	48%
PROFIT (LOSS)	\$ 67,284	\$ 195,686		\$ 82,681	\$ 219,295	

TABLES/CHARTS



Rounds of Golf*	FYTD
2023-2024	12,337
2022-2023	11,759
OVER (UNDER)	578
	4.92%

*Does not include annual dues or tournament rounds played.



Notes:

April of 2020 golf course was closed for the month due to the Covid Pandemic.

Feb of 2021 golf course was closed for 11 days because of Severe Winter Storm.

City of Burnet, Texas
 Golf Fund (Delaware Springs)
 Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual (Unaudited)
 FYTD MARCH 2024

	50% of year complete			PY BUDGET 2022-2023	PY ACTUAL FYTD MAR 2023	% OF BUDGET
	ORIGINAL BUDGET 2023-24	ACTUAL FYTD MAR 2024	% OF BUDGET			
Revenues						
Charges for Services:						
Green Fees/Cart Rentals	\$ 1,075,000	\$ 543,137	51%	\$ 947,205	\$ 469,467	50%
Member Charges	257,500	219,070	85%	232,000	212,475	92%
Net Tournament Fees	190,000	91,225	48%	144,000	89,493	62%
Driving Range	82,000	41,198	50%	62,000	28,975	47%
Net Charges for Services	1,604,500	894,630	56%	1,385,205	800,409	58%
Pro Shop Merchandise Sales (Net)	78,420	34,932	45%	72,655	36,209	50%
Snack Bar Sales (Net)	180,000	88,283	49%	147,744	79,191	54%
Transfer from GF (Admin/Use of FB)	205,473	107,742	52%	206,845	107,079	52%
Other Revenue	76,525	48,137	63%	48,446	49,286	102%
Total Revenues	2,144,918	1,173,723	55%	1,860,895	1,072,175	58%
Expenses						
Personnel Services	1,255,258	559,603	45%	1,067,824	502,768	47%
Supplies & Materials	147,800	65,725	44%	129,550	61,321	47%
Repairs & Maint	100,500	61,974	62%	84,300	33,006	39%
Contractual Services	99,950	40,400	40%	67,600	33,607	50%
Other Designated Expenses	69,150	42,841	62%	52,750	30,426	58%
Transfers to Self-funded	149,503	74,752	50%	169,345	84,673	50%
Admin Allocation	255,473	132,742	52%	206,845	107,079	52%
Total Expenses	2,077,634	978,036	47%	1,778,214	852,880	48%
Change in Net Position	67,284	195,686		82,681	219,295	
Operating Subsidy from General Fund	-	-		-	-	
Net Position	67,284	195,686		82,681	219,295	
Green Fee Rounds		12,337			11,759	
Green Fee Rev Per Round		\$ 44.03			\$ 39.92	

KEY VARIANCES - BUDGET vs ACTUAL (50% of Year Complete)

Revenues

NOTE: The Golf Course did increase green fee rates by \$3.00 and cart rental rates by \$2.00 at the end of July 2023.

- The majority of Member Charges which include pre-paid green fees, trail fees, annual cart rental and storage are collected in October and April of each year.
- Transfer from General Fund (GF) is used to offset the admin allocation less \$4,167 monthly (or \$50,000 annually).
- Other Revenue includes Interest Income which is coming in higher than expected because of high interest rates at Texpool. Texpool is averaging just over 5.3% interest.

Expenses

- R&M Expenses are tracking higher than the average straight-lined budget because of equipment and irrigation repairs, along with the early purchase of bunker sand including higher than expected freight charges.
- Other Designated Expenses are tracking higher than the average budget mainly because of increasing credit card fees associated with increasing revenues and insurance expenses.
- Admin allocation is offset by the Transfer from GF less \$4,167 monthly (or \$50,000 annually).

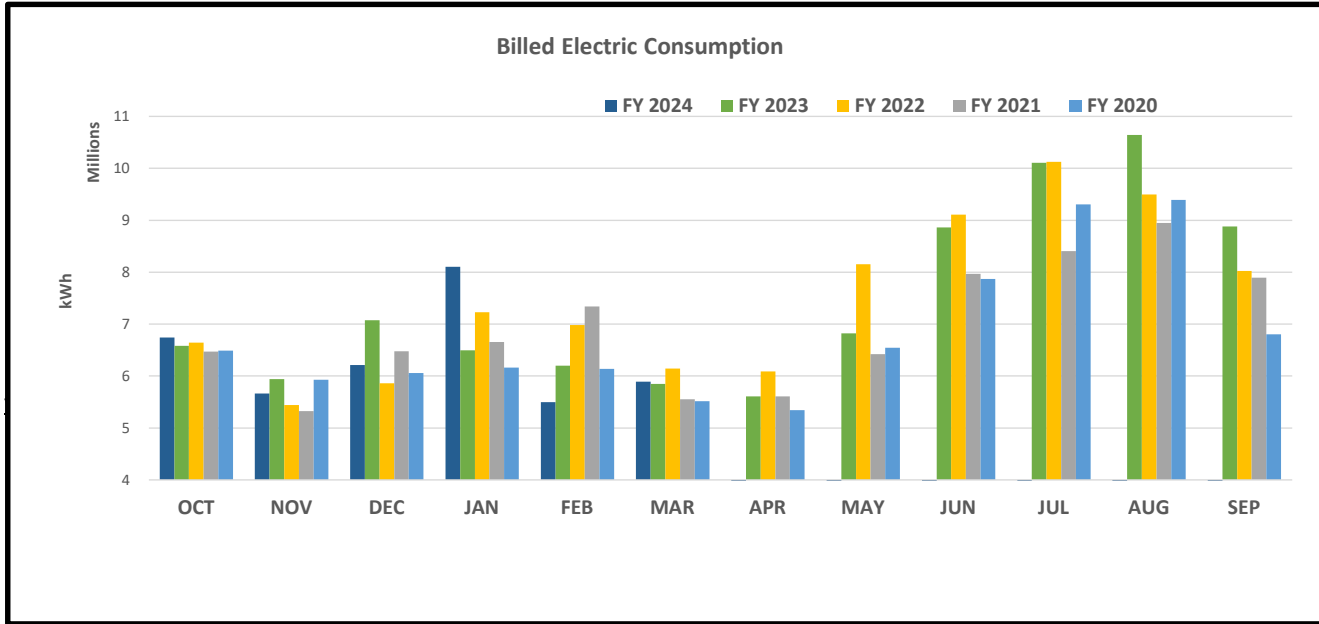
ELECTRIC FUND DASHBOARD

FYTD MARCH 2024

CURRENT RESULTS COMPARISON

	ORIGINAL BUDGET	ACTUAL FYTD MAR 2024	% OF BUDGET	PY BUDGET 2022-2023	ACTUAL FYTD MAR 2023	% OF BUDGET
REV (net of cogs)	\$ 4,300,026	\$ 1,984,904	46%	\$ 4,089,298	\$ 1,882,596	46%
EXPENSES	3,926,232	1,835,956	47%	3,786,446	1,751,916	46%
PROFIT (LOSS)	\$ 373,794	\$ 148,949		\$ 302,852	\$ 130,680	

TABLES/CHARTS



FYTD 2024	38,115,787
FYTD 2023	<u>38,133,732</u>
ytd variance	<u>(17,945)</u>
% variance	-0.05%

City of Burnet, Texas
 Electric Fund
 Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual (Unaudited)
 FYTD MARCH 2024

	50% of year complete			PY BUDGET 2022-2023	PY ACTUAL FYTD MAR 2023	% OF BUDGET
	ORIGINAL BUDGET 2023-24	ACTUAL FYTD MAR 2024	% OF BUDGET			
REVENUES						
Electric Sales	\$ 9,781,915	\$ 4,586,879		\$ 9,090,778	\$ 4,350,126	
Less Cost of Power	5,776,753	2,748,562		5,237,806	2,583,085	
Net Electric Sales	4,005,162	1,838,317	46%	3,852,972	1,767,040	46%
Penalties	94,446	52,466	56%	87,766	44,423	51%
Pole Rental	48,750	730	1%	48,400	15,296	32%
Credit Card Convenience Fees	56,668	26,657	47%	52,660	25,253	
Other Revenue	65,000	36,735	57%	47,500	30,584	64%
Transfer from Hotel/Motel Fund*	30,000	30,000	100%	-	-	
Use of Fund Balance		-		-	-	
Total Revenue	\$ 4,300,026	\$ 1,984,904	46%	\$ 4,089,298	\$ 1,882,596	46%
<i>Total Revenue less fund balance</i>	<i>\$ 4,300,026</i>	<i>\$ 1,984,904</i>	<i>46%</i>	<i>\$ 4,089,298</i>	<i>\$ 1,882,596</i>	<i>46%</i>
EXPENSES						
Personnel Services	1,015,932	463,623	46%	945,807	436,946	46%
Supplies & Materials	74,700	22,888	31%	77,100	30,655	40%
Repairs & Maint	198,500	87,599	44%	191,000	86,859	45%
Contractual Services	171,200	85,539	50%	158,400	94,439	60%
Other Designated Expenses	83,500	55,897	67%	89,050	40,555	46%
Capital Outlay *	55,000	62,742	114%	25,000	18,043	72%
Transfers to Debt Service	51,500	25,750	50%	53,000	26,500	50%
Transfers to Self-funded	23,546	11,773	50%	25,418	12,709	50%
Return on Investment	1,675,657	762,316	45%	1,678,174	762,675	45%
Admin Allocation	463,570	208,194	45%	432,742	191,339	44%
Shop Allocation	28,546	13,740	48%	29,342	12,211	42%
PW Admin Allocation	53,323	22,933	43%	50,351	24,927	50%
Engineering Allocation	31,258	12,963	41%	31,062	14,057	45%
Transfer to Capital				-	-	
Total Expenses	\$ 3,926,232	\$ 1,835,956	47%	\$ 3,786,446	\$ 1,751,916	46%
<i>Total Expenses less xfers to capital and other uses of fund balance</i>	<i>\$ 3,926,232</i>	<i>\$ 1,835,956</i>	<i>47%</i>	<i>\$ 3,786,446</i>	<i>\$ 1,751,916</i>	<i>46%</i>
Change in Net Position	\$ 373,794	\$ 148,949		\$ 302,852	\$ 130,680	

KEY VARIANCES - BUDGET vs ACTUAL (50% of Year Complete)

Revenues

- Pole Rental Charges are typically invoiced in February and received by April or May.
- Other revenues are tracking higher than expected because it includes \$8,000 of contributions received to help offset the cost of the Christmas nativity scene that was purchased.
- Transfer from Hotel/Motel Fund is to help offset cost of Christmas Decorations which were purchased during first quarter.

Expenses

- Other designated expenses is tracking ahead of budget because it includes non capital equipment and the department purchased a 12Ton Die Crimper for \$4,575 in January and two cable cutters for \$3,970 in March.
- Capital Outlay Expenses are tracking above the average budget because of the purchase of several large Christmas decorations early in the year that include new garland with bows, a polar bear, and a nativity scene for the square. The City received contributions in the amount of \$8,000 to help offset the cost of the nativity scene along with \$30,000 from Hotel Motel fund for Christmas decorations. In addition, the BEDC approved funding \$25,000 for marketing and holiday decorations which will be transferred pending approval of the 2nd quarter budget amendments.

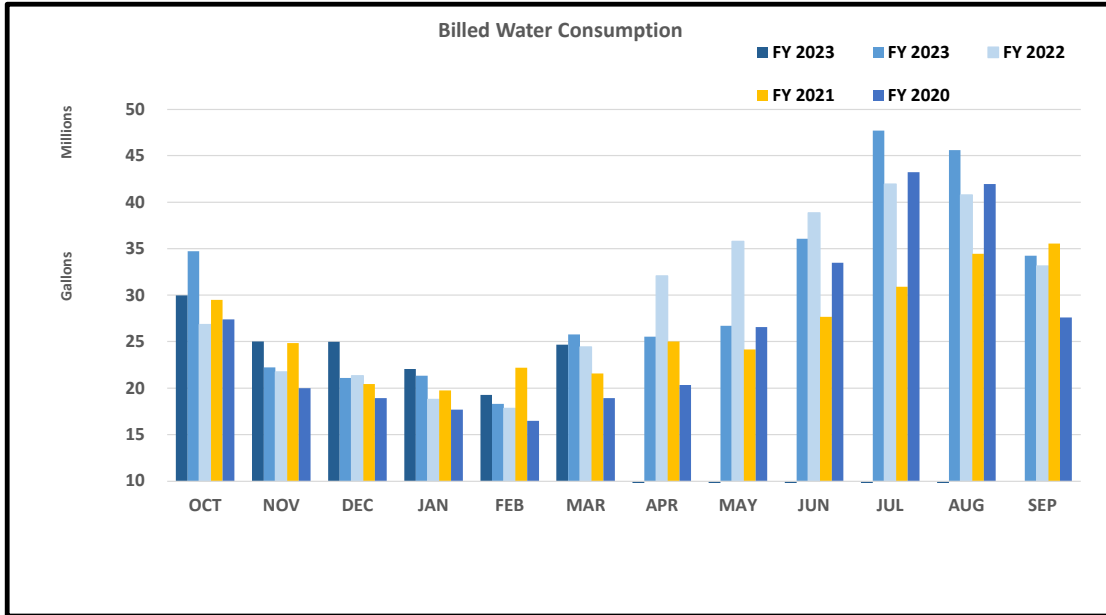
WATER/WW FUND DASHBOARD

FYTD MARCH 2024

CURRENT RESULTS COMPARISON

	ORIGINAL	ACTUAL	% OF	PY BUDGET	ACTUAL	% OF
	BUDGET	FYTD MAR 2024	BUDGET	2022-2023	FYTD MAR 2023	BUDGET
REV	\$ 4,707,667	\$ 2,253,481	48%	\$ 4,624,417	\$ 2,205,631	48%
EXPENSES	4,465,763	2,109,830	47%	4,330,936	2,103,495	49%
PROFIT (LOSS)	\$ 241,904	\$ 143,651		\$ 293,481	\$ 102,136	

TABLES/CHARTS



Billed Consumption in gallons:

FYTD 2024	146,013,228
FYTD 2023	143,474,223
Variance	2,539,005
% variance	1.77%

City of Burnet, Texas
 Water/Wastewater Fund
 Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual (Unaudited)
 FYTD MARCH 2024

	50% of year complete			PY BUDGET 2022-2023	PY ACTUAL FYTD MAR 2023	% OF BUDGET
	ORIGINAL BUDGET 2023-24	ACTUAL FYTD MAR 2024	% OF BUDGET			
REVENUE						
Water Sales	\$ 2,487,867	\$ 1,156,362	46%	\$ 2,482,303	\$ 1,172,407	47%
Wastewater Sales	1,975,800	998,526	51%	1,932,000	966,271	50%
Penalties	45,000	23,245	52%	45,072	22,021	49%
Water/Sewer Connects	37,000	21,366	58%	37,000	10,300	28%
Credit Card Convenience Fees	27,000	14,355	53%	25,042	13,600	54%
Other Revenue	60,000	39,628	66%	28,000	21,032	75%
Use Impact Fees	75,000	-	0%	75,000	-	0%
Use of Fund Balance	-	-		1,135,000	-	0%
Total Revenue	\$ 4,707,667	\$ 2,253,481	48%	\$ 5,759,417	\$ 2,205,631	38%
<i>Total Revenue less fund balance</i>	<i>\$ 4,707,667</i>	<i>\$ 2,253,481</i>	<i>48%</i>	<i>\$ 4,624,417</i>	<i>\$ 2,205,631</i>	<i>48%</i>
EXPENSES						
Personnel Services	1,510,138	660,847	44%	\$ 1,410,682	711,061	50%
Supplies & Materials	226,650	111,023	49%	190,300	101,676	53%
Repairs & Maint	365,250	129,125	35%	383,750	146,813	38%
Contractual Services	307,100	178,492	58%	300,050	148,175	49%
Cost of Water	70,000	65,776	94%	70,000	37,396	53%
Other Designated Expenses	113,521	58,527	52%	98,542	46,971	48%
Transfers to Debt Service	931,875	465,938	50%	930,125	465,063	50%
Transfers to Self-funded	10,148	5,074	50%	51,512	25,756	50%
In Lieu of Taxes	370,613	180,278	49%	363,953	176,451	48%
Admin Allocation	329,792	158,583	48%	305,298	142,459	47%
Shop Allocation	28,546	13,740	48%	29,342	12,211	42%
PW Admin Allocation	71,098	30,577	43%	67,134	33,236	50%
Engineering Allocation	125,032	51,850	41%	124,248	56,230	45%
Capital Outlay	6,000	-	0%	6,000	-	0%
Transfer to Capital	-	-		1,135,000	-	0%
Total Expenses	\$ 4,465,763	\$ 2,109,830	47%	\$ 5,465,936	\$ 2,103,495	38%
<i>Total Expenses less Transfers to Capital and other uses of fund balance</i>	<i>\$ 4,465,763</i>	<i>\$ 2,109,830</i>	<i>47%</i>	<i>\$ 4,330,936</i>	<i>\$ 2,103,495</i>	<i>49%</i>
Change in Net Position	\$ 241,904	\$ 143,651		\$ 293,481	\$ 102,136	

KEY VARIANCES - BUDGET vs ACTUAL 50% of Year Complete)

Revenues

-Other Revenues are tracking higher than expected because of increased bulk potable water sales at public works and increased interest income.

Expenses

-Contractual Services are tracking higher than the average budget because of increasing utility costs during December and January.

-Cost of Water is tracking higher than the average budget because the City's consumption was higher than normal due to several large leaks that have since been repaired.

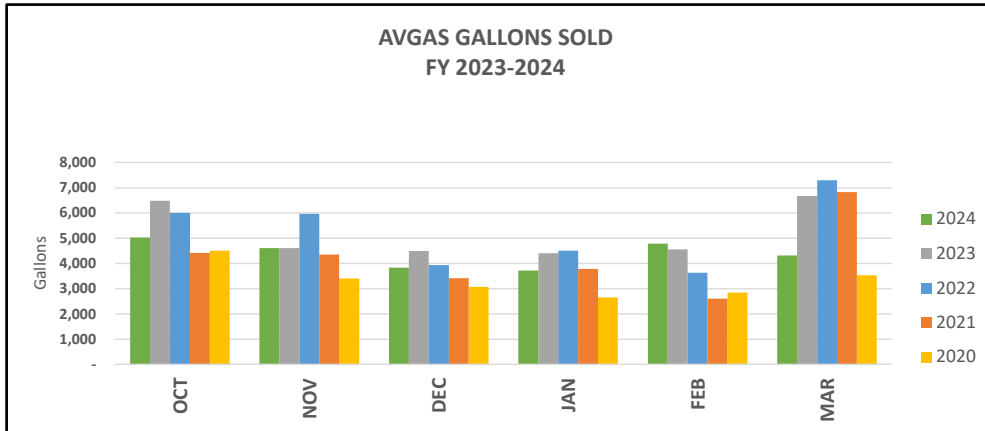
AIRPORT FUND DASHBOARD

FYTD MARCH 2024

CURRENT RESULTS COMPARISON

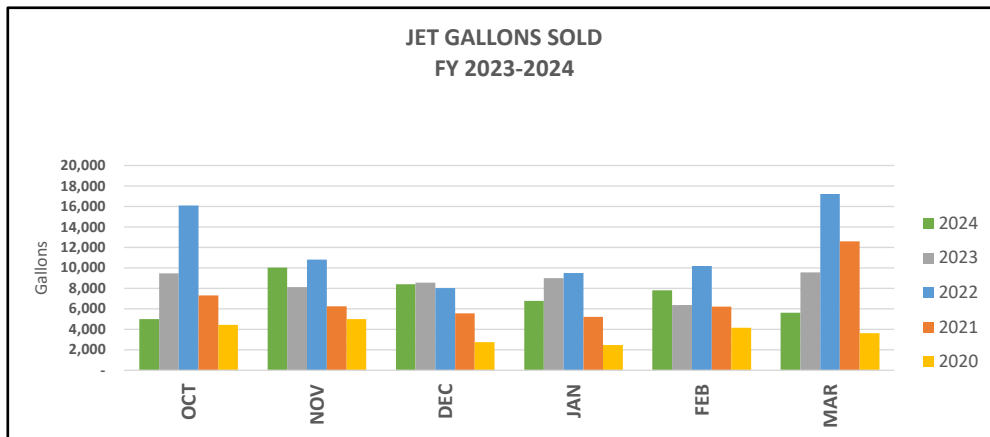
	ORIGINAL BUDGET	ACTUAL FYTD MAR 2024	% OF BUDGET	AMENDED BUDGET 2022-2023	ACTUAL FYTD MAR 2023	% OF BUDGET
REV (net of cogs)	\$ 335,757	\$ 162,345	48%	\$ 265,791	\$ 232,597	88%
EXPENSES	254,246	116,132	46%	172,048	174,009	101%
PROFIT (LOSS)	\$ 81,511	\$ 46,213		\$ 93,743	\$ 58,588	

TABLES/CHARTS



Avgas Gallons Sold:

FYTD 2024	26,319
FYTD 2023	31,232
Increase(decrease)	(4,913)
	-15.73%



Jet Gallons Sold:

FYTD 2024	43,697
FYTD 2023	51,152
Increase(decrease)	(7,455)
	-14.57%

City of Burnet, Texas
 Airport Fund
 Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual (Unaudited)
 FYTD MARCH 2024

	50% of year complete			AMENDED BUDGET 2022-2023	PY ACTUAL FYTD MAR 2023	% OF BUDGET
	ORIGINAL BUDGET 2023-2024	ACTUAL FYTD MAR 2024	% OF BUDGET			
REVENUE						
Av Gas Sales	\$ -			\$ 89,527		
Av Gas Purchases				71,574		
Net Sales				17,953		#DIV/0!
Jet Gas Sales				156,012		
Jet Gas Purchases				102,772		
Net Sales				53,240		#DIV/0!
Avgas Flowage Fees	4,000	3,525	88%	3,140	1,095	35%
Jet Flowage Fees	16,000	7,057	44%	11,122	4,993	
Penalties		-		450	-	
All Hangar Lease	171,000	83,925	49%	153,600	76,528	50%
CAF Admissions	15,580	9,397	60%	5,066	2,792	55%
McBride Lease	52,562	21,455	41%	45,893	24,648	54%
Thru the Fence Lease	12,020	-	0%	12,020	8,479	71%
Airport Parking Permit	3,840	1	0%	5,000	-	0%
Hangar Lease - FBO	25,755	12,754	50%	-	6,252	#DIV/0!
Interest Earned	35,000	24,231	69%	4,500	36,516	811%
Other		-		25,000	101	
Use of Fund Balance	110,263	30,118	27%	61,863	30,932	50%
Total Revenue	\$ 446,020	\$ 192,463	43%	\$ 327,654	\$ 263,529	80%
<i>Total Revenue less fund balance</i>	<i>\$ 335,757</i>	<i>\$ 162,345</i>	<i>48%</i>	<i>\$ 265,791</i>	<i>\$ 232,597</i>	<i>88%</i>
EXPENSES						
Personnel Services	\$ 103,284	\$ 52,763	51%	\$ 100,502	\$ 50,032	50%
Supplies & Materials	3,000	386	13%	3,000	1,698	57%
Repairs & Maint	3,925	1,800	46%	3,675	1,113	30%
Contractual Services	32,955	10,084	31%	10,750	60,253	560%
Other Designated Expenses	37,182	25,930	70%	33,082	29,771	90%
C/O - Equipment		13,865				
Transfers to Debt Service	60,263	30,118	50%	61,863	30,932	50%
Admin Allocation	23,900	11,305	47%	21,039	23,241	110%
Av fuel truck lease	-	-		-	3,350	#DIV/0!
Jet fuel truck lease	-	-		-	4,550	#DIV/0!
Transfers to Capital	100,000	-		-	-	
Total Expenses	\$ 364,509	\$ 146,250	40%	\$ 233,911	\$ 204,941	88%
<i>Total Exp - xfers to capital and debt svc.</i>	<i>\$ 254,246</i>	<i>\$ 116,132</i>	<i>46%</i>	<i>\$ 172,048</i>	<i>\$ 174,009</i>	<i>101%</i>
Change in Net Position	\$ 81,511	\$ 46,213		\$ 93,743	\$ 58,588	

NOTE

The new FBO contract went into effect on January 1, 2023. Therefore, the prior year still contains fuel sales and related expenses for the first quarter.

Under the new FBO contract:

-Net fuel sales are replaced by flowage fees.

-Fuel truck lease expenses are assumed by the FBO.

-FBO contract payments were \$18,000 per month last year under the Interim FBO contract and are \$0 this year under the new FBO contract.

REVENUES:

NOTE: The timing of the Hangar Lease billing was changed during December of 2022 to begin billing ahead for the month. Therefore, last year's first quarter contains an extra billing period for leases.

- Jet flowage fees are tracking below average mainly because October and March sales were down significantly.

- Interest income is tracking above budget because of higher than expected interest rates at Texpool.

EXPENSES:

- Designated expenses are tracking above the average budget mainly because they include property tax payments which were paid in full in October and the timing of the quarterly insurance payments.

- Capital Equipment includes the purchase of a new shredder. Cost of the equipment was split between the airport and parks and streets. Cost to be covered by savings in other line items.

City of Burnet, Texas
Other Funds
Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual (Unaudited)
FYTD MARCH 2024

	ANNUAL BUDGET 2023-24			ACTUAL FYTD MAR 2024			PY BUDGET 2022-2023			PY ACTUAL FYTD MAR 2023		
			% OF BUDGET								% OF BUDGET	
HOTEL/MOTEL FUND												
Revenues	\$	240,600	\$	150,197	62.43%	\$	191,900	\$	110,332	57.49%		
Expenses		210,074		86,041	40.96%		168,795		35,892	21.26%		
Net Profit (Loss)	\$	30,526	\$	64,156		\$	23,105	\$	74,440			
BEDC												
Revenues	\$	1,065,130	\$	1,839,354	172.69%	\$	4,015,333	\$	811,301	20.21%		
Expenses		911,698		365,645	40.11%		3,722,497		650,208	17.47%		
Net Profit (Loss)	\$	153,432	\$	1,473,709		\$	292,836	\$	161,092			
SELF FUNDED EQUIPMENT FUND												
Revenues	\$	767,600	\$	364,360	47.47%	\$	1,539,000	\$	1,114,723	72.43%		
Expenses		767,600		224,483	29.24%		1,539,000		1,114,723	72.43%		
Net Profit (Loss)	\$	-	\$	139,877		\$	-	\$	(0)			
DEBT SERVICE FUND												
Revenues	\$	1,046,638	\$	529,268	50.57%	\$	1,046,528	\$	522,987	49.97%		
Expenses		1,045,438		788,619	75.43%		1,046,328		791,794	75.67%		
Net Profit (Loss)	\$	1,200	\$	(259,351)		\$	200	\$	(268,807)			
INTEREST & SINKING DEBT FUND												
Revenues	\$	1,118,660	\$	1,153,417	103.11%	\$	796,782	\$	753,929	94.62%		
Expenses		1,105,660		233,230	21.09%		796,582		153,502	19.27%		
Net Profit (Loss)	\$	13,000	\$	920,187		\$	200	\$	600,427			

City of Burnet, Texas
Cash and Investment Accounts
FYTD MARCH 2024

Acct #	Bank	Account Name	Account Type	Balance as of MARCH 2024
Unrestricted Accounts				
984/2410	FSB	Operating Cash	Checking	\$ 4,118,757.98
		Add or Subtract Claim on Cash for Airport		15,832.77
2329	FSB	Golf Course Petty Cash	Checking	618.54
2711100002	TexPool	Operating Reserve	Investment	4,202,530.42
Total Unrestricted				\$ 8,337,739.71

<i>75 Day Reserve Requirement</i>	3,750,000.00
<i>Unrestricted Cash over 75 day reserve</i>	\$ 4,587,739.71
<i>90 Day Reserve Requirement</i>	4,500,000.00
<i>Unrestricted Cash over 90 day reserve</i>	\$ 3,837,739.71

Restricted by Council Action

2711100011	TexPool	Capital Equipment Reserve	Investment	\$ 140,405.63
2188	FSB	Self Funded Equipment	M/M	146,358.17
2711100014	TexPool	Self Funded Equipment Reserve	Investment	562,697.35
2711100021	TexPool	YMCA/GHRC Capital Improvement	Investment	107,488.58
2711100029	TexPool	YMCA Land Sale Proceeds	Investment	117,252.84
2711100022	TexPool	Electric Capital Improvement	Investment	313,881.20
2711100020	TexPool	Street Rehab/Replacement Reserve	Investment	429,919.85
2711100023	TexPool	Water/WW Improvement	Investment	107,488.58
2711100018	TexPool	Golf Course Ops Reserve	Investment	1,167,372.10
2711100019	TexPool	Golf Course Capital Improvement Reserve	Investment	87,597.97
2711100031	TexPool	City Hall Reserve	Investment	1,679,026.71
Total Restricted by Council Action				\$ 4,859,488.98

City of Burnet, Texas
Cash and Investment Accounts
FYTD MARCH 2024

Restricted by Purpose or Law

Acct #	Bank	Account Name	Account Type	Balance as of MARCH 2024
1453	FSB	Bond Reserve	M/M	\$ 256,891.98
2402	FSB	Hotel Motel	M/M	148,680.84
2711100005	TexPool	Hotel Motel	Investment	56,195.71
2485	FSB	PD Seizure	M/M	5,025.30
2711100027	TexPool	Municipal Court Special Revenue	Investment	103,070.79
2711100025	TexPool	Impact Fees - Water	Investment	549,452.69
2543	FSB	Airport Reserve	M/M	-
		Add or Subtract Airport Claim on Cash		(15,832.77)
2711100009	TexPool	Airport Reserve	Investment	917,890.57
2711100030	TexPool	Airport Bond Proceeds	Investment	1,082,223.53
2576	FSB	Interest & Sinking Acct	M/M	1,063,412.91
2711100026	TexPool	Impact Fees - Wastewater	Investment	98,142.44
2592	FSB	BEDC	Super NOW	1,518,480.08
2711100010	TexPool	BEDC	Investment	1,042,029.39
70516	FSB	BEDC Commercial Park Project	M/M	83,933.02
2675	FSB	Police Department Explorer Program	M/M	6,325.37
2691	FSB	Fire Department Explorer Program	M/M	3,576.27
2711100028	TexPool	Franchise Fee Account	Investment	160,978.15
3053	FSB	Parks Fund	M/M	38,518.95
58776	FSB	Fire Dept. Community Acct	M/M	14,709.42
2711100007	TexPool	TWDB	Investment	1,289.45
2711100006	TexPool	TWDB	Investment	1,131.45
143033000	US Bank	City of Burnet, Texas Combination Tax and Surplus	Investment	3,439.31
82-020-01-0	Bank of	City of Burnet 2012 TWDB Escrow	Investment	21,639.55
2711100017	TexPool	2021 CO - City Hall	Investment	5,007,003.21
62315	FSB	BEDC Bond Fund	Checking	97,691.98
2711100024	TexPool	Street Bond Reserve	Investment	458,601.83
TX01-0440-0004	Texas Class	2023 CO Adm/Street	Investment	4,119,312.20
Total Restricted Cash				\$ 16,843,813.62
Total All Cash				\$ 30,041,042.31

ACCOUNT NUMBER	INVESTMENT TYPE	DESCRIPT/LOC	MATURITY	BEGINNING BALANCES 01/01/2024	QUARTERLY ACTIVITY	INTEREST EARNINGS	ENDING BALANCE 03/31/2024	BEGINNING MARKET 04/01/2023	ENDING MARKET 06/30/2023	CHANGE IN MARKET VALUE	AVG YIELD
984 & 2410	OPERATING	FIRST STATE BANK	na	\$ 2,274,041.25	\$ 1,805,890.63	\$ 38,826.10	\$ 4,118,757.98	na	na	na	0.0482
1453	DEBT SERVICE	FIRST STATE BANK	na	693,963.24	(439,698.64)	2,627.38	256,891.98	na	na	na	0.0219
2188	SELF FUNDED ACCT	FIRST STATE BANK	na	163,746.79	(18,340.15)	951.53	146,358.17	na	na	na	0.0243
2329	GOLF COURSE PETTY CASH	FIRST STATE BANK	na	406.95	211.59	-	618.54	na	na	na	-
2402	HOTEL/MOTEL	FIRST STATE BANK	na	179,731.15	(32,436.72)	1,386.41	148,680.84	na	na	na	0.0335
2485	PD SEIZURE	FIRST STATE BANK	na	123.85	4,877.51	23.94	5,025.30	na	na	na	0.0369
2576	I & S SINKING FUND	FIRST STATE BANK	na	372,969.78	682,282.38	8,160.75	1,063,412.91	na	na	na	0.0451
2592	BEDC	FIRST STATE BANK	na	62,626.69	1,454,309.63	1,543.76	1,518,480.08	na	na	na	0.0077
2675	PD EXPLORER PROGRAM	FIRST STATE BANK	na	6,271.50	(0.00)	53.87	6,325.37	na	na	na	0.0339
2691	FD EXPLORER PROGRAM	FIRST STATE BANK	na	3,545.81	0.00	30.46	3,576.27	na	na	na	0.0339
3053	PARKS FUND	FIRST STATE BANK	na	30,235.43	8,000.00	283.52	38,518.95	na	na	na	0.0327
58776	FD COMMUNITY FUND	FIRST STATE BANK	na	13,876.27	833.15	-	14,709.42	na	na	na	-
62315	BEDC BOND FUND	FIRST STATE BANK	na	82,767.85	14,262.51	661.62	97,691.98	na	na	na	0.0291
70516	281 COMM PARK PROJECT	FIRST STATE BANK	na	123,289.58	(40,401.75)	1,045.19	83,933.02	na	na	na	0.0400
	SUBTOTAL - FIRST STATE BANK			\$ 4,007,596.14	\$ 3,439,790.14	\$ 55,594.53	\$ 7,502,980.81	\$ -	\$ -	\$ -	0.0313
2711100002	GF RESERVE	TEXPOOL	na	\$ 4,147,187.19	\$ 0	\$ 55,343.20	\$ 4,202,530.42	\$ 4,147,187.19	\$ 4,202,530.42	\$ 55,343.23	0.0526
2711100005	HOT	TEXPOOL	na	55,455.64	-	740.07	56,195.71	55,455.64	56,195.71	740.07	0.0526
2711100006	TWDB	TEXPOOL	na	1,116.89	(0.00)	14.56	1,131.45	1,116.89	1,131.45	14.56	0.0514
2711100007	TWDB	TEXPOOL	na	1,272.16	(0.00)	17.29	1,289.45	1,272.16	1,289.45	17.29	0.0536
2711100009	AIRPORT*	TEXPOOL	na	905,802.83	0.04	12,087.70	917,890.57	905,802.83	917,890.57	12,087.74	0.0526
2711100010	BEDC RESERVE	TEXPOOL	na	1,624,700.67	(599,999.98)	17,328.70	1,042,029.39	1,624,700.67	1,042,029.39	(582,671.28)	0.0516
2711100011	CAPITAL EQUIPMENT RESERVE	TEXPOOL	na	138,556.61	0.00	1,849.02	140,405.63	138,556.61	140,405.63	1,849.02	0.0526
2711100014	SELF FUNDED EQUIPMENT	TEXPOOL	na	555,287.16	(0.00)	7,410.19	562,697.35	555,287.16	562,697.35	7,410.19	0.05
2711100017	2021 CO - CITY HALL	TEXPOOL	na	4,951,106.04	(10,140.23)	66,037.40	5,007,003.21	4,951,106.04	5,007,003.21	55,897.17	0.05
2711100018	GOLF COURSE OPS RESERVE	TEXPOOL	na	647,730.89	508,700.61	10,940.60	1,167,372.10	647,730.89	1,167,372.10	519,641.21	0.0478
2711100019	GOLF COURSE CAPITAL RESERVE	TEXPOOL	na	86,444.38	(0.00)	1,153.59	87,597.97	86,444.38	87,597.97	1,153.59	0.0526
2711100020	STREET REHAB/REPLACE RESERVE	TEXPOOL	na	424,258.21	(0.00)	5,661.64	429,919.85	424,258.21	429,919.85	5,661.64	0.0526
2711100021	YMCA/GHRC CAPITAL RESERVE	TEXPOOL	na	106,073.08	-	1,415.50	107,488.58	106,073.08	107,488.58	1,415.50	0.0526
2711100022	ELECTRIC CAPITAL IMPROVEMENT	TEXPOOL	na	309,747.63	0.00	4,133.57	313,881.20	309,747.63	313,881.20	4,133.57	0.0526
2711100023	WATER/WW CAPITAL IMPROVMENT	TEXPOOL	na	106,073.08	-	1,415.50	107,488.58	106,073.08	107,488.58	1,415.50	0.0526
2711100024	STREET BOND RESERVE	TEXPOOL	na	905,554.13	(456,430.84)	9,478.54	458,601.83	905,554.13	458,601.83	(446,952.30)	0.0551
2711100025	WATER IMPACT FEE	TEXPOOL	na	509,629.08	32,903.65	6,919.96	549,452.69	509,629.08	549,452.69	39,823.61	0.0518
2711100026	WASTWATER IMPACT FEE	TEXPOOL	na	69,711.50	27,377.82	1,053.12	98,142.44	69,711.50	98,142.44	28,430.94	0.0498
2711100027	COURT SPECIAL REVENUE	TEXPOOL	na	99,255.13	2,469.18	1,346.48	103,070.79	99,255.13	103,070.79	3,815.66	0.0528
2711100028	FRANCHISE FEE	TEXPOOL	na	155,124.97	3,764.26	2,088.92	160,978.15	131,999.41	160,978.15	28,978.74	0.0524
2711100029	YMCA LAND SALE PROCEEDS	TEXPOOL	na	115,708.70	-	1,544.14	117,252.84	115,708.70	117,252.84	1,544.14	0.0526
2711100030	AIRPORT BOND PROCEEDS*	TEXPOOL	na	1,067,971.72	0.01	14,251.80	1,082,223.53	1,067,971.72	1,082,223.53	14,251.81	0.0526
2711100031	CITY HALL RESERVE	TEXPOOL	na	1,656,915.60	(0.00)	22,111.11	1,679,026.71	1,656,915.60	1,679,026.71	22,111.11	0.0526
TX-01-0440-0004	STREET BOND	TEXAS CLASS	na	\$ 4,063,405.64	(0.04)	55,906.60	\$ 4,119,312.20	4,063,405.64	4,119,312.20	55,906.56	0.0542
	SUBTOTAL - TEXPOOL			\$ 22,704,088.93	\$ (491,355.49)	\$300,249.20	\$ 22,512,982.64	\$ 22,680,963.37	\$ 22,512,982.64	\$ (167,980.73)	0.0525
143033000	US BANK LOAN		na	\$ 3,394.90	(0.00)	\$ 44.41	\$ 3,439.31	\$ 3,394.90	\$ 3,439.31	\$ 44.41	0.0516
82-0220-01-0	BANK OF TEXAS - TWDB #2		na	21,368.71	-	270.84	21,639.55	21,368.71	21,639.55	270.84	0.0500
	SUBTOTAL - OTHERS			\$ 24,763.61	\$ (0.00)	\$ 315.25	\$ 25,078.86	\$ 24,763.61	\$ 25,078.86	\$ 315.25	0.0508
	TOTALS			\$ 26,736,448.68	\$ 2,948,434.65	\$356,158.98	\$ 30,041,042.31	\$ 22,705,726.98	\$ 22,538,061.50	\$ (167,665.48)	0.0498

* Airport reserves and bond proceeds were previously commingled. Opened separate account for bond proceeds during the quarter and reclassified interest income earned to date.

PERFORMANCE MEASURES:		Benchmark	Actual
	Avg Yield	5.2000%	4.9774%
	Benchmark=90 day T-Bill Rate (12/29/2023)		
	WAM	Max 365	
	Diversification:		
	Other		0.08%
	FSB		24.98%
	TexPool/TexasClass	Max 100%	74.94%

Collateral Adequacy - All funds are fully collateralized and/or insured.

Statement of Compliance - All investment transactions of the City meet the requirements set forth in Chapter 2256, Texas Govt. Code, as amended and are in compliance with the City's Investment Policy.

Patricia Langford
 Patricia Langford, Finance Director

Stefani Wright
 Stefani Wright, Senior Accountant

4/12/24
 Date

CITY OF BURNET
 CAPITAL FUND PROJECTS
 2023-2024 BUDGET

Budgeted Projects	Original Budget	Budget Amendment	Total Budget	YTD exp 3/31/2024	Balance
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Fund 45 - WATER & WASTEWATER CAPITAL PROJECT FUND

Water Plant Generator	\$ 310,000		\$ 310,000	\$ -	\$ 310,000
Generators for SB3 Compliance	200,000		200,000	-	200,000
Dump Truck for Water Department	160,000		160,000	-	160,000
Water Meters	40,000		40,000	-	40,000
Creekfall Water Line Oversize Project	155,000		155,000	-	155,000
CDBG Water Line Project	755,976		755,976	-	755,976
Well and Pump Upgrades	100,000		100,000	-	100,000
Valley Street Well Engineering/Evaluation	25,000		25,000	1,098	23,902
Ranch Lift Station/ Eagles Nest Upgrade/East Tank Upgrade	35,000		35,000	2,849	32,152
Water Leak Repair - 805 Buchanan Drive		250,000	250,000	39,007	210,993
Use WW Impact Fees - transfer to 42 for debt	75,000		75,000	-	75,000
Total Water & Wastewater Capital Project Fund	\$ 1,855,976	\$ 250,000	\$ 2,105,976	\$ 42,954	\$ 2,063,022

Fund 46 - GENERAL CAPITAL PROJECT FUND

ADMIN					
Server Upgrade	\$ 50,000		\$ 50,000	\$ -	\$ 50,000
Incode 10 Upgrade for Court	17,000		17,000	-	17,000
Comp Plan	10,000		10,000	-	10,000
Eclipse Planning	100,000	40,000	140,000	87,084	52,916
Beautification Project	70,000		70,000	8,338	61,663
New City Hall	8,600,000		8,600,000	23,176	8,576,824
POLICE/K-9					
Red Dot Upgrade - carryover	20,000		20,000	13,459	6,541
2 K-9's including training and equipment	30,000		30,000	20,401	9,599
Dispatch software	250,000		250,000	2,180	247,820
Monument Sign for PD - carryover	10,000		10,000	2,106	7,894
Shooting Range Improvements	30,000		30,000	-	30,000
Use of Opioid Settlement Funds	45,000		45,000	-	45,000
FIRE/EMS					
Fire Station 1 Roof Repairs - carryover from py hail storm	48,000	9,000	57,000	30,000	27,000
Use of Donated Funds from S. Pelej (Carryover)	50,000	-	50,000	12,305	37,695
Water Truck for Fire and Street Departments	200,000		200,000	-	200,000
SCBA Equipment	100,000		100,000	-	100,000
Fire Department Drone	20,000	(20,000)	-	-	-
Fire Department CAD Laptops	50,000		50,000	46,368	3,632
EMS Professional Services to apply for TASSPP	12,000		12,000	-	12,000
Fire Wild Land Utility Task Vehicle		32,000	32,000	26,431	5,569
STREETS					
Street Repair/Rehabilitation	6,000,000		6,000,000	2,480,905	3,519,095
Roller for Street Patching	60,000		60,000	58,821	1,179
PARKS					
Park Improvements	50,000		50,000	-	50,000
Purch 6 Acre tract on N. West St from BEDC (Addition to Park system)		305,000	305,000		305,000
GALLOWAY HAMMOND REC CENTER					
GHRC Teen Center Annual Payment	20,000		20,000	20,000	-
GHRC Capital Maint	50,000		50,000	7,800	42,200
GHRC Capital Maint 2023 Carryover	275,000		275,000	-	275,000
GHRC Capital Maint 2024 improvement plan	109,500		109,500	56,075	53,425
Total General Capital Project Fund	\$ 16,276,500	\$ 366,000	\$ 16,642,500	\$ 2,895,448	\$ 13,747,052

Fund 47 - AIRPORT CAPITAL PROJECT FUND

Paving Project (runway and taxiway)	\$ 30,000		\$ 30,000	\$ 30,000	\$ -
Jet Hangar	1,500,000	400,000	1,900,000	29,693	1,870,308
Decel Lane into Airport	100,000		100,000	-	100,000
Other Improvements	200,000		200,000	-	200,000
Ramp Grant Improvements	200,000		200,000	6,596	193,404
Total Airport Capital Project Fund	\$ 2,030,000	\$ 400,000	\$ 2,430,000	\$ 66,289	\$ 2,363,711

CITY OF BURNET
 CAPITAL FUND PROJECTS
 2023-2024 BUDGET

Budgeted Projects	Original Budget	Budget Amendment	Total Budget	YTD exp 3/31/2024	Balance
Fund 48 - ELECTRIC CAPITAL PROJECT FUND					
Utility Maps and Models	\$ 50,000		\$ 50,000	\$ 14,921	\$ 35,079
Subdivision Electrical Costs	150,000		150,000	197,156	(47,156)
Creekfall Conduit Costs	50,000		50,000	37,663	12,337
Digger Truck for Electric Dept.	350,000		350,000	-	350,000
Bucket Truck for Electric Dept.	275,000		275,000	-	275,000
Light Replacement at Burnet County Fair Grounds	-	7,000	7,000	-	7,000
Arc reflection System w/Thumper (to minimize underground outages)	-	18,000	18,000	-	18,000
Total Electric Capital Project Fund	\$ 875,000	\$ 25,000	\$ 900,000	\$ 249,740	\$ 650,260
Fund 49 - GOLF CAPITAL PROJECT FUND					
Golf Course Improvements	\$ 275,000	\$ -	\$ 275,000	\$ 54,483	\$ 220,517
Total Golf Capital Project Fund	\$ 275,000	\$ -	\$ 275,000	\$ 54,483	\$ 220,517
Fund 53 - BEDC CAPITAL PROJECT FUND					
Debt Service Payoff - 281 Comm Park	\$ 999,119		\$ 999,119	\$ -	\$ 999,119
Land Acquisition - Kroger Property - 400 N West Street	312,500		312,500	303,696	8,804
Land Acquisition - Kroger Property - 29W/102 E Polk Street	312,500		312,500	309,696	2,804
13 Acre Commercial Tract - 281S	250,000		250,000	40,647	209,353
Retail Incentive - Tractor Supply	551,000		551,000	-	551,000
Hotel Incentive	436,000		436,000	-	436,000
Downtown Bathroom - Jackson Street	600,000		600,000	358,491	241,509
Property Acquisitions	500,000		500,000	-	500,000
Beautification Funding	100,000		100,000	-	100,000
Beall's Bldg Payment	1,115,000		1,115,000	-	1,115,000
Coke Street Project	350,000		350,000	6,863	343,138
Total BEDC Capital Project Fund	\$ 5,526,119		\$ 5,526,119	\$ 1,019,392	\$ 4,506,727
TOTAL CAPITAL PROJECT FUNDS	\$ 26,838,595	\$ 1,041,000	\$ 27,879,595	\$ 4,328,305	\$ 23,551,290

CITY OF BURNET FINANCIAL REPORT

For the Period Ended March 31, 2024

GENERAL FUND

	ANNUAL BUDGET	ACTUAL FYTD MAR 2024	% OF BUDGET
REVENUES	\$15,442,407	\$9,734,868	63%
EXPENDITURES	14,878,137	\$7,339,828	49%
PROFIT (LOSS)	\$564,270	\$2,395,040	

- REVENUES

- *Property Taxes* – 97% of budget, increased \$406,173 over last year
- *Transfers from Utilities* – 46% of budget, increased \$44,709 over last year
- *Sales Tax* – 52% of budget, increased \$97,807 over last year
- *EMS Transport* – 58% of budget, increased \$162,522 over last year

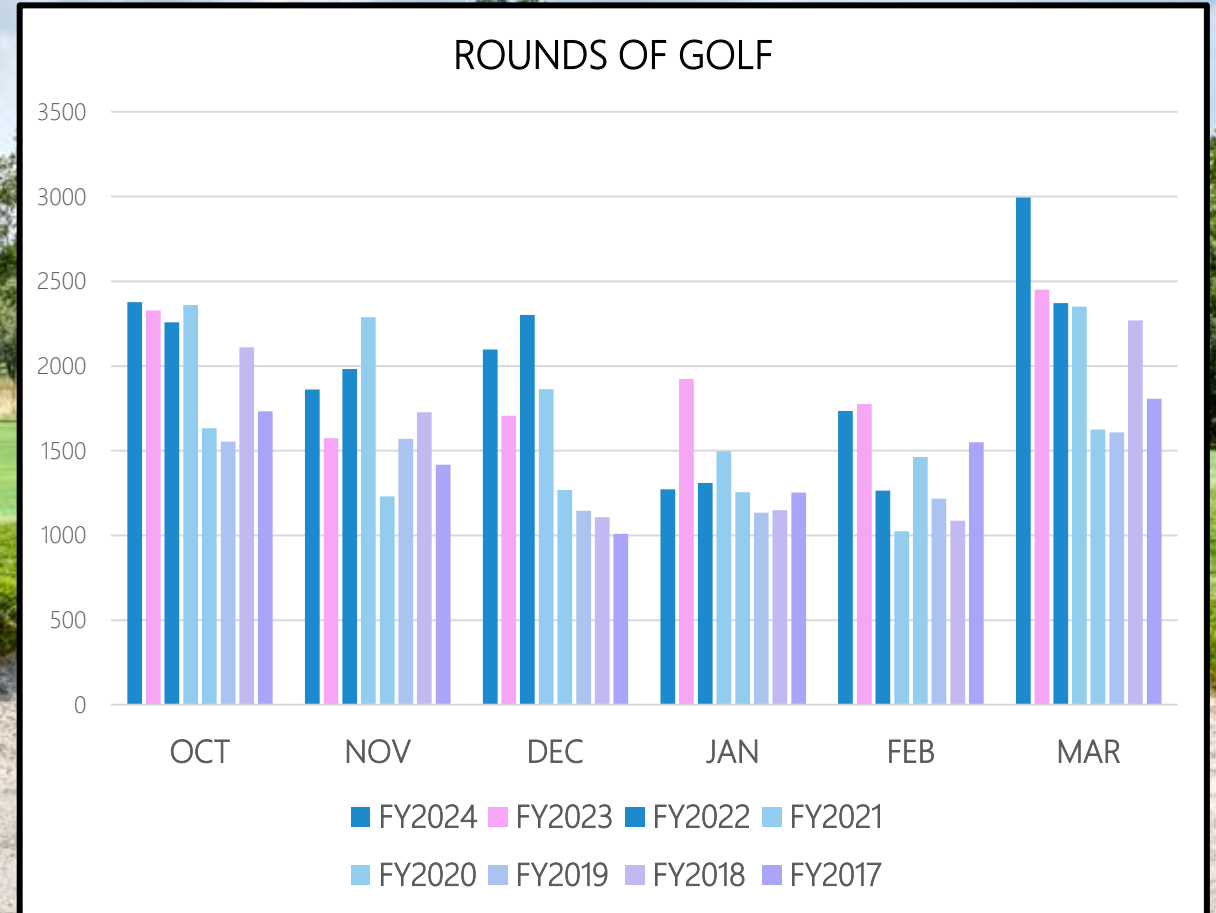
- EXPENSES

- *In total on track with budget at 49%*

GOLF FUND

	ANNUAL BUDGET	ACTUAL FYTD MAR 2024	% OF BUDGET
REVENUES	\$2,144,918	\$1,173,723	55%
EXPENSES	2,077,634	978,036	47%
PROFIT (LOSS)	\$67,284	\$195,686	

AVERAGE REVENUE PER ROUND:
 FYTD MAR 24 \$44.03
 FYTD MAR 23 \$39.92



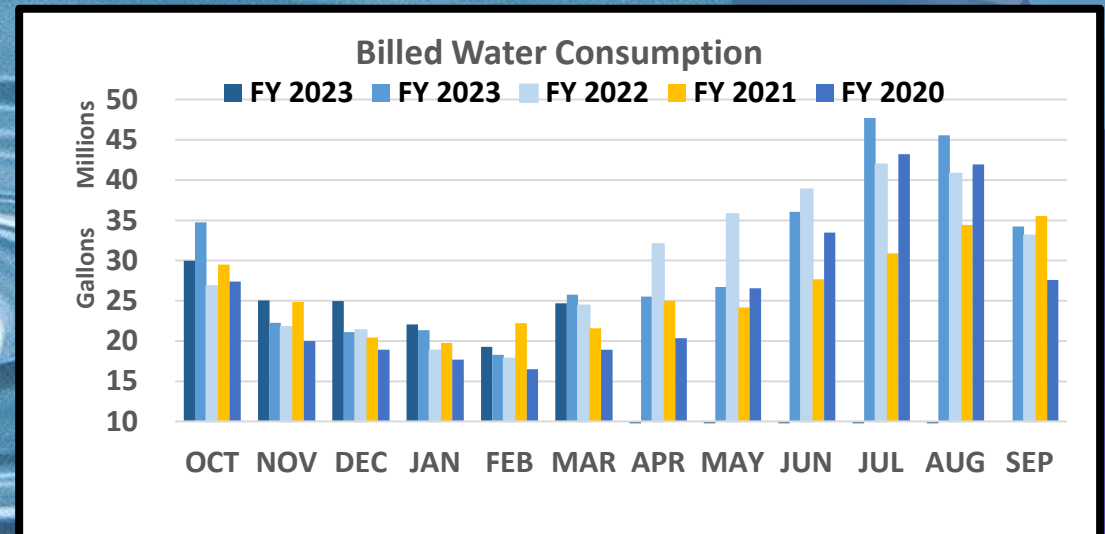
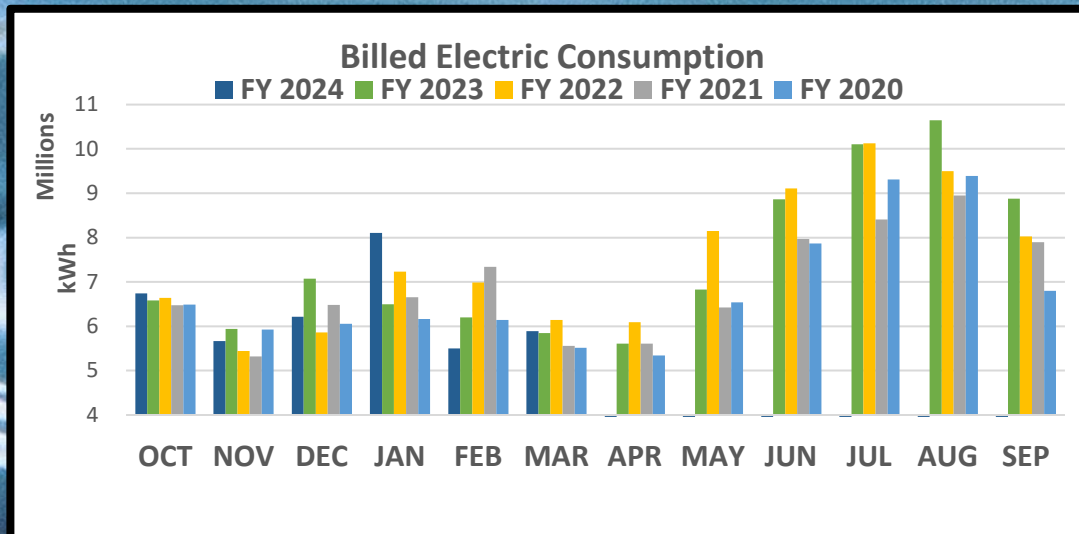
UTILITY FUNDS

ELECTRIC

	ANNUAL BUDGET	ACTUAL FYTD MAR 2024	% OF BUDGET
REVENUES	\$4,300,026	\$1,984,904	46%
EXPENSES	3,926,232	1,835,956	47%
PROFIT (LOSS)	\$373,794	\$148,949	

WATER/WASTEWATER

	ANNUAL BUDGET	ACTUAL FYTD MAR 2024	% OF BUDGET
REVENUES	\$4,707,667	\$2,253,481	48%
EXPENSES	4,465,763	2,109,830	47%
PROFIT (LOSS)	\$241,904	\$143,651	



AIRPORT FUND

	ANNUAL BUDGET	ACTUAL FYTD MAR 2024	% OF BUDGET
REVENUES	\$335,757	\$162,345	48%
EXPENSES	254,246	116,132	46%
PROFIT (LOSS)	\$81,511	\$46,213	



CASH RESERVES AS OF MARCH 31, 2024

UNRESTRICTED CASH RESERVE BALANCE	\$8,337,740
90 RESERVE REQUIREMENT	<u>4,500,000</u>
➤ UNRESTRICTED CASH BALANCE OVER 90 DAY RESERVE	<u>\$3,837,740</u>
➤ RESTRICTED BY COUNCIL CASH BALANCE	<u>\$4,859,489</u>

QUESTIONS

?

Updates



BURNET
CHAMBER OF COMMERCE

HELLO!

New Members!

New Members

Hyder & Son Lock and Key (rejoin)

Affordable Housing in Texas

Bokabuku

Pet Passages

Media Railyard

Better Now Physical Therapy

Hi-Town Media

The Hangar at Deer Pasture Airfield

Magnolia Hospice

The Rock Ministry

Clendennen Services LLC (HVAC)

Cedar Park Overhead Doors in Marble Falls

Brother Sun Builders

Los Cazadores

Content Marketing & Social Media Best Practices

Tuesday, February 6th, 11a-1p

➔ **Create captivating & useful content**

➔ **Get found by more people on social media**

➔ **Understanding algorithms and audience metrics**

Location: Hill Country Community Foundation,
\$10 members/ \$15 non-members, includes lunch

Candidate Forum



A poster for a Primary Election 2024 Candidate Forum. The top section is blue with white text and orange and white stripes on the sides. The middle section is red with the word 'VOTE' in large white letters, a blue envelope icon with a red checkmark, and a white box containing event details. The bottom section is a thin blue bar with small white text.

**PRIMARY
ELECTION 2024**

VOTE

CANDIDATE FORUM
FEBRUARY 8, 2024
BURNET COMMUNITY CENTER
401 E. JACKSON • BURNET
MINGLE WITH CANDIDATES @ 5:00 PM
FORUM BEGINS @ 6:00 PM

Sponsored by the Burnet Chamber of Commerce, Burnet County Republican Club and Burnet County Republican Women

Chamber Banquet – Feb. 24





BURNET
CHAMBER OF COMMERCE

First

Business After Hours

for 2024!



March 21 from 5-7pm
Wedding Oak Winery

Coffee & Conversation

February



March



April 23



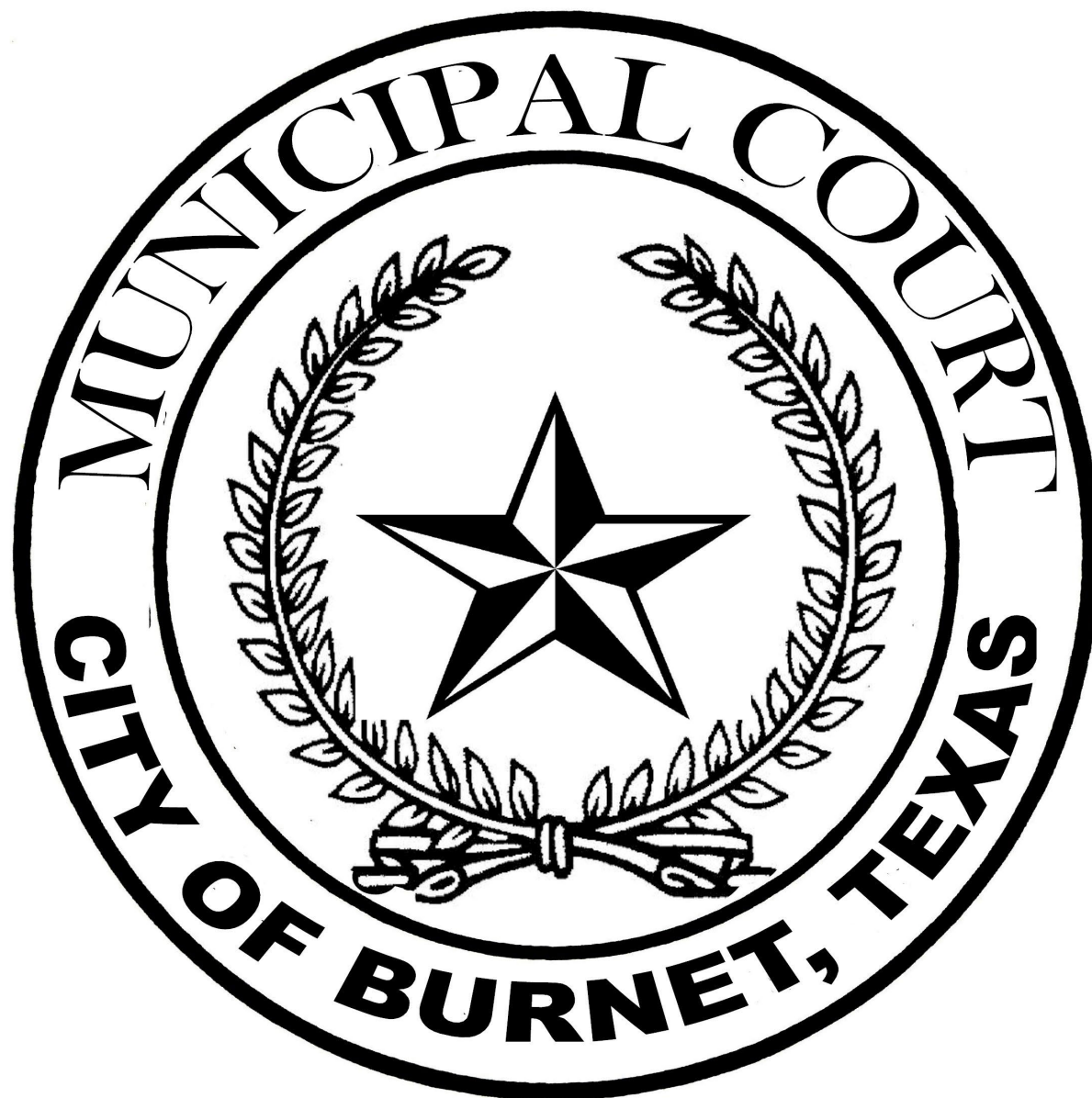


Fri., April 19 @12pm – 3 Lakes Driving School

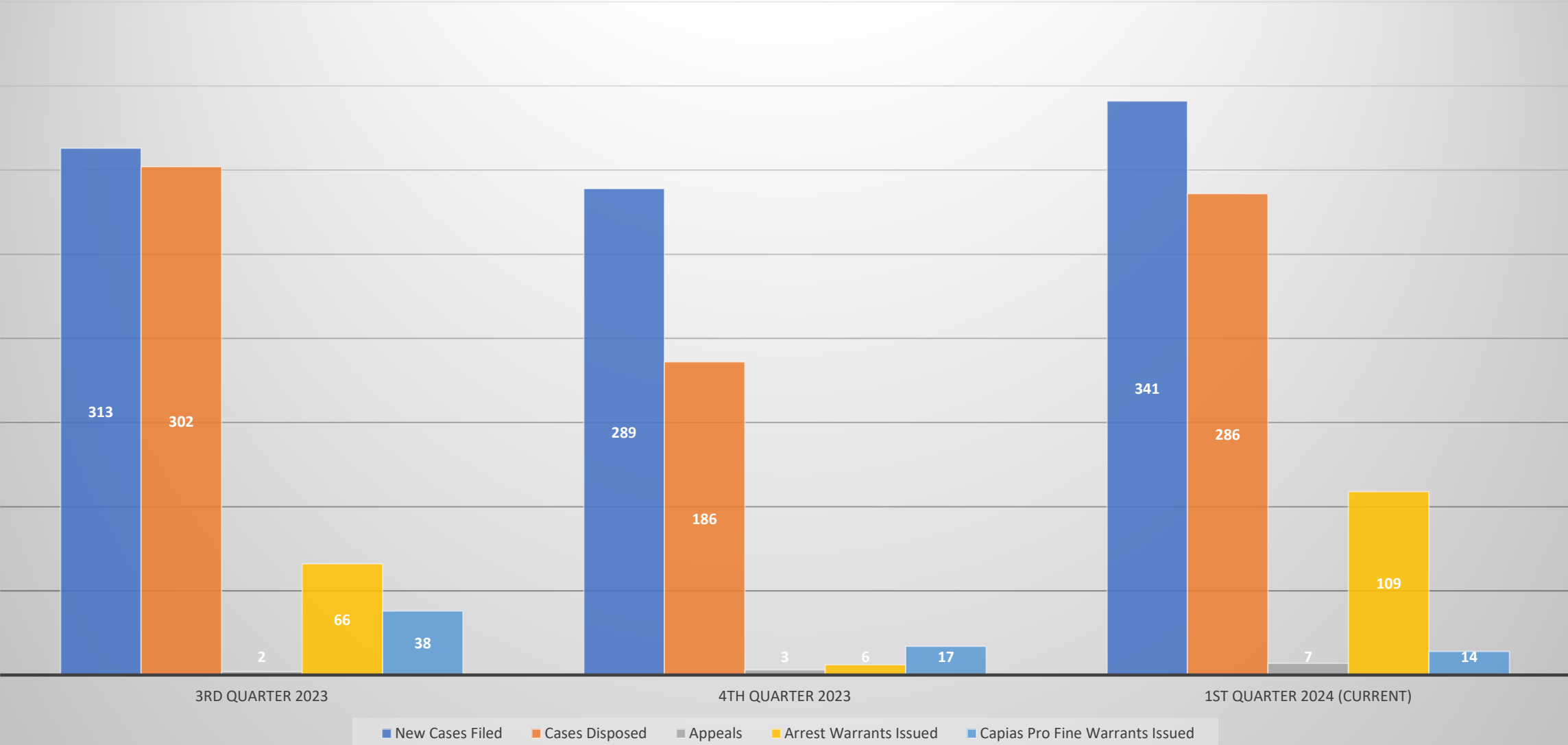
Tues., April 30 @ Noon – Better Now Physical Therapy



Burnet
Municipal
Court
Quarterly
Report



Burnet Municipal Court Quarterly Report



3rd Quarter (2023)

New cases filed: 313

Traffic – 261

Non-Traffic – 43

City Ordinance – 9

Cases cleared: 302

Clearance rate: 96%

Appeals: 2 Without Trial

Warrants Issued

Arrest Warrants – 66

Capias Pro Fine Warrants – 38

4th Quarter (2023)

New cases filed: 289

Traffic – 250

Non-Traffic – 35

City Ordinance – 4

Cases cleared: 186

Clearance rate: 64%

Appeals: 3 Without Trial

Warrants Issued

Arrest Warrants – 6

Capias Pro Fine Warrants – 17

1st Quarter (Current)

New cases filed: 341

Traffic – 295

Non-Traffic – 37

City Ordinance – 9

Cases cleared: 286

Clearance rate: 84%

Appeals: 7 Without Trial

Warrants Issued

Arrest Warrants – 109

Capias Pro Fine Warrants – 14

2nd Quarter Objectives

- The Court is continuing to make progress on their Youth Diversion Plan which is required to be in place by January 1, 2025, per H.B 3186.
 - Currently in discussions with Texas A&M Agrilife Extension about bringing their RED: Reality Education for Drivers to our area and utilizing it as part of our Diversion
 - The RED program is a FREE, one-day class, focusing on traffic safety and injury prevention for drivers ages 15-25 who have exhibited unsafe behaviors relative to the highest risks factors: Impaired, Drowsy and Distracted Driving, Speeding and Seatbelt Misuse.
 - <https://watchurbac.tamu.edu/>
- The Judge will be attending the Regional Training Conference and the Court Security Conference in May.
- The Court Administrator will also be attending the Regional Training Conference in May, along with the Court Administrator's Conference to maintain her Certified Court Clerk Level II hours.
- The Court will continue to work on providing accurate and accessible information through the City's website, with the implementation of more options to dispose of a case via the website.
- The Court will begin using their new Information Brochure which will be given to Defendants when they receive a citation.



DELAWARE SPRINGS QUARTERLY REPORT



NEW FILTER SYSTEM



CLUB HOUSE LANDSCAPING



**NEW
GOLF
CARTS**



PARKING LOT PROJECT



NEW FOUNTAIN

Parking Lot Project



QUESTIONS ???

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

On this the 26th day of March, 2024, the City Council of the City of Burnet convened in a Workshop Session, at 5:00 p.m. at the City of Burnet Council Chambers, located at 2402 S. Water Street (Hwy 281 South, Burnet Municipal Airport) Burnet, Tx. thereof with the following members present, to-wit:

Mayor Gary Wideman
Council Members Dennis Langley, Mary Jane Shanes, Philip Thurman, Tres Clinton, Joyce
 Laudenschlager, Ricky Langley
City Manager David Vaughn
City Secretary Kelly Dix

Guests: Leslie Kimbler, Patricia Langford, Brian Lee, Mark Ingram, Maria Gonzales, Eric Belaj, Veronica Hernandez, Tommy Gaut, Adrienne Field, Chelci Lewis

Call to Order: Mayor Wideman called the meeting to order at 5:00 p.m.

CONSIDERATION ITEMS:

Discuss and consider: Flooding of the Maulding properties located at 805 Buchanan Drive: D. Vaughn: City Manager, David Vaughn, presented a status update on the Maulding property located at 805 Buchanan Drive. The property is considered a total loss. Due to governmental immunity, the City has no liability. In 1939, LCRA purchased an easement and built an electrical line overhead, making the property unbuildable. A structural engineer deemed the current building as not safe for tenants. Council discussed ethical responsibilities and directed Mr. Vaughn to move forward with negotiations. Staff will compile a list of options for Council to review at a future meeting.

Discuss and consider: Street Projects: D. Vaughn: City Manager, David Vaughn, presented an update on Ft. Croghan Road. Ft. Croghan Road is a private road with several owners. The project will require a petition to declare the road a city street and will cost approximately \$400,000 - \$500,000 to repair. Staff will proceed with the petition and will update Council at a future meeting. Mr. Vaughn also reviewed street projects that are currently underway. All quadrants of the city have been addressed in areas most needed. The Street Committee has determined that there are 30 streets that will be repaired this year. The City will partner with the County when able. External engineering will be required, as well as outside contractors for future street projects. Staff will draft a preventative maintenance plan to be presented to Council at a later meeting.

ADJOURN: There being no further business, Mayor Wideman adjourned the City Council Workshop meeting at 5:56 p.m.

Gary Wideman, Mayor

ATTEST:

Kelly Dix, City Secretary

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

On this the 26th day of March, 2024, the City Council of the City of Burnet convened in Regular Session, at 6:00 p.m. the City of Burnet Council Chambers located at 2402 S. Water Street (Hwy 281 South, Burnet Municipal Airport) Burnet, Tx. thereof with the following members present, to-wit:

Mayor Gary Wideman
Council Members Dennis Langley, Ricky Langley, Philip Thurman, Joyce Laudenschlager, Tres Clinton, Mary Jane Shanes
City Manager David Vaughn
City Secretary Kelly Dix

Guests: Eric Belaj, Maria Gonzales, Mark Ingram, Tony Nash, Patricia Langford, Tommy Gaut, Veronica Hernandez, Brian Lee, Leslie Kimbler, Mikayla McIntyre, Chelci Lewis

Call to Order: Mayor Wideman called the meeting to order at 6:00 p.m.

INVOCATION: Led by Council Member Mary Jane Shanes

PLEDGES (US & TEXAS): Led by Council Member Philip Thurman

SPECIAL REPORTS/RECOGNITION:

Airport Quarterly Report: A. Feild: Airport Manager, Adrienne Feild, presented Airport Quarterly Report to all present. Mrs. Feild reviewed AV gas and jet fuel sales and provided a status update on the Ramp Grant. Mrs. Feild reported general maintenance that has been completed at the airport and reported that the Box Hangar Project is set to begin April 15th.

Fire Department Quarterly Report: M. Ingram: Fire Chief Mark Ingram reported on the new Fire Marshal for the City of Burnet, Johnny Caraway to all present. It was reported that Mr. Caraway has been conducting several inspections at all businesses in town. Chief Ingram reported that Mr. Caraway has been diligent in working with businesses to bring them up to proper fire code. Inspection fees have generated a revenue of \$1850.00.

February 2024 Financial Report: P. Langford: Director of Finance, Patricia Langford, presented the February 2024 Financial Report to all present. Mrs. Langford reviewed individual fund revenues, expenses, and overall fund balances for the General Fund, Golf Fund, Utility Funds, and Airport Funds. Mrs. Langford also provided a report on cash reserves to include unrestricted and restricted as of month close for February 2024.

CONSENT AGENDA:

Approval of the February 27, 2024 City Council Workshop Meeting Minutes

Approval of the February 27, 2024 City Council Regular Meeting Minutes

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS APPROVING ACCEPTANCE OF A RIGHTS OF WAY EASEMENT AND A PUBLIC UTILITY EASEMENT FROM CGG HOLDINGS III, LLC LOCATED ALONG EAST STATE HIGHWAY 29; AND AUTHORIZING THE MAYOR’S EXECUTION OF SAID INSTRUMENTS ON BEHALF OF THE CITY: Council Member Philip Thurman moved to approve the Consent Agenda as presented. Council Member Mary Jane Shanes seconded. The motion carried unanimously.

PUBLIC HEARINGS/ACTION: None.

ACTION ITEMS:

Discuss and consideration: SECOND AND FINAL READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING CODE OF ORDINANCES BY ADOPTION OF A COMPREHENSIVE FEE SCHEDULE AND AMENDING VARIOUS CHAPTERS OF THE CITY CODE TO INCORPORATE SERVICE, PERMIT AND OTHER CITY FEES INTO THE FEE SCHEDULE; PROVIDING FOR PENALTY; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE: H. Erkan, Jr: Council Member Mary Jane Shanes moved to approve and adopt Ordinance 2024-08 as presented. Council Member Joyce Laudenschlager seconded. The motion carried unanimously.

Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO ISSUE, RECEIVE, AND RANK BIDS ON FUNDED INFRASTRUCTURE PROJECTS: E. Belaj: Council Member Joyce Laudenschlager moved to approve and adopt Ordinance 2024-20 as presented. Council Member Mary Jane Shanes seconded. The motion carried unanimously.

Discuss and consider action: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS AUTHORIZING THE ACCEPTANCE OF THE 2023 COMMUNITY DEVELOPMENT BLOCK GRANT (“TXCDBG”) PROGRAM; AND THE COMMITMENT OF MATCHING FUNDS OF \$255,976.00 FROM THE WATER/WASTEWATER FUND; AND AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS AND TAKE ACTIONS TO FACILITATE SUCH ACCEPTANCE: A. Feild: Council Member Philip Thurman made a motion to approve and adopt Resolution R2024-19 as presented. Council Member Ricky Langley seconded the motion. The motion carried unanimously.

Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPOINTING AN ASSISTANT CITY SECRETARY WITH THE POWERS AND DUTIES TO ASSIST WITH SAID OFFICE AND TO SERVE IN THE ABSENCE OF THE CITY SECRETARY: K. Dix: Council Member Ricky Langley moved to approve and adopt Resolution No. 2024-18. Council Member Phillip Thurman seconded the motion. The motion carried unanimously.

Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING THE 2023-2024 STREET REHAB PROGRAM, AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT THE PROGRAM: E. Belaj: Council Member Mary Jane Shanes moved to approve and adopt Resolution R2024-22 as presented. Council Member Joyce Laudenschlager seconded the motion. The motion carried unanimously.

Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS, AMENDING THE CITY CODE OF ORDINANCES SECTION 74-38(a) GOLF COURSE DAILY RATES; PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE: T. Nash: Council Member Ricky Langley moved to approve and adopt Ordinance 2024-09 as presented. Council Member Philip Thurman seconded the motion. The motion carried unanimously.

Discuss and consider action: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH CLUB CAR LLC, FOR THE PURCHASE OF GOLF CARTS: T. Nash: Council Member Philip Thurman made a motion to approve and adopt Resolution No. R2024-24 as presented. Council Member Joyce Laudenschlager seconded the motion. The motion carried unanimously.

Discuss and consider action: Cancellation of the April 9th, 2024, Regular City Council meeting: K. Dix: Council Member Mary Jane Shanes moved to approve the cancellation of the April 9th, 2024 regularly scheduled Council Meeting as presented. Council Member Philip Thurman seconded the motion. The motion carried unanimously.

Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS APPROVING A UTILITY OVERSIZING AGREEMENT WITH THE CREEKFALL SUBDIVISION PHASES ONE AND TWO PLAT APPLICANT AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT ON BEHALF OF THE CITY: D. Vaughn: Council Member Philip: Council Member Philip Thurman moved to approve and adopt Resolution No. R2024-23 as presented. Council Member Ricky Langley seconded the motion. The motion carried unanimously.

Discuss and consider action: A determination by the City Council of the City of Burnet, Texas, whether the sale of manufactured homes is authorized in the Heavy Commercial District “C-3” Zoning District: D. Vaughn: Council Member Phillip Thurman moved to approve the authorization of the sale of manufactured homes in Heavy Commercial District “C-3” Zoning Districts with a conditional use permit. Council Member Mary Jane Shanes seconded the motion. The motion carried unanimously.

Discuss and consider action: City Council discussion and direction to city staff to initiate the zoning amendment process to authorize the sale of manufactured homes as an allowable conditional use in the Heavy Commercial District “C-3” and the Light Industrial District “I-1” Zoning District and to remove manufactured housing and service from the Heavy Commercial District “C-3” use table: D. Vaughn: Council Member Ricky Langley made a motion to approve and authorize the sale of manufactured homes as an allowable conditional use in the Heavy

Commercial District “C-3” and the Light Industrial District “I-1” Zoning District and to remove manufactured housing and service from the Heavy Commercial District “C-3” use table. Council Member Dennis Langley seconded the motion. The motion carried unanimously.

REQUESTS FROM COUNCIL FOR FUTURE REPORTS: In accordance with Resolution R2020-28 councilmembers may request the City Manager to prepare and present future report on matters of public interest:

None.

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

ATTEST:

Gary Wideman, Mayor

Kelly Dix, City Secretary



Development Services

ITEM 3.1 A

Leslie Kimbler
Planner
512-715-3215
lkimbler@cityofburnet.com

Public Hearing and Action Item

Meeting Date: April 23, 2024

Agenda Item: Public Hearing and Action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING PROPERTIES KNOWN AS THE 101 HAMILTON CREEK CIRCLE, 103 HAMILTON CREEK CIRCLE, 105 HAMILTON CREEK CIRCLE, 109 HAMILTON CREEK CIRCLE, 113 HAMILTON CREEK CIRCLE, 117 HAMILTON CREEK CIRCLE, 119 HAMILTON CREEK CIRCLE, 108 HAMILTON CREEK CIRCLE, 104 HAMILTON CREEK CIRCLE, 100 HAMILTON CREEK CIRCLE, 800 HAMILTON CREEK EAST DRIVE, 900 HAMILTON CREEK DRIVE, 800 HAMILTON CREEK #12, 800 HAMILTON CREEK WEST DRIVE, AND 906 HAMILTON CREEK CIRCLE FROM THEIR PRESENT DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3” TO A DESIGNATION OF MANUFACTURED HOME – DISTRICT “M-1”; AND PROPERTY KNOWN AS 100 S HAMILTON CREEK DRIVE FROM ITS PRESENT DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3” TO A DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1”. L. Kimbler

Background: This request is a city-initiated request to bring the properties into compliance with the current zoning code.

Information: In the continued effort to clean up the zoning map to ensure each property is zoned appropriately for the use as well as the surrounding area, staff is bringing this request forward for consideration.

Public Notification: Written notices were mailed to 120 surrounding property owners within 200 feet of the subject property. There have been zero responses in favor and zero responses in opposition.

P&Z Report: Planning and Zoning will meet on April 15th; staff will present P&Z's recommendation at the City Council meeting.

Recommendation: Open the public hearing. At the conclusion of the public hearing, discuss and consider the first reading of the draft ordinance.

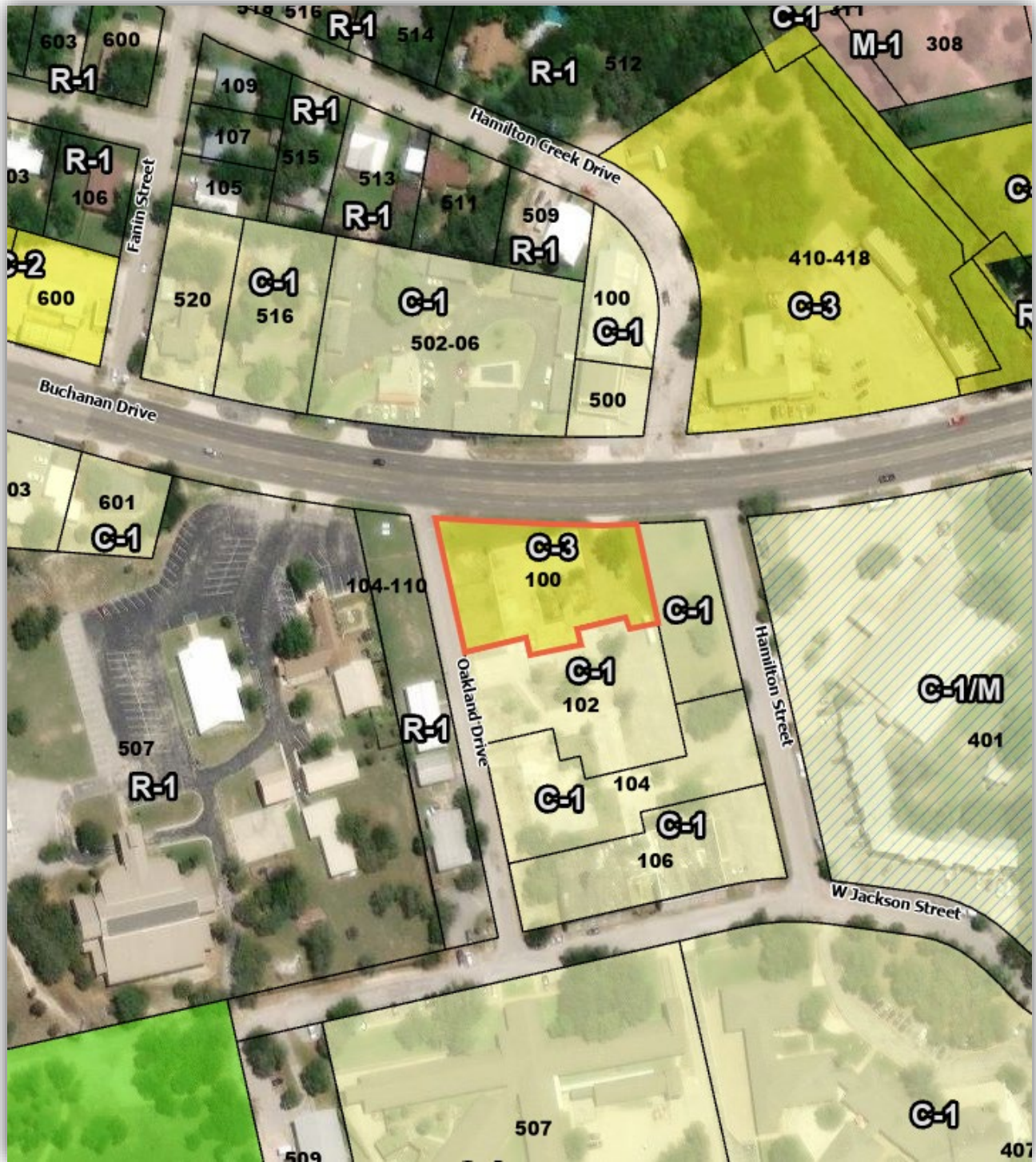
Exhibit A – Location and Current Zoning

101 HAMILTON CREEK CIRCLE, 103 HAMILTON CREEK CIRCLE, 105 HAMILTON CREEK CIRCLE, 109 HAMILTON CREEK CIRCLE, 113 HAMILTON CREEK CIRCLE, 117 HAMILTON CREEK CIRCLE, 119 HAMILTON CREEK CIRCLE, 108 HAMILTON CREEK CIRCLE, 104 HAMILTON CREEK CIRCLE, 100 HAMILTON CREEK CIRCLE, 800 HAMILTON CREEK EAST DRIVE, 900 HAMILTON CREEK DRIVE, 800 HAMILTON CREEK #12, 800 HAMILTON CREEK WESTDRIVE, AND 906 HAMILTON CREEK CIRCLE



Exhibit A – Location and Current Zoning (cont.)

100 S HAMILTON CREEK DRIVE



ORDINANCE NO. 2024-10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING PROPERTIES KNOWN AS THE 101 HAMILTON CREEK CIRCLE, 103 HAMILTON CREEK CIRCLE, 105 HAMILTON CREEK CIRCLE, 109 HAMILTON CREEK CIRCLE, 113 HAMILTON CREEK CIRCLE, 117 HAMILTON CREEK CIRCLE, 119 HAMILTON CREEK CIRCLE, 108 HAMILTON CREEK CIRCLE, 104 HAMILTON CREEK CIRCLE, 100 HAMILTON CREEK CIRCLE, 800 HAMILTON CREEK EAST DRIVE, 900 HAMILTON CREEK DRIVE, 800 HAMILTON CREEK #12, 800 HAMILTON CREEK WEST DRIVE, AND 906 HAMILTON CREEK CIRCLE FROM THEIR PRESENT DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3” TO A DESIGNATION OF MANUFACTURED HOME – DISTRICT “M-1”; AND PROPERTY KNOWN AS 100 S HAMILTON CREEK DRIVE FROM ITS PRESENT DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3” TO A DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1”

WHEREAS, the City Council, by the passage and approval of Ordinance No. 2021-001, affixed the zoning classifications for each and every property located within the city in accordance with the Official Zoning Map as approved with said ordinance; and

WHEREAS, the purpose of this Ordinance is to amend the Official Zoning Map by amending the zoning classification of the Real Property (“Property”) described herein; and

WHEREAS, the Planning and Zoning Commission, after conducting a public hearing on the matter, deliberated the merits of the proposed amendment of zoning classification and has made a report and recommendation to City Council; and

WHEREAS, in passing and approving this ordinance it is legislatively found the Planning and Zoning Commission and City Council complied with all notice, hearing and meetings requirements set forth in Texas Local Government Chapter 211; Texas Government Code Chapter 551, the City Charter; and Chapter 118, of the Code of Ordinances; and

WHEREAS, it is further legislatively found that this proposed zoning reclassification of property does not require an amendment to the Future Land Use Plan; and

WHEREAS, City Council, after considering the testimony and comments of the public, reports and recommendations of City Staff and the Planning and Zoning Commission, and the deliberation of its members, by passage and approval of this Ordinance hereby determines the action taken herein is meritorious and beneficial to the public health, safety, and welfare.

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

Section one. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted and made a part hereof for all purposes as findings of fact.

Section two. Property. The Property that is the subject to this Zoning District Reclassification is known as: 101 HAMILTON CREEK CIRCLE (LEGALLY DESCRIBED AS: WESTSIDE ADDITION, LOT 1) as shown on **Exhibit “A”** hereto.

Section three. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section two.

Section four. Property. The Property that is the subject to this Zoning District Reclassification is known as: 103 HAMILTON CREEK CIRCLE (LEGALLY DESCRIBED AS: WESTSIDE ADDITION, LOT 2) as shown on **Exhibit “B”** hereto.

Section five. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section four.

Section six. Property. The Property that is the subject to this Zoning District Reclassification is known as 105 HAMILTON CREEK CIRCLE, (LEGALLY DESCRIBED AS: WESTSIDE ADDITION, LOT 3) as shown on **Exhibit “C”** hereto.

Section seven. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section six.

Section eight. Property. The Property that is the subject to this Zoning District Reclassification is known as: 109 HAMILTON CREEK CIRCLE (LEGALLY DESCRIBED AS: WESTSIDE ADDITION, LOT 4) as shown on **Exhibit “D”** hereto.

Section nine. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section eight.

Section ten. Property. The Property that is the subject to this Zoning District Reclassification is known as: 113 HAMILTON CREEK CIRCLE, (LEGALLY DESCRIBED AS: WESTSIDE ADDITION, LOT 5) as shown on **Exhibit “E”** hereto.

Section eleven. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section ten.

Section twelve. Property. The Property that is the subject to this Zoning District Reclassification known as: 117 HAMILTON CREEK CIRCLE, (LEGALLY DESCRIBED AS: WESTSIDE ADDITION, LOT 6, UNIT 7) as shown on **Exhibit “F”** hereto.

Section thirteen. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section twelve.

Section fourteen. Property. The Property that is the subject to this Zoning District Reclassification is known as: 119 HAMILTON CREEK CIRCLE (LEGALLY DESCRIBED AS: WESTSIDE ADDITION, LOT 7) as shown on **Exhibit “G”** hereto.

Section fifteen. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section fourteen.

Section sixteen. Property. The Property that is the subject to this Zoning District Reclassification is known as: 108 HAMILTON CREEK CIRCLE (LEGALLY DESCRIBED AS: WESTSIDE ADDITION, LOT 8) as shown on **Exhibit “H”** hereto.

Section seventeen. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section sixteen.

Section eighteen. Property. The Property that is the subject to this Zoning District Reclassification is known as: 104 HAMILTON CREEK CIRCLE (LEGALLY DESCRIBED AS: WESTSIDE ADDITION, LOT 9, NO MH#) as shown on **Exhibit “I”** hereto.

Section nineteen. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section eighteen.

Section twenty. Property. The Property that is the subject to this Zoning District Reclassification is known as: 100 HAMILTON CREEK CIRCLE (LEGALLY DESCRIBED AS: NORTH 37’ OF LOT 10, WESTSIDE ADDITION) as shown on **Exhibit “J”** hereto.

Section twenty-one. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section twenty.

Section twenty-two. Property. The Property that is the subject to this Zoning District Reclassification is known as: 800 HAMILTON CREEK EAST DRIVE (LEGALLY DESCRIBED AS: SOUTH ONE-HALF LOT NO. 10, 75’, WEST SIDE ADDITION) as shown on **Exhibit “K”** hereto.

Section twenty-three. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section twenty-two.

Section twenty-four. Property. The Property that is the subject to this Zoning District Reclassification is known as: 900 HAMILTON CREEK DRIVE (LEGALLY DESCRIBED AS: LOT 11, WESTSIDE ADDITION) as shown on **Exhibit “L”** hereto.

Section twenty-five. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section twenty-four.

Section twenty-six. Property. The Property that is the subject to this Zoning District Reclassification is known as: 800 HAMILTON CREEK #12 (LEGALLY DESCRIBED AS: WESTSIDE ADDITION LOT 12) as shown on **Exhibit “M”** hereto.

Section twenty-seven. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section twenty-six.

Section twenty-eight. Property. The Property that is the subject to this Zoning District Reclassification is known as: 800 HAMILTON CREEK WEST DRIVE (LEGALLY DESCRIBED AS: .3347 AC., ABS. 405, JOHN HAMILTON SURVEY AKA LOT 14, WESTSIDE ADDITION) as shown on **Exhibit “N”** hereto.

Section twenty-nine. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section twenty-eight.

Section thirty. Property. The Property that is the subject to this Zoning District Reclassification is known as: 906 HAMILTON CREEK CIRCLE (LEGALLY DESCRIBED AS: WESTSIDE ADDITION, LOT 13) as shown on **Exhibit “O”** hereto.

Section thirty-one. Zoning District Reclassification. MANUFACTURED HOME – DISTRICT “M-1” Zoning District Classification is hereby assigned to the Property described in section thirty.

Section thirty-two. Property. The Property that is the subject to this Zoning District Reclassification is known as: 100 S HAMILTON CREEK DRIVE (LEGALLY DESCRIBED AS: OAKLAND ESTATES LOT 1, UNIT 1) as shown on **Exhibit “P”** hereto.

Section thirty-three. Zoning District Reclassification. LIGHT COMMERCIAL – DISTRICT “C-1” Zoning District Classification is hereby assigned to the Property described in section thirty-two.

Section thirty-four. Zoning Map Revision. The City Secretary is hereby authorized and directed to revise the Official Zoning Map to reflect the change in Zoning District Classification approved by this Ordinance.

Section thirty-five. Repealer. Other ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent of such conflict.

Section thirty-six. Severability. This Ordinance is severable as provided in City Code Section 1-7 as same may be amended, recodified or otherwise revised.

Section thirty-seven. Effective Date. This ordinance is effective upon final passage and approval.

PASSED on First Reading the 23rd day of April 2024.

PASSED AND APPROVED on this the 14th day of May 2024.

CITY OF BURNET, TEXAS

Gary Wideman, Mayor

ATTEST:

Kelly Dix, City Secretary

Exhibit "A"
101 HAMILTON CREEK CIRCLE



Exhibit "B"
103 HAMILTON CREEK CIRCLE



Exhibit "C"
105 HAMILTON CREEK CIRCLE



Exhibit "D"
109 HAMILTON CREEK CIRCLE



Exhibit "E"
113 HAMILTON CREEK CIRCLE



Exhibit "F"
117 HAMILTON CREEK CIRCLE



Exhibit "G"
119 HAMILTON CREEK CIRCLE



Exhibit "H"
108 HAMILTON CREEK CIRCLE



Exhibit "I"
104 HAMILTON CREEK CIRCLE



Exhibit "J"
100 HAMILTON CREEK CIRCLE



Exhibit "K"
800 HAMILTON CREEK EAST DRIVE



Exhibit "L"
900 HAMILTON CREEK DRIVE



Exhibit "M"
800 HAMILTON CREEK #12



Exhibit "N"
800 HAMILTON CREEK WEST DRIVE



Exhibit "O"
906 HAMILTON CREEK CIRCLE



Exhibit "P"
100 S HAMILTON CREEK DRIVE



FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING PROPERTIES KNOWN AS THE 101 HAMILTON CREEK CIRCLE, 103 HAMILTON CREEK CIRCLE, 105 HAMILTON CREEK CIRCLE, 109 HAMILTON CREEK CIRCLE, 113 HAMILTON CREEK CIRCLE, 117 HAMILTON CREEK CIRCLE, 119 HAMILTON CREEK CIRCLE, 108 HAMILTON CREEK CIRCLE, 104 HAMILTON CREEK CIRCLE, 100 HAMILTON CREEK CIRCLE, 800 HAMILTON CREEK DRIVE, 900 HAMILTON CREEK DRIVE, 800 HAMILTON CREEK #12, 800 HAMILTON CREEK DRIVE, AND 906 HAMILTON CREEK CIRCLE FROM THEIR PRESENT DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3” TO A DESIGNATION OF MANUFACTURED HOME – DISTRICT “M-1”; AND PROPERTY KNOWN AS 100 S HAMILTON CREEK DRIVE FROM ITS PRESENT DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3” TO A DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1”

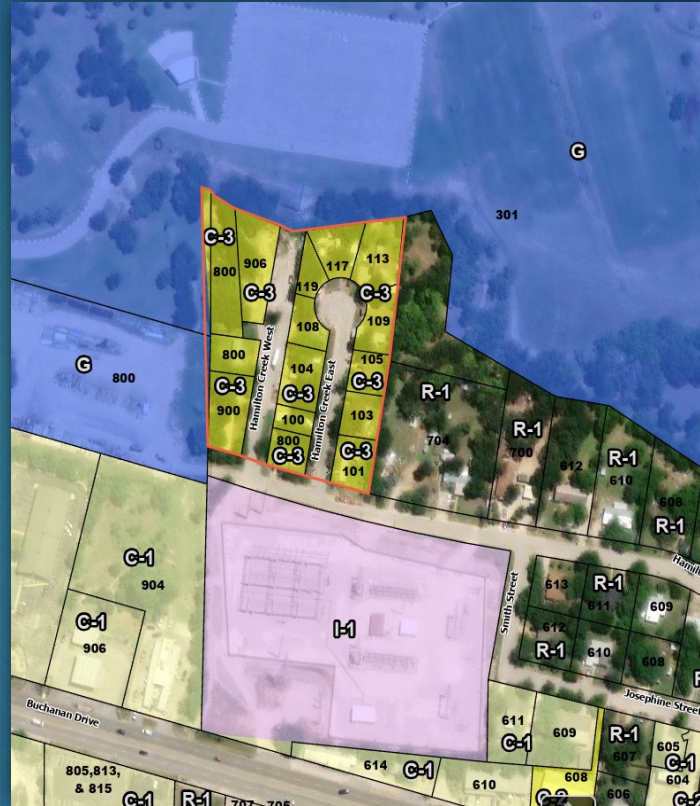




Current Zoning:
HEAVY COMMERCIAL – DISTRICT
“C-3”

**City Initiated
Request:**
MANUFACTURED HOME – DISTRICT “M-1”
&
LIGHT COMMERCIAL – DISTRICT “C-1”

Brings the properties into compliance with
their current use

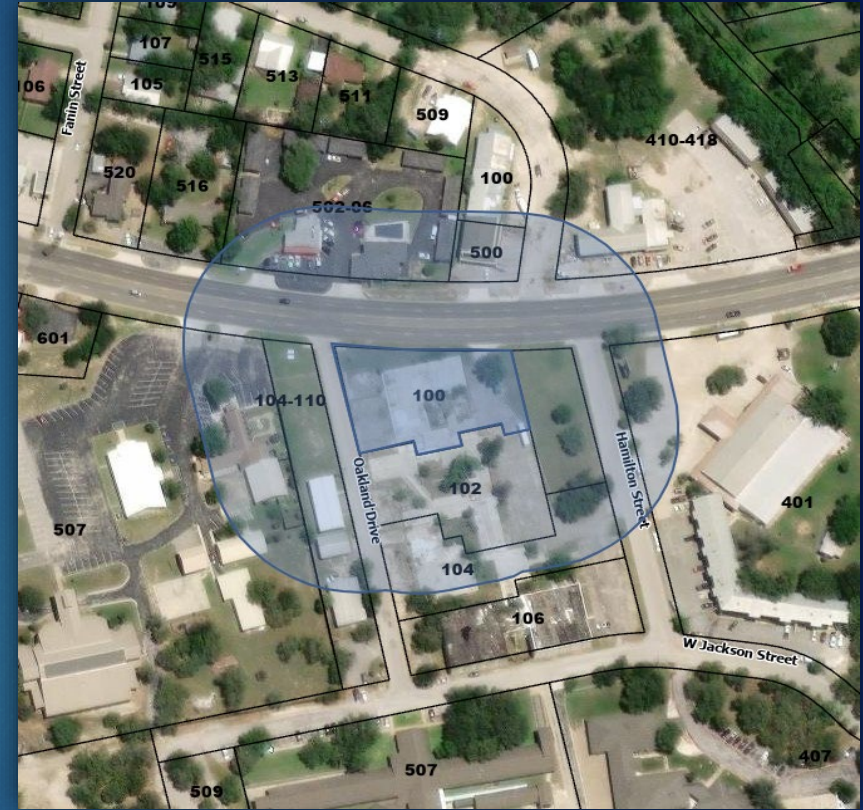


Public Notification:

Notices were mailed to 28 surrounding property owners. Zero responses have been received in favor or opposition

P&Z Report:

Planning and Zoning will meet on Monday, April 15th; staff will present P&Z recommendation at the City Council meeting



Public Hearing

- ▶ Public hearing opened by Chair
- ▶ Limit 3 minutes per speaker

Discussion

- ▶ Discuss and consider the first reading of ordinance 2024-10 as presented.





Development Services

ITEM 3.1 (B)

Leslie Kimbler
Planning Manager
512-715-3215
lkimbler@cityofburnet.com

Public Hearing and Action Item

Meeting Date: April 23, 2024

Agenda Item: Public Hearing and Action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING PROPERTY KNOWN AS 1736 W HWY 29 FROM ITS PRESENT DESIGNATION OF MEDIUM COMMERCIAL – DISTRICT “C-2” TO A DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3” WITH A CONDITIONAL USE PERMIT TO ALLOW THE USE “MINI STORAGE WAREHOUSE”: L. Kimbler

Background: This property is located on the north side of west State Highway 29, also known as Buchanan Drive (Exhibit A). The property is currently developed with mini storage units and is zoned Medium Commercial – District “C-2”. The property owner has recently obtained a site development permit to expand their mini storage unit business. At the time of their application, the use “Mini Storage Warehouse” was an allowable use in District “C-2”. Due to the recent zoning amendment which moved the use “Mini Storage Warehouse” to Light Industrial – “I-1” this property is now a pre-existing non-conforming property. Since their application was submitted at a time when their property was still compliant with the zoning code, they would not be required to go through the zoning process prior to construction; however, in a continued effort to clean up our zoning map, staff is bringing forward this zoning request.

Information: The Conditional Use Permit approval process is established by Code of Ordinances Sec. 118-64; Subsection (e). Per the cited section in making its recommendation the Commission should consider the following:

- Appearance, size, density and operating characteristics are compatible with surrounding neighborhood and uses;
- Proposed use will not adversely affect value of surrounding properties nor impede their proper development;

- Proposed use will not create a nuisance factor nor otherwise interfere with a neighbor's enjoyment of property or operation of business;
- Traffic generated on existing streets will not create nor add significantly to congestion, safety hazards, or parking problems, and will not disturb peace and quiet of neighborhood;
- Comply with other applicable ordinances and regulations.

Staff Analysis: Staff has reviewed the criteria in Sec. 118-64(3) and can confirm the general criteria for a Conditional Use Permit will be met.

- The property is an existing mini storage warehouse unit business; therefore, the operating characteristics will continue to be compatible with surrounding uses.
- Surrounding properties are already developed; approving a Conditional Use Permit for the existing use of "Mini Storage Warehouse" will not adversely affect the surrounding properties.
- The continued use of the existing property will not interfere with the operation of neighboring businesses.
- This property abuts the highway; the traffic generated by this use should not create nor add significantly to the existing traffic patterns.

Public Notification: Written notices were mailed to 8 surrounding property owners within 200 feet of the subject property. There have been zero responses in favor and zero responses in opposition.

P&Z Report: Planning and Zoning meet on Monday, April 15th; staff will present P&Z's recommendation at the City Council Meeting.

Recommendation: Open the public hearing. At the conclusion of the public hearing, discuss and consider the first reading of the draft ordinance.

ORDINANCE NO. 2024-11

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING PROPERTY KNOWN AS 1736 W HWY 29 FROM ITS PRESENT DESIGNATION OF MEDIUM COMMERCIAL – DISTRICT “C-2” TO A DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3” WITH A CONDITIONAL USE PERMIT TO ALLOW THE USE “MINI STORAGE WAREHOUSE”

WHEREAS, the City Council, by the passage and approval of Ordinance No. 2021-001, affixed the zoning classifications for each and every property located within the city in accordance with the Official Zoning Map as approved with said ordinance; and

WHEREAS, the purpose of this Ordinance is to amend the Official Zoning Map by amending the zoning classification of the Real Property (“Property”) described herein; and

WHEREAS, the Planning and Zoning Commission, after conducting a public hearing on the matter, deliberated the merits of the proposed amendment of zoning classification and has made a report and recommendation to City Council; and

WHEREAS, in passing and approving this ordinance it is legislatively found the Planning and Zoning Commission and City Council complied with all notice, hearing and meetings requirements set forth in Texas Local Government Chapter 211; Texas Government Code Chapter 551, the City Charter; and Chapter 118, of the Code of Ordinances; and

WHEREAS, it is further legislatively found that the required amendment to the Future Land Use Plan was, prior to this action, passed and approved by ordinance of this Council; and

WHEREAS, City Council, after considering the testimony and comments of the public, reports and recommendations of City Staff and the Planning and Zoning Commission, and the deliberation of its members, by passage and approval of this Ordinance hereby determines the action taken herein is meritorious and beneficial to the public health, safety, and welfare.

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

Section one. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted and made a part hereof for all purposes as findings of fact.

Section two. Property. The Property that is the subject to this Zoning District Reclassification is 1736 W HWY 29 (LEGAL DESCRIPTION: NORTH CLEAN STORAGE, LOT 1, 1.59 ACRES) as shown on **Exhibit “A”** hereto.

Section three Zoning District Reclassification. Heavy Commercial- District “C-3” with a Conditional Use Permit for “Mini-Storage Warehouse” Zoning District Classification is hereby assigned to the Property described in section two.

Section four. Zoning Map Revision. The City Secretary is hereby authorized and directed to revise the Official Zoning Map to reflect the change in Zoning District Classification approved by this Ordinance.

Section five. Repealer. Other ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent of such conflict.

Section six. Severability. This Ordinance is severable as provided in City Code Section 1-7 as same may be amended, recodified or otherwise revised.

Section seven. Effective Date. This ordinance is effective upon final passage and approval.

PASSED on First Reading the 23rd day of April 2024.

PASSED AND APPROVED on this the 14th day of May 2024.

CITY OF BURNET, TEXAS

Gary Wideman, Mayor

ATTEST:

Kelly Dix, City Secretary

FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING PROPERTY KNOWN AS 1736 W HWY 29 FROM ITS PRESENT DESIGNATION OF MEDIUM COMMERCIAL – DISTRICT “C-2” TO A DESIGNATION OF HEAVY COMMERCIAL – DISTRICT “C-3” WITH A CONDITIONAL USE PERMIT TO ALLOW THE USE “MINI STORAGE WAREHOUSE”





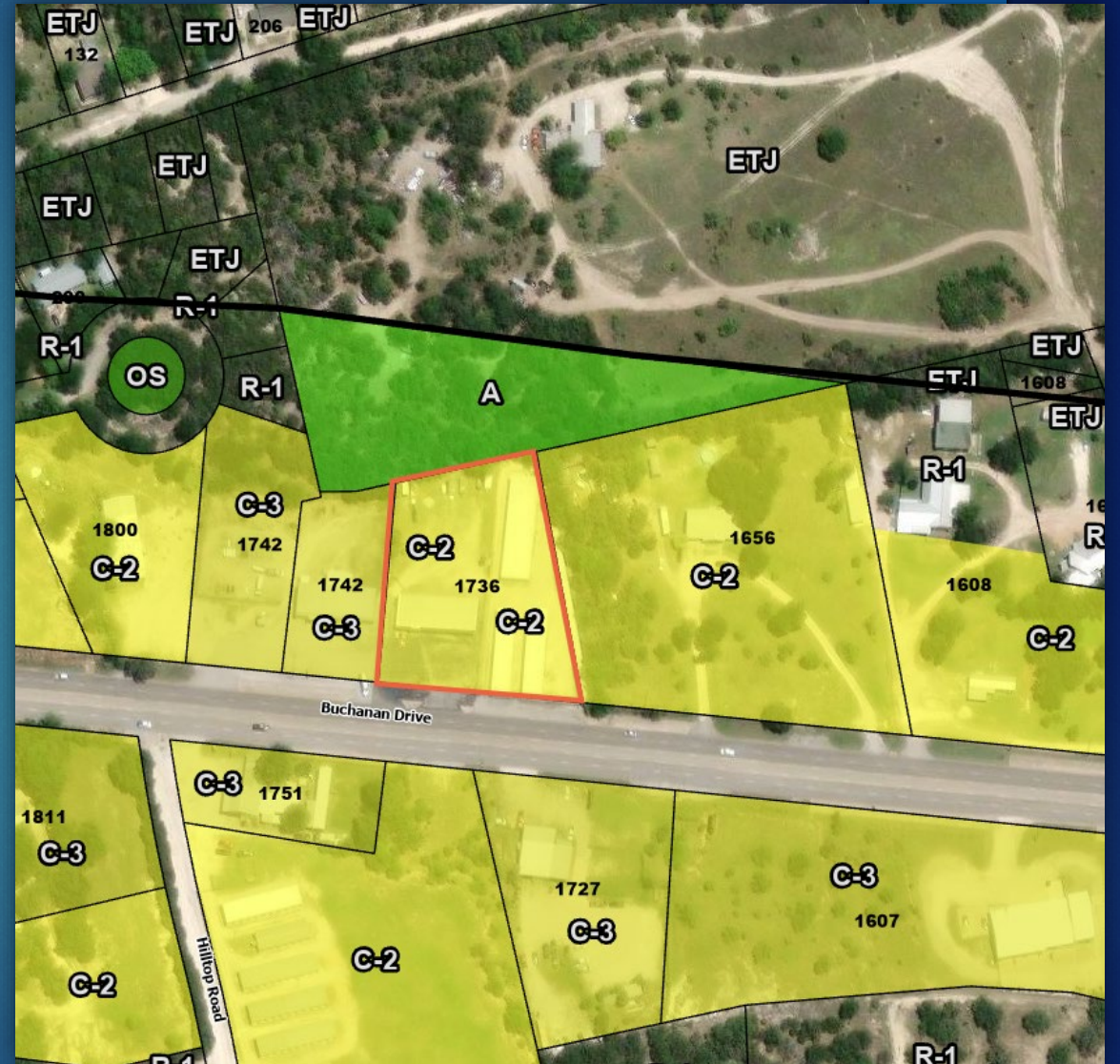
Current Zoning:

MEDIUM COMMERCIAL – DISTRICT
“C-2”

City Initiated Request:

HEAVY COMMERCIAL – DISTRICT “C-3” WITH A
CONDITIONAL USE PERMIT

City of Burnet's Code of Ordinances, Sec. 118-48 Mini Storage
Warehouse is an allowable use in a Light Industrial – District “I-1”
zoning





▶ **Conditional Use Permit Criteria Considerations:**

- ▶ Appearance, size, density and operating characteristics are compatible with surrounding neighborhood and uses;
- ▶ Proposed use will not adversely affect value of surrounding properties nor impede their proper development;
- ▶ Proposed use will not create a nuisance factor nor otherwise interfere with a neighbor's enjoyment of property or operation of business;
- ▶ Traffic generated on existing streets will not create nor add significantly to congestion, safety hazards, or parking problems, and will not disturb peace and quiet of neighborhood;
- ▶ Comply with other applicable ordinances and regulations.

► **Staff Analysis of Code Criterion:**

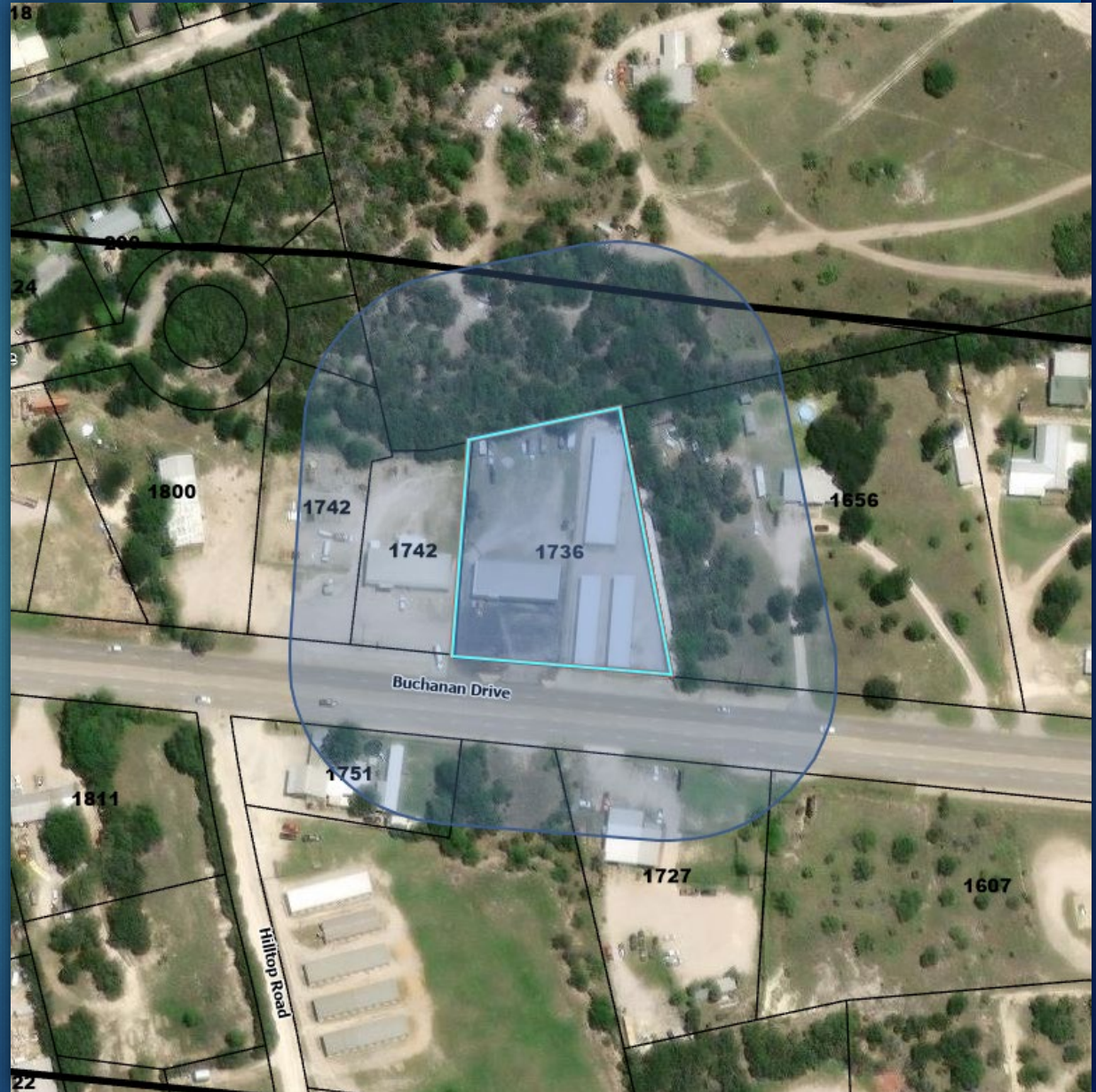
- The property is an existing mini storage warehouse unit business; therefore, the operating characteristics will continue to be compatible with surrounding uses.
- Surrounding properties are already developed; approving a Conditional Use Permit for the existing use of “Mini Storage Warehouse” will not adversely affect the surrounding properties.
- The continued use of the existing property will not interfere with the operation of neighboring businesses.
- This property abuts the highway; the traffic generated by this use should not create nor add significantly to the existing traffic patterns

Public Notification:

Notices were mailed to 8 surrounding property owners. Zero responses have been received in favor or opposition

P&Z Report:

Planning and Zoning will meet on Monday, April 15th; staff will present P&Z recommendation at the City Council meeting



Public Hearing

- ▶ Public hearing opened by Chair
- ▶ Limit 3 minutes per speaker

Discussion

- ▶ Discuss and consider the first reading of the ordinance 2024-11 as presented.





Development Services

ITEM 3.1 C

Leslie Kimbler
Planner
512-715-3215
lkimbler@cityofburnet.com

Public Hearing and Action Item

Meeting Date: April 23, 2024

Agenda Item: Public Hearing and Action Item: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS, AMENDING CODE OF ORDINANCES, CHAPTER 118 (ENTITLED "ZONING") FOR THE PURPOSE OF REMOVING THE USE "MANUFACTURED HOUSING AND SERVICES" FROM HEAVY COMMERCIAL – DISTRICT "C-3" AND RESTRICTING "MANUFACUTRED HOMES SALES AND SERVICES" USES TO HEAVY COMMERCIAL – DISTRICT "C-3" AND LIGHT INDUSTRIAL "I-1" WITH A CONDITIONAL USE PERMIT; PROVIDING FOR PENALTY; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE: L. Kimbler

Background: Currently, the use "Manufactured Housing and Services" is authorized in the Heavy Commercial – District "C-3". This conflicts with the prohibition against single-family dwellings within the commercial districts. Additionally, the use of property for the sale of manufactured homes is not addressed in the zoning code. Such a use may be appropriate in some, but not all, areas classified as Heavy Commercial District "C-3" or Light Industrial – "I-1", therefore a conditional use permit would be appropriate to provide flexibility.

Information: After discussion at the March 26, 2024, meeting, Council directed staff to initiate a zoning amendment process to authorize the sale of manufactured homes as an allowable conditional use in the Heavy Commercial District "C-3" and the Light Industrial District "I-1" Zoning District and remove manufactured housing and service from the Heavy Commercial District "C-3" use table. The proposed amendment finds that the requirement that Manufactured Home Sales and Services permitted uses in Heavy Commercial – District "C-3" and Light Industrial "I-1" by Conditional Use Permit affords the opportunity to assure that Manufactured Home Sales and Services are located at such locations and under such conditions that preserve and protect the health, safety and general welfare of the city and its present and future residents.

Fiscal Impact: No direct fiscal impact is anticipated.

P&Z Report: Planning and Zoning will meet on Monday, April 15th; staff will present P&Z's recommendation at the City Council meeting.

Recommendation: Open the public hearing. At the conclusion of the public hearing, discuss and consider the first reading of the draft ordinance.

ORDINANCE NO. 2024-12

AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS, AMENDING CODE OF ORDINANCES, CHAPTER 118 (ENTITLED “ZONING”) FOR THE PURPOSE OF REMOVING THE USE “MANUFACTURED HOUSING AND SERVICES” FROM HEAVY COMMERCIAL – DISTRICT “C-3” AND RESTRICTING “MANUFACTURED HOMES SALES AND SERVICES” USES TO HEAVY COMMERCIAL – DISTRICT “C-3” AND LIGHT INDUSTRIAL “I-1” WITH A CONDITIONAL USE PERMIT; PROVIDING FOR PENALTY; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Code provides that Manufactured Housing and Services are permitted uses in Heavy Commercial – District “C-3” as a matter of right; and

WHEREAS, City Council finds that the use of properties designated with the Heavy Commercial – District “C-3” as Manufactured Housing conflicts with the prohibition against single-family dwellings within the commercial districts; and

WHEREAS, the sale of manufactured homes is an intensive commercial endeavor and may not be appropriate in all districts classified as Heavy Commercial – District “C-3” or Light Industrial “I-1”; and

WHEREAS, City Council finds that the requirement that Manufactured Home Sales and Services permitted uses in Heavy Commercial – District “C-3” and Light Industrial – District “I-1” by Conditional Use Permit affords the opportunity to assure that Manufactured Home Sales and Services are located within the City at such locations and under such conditions that preserve and protect the health, safety and welfare of the City; and

WHEREAS, on, April 15, 2024, the Planning and Zoning Commission conducted a public hearing for the purpose of taking public comment regarding the proposed amendments; and

WHEREAS, at the conclusion of the public hearing, the Planning and Zoning Commission made a recommendation to City Council as to the merits of the proposed amendments; and

WHEREAS, on April 23, 2024, City Council conducted a public hearing for the purpose of taking public comment regarding the proposed amendments; and

WHEREAS, based on due consideration of the Planning and Zoning Commission recommendation and citizen testimony, as well as its own deliberations, City Council finds that the requirement that Manufactured Home Sales and Services permitted uses in Heavy Commercial – District “C-3” and Light Industrial “I-1” by Conditional Use Permit affords the opportunity to assure that Manufactured Home Sales and Services are located

at such locations and under such conditions that preserve and protect the health, safety and general welfare of the city and its present and future residents; and

WHEREAS, City Council, finds, determines, and declares that to correct the conflict of allowing single-family dwellings in commercial districts, the use of Manufactured Housing and Services shall be removed from the Heavy Commercial District “C-3” use table; and

WHEREAS, City Council, finds, determines, and declares that publication of notice of this Ordinance, as required by Section 3.14 of the City Charter and the laws of the State of Texas, was made by the City Secretary within the period prescribed by Section 3.14; and.

WHEREAS, City Council, finds, determines, and declares that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given as required by Chapter 551 of the Texas Government Code.

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

Section one. Amendment. The Code of Ordinances, Chapter 118 (entitled “Zoning”) Section 118-47 (entitled “Heavy Commercial – District “C-3”) is hereby amended by deleting the language that is italics stricken (~~stricken~~) from Section 118-47(a) as follows:

~~*(10) Manufactured housing and service.*~~

Note to Publisher: Existing subsections 118-47(a)(11) to 118-46(a)(22) shall be recodified as subsections 118-46(a)(10) to 118-46(a)(21).

Section two. Amendment. The Code of Ordinances, Chapter 118 (entitled “Zoning”) Section 118-47 (entitled “Heavy Commercial – District “C-3”) is hereby amended by adding the language that is underlined (underlined) to subsection 118-48(a)(22) as follows:

(22) Manufactured Sales and Services with conditional use permit.

Section three. Amendment. The Code of Ordinances, Chapter 118 (entitled “Zoning”) Section 118-48 (entitled “Light Industrial – I-1”) is hereby amended by adding the language that is underlined (underlined) to subsection 118-48(a)(16) as follows:

(16) Manufactured Sales and Services with conditional use permit.

Section four. Findings. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

Section five. Penalty. A violation of this ordinance is unlawful and subject to City Code of Ordinances Sec. 1-6 (entitled “*general penalty*”).

Section six. Cumulative. This ordinance shall be cumulative of all provisions of all ordinances and codes, or parts thereof, except where the provisions of this Ordinance are in direct conflict with the provisions of such Ordinances, in which event Section 5, (entitled “*Repealer*”) shall be controlling.

Section seven. Repealer. All ordinances and codes, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

Section eight. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Ordinance would have been enacted without such invalid provision.

Section nine. Effective Date. This Ordinance shall be effective upon the date of final adoption hereof.

Passed on first reading on the 23rd day of April, 2024

Passed, Approved and Adopted on the 14th day of May, 2024

CITY OF BURNET

Gary Wideman, Mayor

ATTEST:

Kelly Dix, City Secretary

FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS, AMENDING CODE OF ORDINANCES, CHAPTER 118 (ENTITLED “ZONING”) FOR THE PURPOSE OF REMOVING THE USE “MANUFACTURED HOUSING AND SERVICES” FROM HEAVY COMMERCIAL – DISTRICT “C-3” AND RESTRICTING “MANUFACTURED HOMES SALES AND SERVICES” USES TO HEAVY COMMERCIAL – DISTRICT “C-3” AND LIGHT INDUSTRIAL “I-1” WITH A CONDITIONAL USE PERMIT; PROVIDING FOR PENALTY; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE



- Current allowable use:
 - “Manufactured House and Service”
 - Conflicts with prohibition against single-family dwellings within commercial districts
- Missing from allowable uses:
 - “Manufactured Sales and Services”
- Discussion with City Council March 26, 2024
- Amendment
 - Removes: “Manufactured House and Service”
 - Adds: “Manufactured Sales and Services” with Conditional Use Permit
 - Allowable in Heavy Commercial – District “C-3” AND Light Industrial “I-1”

Public Hearing

- ▶ Public hearing opened by Chair
- ▶ Limit 3 minutes per speaker

Discussion

- ▶ Discuss and consider the first reading of ordinance 2024-12 as presented.





Development Services

ITEM 3.2

Leslie Kimbler
Planner
512-715-3215
lkimbler@cityofburnet.com

Public Hearing

Meeting Date: April 23, 2024

Public Hearing: The City Council of the City of Burnet shall conduct a public hearing to receive public testimony and comments on the merits of a proposed "Preliminary Plat" for approximately 11.76 acres out of Eugenio Perez Subdivision No. 41, Abs. No. 672, and the Susano Hernandez Survey No. 40, Abs. No. 398. The proposed "Preliminary Plat" will establish Delaware Springs Subdivision, Section 25, consisting of 27 residential lots: L. Kimbler

Information: The proposed subdivision, zoned Single-family Residential – District "R-1", is located along Delaware Springs Blvd. with the entrances into the new subdivision across from Delaware Springs, Section 19 (Exhibit A). The applicant is proposing to subdivide the tract to create 26 residential lots, all over a quarter acre, with one detention pond (Exhibit B).

Two new roads will be created within the subdivision to be named Byron Nelson Way and Ben Hogan Drive; Ben Hogan Drive is a cul-de-sac road which does exceed the allowable length in the City of Burnet's code of ordinances, Sec. 98-42, and therefore will require approval of a subdivision variance. Also, block A, along Ben Hogan Road is a length of 962 feet which exceeds the allowable length as set forth in the code and requires a subdivision variance. Additionally, lots 2, 3, 4, 5, 6, 12, 13, 14, 15, 16, and 17, along Ben Hogan Drive exceed the allowable depth to width ratio as outlined in Sec. 98-48 and will also require an approval of a subdivision variance prior to the plat's acceptance.

All lots will be provided with City of Burnet electric, water, and sewer.

Staff Analysis: City staff and city engineer have reviewed the plat in accordance with Sec. 98-22 (entitled "Preliminary Plats") and have found the plat does generally meet the requirements as outlined in the code with one outstanding comment to coordinate with USPS for the location of the mail kiosk.

Recommendation: Open the public hearing.

PUBLIC HEARING

The City Council of the City of Burnet shall conduct a public hearing to receive public testimony and comments on the merits of a proposed “Preliminary Plat” for approximately 11.76 acres out of Eugenio Perez Subdivision No. 41, Abs. No. 672, and the Susano Hernandez Survey No. 40, Abs. No. 398. The proposed “Preliminary Plat” will establish Delaware Springs Subdivision, Section 25, consisting of 27 residential lots

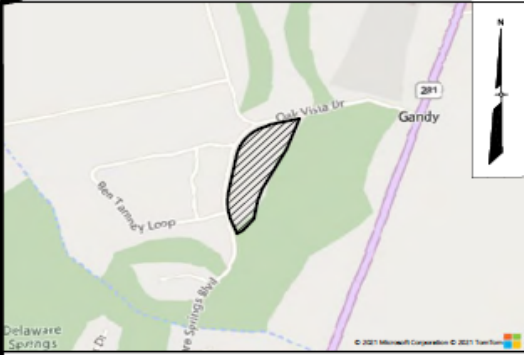


PRELIMINARY PLAT OF
DELAWARE SPRINGS SUBDIVISION
SECTION 25
 11.76 ACRES

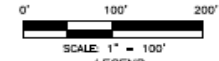
OUT OF THE EUGENIO PEREZ SURVEY, SURVEY NO. 41, ABSTRACT NO. 672
 AND THE SUSANO HERNANDEZ SURVEY, SURVEY NO. 40, ABSTRACT NO. 398
 BURNET COUNTY, TEXAS

NAME	R.O.W. DIMENSION	TRAVEL WAY DIMENSION	CURB TYPE	SPEED
BEN HOGAN DRIVE	50'	27'	STANDARD	30 MPH
BYRON NELSON WAY	50'	27'	STANDARD	30 MPH

DELAWARE SPRINGS
 SECTION 19
 LANGLEY HOMES
 18.79 ACRES
 DOCUMENT NO. 202109653
 O.P.R.B.C.T.



LOCATION MAP
 1"=1,000'

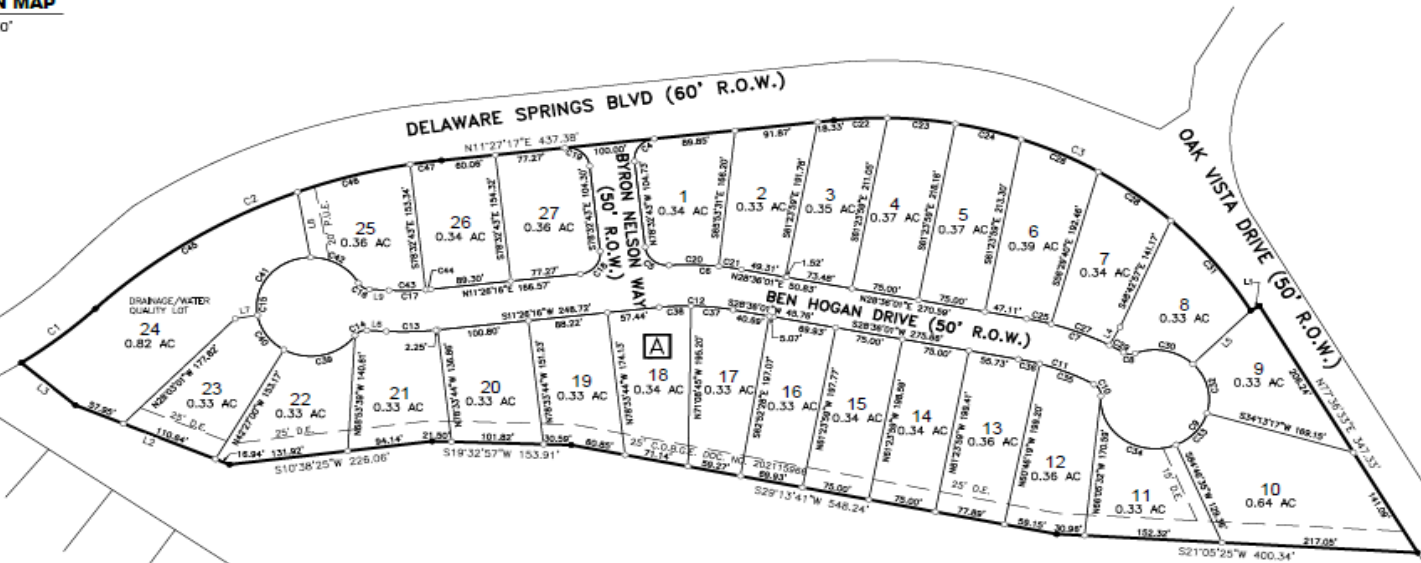


- LEGEND**
- IRONED BENCHMARK (SEE NOTE)
 - 1/2" ST. IR. SET
 - 1/2" ST. IR. PVD
 - DRAINAGE EASEMENT
 - CITY OF BURNET GREENBELT EASEMENT
 - OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS
 - CONCRETE MONUMENT
 - BOUNDARY LINE
 - PROPERTY LINE
 - R.O.W. LINE
 - UTILITY OR DRAINAGE EASEMENTS
 - BLOCK DEFINITION

- NOTES**
- UNLESS SHOWN OTHERWISE HEREIN, THE FOLLOWING BUILDING SETBACKS SHALL APPLY:
 - FRONT YARD - 20 FT.
 - SIDE STREET - 15 FT.
 - SIDE YARD - 7.5 FT.
 - REAR YARD - 25 FT.
 - UNLESS SHOWN OTHERWISE HEREIN, THE FOLLOWING UTILITY EASEMENTS SHALL APPLY:
 - FRONT YARD - 15 FT.
 - SIDE STREET - 15 FT.
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 - REAR YARD - 25 FT.

SHEET INDEX:

SHEET	DESCRIPTION
SHEET 1 OF 3	PLAT
SHEET 2 OF 3	TABLES
SHEET 3 OF 3	LEGAL DESCRIPTION, PLAT NOTES AND SIGNATURES



OWNERS NAMES:
 DELAWARE SPRINGS RANCH INVESTMENTS, LLC
 JORDAN SHIPLEY, MANAGER
 24 SMITH ROAD
 MIDLAND, TEXAS 79705

SURVEYOR'S COMPANY NAME AND CONTACT INFORMATION:
 GEORGE E. LUCAS
 REGISTERED PROFESSIONAL SURVEYOR NO. 4180
 CELOD SURVEYING FIRM REGISTRATION NO. 10193975
 18018 OVERLOOK LOOP, SUITE 105
 SAN ANTONIO, TEXAS, 78259

ENGINEER'S COMPANY NAME AND CONTACT INFORMATION:
 KARCH A. BICKHAM
 REGISTERED PROFESSIONAL ENGINEER NO. 152037
 CUATRO CONSULTANTS, LTD., FIRM REGISTRATION NO. F-3524
 120 RIVERWALK DRIVE, SUITE 208
 SAN MARCOS, TEXAS 78666

DATE: SEPTEMBER, 2023

ACREAGE OF TOTAL SITE: 11.76 ACRES

TOTAL NUMBER OF BLOCKS: 1 BLOCK(S) (A)

TOTAL NUMBER OF LOTS: 27 LOTS TOTAL

- 26 - RESIDENTIAL
- 1 - DETENTION POND

HOLE NO. 3
 DELAWARE SPRINGS
 GOLF COURSE
 CITY OF BURNET
 VOL. 55B/PG. 690
 O.P.R.B.C.T.

DELAWARE SPRINGS
 SECTION 24
 25.95 ACRES
 DELAWARE RANCH INVESTMENTS
 DOC. NO. 202002970
 O.P.R.B.C.T.

Delaware Springs Subdivision, Section 25

Project Details

- Zoned R-1
- 11.76 acres
- Located along Delaware Springs Blvd. with entrance across from Delaware Springs, Sec. 19
- 26 residential lots
- Two new streets – Bryon Nelson Way & Ben Hogan Drive
 - Ben Hogan exceeds allowable length Sec. 98-42
 - Lots 2, 3, 4, 5, 6 12, 13, 14, 15, 16, & 17 exceed depth to width ratio Sec. 98-48
- Utilities provided by City of Burnet

City staff and city engineer have reviewed the plat in accordance with Sec. 98-22 and have found the plat does meet the requirements as outlined in the code with one outstanding comment to coordinate with USPS for the location of the mail kiosk.



Public Hearing

- ▶ Public hearing opened by Chair
- ▶ Limit 3 minutes per speaker





Development Services

ITEM 3.3

Leslie Kimbler
Planner
512-715-3215
lkimbler@cityofburnet.com

Action Item

Meeting Date: April 23, 2024

Agenda Item: Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, CONDITIONALLY APPROVING THE PRELIMINARY PLAT OF DELAWARE SPRINGS SUBDIVISION, SECTION 25, A PROPOSED 26-LOT RESIDENTIAL SUBDIVISION CONSISTING OF APPROXIMATELY 11.76 ACRES: L. Kimbler

Information: The proposed subdivision, zoned Single-family Residential – District “R-1”, is located along Delaware Springs Blvd. with the entrances into the new subdivision across from Delaware Springs, Section 19 (Exhibit A). The applicant is proposing to subdivide the tract to create 26 residential lots, all over a quarter acre, with one detention pond (Exhibit B).

Two new roads will be created within the subdivision to be named Byron Nelson Way and Ben Hogan Drive; Ben Hogan Drive is a cul-de-sac road which does exceed the allowable length in the City of Burnet’s code of ordinances, Sec. 98-42, and therefore will require approval of a subdivision variance. Also, block A, along Ben Hogan Road is a length of 962 feet which exceeds the allowable length as set forth in the code and requires a subdivision variance. Additionally, lots 2, 3, 4, 5, 6, 12, 13, 14, 15, 16, and 17, along Ben Hogan Drive exceed the allowable depth to width ratio as outlined in Sec. 98-48 and will also require an approval of a subdivision variance prior to the plat’s acceptance.

All lots will be provided with City of Burnet electric, water, and sewer.

Staff Analysis: City staff and city engineer have reviewed the plat in accordance with Sec. 98-22 (entitled “Preliminary Plats”) and have found the plat does generally meet the requirements as outlined in the code with one outstanding comment to coordinate with USPS for the location of the mail kiosk.

Recommended Motion: Staff recommends the following motion:

Conditionally approve the Preliminary Plat of Delaware Springs Subdivision, Section 25 subject to the applicant resolving the following matter:

- Coordinate with USPS to show the location of the mail kiosk as required by Sec. 98-22(d)(3)(h).

RESOLUTION NO. R2024-25

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, CONDITIONALLY APPROVING THE PRELIMINARY PLAT OF DELAWARE SPRINGS SUBDIVISION, SECTION 25, A PROPOSED 26-LOT RESIDENTIAL SUBDIVISION CONSISTING OF APPROXIMATELY 11.76 ACRES

Whereas, the Planning and Zoning Commission conducted a public hearing on this application on April 15, 2024; and

Whereas, the Planning and Zoning Commission recommended approval of the application on April 15 2024; and

Whereas, City Council conducted a public hearing on this application on April 23, 2024

NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section 1. Findings. That the recitals to this Resolution are incorporated herein for all purposes.

Section 2. Conditional Approval. The Preliminary Plat Establishing Westfall Village, Phase Three is hereby conditionally approved; subject to the condition recommended by the Planning and Zoning Commission as follow:

- Coordinate with USPS to show the location of the mail kiosk as required by Sec. 98-22(d)(3)(h).

Section 3. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act.

Section 4. Effective Date. That this resolution shall take effect immediately upon its passage, and approval as prescribed by law.

PASSED AND APPROVED this the 23rd day of April 2024.

CITY OF BURNET, TEXAS

ATTEST:

Gary Wideman, Mayor

Kelly Dix, City Secretary

Exhibit "A"
Tract



Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, CONDITIONALLY APPROVING THE PRELIMINARY PLAT OF DELAWARE SPRINGS SUBDIVISION, SECTION 25, A PROPOSED 26-LOT RESIDENTIAL SUBDIVISION CONSISTING OF APPROXIMATELY 11.76 ACRES

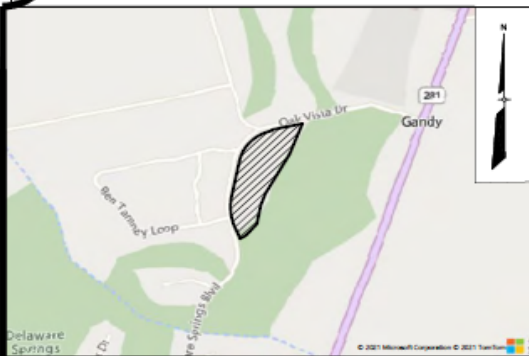


PRELIMINARY PLAT OF DELAWARE SPRINGS SUBDIVISION SECTION 25 11.76 ACRES

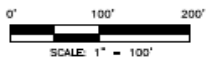
OUT OF THE EUGENIO PEREZ SURVEY, SURVEY NO. 41, ABSTRACT NO. 672
AND THE SUSANO HERNANDEZ SURVEY, SURVEY NO. 40, ABSTRACT NO. 398
BURNET COUNTY, TEXAS

NAME	R.O.W. DIMENSION	TRAVEL WAY DIMENSION	CURB TYPE	SPEED
BEN HOGAN DRIVE	50'	27'	STANDARD	30 MPH
BYRON NELSON WAY	50'	27'	STANDARD	30 MPH

DELAWARE SPRINGS
SECTION 19
LANGLEY HOMES
18.79 ACRES
DOCUMENT NO. 202109653
O.P.R.B.C.T.



LOCATION MAP
1"=1,000'



LEGEND

⊙	ODDITED BENCHMARK (SEE NOTE)
○	ODDITED 1/2" ST. SK. SET
○	ODDITED 1/2" ST. SK. FID.
D.E.	DRAINAGE EASEMENT
C.O.B.E.	CITY OF BURNET GREENBELT EASEMENT
C.O.P.R.C.T.	OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS
■	CONCRETE MONUMENT
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—	PROPERTY LINE
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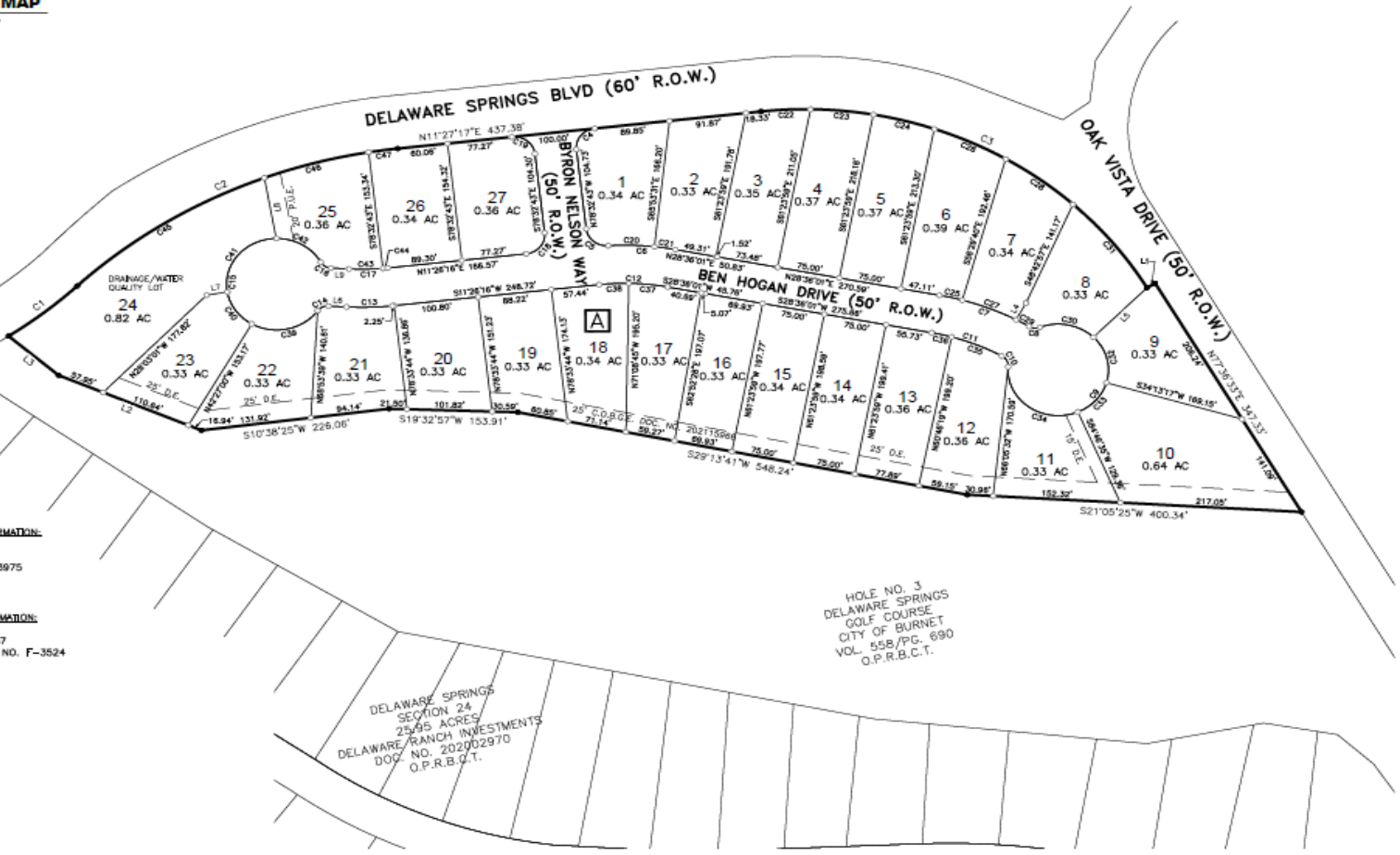
NOTES

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JORDAN SHIPLEY, MANAGER
24 SMITH ROAD
MIDLAND, TEXAS 79705

SURVEYOR'S COMPANY NAME AND CONTACT INFORMATION:
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REGISTERED PROFESSIONAL SURVEYOR NO. 4180
CELOD SURVEYING FIRM REGISTRATION NO. 10193975
18018 OVERLOOK LOOP, SUITE 105
SAN ANTONIO, TEXAS, 78259

ENGINEER'S COMPANY NAME AND CONTACT INFORMATION:
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REGISTERED PROFESSIONAL ENGINEER NO. 152037
QUATRO CONSULTANTS, LTD., FIRM REGISTRATION NO. F-3524
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DELAWARE SPRINGS
SECTION 24
25.95 ACRES
DELAWARE RANCH INVESTMENTS
DOC. NO. 202002970
O.P.R.B.C.T.

HOLE NO. 3
DELAWARE SPRINGS
GOLF COURSE
CITY OF BURNET
VOL. 55B/PG. 690
O.P.R.B.C.T.

Recommendation:

Staff recommends Conditionally Approving the Preliminary Plat establishing Delaware Springs Subdivision, Section 25 subject to the applicant resolving the matter of: Coordinating with USPS to show the location of the mail kiosk as required by Sec. 98-22(d)(3)(h) and approving Resolution R2024-25 as presented.



Delaware Springs Golf Course

ITEM 4.1

Tony Nash
Golf Course General Manager
830-285-9660
tnash@cityofburnet.com

Action

Meeting Date: April 23rd, 2024

Agenda Item: Discuss and consider action: SECOND AND FINAL READING OF AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS, AMENDING THE CITY CODE OF ORDINANCES SECTION 74-38(a) GOLF COURSE DAILY RATES; PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE: T. Nash

Background: The Golf Course is an enterprise that is self-sustaining.

Information: The purpose of this increase would be to cover the overall expenses of maintaining the course and increase in golf cart replacements.

There have been no changes to Ordinance 2024-09 since the first reading on March 26, 2024.

Fiscal Impact: Raising the 18-hole rate by \$2.00 per round, and increasing the cart rate by \$2.00 per round, will have an estimated revenue increase of \$65,392.60.

Raising the 9-hole rate by \$2.00 per round and increasing the cart rate by \$2.00 per round, will have an estimated revenue increase of \$2261.57.

Recommendation: Approve and Adopt Ordinance 2024-09 as presented.

ORDINANCE NO. 2024-09

**AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS,
AMENDING THE CITY CODE OF ORDINANCES SECTION 74-38(a)
ENTITLED “GOLF COURSE DAILY RATES”; PROVIDING FOR
SEVERABILITY AND EFFECTIVE DATE.**

WHEREAS, the City provides, or causes to be provided, golf services to the citizens of the City of Burnet and to the general public; and

WHEREAS, in order to administer the operations of the course, facilitate the efficient implementation of this Article, provide an inviting golfing experience, and protect the best interest of the city, City Council delegates course rule making authority to the City Manager; and

WHEREAS, in order to properly manage the golf course and remain fiscally responsible to its citizens certain reasonable daily rates and dues are proper to assess; and

WHEREAS City Council finds that the following dues and rates are reasonable and fair given the golf services provided; and

WHEREAS, City Council, finds, determines, and declares that publication of notice of this Ordinance, as required by Section 3.14 of the City Charter and the laws of the State of Texas, was made by the City Secretary within the period prescribed by Section 3.14; and

WHEREAS, City Council, finds, determines, and declares that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given as required by Chapter 551 of the Texas Government Code.

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

Section. One. 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. Two. Amendment. Section 74-38 (entitled “*golf course rates*”) subsection (a) (entitled “*daily rates*”) Golf Course Rates of the City of Burnet Code of Ordinance shall be amended in its entirety as follows:

Section 74-38 Golf Course Rates. Rates established for use of the Golf Course do not include applicable sales tax and are as follows:

(a) DAILY RATES

GREEN FEES	Weekday Rate	Friday Rate	Weekend/Holiday Rate
18 Holes*	\$ 34.00	\$39.00	\$44.00
9 Holes**	\$22.00	\$25.00	\$27.00
Twilight Rate***	\$20.00	\$22.00	\$25.00

*Seniors, Juniors, Active-Military and First Responders shall receive a \$5.00 discount off 18-hole rates. Discounts do not apply to Twilight Rates or discounted rates.

**Seniors, Juniors, Active-Military and First Responders shall receive a \$2.00 discount off 9-hole rates. Discounts do not apply to Twilight Rates or discounted rates.

***Children fourteen (14) years of age and under shall receive a free Green Fee and Cart during Twilight hours with a paying adult (1 child for each paying adult). Members of the BCISD Junior High and High School Golf Teams shall receive a free Green Fee during Twilight hours (Cart not included).

RANGE BALLS*	Rate
Standard Rate	\$6.46
Junior Rate	\$2.77

*Sales tax not included

CART/TRAIL FEES

The Cart Fees for use of a Public Cart are:

Cart 18 Holes - per person*	\$20.00
Cart 9 Holes - per person*	\$17.00
Twilight Cart – per person*	\$16.00
Private Cart Trail Fee - per cart 9 or 18 Holes	\$17.00

*Sales tax not included

All players who use a city owned cart must pay a cart fee. Anyone over the age of 14 riding in a city owned cart not playing shall be required to pay the applicable cart fee.

All players who use a private cart must pay a trail fee.

Note to editor: Subsections (b) (entitled “*annual dues and monthly rates*”) and (c) (entitled “*general rates provisions*”) are note amended by this ordinance and shall remain in effect as adopted by ordinance no. 2023-32. This note shall not be published.

Section Three. Severability. Should any section or part of this ordinance be held unconstitutional, illegal, or invalid, or the application to any person or circumstance for any reasons thereof ineffective or inapplicable, such unconstitutionality, illegality, invalidity, or ineffectiveness of such section or part shall in no way affect, impair or

Golf course rates ordinance

invalidate the remaining portion or portions thereof; but as to such remaining portion or portions, the same shall be and remain in full force and effect and to this end the provisions of this ordinance are declared to be severable.

Section four. Effective Date. This ordinance shall take effect immediately from and after its passage.

PASSED AND APPROVED on first reading this the 26th day of March 2024.

FINALLY PASSED AND APPROVED on this the 23rd day of April 2024.

CITY OF BURNET, TEXAS

Gary Wideman, Mayor

ATTEST:

Kelly Dix, City Secretary

A white golf ball sits on a vibrant green lawn. In the background, the lower legs and white sneakers of a person are visible, slightly out of focus. The scene is set outdoors, likely on a golf course, with a soft, natural light source. The text 'Delaware Springs' is written in a white, elegant cursive font on the right side of the image.

Delaware

Springs

Rate Increase

	Delaware Springs			Delaware Springs Increase			Legends			Crystal Falls		
	Monday-Thursday	Friday	Saturday & Sunday	Monday-Thursday	Friday	Saturday & Sunday	Monday-Thursday	Friday	Saturday & Sunday	Monday-Thursday	Friday	Saturday & Sunday
18 Holes												
Regular	\$32.00	\$37.00	\$42.00	\$34.00	\$39.00	\$44.00	\$42.00	\$59.00	\$59.00	\$42.00	\$50.00	\$50.00
Cart	\$18.00	\$18.00	\$18.00	\$20.00	\$20.00	\$20.00	Included	Included	Included	\$47.00	\$60.00	\$60.00
										1/2 Cart	1/2 Cart	1/2 Cart
Twilight	\$18.00	\$20.00	\$23.00	\$20.00	\$22.00	\$25.00				\$38.00	\$45.00	\$45.00
Twilight Cart	\$14.00	\$14.00	\$14.00	\$16.00	\$16.00	\$16.00				1/2 Cart	1/2 Cart	1/2 Cart
				Date Range: 04/01/24-09/30/24								
				Round Increase - \$32,736.17								
				Cart Increase- \$32,656.43								
				TOTAL INCREASE - \$65,392.60								
9 Holes												
Regular	\$20.00	\$23	\$25.00	\$22.00	\$25.00	\$27.00				\$28.00	\$32.00	\$32.00
Cart	\$15.00	\$15.00	\$15.00	\$17.00	\$17.00	\$17.00				\$30.00	\$35.00	\$35.00
										1/2 Cart	1/2 Cart	1/2 Cart
				Date Range: 10/01/22-09/30/23*								
				Round Increase - \$1,074.62								
				Cart Increase- \$1,186.98								
				TOTAL INCREASE - \$2261.57								

Questions or
Comments??





Administration

ITEM 4.2

Habib Erkan Jr.
Assistant City Manager
512-715-3201
herkan@cityofburnet.com

Action

Meeting Date: April 23, 2024

Agenda Item: Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING CODE OF ORDINANCE CHAPTER 2 (ENTITLED “ADMINISTRATION”), BY AMENDING ARTICLE I (ENTITLED “IN GENERAL”) AND ARTICLE II (ENTITLED “COUNCIL”) AND ARTICLE IV (ENTITLED “OFFICERS AND DEPARTMENTS”) TO COMPLY WITH THE CITY CHARTER, STATE LAW AND CURRENT CITY PRACTICES AND POLICIES; PROVIDING FOR PENALTY; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE: H. Erkan, Jr.

Background: The City’s code of ordinances was first codified on October 24, 1995. At such time, the city operated as a type A general law municipality. City Council adopted the home rule charter ordinance on November 10, 2000. However, the text of many sections of city code Chapter 2, Articles I, II and IV reflect the city to still operate as a type A general law municipality.

Information: This ordinance amends City Code Chapter 2, Articles I, II and IV to comply with the city charter. Moreover, the ordinance amends:

- **Article I** by codifying city policy requiring council approval of acceptance of grants of real property;
- **Article II** by codifying current city council meeting procedures including citizen input in said meetings; and
- **Article IV** by codifying the city manager’s delegated purchasing authority as stated in the financial policies.

Fiscal Impact: Passage of this ordinance will cause no fiscal impact.

Recommendation: Approve the first reading of Ordinance No. 2024-13 as presented.

ORDINANCE NO. 2024-13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING CODE OF ORDINANCE CHAPTER 2 (ENTITLED “ADMINISTRATION”), BY AMENDING ARTICLE I (ENTITLED “IN GENERAL”) AND ARTICLE II (ENTITLED “COUNCIL”) AND ARTICLE IV (ENTITLED “OFFICERS AND DEPARTMENTS”) TO COMPLY WITH THE CITY CHARTER, STATE LAW AND CURRENT CITY PRACTICES AND POLICIES; PROVIDING FOR PENALTY; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the current version of the City’s code of ordinances was first codified on October 24, 1995; and at such time the City operated as a type A general law municipality; and

WHEREAS, City Council adopted the home rule charter ordinance on November 10, 2000; and

WHEREAS, the text of many sections of city code Chapter 2, Articles I, II and IV reflect the city to still operate as a type A general law municipality; and

WHEREAS, the purpose of this ordinance is to amend city code Chapter 2, Articles I, II and IV to comply with the city charter and current practices and policies; and

WHEREAS, City Council, finds, determines, and declares that publication of notice of this Ordinance, as required by Section 3.14 of the City Charter and the laws of the State of Texas, was made by the City Secretary within the period prescribed by Section 3.14; and

WHEREAS, City Council, finds, determines, and declares that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given as required by Chapter 551 of the Texas Government Code.

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

Section one. Code amendment. City Code Chapter 2 (entitled “*Administration*”), Article I (entitled “*In General*”) is hereby amended by replacing the existing language in its entirety with text that follows:

ARTICLE I. - IN GENERAL.

Section 2-1. City Charter. The City of Burnet is a home rule municipality governed by its City Charter as same may be amended from time to time.

Section 2-2. Form of Government. The municipal government as provided by the Charter is a council-manager form of government consisting of a mayor and councilmembers, elected by, and responsible to, the people; and a city manager, appointed by, and responsible to, the city council for proper administration of the affairs of the city.

Section 2-3. - City seal.

- (a) *Seal.* The corporate seal of the city shall be circular, with an appropriate design thereon, with such inscription as may be necessary to indicate that same is the corporate seal of the city; same being depicted as follows:



- (b) *Custodian.* The city secretary shall be custodian of the corporate seal.

Charter reference – Preamble; Form of Government, Article I

Section 2-4. – Real property. The acceptance of title or use of real property on behalf of the City shall not become final until the conveyance and the form of the deed, easement agreement, or other instrument of conveyance is approved by council; and such approval is memorialized by either: (i) signature of acceptance by the mayor or city manager, or an authorized agent acting in their stead, affixed to the instrument of conveyance; or (ii) the filing of an affidavit confirming such acceptance by the mayor or city manager, or an authorized agent acting in their stead, in the public records of Burnet County.

Sections 2-5. – 2-10. – Reserved.

Section two. Code amendment. City Code Chapter 2 (entitled “*Administration*”), Article II (entitled “*Council*”) is hereby amended by replacing the existing language in its entirety with text that follows:

ARTICLE II. COUNCIL

Division 1. – General.

Sec. 2-11. The governing body. As prescribed in Articles III and IV of the City Charter the governing body of the city shall be the mayor and councilmembers.

Sec. 2-12. Remuneration of fees. To the extent authorized by the Charter, state, and federal law, City Council may, by resolution, provide for the waiver, reimbursement, refund, or other financial remuneration of any fee, or portions of any fee, imposed by this code. For the purposes of this section, the term "fee" shall mean any fee, penalty, fine, or other charge imposed by this Code.

Sec. 2-13. Final appellate body. Except to the extent otherwise explicitly set forth by state law, or unless such authority has by ordinance been assigned otherwise, any final determination by any city board, commission, or committee may be appealed to the City Council by the person or entity that requested the matter to

be acted upon by such board, commission, or committee, and the decision of the City Council with respect to such appeal shall be conclusive. In such case, the City Council may confirm or reverse the decision of such board, commission, or committee and issue a final decision, or it may require such board, commission, or committee to reconsider its action.

Sections 2-14. – 2-20. – Reserved.

Division 2. – Meetings.

Sec. 2-21. Compliance. All city council meetings shall comply with the requirements of state law and the city charter, including the Texas Open Meeting Act, Chapter 551 Texas Government Code, and Section 3.16 of the City Charter.

Sec. 2-22. No private cause of action. The application, or failure to apply the terms of this article, in the conduct of city council meetings shall not create or give rise to any right, cause of action, or claim on behalf of any third party, person or citizen other than as exists pursuant to the Texas Open Meetings Act, if any.

Sec. 2-23. Use of tobacco products. Smoking, chewing, or any other use of tobacco products is prohibited in city council chambers. In addition to the criminal penalties prescribed elsewhere in this code, violators may be subject to removal at the direction of the mayor.

Sec. 2-24. Time and location.

- (a) *Regular meetings.* City council shall hold regular meetings on the second and fourth Tuesdays of each calendar month at 6:00 p.m., at the city council chambers, subject to the following:
 - (1) Change of meeting date. City council by ordinance, resolution, or order may change the date or time for a future regular meeting or meetings.
 - (2) Calendar conflict. If any such Tuesday, or other date set for a regular meeting is a city holiday, the meeting may be rescheduled on the next business day thereafter or other time as scheduled by the city council.
 - (3) Severe weather. If severe weather, or any emergency or special circumstance results in the rescheduling of the meeting, the regular meeting may be held on the next business day thereafter.
 - (4) Cancellation. City Council, or the mayor, may cancel any regularly scheduled meeting, provided that at least one regular meeting shall be held each calendar month.
- (b) *Special meetings.* The city secretary shall call a special meeting upon the request of the mayor, the city manager, or any two councilmembers.

- (c) *Emergency meetings.* In instances of emergency or urgent public necessity, the mayor, or councilmember duly acting in the absence of the mayor, or the city manager may call an emergency meeting in such manner as is authorized by the Texas Open Meetings Act.
- (d) *Location.* City council meetings shall be held at the city council chambers or such other place prescribed by ordinance, resolution, or order of city council.

Sec. 2-26. Conducting meetings. The mayor and the city council shall conduct its meetings in compliance with the Texas Public Meeting Act, applicable provisions of this code and by such policy as may be adopted by council.

Sec. 2-27. Agenda for council meetings. The agenda for each meeting of the city council shall contain such information and be posted in a time and place as is sufficient to comply with the Texas Open Meetings Act.

- (a) *Form.* The agenda for each regular meeting of the city council shall be ordered generally as follows: (1) call to order; (2) invocation; (3) Pledges (US & Texas); (4) special reports/recognition; (5) consent; (v) public hearings/action; (vi) action items in numerical order; (vii) executive session (if necessary); (viii) council request for reports; (ix) adjournment.
- (b) *Preparation and posting.* The city secretary shall prepare and post the agenda for each meeting of the city council. The agenda shall be in the general form and structure as provided above. The city secretary may order the agenda items in a manner to facilitate the conduct of the council meeting and the efficient utilization of city resources., Subject to appeal, as provided in Section 2-29 below, the mayor may re-order the agenda items or take items out of order at any meeting.
- (c) *Content.* The mayor, any member of the city council, or the city manager, may, without the approval or authorization of any other person, place an item on the agenda for any regular meeting of the city council; provided that the request must be timely made in relation to the time when the agenda for the meeting is set by the city secretary.
- (d) *Executive sessions.* The city council may go into executive session at any time, when in the judgment of the city council it is in the best interests of the city, on any properly posted agenda item dealing with subject matter for which the Texas Open Meetings Act authorizes executive sessions. Notwithstanding the foregoing sentence, when it is anticipated at the time the agenda is posted that the city council will go into executive session with respect to any item of business, the matter should be placed on the agenda as an item for executive session and, in addition to the subject matter, should specify the

section of Chapter 551, Tex. Gov't. Code, that authorizes such executive session. Each agenda item for an executive session shall provide notice that, or provide an additional agenda item providing notice that, the city council may act on the subject matter considered in the executive session.

Sec. 2-28. Public Participation. Members of the public may testify or provide comment at public hearings and before city council deliberation and action on an item on an agenda of an open meeting in accordance with the Texas Public Meeting Act and such policy adopted pursuant to Section 2-26 above.

Sec. 2-29. Parliamentarian. The mayor shall serve as parliamentarian and shall make all decisions regarding the procedure of a meeting. A parliamentarian decision may be appealed by objection made by any councilmember. If the objection is overruled, the councilmember may appeal the objection to the body. Unless the appeal receives a majority vote of the councilmembers present, the parliamentarian ruling shall stand.

Sections 2-30. – 2-40. – Reserved.

Charter reference – City Council, Article IV and Elections Article V

Section three. Code amendment. City Code Chapter 2 (entitled “*Administration*”), Article IV (entitled “*Officers and Departments*”) is hereby amended by replacing the existing language in its entirety with text that follows:

Sec. 2-61. City Manager. The office of City Manager is established by Section 4.01 City Charter. In addition to the duties prescribed in the City Charter, the City Manager shall be authorized to perform duties as follows:

- (a) *Purchasing agent.* The City Manager shall act as purchasing agent for the city related to the purchase of merchandise, material, and supplies, as well as the engagement of service providers, as needed by the city; and may establish, if needed, a suitable storehouse where such supplies shall be kept and from which same shall be issued as needed. The City Manager may designate a city employee to serve as purchasing agent under the City Manager’s supervision. As purchasing agent, the City Manager shall:
 - (1) comply with relevant state procurement laws; and
 - (2) have the authority to make purchases and engage service providers as provided in the Purchasing Policy adopted by separate Council action as same may be amended from time to time; and
 - (3) adopt such rules and regulations governing requisitions and transaction of business between himself as such purchasing agent and the heads of the departments, officers, and employees of the city as the council may approve; and

- (4) in case of accident or other circumstances creating an emergency, award contracts and make purchases for the purpose of:
 - (A) repairing damages caused by accident, weather or other calamity, or
 - (B) for the purpose of avoiding such public emergency.

Emergency purchases shall comply with state law provisions related to emergency procurement; and shall have prior council approval unless the situation is so dire obtaining council approval is impractical. In such case, the City Manager shall immediately afterwards file with the mayor a certificate showing such emergency and the necessity of such action, together with an itemized account of all expenditures.

- (b) *Recommendations.* Recommend to the council, in writing, from time-to-time for adoption of such measures as the City Manager may deem necessary and expedient.

Charter reference – City Manager, § 4.01

Sec. 2-62. Departments. The Burnet Police Department is hereby established. Council may establish such other departments as it determines to be beneficial to the effective and efficient operation of the City and as may be determined during the annual budget adoption process.

Charter reference – Departments, § 4.02

Sec. 2-63. Officers. Pursuant to Sections 4.04 and 4.05 of the City Charter, the offices of City Attorney and City Secretary are established.

Charter reference – City Attorney, § 4.04; City Secretary, § 4.05

Sec. 2-64. - Bonds of city officers.

- (a) The bonds of all city officers who are required to give bond shall be made payable to the mayor and his successors in office, in such amounts as may in each case be provided. All such bonds shall be conditioned that the officer giving same will faithfully perform all the duties of his office which are or may be imposed on him according to state law and the ordinances of the city and that he will comply with all the lawful orders of the city manager and the city council and account for, and pay to the persons entitled to receive the same, all moneys coming into his hands by virtue of his office.
- (b) The city manager, city attorney, city secretary, municipal judge and any employees whose duties include the handling of money shall before entering upon the duties of their office, give a bond in such amount prescribed by Council, but in no case less than \$2,500.00, issued by surety companies acceptable to the City Council and authorized to do business in Texas.

Sections 2-65. – 2-100. – Reserved.

Charter reference – Surety Bonds, § 10.03

Note to publisher, Division 4 (entitled “*Reserve Police Force*”) is removed from this Code. This note shall not be published.

Section four. Findings. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section five. Penalty. A violation of this Ordinance is unlawful and subject to City Code of Ordinances Sec. 1-6 (entitled “*General Penalty*”).

Section six. Cumulative. This Ordinance shall be cumulative of all provisions of all ordinances and codes, or parts thereof, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event Section 5, (entitled “*Repealer*”) shall be controlling.

Section seven. Repealer. All ordinances and codes, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

Section eight. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Ordinance would have been enacted without such invalid provision.

Section nine. Publication. The publishers of the City Code are authorized to amend said Code to reflect the changes adopted herein and to correct typographical errors and to format and number paragraphs to conform to the existing Code.

Section ten. Effective Date. This Ordinance shall be effective upon the date of final adoption hereof and publication as required by law.

Passed on first reading on the 23rd day of April 2024.

Passed, Approved and Adopted on the 7th day of May 2024.

CITY OF BURNET

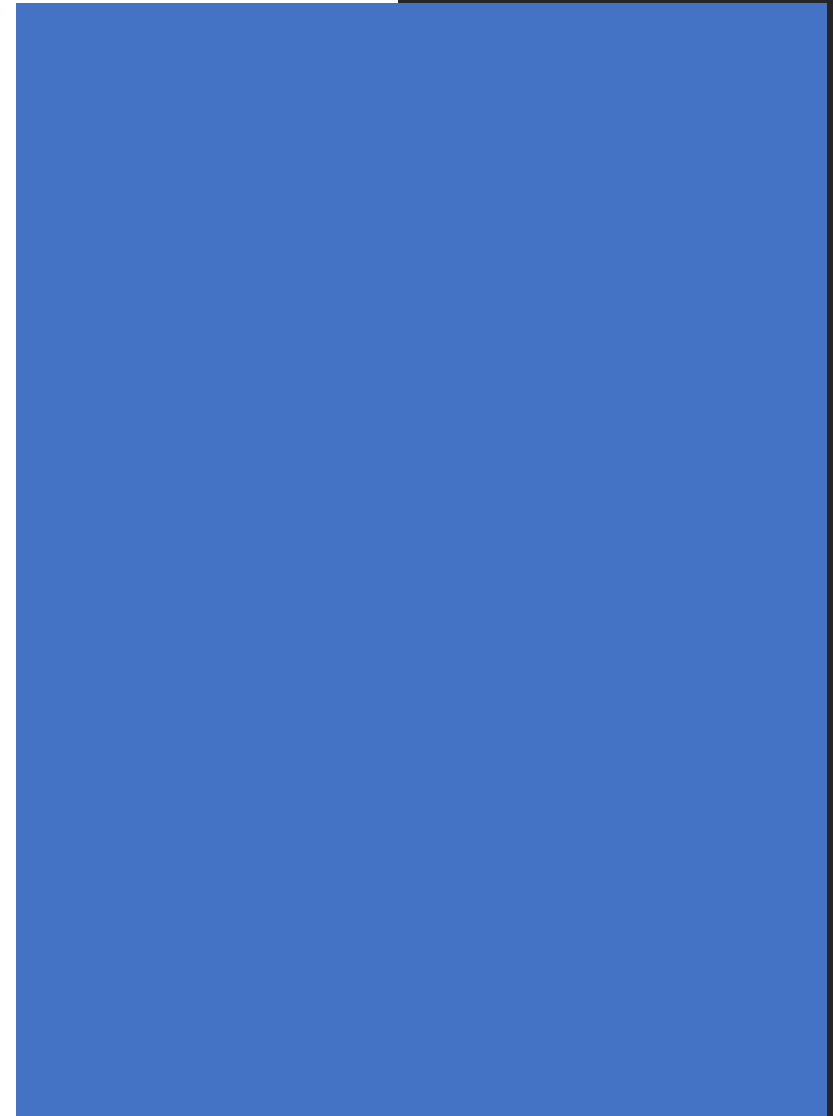
ATTEST:

Gary Wideman, Mayor

Kelly Dix, City Secretary

FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING CODE OF ORDINANCE CHAPTER 2 (ENTITLED “ADMINISTRATION”), BY AMENDING ARTICLE I (ENTITLED “IN GENERAL”) AND ARTICLE II (ENTITLED “COUNCIL”) AND ARTICLE IV (ENTITLED “OFFICERS AND DEPARTMENTS”) TO COMPLY WITH THE CITY CHARTER, STATE LAW AND CURRENT CITY PRACTICES AND POLICIES

City Council Special Called Meeting March 12, 2024



Background



- **CODE OF ORDINANCES CITY OF BURNET, TEXAS**
 - Published 1995 by Order of the City Council
 - Home Rule Charter adopted November 10, 2000
 - Council/Manager form of government
 - Departments
 - Officers

Information

- In addition to Charter Compliance:
 - Article I codifies city policy requiring council approval of acceptance of grants of real property;
 - Article II by codifies current city council meeting procedures including citizen input in said meetings; and
 - Article IV codifies the city manager's delegated purchasing authority as stated in the financial policies.



Fiscal Impact None.

- 
- 
- Recommendation: Approve the first reading of Ordinance No. 2024-13 as presented.



Public Comment/Questions





Administration

ITEM 4.3

David Vaughn
City Manager
512.715.3208
dvaughn@cityofburnet.com

Action

- Meeting Date:** April 23, 2024
- Agenda Item:** Discuss and consider action: Appointment of members to the City of Burnet Zoning Board of Adjustments: D. Vaughn
- Background:** Current vacant positions on the Zoning Board of Adjustments are as follows:
- Position 1 vacated by Joy Taylor
 - Alternate vacated by Linda Frietag
 - Alternate vacated by Cesar Areaza
- Information:** Kim Winkler (Position 2) and Calib Williams (Position 5) have expressed their desire for re-appointment to the Burnet Zoning Board of Adjustments for a two year term that will end June 30, 2025.
- Upon his retirement from the City of Burnet as Assistant City Manager, Habib Erkan, Jr. has expressed a desire to serve on the City of Burnet Zoning Board of Adjustments.
- If appointed, Mr. Erkan would fill Position 1. Ms. Winkler would remain in Position 2, and Calib Williams would remain in Position 5. All three would serve a term that expires June 30, 2025.
- Fiscal Impact:** No fiscal impact
- Recommendation:** To be determined by Council.



Development Services

ITEM 4.4

Leslie Kimbler
Planner
512-715-3215
lkimbler@cityofburnet.com

Action Item

Meeting Date: April 23, 2024

Action Item: Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING VARIANCES TO THE CODE OF ORDINANCES, SECTION 98-42 – TRANSPORTATION IMPROVEMENTS, AND SECTION 98-48 – BLOCKS AND LOTS FOR THE PROPOSED PRELIMINARY PLAT OF DELAWARE SPRINGS SUBDIVISION, SECTION 25: L. Kimbler

Background: The proposed Delaware Springs Subdivision, Section 25, is a single-family residential subdivision of approximately 11 acres (Exhibit A). The proposed subdivision will create 26 residential lots, all of which are over 0.33 acres (14,300 sf).

The proposed subdivision will gain access from Delaware Springs Blvd, via a new road, to be called Byron Nelson Way. This short road then intersects into a proposed cul-de-sac road, Ben Hogan Drive. Ben Hogan Drive exceeds the allowable length for cul-de-sacs in the City of Burnet's code of ordinances, Sec. 98-42, and the allowable block length as set forth in Sec. 98-48, which necessitates the requested variance.

Additionally, some lots throughout the subdivision exceed the allowable depth to width ratio as outlined in Sec. 98-48 and require an approval of a subdivision variance prior to the plat's acceptance.

Information: The first requested variance pertains to the requirements outlined in Code of Ordinances Sec. 98-42(b)(8), which states: "In general, cul-de-sac shall not exceed 600 feet in length and shall have a turnaround of not less than 96 feet in diameter in residential areas, and not less than 100 feet in diameter in commercial and industrial areas and be in compliance with the city's adopted fire code."

The second requested variance, outlined in Code of Ordinances Sec. 98-48(1)(b), states: "Residential blocks shall not exceed 600 feet nor be less than 300 feet in length, except as otherwise provided for herein."

The third requested variance is to Code of Ordinances Sec. 98-48(2)(g): “The ratio of average depth to average width shall not exceed two and one-half to one nor be less than one and one-half to one....”

The City of Burnet Code of Ordinances Sec. 98-82 states the following regarding variances to the subdivision standards:

“In granting approval of a request for variance, the Commission and Council shall conclude that the variance is not contrary to the public interest and, due to special conditions, a literal enforcement of this chapter would result in unnecessary hardship, and so that the variance observes the spirit of this chapter and concludes that substantial justice is done. The Commission and Council shall meet these requirements by making findings that:

- a. The public convenience and welfare will be substantially served;
- b. The appropriate use of surrounding property will not be substantially or permanently impaired or diminished;
- c. The applicant has not created the hardship from which relief is sought;
- d. The variance will not confer upon the applicant a special right or privilege not commonly shared or available to the owners of similar and surrounding property;
- e. The hardship from which relief is sought is not solely of an economic nature;
- f. The variance is not contrary to the public interest;
- g. Due to special conditions, the literal enforcement of this chapter would result in an unnecessary hardship; and
- h. In granting the variance the spirit of the ordinance is observed and substantial justice is done.

Staff Analysis:

Staff has evaluated the variance request, as well as the information provided by the applicant, and has determined that, due to the irregular shape of the property, and the surrounding golf course, the requested variance would meet the criterion of the code.

Recommendation: Staff recommends approval of the applicant's request for the variance to the Code of Ordinances, Section 98-42 Transportation Improvements and Section 98-48 – Blocks and Lots for the proposed Preliminary Plat of Delaware Springs, Section 25.

RESOLUTION NO. R2024-26

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING VARIANCES TO THE CODE OF ORDINANCES, SECTION 98-42 – TRANSPORTATION IMPROVEMENTS, AND SECTION 98-48 – BLOCKS AND LOTS FOR THE PROPOSED PRELIMINARY PLAT OF DELAWARE SPRINGS SUBDIVISION, SECTION 25

Whereas, Code of Ordinances, Section 98-42, imposes lengths for cul-de-sacs within the Subdivision; and

Whereas, Code of Ordinances, Section 98-48, imposes requirements for the depth to width ratio of residential lots; and

Whereas, the applicant has petitioned for a variance to the Code of Ordinances; and

Whereas, the Planning and Zoning Commission has recommended the variance be granted.

NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Recitals. That the recitals to this Resolution are incorporated herein for all purposes.

Section two. Findings. As required by City Code Sec. 98-82 City Council finds:

- Granting the variance is not contrary to the public interest: **approving the variance allows the property to be developed in the most advantageous way and is not contrary to the public interest.**
- The literal enforcement of this chapter would result in unnecessary hardship: **due to the surrounding golf course, which created the property to be landlocked, and the irregular shape of the property, the literal enforcement would result in unnecessary hardship.**
- The variance observes the spirit of the ordinance and concludes that substantial justice is done: **staff has determined that all other requirements of the code are adhered to and therefore, the spirit of the ordinance is observed and substantial justice is done.**

Section three. Approval. The variance request is hereby approved and granted.

Section four. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

Section five. Effective Date. That this resolution shall take effect immediately upon its passage, and approval as prescribed by law.

PASSED AND APPROVED this the 23rd day of April 2024.

CITY OF BURNET, TEXAS

ATTEST:

Gary Wideman, Mayor

Kelly Dix, City Secretary

Exhibit "B" – Requested Variance



April 12, 2024

Mayor Crista Goble Bromley
City of Burnet
1001 Buchanan Drive, Suite 4
Burnet, TX 78611

**RE: DELAWARE SPRINGS SECTION 25
CITY OF BURNET, TEXAS
CCL: 21-284**

**SUBJECT: BLOCK LENGTH, LOT WIDTH/DEPTH RATIO, AND CUL-DE-SAC LENGTH
VARIANCE REQUEST**

Dear Mayor Bromley,

On behalf of our Client, Delaware Springs Ranch Investments, LLC, represented by Jordan Shipley, we respectfully request a variance from the City of Burnet. The City of Burnet Subdivision Regulations require a maximum block length of 600 feet [Section 98-48(1)(b)], a maximum lot depth/width ratio of 2.5:1 [Section 98-48(2)(g)], and a maximum cul-de-sac length of 600 feet [Section 98-42(b)(8)].

- a. Delaware Springs Section 25 has less than thirty (30) residential lots. Therefore, one entrance meets Fire Code and substantially serves the public convenience and welfare.
- b. By not providing a connection to the Golf Course, the adjacent property will not be substantially or permanently impaired or diminished.
- c. The applicant has not created a hardship. The proposal of one connection to Delaware Springs Boulevard was recommended by City Staff and stub outs to the Golf Course are prohibited.
- d. These variances do not confer a special right or privilege upon the Applicant. Section 25 does not provide a right-of-way connection to the golf course, as this is typical for the Delaware Springs Development.
- e. The requested variances are not of an economic nature.
- f. The proposed layout utilizes similar lot sizes/features found in Delaware Springs and follows recommendations by City Staff. Therefore, the variances are not contrary to the public interest.
- g. Due to the irregular shape of this tract and request made by City Staff, the requested variances make it achievable for the remainder of this development to maintain compliance with City of Burnet Subdivision Regulations.
- h. The alternate design generally achieves the intent of the City of Burnet Subdivision Regulations and aligns with other section of Delaware Springs.

Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING VARIANCES TO THE CODE OF ORDINANCES, SECTION 98-42 – TRANSPORTATION IMPROVEMENTS, AND SECTION 98-48 – BLOCKS AND LOTS FOR THE PROPOSED PRELIMINARY PLAT OF DELAWARE SPRINGS SUBDIVISION, SECTION 25



Variance Requests

The first requested variance pertains to the requirements outlined in Code of Ordinances Sec. 98-42(b)(8), which states: “In general, culs-de-sac shall not exceed 600 feet in length and shall have a turnaround of not less than 96 feet in diameter in residential areas, and not less than 100 feet in diameter in commercial and industrial areas and be in compliance with the city's adopted fire code.”

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Variance Requests

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April 12, 2024

Mayor Crista Goble Bromley
City of Burnet
1001 Buchanan Drive, Suite 4
Burnet, TX 78611

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CITY OF BURNET, TEXAS
CCL: 21-284**

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- g. Due to the irregular shape of this tract and request made by City Staff, the requested variances make it achievable for the remainder of this development to maintain compliance with City of Burnet Subdivision Regulations.
- h. The alternate design generally achieves the intent of the City of Burnet Subdivision Regulations and aligns with other section of Delaware Springs.

PRELIMINARY PLAT OF DELAWARE SPRINGS SUBDIVISION SECTION 25 11.76 ACRES

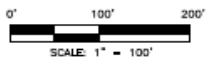
OUT OF THE EUGENIO PEREZ SURVEY, SURVEY NO. 41, ABSTRACT NO. 672
AND THE SUSANO HERNANDEZ SURVEY, SURVEY NO. 40, ABSTRACT NO. 398
BURNET COUNTY, TEXAS

NAME	R.O.W. DIMENSION	TRAVEL WAY DIMENSION	CURB TYPE	SPEED
BEN HOGAN DRIVE	50'	27'	STANDARD	30 MPH
BYRON NELSON WAY	50'	27'	STANDARD	30 MPH

DELAWARE SPRINGS
SECTION 19
LANGLEY HOMES
18.79 ACRES
DOCUMENT NO. 202109653
O.P.R.B.C.T.



LOCATION MAP
1"=1,000'



LEGEND

	IRONED BENCHMARK (SEE NOTE)
	IRONED 1/2" ST. IR. SET
	IRONED 1/2" ST. IR. FID.
	DRAINAGE EASEMENT
	CITY OF BURNET GREENBELT EASEMENT
	OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS
	CONCRETE MONUMENT
	BOUNDARY LINE
	PROPERTY LINE
	R.O.W. LINE
	UTILITY OR DRAINAGE EASEMENTS
	BLOCK DEFINITION

NOTES

UNLESS SHOWN OTHERWISE HEREIN, THE FOLLOWING BUILDING SETBACKS SHALL APPLY:

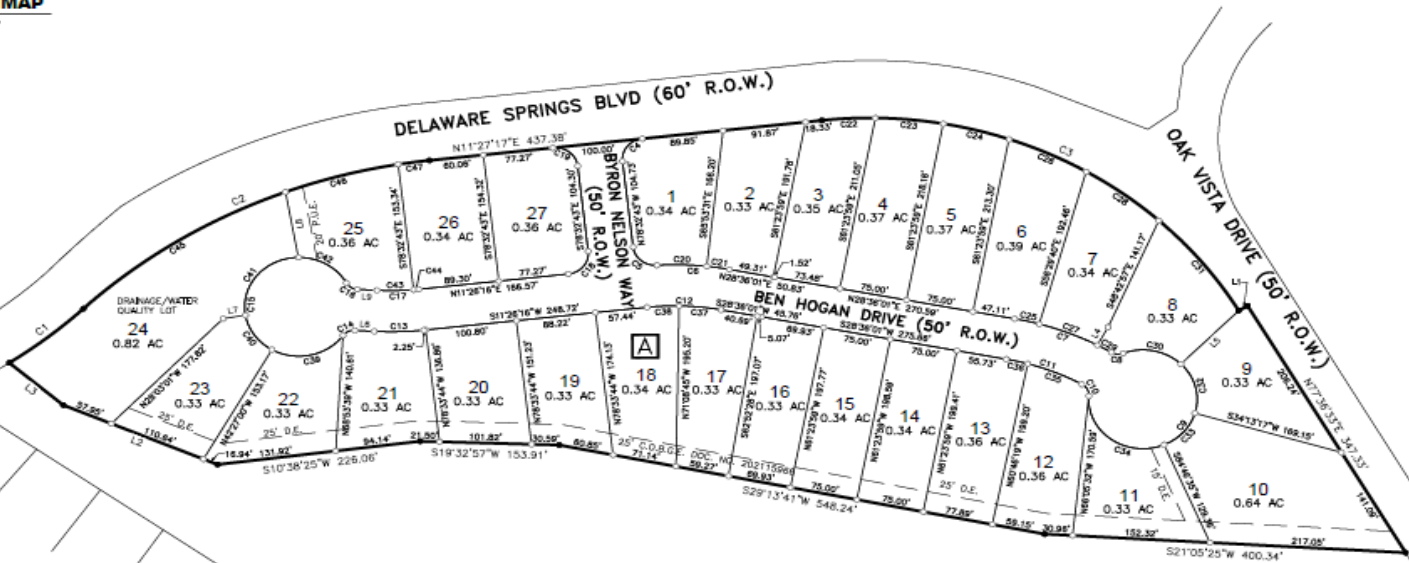
FRONT YARD - 20 FT.
SIDE STREET - 15 FT.
SIDE YARD - 7.5 FT.
REAR YARD - 25 FT.

UNLESS SHOWN OTHERWISE HEREIN, THE FOLLOWING UTILITY EASEMENTS SHALL APPLY:

FRONT YARD - 15 FT.
SIDE STREET - 15 FT.
SIDE YARD - 7.5 FT.
REAR YARD - 25 FT.

SHEET INDEX:

SHEET	DESCRIPTION
SHEET 1 OF 3	PLAT
SHEET 2 OF 3	TABLES
SHEET 3 OF 3	LEGAL DESCRIPTION, PLAT NOTES AND SIGNATURES



OWNER'S NAMES:
DELAWARE SPRINGS RANCH INVESTMENTS, LLC
JORDAN SHIPLEY, MANAGER
24 SMITH ROAD
MIDLAND, TEXAS 79705

SURVEYOR'S COMPANY NAME AND CONTACT INFORMATION:
GEORGE E. LUCAS
REGISTERED PROFESSIONAL SURVEYOR NO. 4180
CELOD SURVEYING FIRM REGISTRATION NO. 10193975
18018 OVERLOOK LOOP, SUITE 105
SAN ANTONIO, TEXAS, 78259

ENGINEER'S COMPANY NAME AND CONTACT INFORMATION:
KARCH A. BICKHAM
REGISTERED PROFESSIONAL ENGINEER NO. 152037
QUATRO CONSULTANTS, LTD., FIRM REGISTRATION NO. F-3524
120 RIVERWALK DRIVE, SUITE 208
SAN MARCOS, TEXAS 78666

DATE: SEPTEMBER, 2023

ACREAGE OF TOTAL SITE: 11.76 ACRES

TOTAL NUMBER OF BLOCKS: 1 BLOCKS (A)

TOTAL NUMBER OF LOTS: 27 LOTS TOTAL

- 26 - RESIDENTIAL
- 1 - DETENTION POND

DELAWARE SPRINGS
SECTION 24
25.95 ACRES
DELAWARE RANCH INVESTMENTS
DOC. NO. 202002970
O.P.R.B.C.T.

HOLE NO. 3
DELAWARE SPRINGS
GOLF COURSE
CITY OF BURNET
VOL. 55B/PG. 690
O.P.R.B.C.T.

Staff Analysis

Staff has reviewed the criteria and does believe the requested variance would meet the criterion of the code.

Planning and Zoning will meet on Monday, April 15th; staff will present P&Z recommendation at the City Council Meeting

Staff recommends approval of the requested variance and Resolution R2024-26 as presented.



Administration

ITEM 4.5

David Vaughn
City Manager
512-715-3208
dvaughn@cityofburnet.com

Action Item Brief

Meeting Date: April 23, 2024

Agenda Item: Discuss and consider and action: TO SUSPEND THE EFFECTIVE DATE PROPOSED BY ATMOS – MIDTEX (ATMOS-MIDTEX) TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM FOR 45 DAYS, AND AUTHORIZE THE CITY'S CONTINUED PARTICIPATION IN A COALITION OF CITIES KNOWN AS THE ATMOS TEXAS MUNICIPALITIES: K. Dix

Background: Under section 104.301 of the Gas Utility Regulatory Act (GURA), a gas utility is allowed to request increases in its rates to recover a return on investments it makes between rate cases. This section of GURA is commonly referred to as the "GRIP" statute (the "Gas Reliability Infrastructure Program"). The statutory term for "GRIP" filings is an interim rate adjustment ("IRA").

The Supreme Court of Texas concluded that a filing made under the GRIP statute permitted gas utilities the opportunity to recover a return on capital expenditures made during the interim period between rate cases by applying for interim rate adjustment and that proceedings under the GRIP statute did not contemplate either adjudicative hearings or substantive review of utilities' filings for interim rate adjustments. Instead, the GRIP statute provides for a ministerial review of the utility's filings to ensure compliance with the GRIP statute and the Railroad Commission's rules, and that it is within the Railroad Commission's authority to preclude cities from intervening and obtaining a hearing before the Railroad Commission. In turn, under the GRIP statute, the Railroad Commission conducts only a ministerial review of a utility's application to increase rates. Consequently, any meaningful review of the expenditures related to a utility's GRIP application are not undertaken until the utility's next general rate case. A utility may file five GRIP applications between rate cases.

Information: On or about February 23, 2024, Atmos-MidTex filed for an increase in gas utility rates under the Gas Reliability Infrastructure Program ("GRIP") statute. Atmos-MidTex' application when approved by the

Railroad Commission will result in an increase in the monthly customer charges as shown below:

Rate Schedule	Current Customer Charge	Proposed 2023 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
Rate R – Residential Sales	\$41.23 per customer per month	\$6.73 per customer per month	\$47.96 per customer per month	\$6.73
Rate C – Commercial Sales	\$114.34 per customer per month	\$22.32 per customer per month	\$136.66 per customer per month	\$22.32
Rate I – Industrial Sales	\$2,079.40 per meter per month	\$412.61 per meter per month	\$2,492.01 per meter per month	\$412.61
Rate T – Transportation	\$2,079.40 per meter per month	\$412.61 per meter per month	\$2,492.01 per meter per month	\$412.61

Note that Atmos-MidTex refers to its application as its “2023” interim adjustment because the increase in rates Atmos-MidTex presents in its application is based on capital expenditures it made from January 1, 2023 through December 31, 2023.

Fiscal Impact None

Recommendation: Approve Resolution No. R2024-27 as presented.

RESOLUTION NO. R2024-27

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS RESPONDING TO THE APPLICATION OF ATMOS ENERGY – MID-TEX DIVISION, TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM; SUSPENDING THE EFFECTIVE DATE OF THIS RATE APPLICATION FOR FORTY-FIVE DAYS; AUTHORIZING THE CITY’S PARTICIPATION IN COORDINATION WITH OTHER CITIES IN A COALITION OF CITIES KNOWN AS THE ATMOS TEXAS MUNICIPALITIES; REQUIRING THE REIMBURSEMENT OF COSTS; DETERMINING THAT THE MEETING AT WHICH THE RESOLUTION WAS ADOPTED COMPLIED WITH THE TEXAS OPEN MEETINGS ACT; MAKING SUCH OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

Whereas, on or about February 23, 2024, Atmos Energy – Mid-Tex Division (Atmos-MidTex) filed for an increase in gas utility rates under the Gas Reliability Infrastructure Program (“GRIP”), resulting in a requested increase in the monthly customer charge as shown in the table below:

Rate Schedule	Current Customer Charge	Proposed 2023 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
Rate R – Residential Sales	\$41.23 per customer per month	\$6.73 per customer per month	\$47.96 per customer per month	\$6.73
Rate C – Commercial Sales	\$114.34 per customer per month	\$22.32 per customer per month	\$136.66 per customer per month	\$22.32
Rate I – Industrial Sales	\$2,079.40 per meter per month	\$412.61 per meter per month	\$2,492.01 per meter per month	\$412.61
Rate T – Transportation	\$2,079.40 per meter per month	\$412.61 per meter per month	\$2,492.01 per meter per month	\$412.61

and

Whereas, the City has a duty to exercise due diligence with regard to rate increases of monopoly utilities who operate within its boundaries; and

Whereas; the application to increase rate by Atmos-MidTex is complex; and

Whereas, it is necessary to suspend the effective date for the increase in rates for forty-five days, so that the City can assure itself that the data and calculations in Atmos-MidTex's rate application are correctly done, and whether Atmos-MidTex's application otherwise conforms to the requirements of Texas Utilities Code § 104.301, commonly referred to as the GRIP statute; and

Whereas, the effect date proposed by Atmos-MidTexas is April 23, 2024, but a suspension by the City will mean that the rate increase cannot go into effect prior to June 7, 2024.

NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Findings. That the statements and findings set out in the preamble to this resolution are hereby in all things approved and adopted.

Section two. Approval. The City suspends the requested effective date by Atmos-MidTex for forty-five days pursuant to the authority granted the City under Section 104.301 of the Texas Utilities Code. The City finds that additional time is needed in order to review the data and calculations that provide the basis for the rate increase application, and to determine whether Atmos-MidTex's application otherwise conforms to the requirements of the GRIP statute.

Section three. Authorization. The City continues to act in coordination with a group of cities known as the Atmos Texas Municipalities in its review of Atmos-MidTex's rate. The City authorizes the law firm of Herrera Law & Associates, PLLC to represent the City in connection with Atmos-MidTex's application to increase rates.

Section four. Authorization Prerequisite. Atmos-MidTex is ordered to reimburse the City's reasonable rate case expenses incurred in response to Atmos-MidTex's rate increase application within 30 days of receipt of invoice for such expenses to the extent allowed by law.

Section five. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act.

Section six. Effective date. This resolution shall take effect immediately upon its passage, and approval as prescribed by law.

PASSED AND APPROVED this the 23rd day of April 2024.

CITY OF BURNET, TEXAS

ATTEST:

Gary Wideman, Mayor

Kelly Dix, City Secretary



Finance

ITEM 4.6

Patricia Langford
Director of Finance
512.715.3205
plangford@cityofburnet.com

Action

Meeting Date: April 23, 2024

Agenda Item: Discuss and consider action: A RESOLUTION BY THE CITY OF BURNET, TEXAS DESIGNATING CERTAIN CITY OFFICIALS TO SIGN CHECKS AND OTHER DISBURSEMENTS FOR ANY AUTHORIZED DEPOSITORY OF THE CITY OF BURNET, TEXAS:
P. Langford

Background: The City Charter states the following, “All checks, vouchers, or warrants for the withdrawal of money from the City depositories shall be signed by two City officials as designated by the City Council”.

Information: Two of our current check signers, Habib Erkan and Kelly Dix will soon be retiring.

The proposed check signers for all of the City’s bank accounts include Gary Wideman – Mayor, David Vaughn - City Manager, Patricia Langford - Finance Director, Mark Ingram - Fire Chief, Brian Lee - Police Chief, Maria Gonzales – Assistant City Secretary (will become City Secretary on May 14, 2024); and Adrienne Field, Administrative Services Specialist/Airport Manager.

In addition, the petty cash account for the golf course (which has a maximum balance of \$2,500) will also include the General Manager - Tony Nash, Pro Shop Manager - Donovan Browning, and Pro Shop Assistant - Blake January as signers.

Fiscal Impact: N/A

Recommendation: Approve and adopt Resolution R2024-28 as presented.

RESOLUTION NO. R2024-28

A RESOLUTION BY THE CITY OF BURNET, TEXAS DESIGNATING CERTAIN CITY OFFICIALS TO SIGN CHECKS AND OTHER DISBURSEMENTS FOR ANY AUTHORIZED DEPOSITORY OF THE CITY OF BURNET, TEXAS.

Whereas, the City of Burnet, Texas (the "City") is a home rule municipality acting under its charter adopted by City Council and pursuant to Article XL, Section 5, of the Texas Constitution and Chapter 9 of the Local government Code; and

Whereas, Section 7.11 of the City Charter requires depositories shall be signed by two City officials as designated by City Council; and

Whereas, the City Council desires to designate officials to serve as signatories for all authorized depositories of the City.

NOW, THEREFORE, BE IT RESOLVED BY 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 resolved by the City Council of the City of Burnet, Texas (the "City Council") and made a part hereof for all purposes as findings of fact.

Section 2. Proceedings. The City Council hereby designates the following individuals as City Officials for the limited purposes of this Resolution and authorizes the individuals listed herein to execute checks, vouchers, warrants, drafts, or other instruments for withdrawal of municipal funds in accordance with Section 7.11 of the City Charter. Such authorized officials of the City shall be: Gary Wideman, Mayor; David Vaughn, City Manager; Patricia Langford, Director of Finance; Mark Ingram, Fire Chief; Brian Lee, Police Chief, Maria Gonzales, Assistant City Secretary (will become City Secretary on May 14, 2024), and Adrienne Feild, Administrative Services Specialist/Airport Manager. Authorization shall apply to all depository accounts of the City, including, current and future depository accounts deemed necessary by the City Manager to conduct the business of the City.

In addition to the individuals listed above, Anthony Nash, General Manager/Golf Course Superintendent; Blake January, Assistant Golf Pro II; and Donovan Browning, GC Pro/Pro Shop Manager shall be authorized to execute checks for withdrawal of municipal funds for bank account number 2329 titled Delaware Springs Petty Cash.

Section 3. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution 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 Meetings Act, *Chapt. 551, Tex. Gov't. Code*.

PASSED AND APPROVED this the 23rd day of April 2024.

CITY OF BURNET, TEXAS

ATTEST:

Gary Wideman, Mayor

Kelly Dix, City Secretary



Administration

ITEM 4.7

Patricia Langford
Director of Finance
(512)-715-3205
plangford@cityofburnet.com

Agenda Item Brief

- Meeting Date:** April 23, 2024
- Agenda Item:** Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING A BIENNIAL AGREEMENT WITH GABRIEL, RODER, SMITH AND COMPANY FOR ACTUARIAL SERVICES PER THE MASTER AGREEMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID ENGAGEMENT LETTER ON BEHALF OF THE CITY: P. Langford.
- Background:** The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 replaces the requirements of GASB Statement No. 45 and establishes new accounting and financial reporting requirements for other postemployment benefit (OPEB) plans.
- Information:** To comply with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 75, the City has been using the actuarial services of Gabriel, Roder, Smith and Company (GRS) to measure their Other Post-Employment Benefit (OPEB) liabilities since 2018.
- Fiscal Impact:** This is a budgeted line item for fiscal year 2024 and will be included in the fiscal year 2025 budget. The new biennial contract amount is \$11,455 which is a \$1,035 increase over the previous biennial contract.
- Recommendation:** Approve Resolution R2024-29 as presented.

RESOLUTION NO. R2024-29

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING A BIENNIAL AGREEMENT WITH GABRIEL, RODER, SMITH AND COMPANY FOR ACTUARIAL SERVICES PER THE MASTER AGREEMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID ENGAGEMENT LETTER ON BEHALF OF THE CITY

Whereas, To comply with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 75, the City is required to use an actuarial valuation to measure their Other Post-Employment Benefit (OPEB) liabilities.

Whereas, The City has reviewed the attached engagement letter received from GRS and it has been determined that the services as detailed in the agreement are appropriate to meet the accounting and financial reporting requirements for the City as established by GASB Statement No. 75.

Whereas, The City plans to enter into a biennial agreement with GRS to prepare the annual actuarial valuation reports for OPEB for Fiscal Years 2024 and 2025.

NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Findings. The recitals to this resolution are deemed to be the findings of City Council and incorporated herein for all purposes.

Section two. Approval. The Gabriel, Roder, Smith and Company engagement letter and master agreement attached hereto are hereby approved.

Section three. Authorization. The City Manager is hereby authorized and directed to execute the attached engagement letter and to take such other actions reasonably necessary to facilitate the purpose of this resolution.

Section four. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Texas Open Meetings Act.

Section five. Effective Date. That this resolution shall take effect immediately upon its passage, and approval as prescribed by law.

PASSED AND APPROVED this the 23rd day of April 2024.

CITY OF BURNET, TEXAS

ATTEST:

Gary Wideman, Mayor

Kelly Dix, City Secretary

Master Agreement

Other Post Employment Benefits (OPEB) Actuarial Valuations

Pursuant to the award of RFP NCT-2017-02 (Other Post Employment Benefits (OPEB) Actuarial Valuations) by the North Central Texas Council of Governments (NCTCOG), this agreement confirms the terms under which

City of Burnet hereinafter referred to as "CONTRACTING GOVERNMENT" has engaged Gabriel, Roeder, Smith & Co. hereinafter referred to as "GRS" to perform actuarial consulting services. In as much as this relationship will involve several actuarial reviews and other services that will be governed by the Request for Proposal (RFP # NCT-2017-02) issued by NCTCOG on January 4, 2017 and our contract with NCTCOG, we have agreed to establish this "master agreement" defining the general terms and conditions for all work performed for the CONTRACTING GOVERNMENT.

This agreement will not, by itself, authorize the performance of any services. Rather specific services will be authorized through a separate engagement letter that references this master agreement and details the services to be provided and the required fees. In the event of an inconsistency between this master agreement and an individual engagement letter, the master agreement will be followed.

As described in the above referenced Request for Proposal the following terms apply:

- A. **Tax Exempt Entities.** CONTRACTING GOVERNMENT is exempt from manufacturer's federal excise tax and states sales tax. Tax exemption certificates will be issued upon request.
- B. **Role of NCTCOG.** NCTCOG has served as a facilitator to the RFP and award process but the contractual relationship is between GRS and the CONTRACTING GOVERNMENT.
- C. **Aggregate Information.** GRS agrees to supply the CONTRACTING GOVERNMENT with the specified results from the valuations and to aggregate that information with that of other governments for the purpose of benchmarking.
- D. **Fees.** GRS agrees to follow the attached pricing schedule ("Attachment A") for pricing of its services. Fees are subject to inflation adjustments starting in January of 2019. The fees associated with each valuation cycle will be provided in a separate engagement letter.
- E. **Review of Charges.** CONTRACTING GOVERNMENT has the right to review the supporting documentation for any hourly charges or out of pocket expenses assessed to the CONTRACTING GOVERNMENT under the fee schedule.

- F. **Termination.** Both CONTRACTING GOVERNMENT and GRS will have the right to terminate this agreement through written notice. CONTRACTING GOVERNMENT will pay any charges or prorate fees incurred to the date the termination notice is received and actuary will cease any in progress work unless specific stopping points are provided in the letter.
- G. **Work Product.** The final work product will be the property of the CONTRACTING GOVERNMENT to be used as stated in the specific engagement letter. Ancillary use of the product is permitted, but GRS is not responsible for the reliability of those projections. It is understood that all reports are subject to the open records laws of the State of Texas and the contracting jurisdiction.
- H. **Independent Contractor.** All the services provided by GRS will be as an independent contractor. None of the terms in the engagement letter will be interpreted to create an agency or employment relationship.
- I. **Term.** The term of this master agreement will be governed by the afore referenced NCTCOG RFP and will expire on June 30, 2023.
- J. **Complete Agreement.** This agreement combined with the specific engagement letter and as clarified by the RFP and Proposal set forth the entire agreement between the CONTRACTING GOVERNMENT and GRS.
- K. **Indemnification.** GRS covenants and agrees to indemnify and hold harmless and defend and does hereby indemnify, hold harmless, and defend CONTRACTING GOVERNMENT, its officers and employees, from and against any and all suits or claims for damages or injuries, including death, to persons or property, whether real or asserted, arising out of any negligent act or omission on the part of the contractor, its officers, agents, servants, employees, or subcontractors, and the contractor does hereby assume all liability for injuries, claims or suits for damages to persons, property, or whatever kind of character, whether real or asserted, occurring during or arising out of the performance of this contract as a result of any negligent act or omission on the part of the contractor, its officers, agents, servants, employees, or subcontractors to the extent permitted by law. Please review this master agreement letter and the attached schedules and indicate your acceptance by having an official of CONTRACTING GOVERNMENT sign below.
- L. **Force Majeure.** A force majeure event shall be defined to include governmental decrees or restraints, acts of God (except that rain, wind, flood or other natural phenomena normally expected for the locality, shall not be construed as an act of God), work stoppages due to labor disputes or strikes, fires, explosions, epidemics, riots, war, rebellion, and sabotage. If a delay or failure of performance by either party to this contract results from the occurrence of a force majeure event, the delay shall be excused and the time fixed for completion of the work extended by a period equivalent to the time lost because of the event.

M. **Professional Standards.** GRS will provide qualified personnel for each engagement and follow all professional standards ascribed by the American Academy of Actuaries and the Governmental Accounting Standards Board.

GABRIEL, ROEDER, SMITH & CO.

By: Mark Randall Date: August 20, 2018
Title: Chief Executive Officer

CONTRACTING GOVERNMENT

By: Dawn Vay Date: 8/16/18
Title: City Manager

ATTACHMENT A

Pricing Schedule – Calendar Years 2017 and 2018

Plan Basic Services			
	Governments by Total OPEB Participants (Actives and Retirees)	Annual	Biennial
P1	Less than 100	\$7,200	\$9,400
P2	Between 100 to 199	\$7,200	\$9,400
P3	Between 200 and 499	\$7,900	\$10,200
P4	Between 500 and 999	\$9,400	\$11,800
P5	Between 1,000 and 2,499	\$10,700	\$13,200
P6	Between 2,500 and 4,999	\$11,600	\$14,200
P7	Between 5,000 and 7,500	\$14,700	\$17,400
P8	Greater than 7,500	\$17,800	\$20,600
	Plan Features Resulting in Additional Cost (Discount) to Basic Services	Annual	Biennial
P9	Self-Insured Healthcare Plans	\$2,100	\$2,100
P10	Cost per additional healthcare plan option (high deductible, HMO, PPO etc.)	\$600	\$600
P11	Cost per additional retirement plan covered by the same OPEB plan	\$1,700	\$1,700
P12	Implicit subsidy only plans	-\$2,000	-\$2,000
P13	Plan change not previously valued (Basic)*	\$1,300	\$1,300
P14	Plan change not previously valued (Non-Basic)*	To be quoted	To be quoted
P15	OPEB Trust or Equivalent Arrangement	\$500	\$1,250
P16	Single Discount Rate Test	\$1,000	\$1,000
P17	Data Processing Charge**	To be quoted	To be quoted

* The impact of plan changes which are deemed significant need to be measured under GASB 74/75. A Basic or Non-Basic fee will apply anytime a plan change impact needs to be separately measured. No fee will apply if GRS has already measured the impact of the plan change.

** GRS fees are based on receiving census and claims data in the requested format. If data is provided in a different format or in multiple files, GRS will discuss an "out-side of scope" data fee charge with the Client before proceeding with the valuation.

	Optional Services	
O1	Updating actuarial valuations to the measurement date	\$1,500
O2	Upgrade roll-forward to full valuation	\$3,300
O3	Plan only reporting package for separately issued financial statements	\$800
O4	Cost Sharing schedules for primary government and component units	To be quoted
O5	Pricing valuation for OPEB plan changes (Basic)	\$1,300
O6	Pricing valuation for OPEB plan changes (Non-Basic)	To be quoted
O7	Experience Study	To be quoted
	Consulting on active health plans:	
O8	Pricing of premiums for self-insured health plans	To be quoted
O9	Cost trend analysis	To be quoted
O10	Hourly rate for additional services-responsible actuary	\$330
O11	Hourly rate for other actuarial staff	\$215
O12	Hourly rate for additional services-support staff	\$185
O13	In person meeting/presentation-per meeting*	\$1,300
O14	Calculation of an Actuarially Determined Contribution	To be quoted
O15	Money-weighted rate of return	\$500
O16	Initial GASB 75 report based on roll-forward of a previously completed GRS GASB 45 Valuation	\$2,500
O17	Initial GASB 74/75 report based on Roll-forward of a previously completed GRS GASB 45 Valuation**	\$4,000

*Fee for in-person meeting/presentation does not include travel expenses. Fees for travel outside the Dallas/Fort Worth metroplex will be the responsibility of the employer.

**Fee will be reduced by \$1,000 if a Blended Discount Rate test is not needed.

PRICING ASSUMPTIONS

- a. Pricing assumes that all participating entities offer basic vision and dental and life insurance to employees and retirees
- b. Pricing assumes for annual valuations: 50% paid upon initiation of the work and 50% upon receipt of the draft report. For biennial valuations 30% upon initiation of the work, 40% upon delivery of the draft valuation and 30% upon delivery in the second year of the rolled forward report.
- c. Number of OPEB participants will be determined as of the date the valuation is performed.
- d. Pricing will be held constant until January 2019 (approximately one and half years after contract award) and then be adjusted in relation to the Consumer Price Index-All Urban Consumers annually for each of the remaining six years. Starting in January 2019, the fees increase based on the November over November increase to the CPI-U. For example, the fees for 2019 would be increased by the change in the CPI-U from November 2017 to November 2018. Annual fee increases must be approved by the NCTCOG, and the NCTCOG has the right to limit the CPI related fee increase in any year. Once an annual or biennial valuation fee is agree to, CPI related fee increases would not impact the valuation fee for that particular valuation cycle. CPI related fee increases would apply to the next valuation cycle.



April 2, 2024

Ms. Patricia Langford
Director of Finance
City of Burnet
P.O. Box 1369
Burnet, TX 78611

Re: Engagement Letter for the December 31, 2023 OPEB valuation and the GASB 75 Valuation Reports for fiscal years ending 2024 and 2025.

Dear Ms. Langford,

The following is a pricing quote for a GASB 75 actuarial valuation under the Shared Services arrangement provided by Gabriel, Roeder, Smith & Co (GRS) and North Central Texas Council of Governments (NCTCOG).

Based on the information you provided, the cost of services for City of Burnet is \$11,455. This price is based on receiving data in the standard GRS format and using the following assumptions:

Pricing Category	Pricing Parameters	Fee
Annual or Biennial	Biennial	
Number of Participants	< 100 participants	\$10,765
Claims Analysis Required	No	\$0
Health Plans	1. HDHP 2. PPO	\$690
Retirement Plans	1. TMRS	\$0
Life Insurance Benefit	No	\$0
Implicit Subsidy Only Discount	Not Eligible	\$0
Plan Change Not Previously Valued	No	N/A
OPEB Trust or Equivalent Arrangement	No	N/A
Single Discount Rate Test	No	\$0
Plan Only Reporting Package	No	\$0
Cost Sharing Schedules for Primary Government and Component Units	No	\$0
Calculation of an Actuarially Determined Contribution	No	\$0

Total \$11,455

Basic Services

- Actuarial valuation of employer OPEB in compliance with the requirements of GASB Statements No. 74 and No. 75. The valuation report will include, but is not limited to, the following:
 - > The updated Total OPEB Liability, based on the appropriate discount rate for the reporting period.
 - > A reconciliation of the Total OPEB Liability, which shows, among other items, the impact of benefit changes, assumption changes, and demographic gains/losses separately.
 - > The OPEB expense and supplementary information required by GASB 75.
 - > The characteristics of covered active members, retirees, and beneficiaries and other information required for the note disclosures.
 - > A statement of outflows and inflows arising from the current reporting period.
 - > A statement of outflows and inflows to be recognized in future OPEB expense.
 - > A sensitivity analysis providing the Total OPEB Liability based on a 1% higher and 1% lower discount rate.
 - > A sensitivity analysis providing the Total OPEB Liability based on a 1% higher and 1% lower health care trend assumption.

Billing Schedule

GRS pricing assumes 30% paid upon acceptance by the government of the engagement, 40% upon delivery of the draft full valuation, and 30% upon delivery of the draft roll-forward report in the second year.

The Master Agreement allows for automatic fee increases based on changes in the Consumer Price Index (CPI), starting in January of 2019. Any CPI related increases will not apply to the fees in this schedule until the next valuation cycle. In March 2023, the NCTCOG approved an amendment with an updated fee schedule to better align fees with services provided.

Basic Options Study

It is anticipated that City of Burnet may want to consider options for mitigating its OPEB liability. Basic Options studies would include alternative discount rates, alternative healthcare trend rates, benefit capitations, and changes in retiree cost sharing. The cost for a Basic Options study will be \$1,570 per study.

Fees for plan redesign studies that are not considered basic will be communicated after the specifics of the proposed plan changes are discussed.

Additional Services

Fees for additional consulting services not included under Basic Services or included in the fixed fee Options studies will be priced separately upon request and will be based on the following hourly rates:

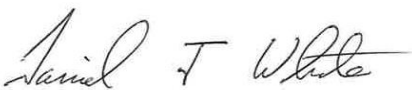
<i>GRS Resource Classification</i>	<i>Hourly Rates</i>
Lead Actuary	\$400
Actuarial Staff	\$255
Support Staff	\$225

A copy of this engagement letter will be made a part of the master agreement between City of Burnet and GRS.

CITY OF BURNET, TX

Date

GABRIEL, ROEDER, SMITH & COMPANY



Daniel J. White, Vice President

4/2/2024

Date

AMENDMENT #5
to
MASTER SERVICES AGREEMENT #2017-02
OTHER POST EMPLOYMENT BENEFITS (OPEB) ACTUARIAL VALUATIONS

This AMENDMENT to the **MASTER SERVICES AGREEMENT FOR OTHER POST EMPLOYMENT BENEFITS ACTUARIAL VALUATIONS** ("Amendment") is made and entered into as of the Effective Date stated herein, by and between the **NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**, a Texas non-profit corporation, hereinafter referred to as "**NCTCOG**", and **GABRIEL, ROEDER, SMITH & COMPANY**, hereinafter referred to as "**Service Provider**", (collectively, "the Parties").

WHEREAS, the Parties entered into a **MASTER SERVICES AGREEMENT FOR OTHER POST EMPLOYMENT BENEFITS ACTUARIAL VALUATIONS** on June 13, 2017, (the "Original Contract").

WHEREAS, Article VII of the Original Agreement allows for amendments to the Original Agreement.

WHEREAS, Article VI of the Original Agreement allows for two additional two-year renewal periods.

WHEREAS, the Parties agree to revise Attachment B, by executing an adjustment of fees pursuant to Subsection D, Pricing Assumptions.

NOW, THEREFORE, in consideration of the mutual covenants expressed herein, each of NCTCOG and the Service Provider mutually covenant and agree as follows:

- Exercise the first two-year optional renewal period, extending the Original Agreement to June 12, 2025.
- The Parties agree to revise Attachment B, by executing an adjustment of fees pursuant to Subsection D, Pricing Assumptions. Fees will be increased by 5.0% in 2023 and by 3.5% in 2024.

Year	Fee Increase
2023	5%
2024	3.5%

This Amendment binds and benefits both Parties and any successors or assigns. This document, including the Original Agreement, is the entire agreement between the Parties.

All other terms of the Original Contract remain unchanged.

IN WITNESS WHEREOF, the Parties have executed this Amendment at Arlington, Tarrant County, Texas the 29 day of March, 2023 (the "Effective Date").

GABRIEL, ROEDER, SMITH & COMPANY



Signature

Daniel J White
Printed Name

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

DocuSigned by:


Signed

R. Michael Eastland
Executive Director



Police Department

ITEM 4.8

Brian Lee
Police Chief
(512)-756-6404
jblee@cityofburnet.com

Agenda Item Brief

- Meeting Date:** April 23, 2024
- Agenda Item:** Discuss and consider action: Authorization and approval to purchase one (1) 2024 Chevrolet Blazer.
- Background:** The police department previously converted a CID truck for use in handling evidence collection and transport to the state lab in Austin. The vehicle has seen significant use and needs to be replaced. The cost to purchase the vehicle is \$35,495. There will be an additional cost of \$1,000 to mark the vehicle as a city vehicle.
- Information:** The vehicle is in stock and is being purchased using the TIPS purchasing cooperative.
- Fiscal Impact:** The total cost for the vehicles will be \$36,495. The vehicle will be budgeted in the FY25 budget.
- Recommendation:** Staff recommends approval of the purchase of the vehicle for collection and transportation of evidence for the police department.



Vehicle Purchase FY 25



Vehicle replacement
early in FY24



Evidence collection
and transport vehicle



Previously converted
CID vehicle



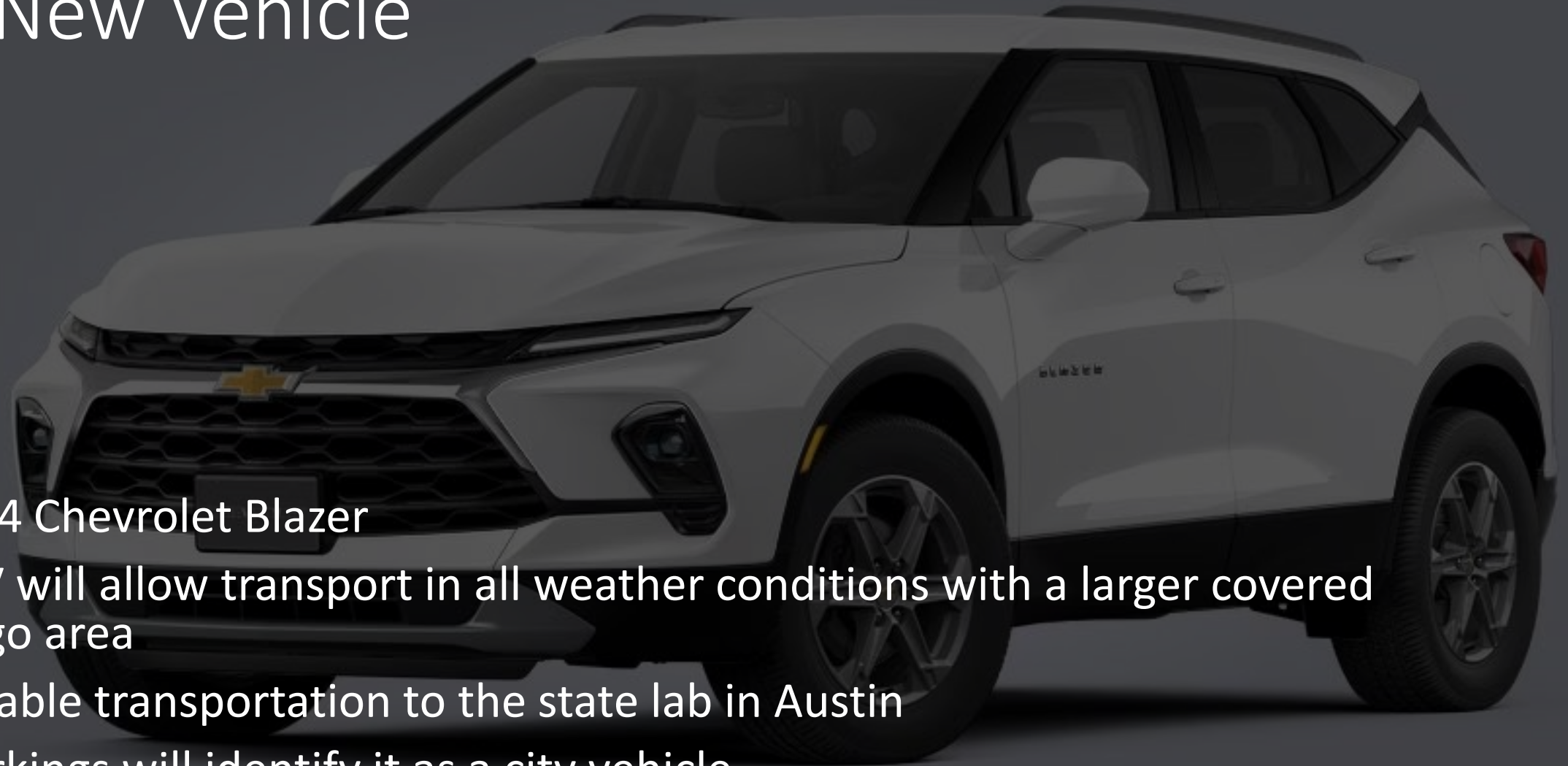
Reached the end of
its usefulness



White Lightning

- 2010 Ford F-150
- 100K miles
- Starter issues
- Driver's seat has deteriorated to a point where metal is showing
- Maintenance of the vehicle is becoming more difficult
- Reliability and safety of the vehicle are the main concerns

New Vehicle



- 2024 Chevrolet Blazer
- SUV will allow transport in all weather conditions with a larger covered cargo area
- Reliable transportation to the state lab in Austin
- Markings will identify it as a city vehicle
- Cost of the vehicle with upfitting will be \$36,495



Questions



Airport

ITEM 4.9

Adrienne Feild
Admin Services/Airport Manager
512.715.3214
afeild@cityofburnet.com

Agenda Item Brief

- Meeting Date:** April 23, 2024
- Agenda Item:** Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS APPROVING A FORTY-YEAR AIRPORT GROUND LEASE AGREEMENT WITH CAREFLITE FOR APPROXIMATELY 0.972 +/- ACRES LOCATED AT THE SOUTH END OF THE AIRPORT. (A.Feild)
- Background:** By resolution no. R2024-16 City Council approved a letter of intent with Careflite, to ground lease 0.972 +/- acres located at the Burnet Municipal Airport. It was, and is, the intent of both parties to ultimately enter into a Ground Lease Agreement.
- Information:** This resolution authorizes the City Manager to execute a forty-year Ground Lease agreement between the City of Burnet and Careflite for 0.972 +/- acres located at the south end of the Airport. This Agreement with Careflite authorizes construction and operation of Careflite facilities. This Agreement also grants Careflite certain rights, privileges and uses therein as necessary to conduct the agreed Authorized Aeronautical Activities. The term of this Agreement shall commence on June 1, 2024, and shall end on May 31, 2064. (480 months).
- Fiscal Impact:** Approval of this resolution will have a positive financial impact of \$7,621.26 as Annual Rent to the Airport Fund. Adjusted Rent shall be calculated on the fifth-year anniversary, and at subsequent five-year intervals. The adjusted Rent shall be equivalent to the percent change in the CPI during the preceding five-year interval period. If the CPI shall have decreased, the Rent shall not be decreased, but shall remain at the same level as was charged during the preceding five-year period.
- Recommendation:** Approve Resolution No. R2024-30 as presented.

RESOLUTION NO. R2024-30

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS APPROVING A FORTY-YEAR AIRPORT GROUND LEASE AGREEMENT WITH CAREFLITE FOR APPROXIMATELY 0.972 +/- ACRES LOCATED AT THE SOUTH END OF THE AIRPORT.

Whereas, the City currently owns and operates an airport known as the Burnet Municipal Airport (hereinafter called the "Airport"), located in Burnet County Texas, and;

Whereas, Careflite is a Texas non-profit corporation, and;

Whereas, pursuant to this Agreement the City desires to enter into a forty-year ground lease agreement with Careflite for approximately 0.972 +/- acres of Airport property located at the south end of the Airport for construction and operation of Careflite facilities, and;

Whereas, pursuant to this Agreement the City desires to grant Careflite certain rights, privileges and uses therein as necessary to conduct the agreed Authorized Aeronautical Activities, and;

Whereas, Careflite desires to enter into a forty-year Ground Lease Agreement with the City for 0.972 +/- acres located at the Airport, and;

Whereas, the Parties agree that the obligation to perform the terms, covenants and conditions of this Agreement is sufficient consideration to make this Agreement a legally enforceable contract.

NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Findings. That the recitals to this Resolution are incorporated herein for all purposes.

Section two. Approval. The Careflite Ground Lease Agreement attached is hereby approved.

Section three. Delegation of Authority. The City Manager is hereby authorized and directed to execute an agreement in substantial form as the attachment hereto and take such further action, and execute such ancillary documents, as may be reasonably necessary to facilitate the purpose of this resolution.

Section four. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act.

Section five. Effective Date. That this resolution shall take effect immediately upon its passage, and approval as prescribed by law.

PASSED AND APPROVED this the 23rd day of April 2024.

CITY OF BURNET, TEXAS

ATTEST:

Gary Wideman, Mayor

Kelly Dix, City Secretary

AIRPORT HANGAR GROUND LEASE AGREEMENT

CITY OF BURNET, TEXAS

Ground Lessor

AND

CAREFLITE

Ground Lessee

**AIRPORT HANGAR GROUND LEASE AGREEMENT
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AIRPORT HANGAR GROUND LEASE AGREEMENT

STATE OF TEXAS

§

KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF BURNET

§

§

THIS GROUND LEASE AGREEMENT (this “**Lease**”) is entered into this ___ day of _____, 2024, by and between the CITY OF BURNET, a Texas Municipal Corporation (“**City**”), as the owner of the Kate Craddock Field Municipal Airport, acting by and through its CITY MANAGER, and CAREFLITE, a Texas non-profit corporation (“**Lessee**”) acting by and through its PRESIDENT & CEO.

WITNESSETH:

For good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, City and Lessee, for themselves and their authorized successors and assigns, hereby agree as follows:

ARTICLE I. DEFINITIONS

Definitions. The following terms, as used in this Lease, shall have the meanings set forth below:

“**Abandon**” or “**Vacated**” shall mean that for more than thirty (30) consecutive days the occurrence of any of the following: (i) the Leased Premises has ceased to be used for its authorized purpose; (ii) the building has not been occupied; (iii) that utilities have been disconnected without notification to the City of a temporary closure due to improvement or repairs.

“**Aeronautical Activities**” shall mean any activity or service that involves, or directly: (i) makes possible, (ii) facilitates, (iii) assists in, or (iv) is required for the operation of commercial or noncommercial aircraft, or which contributes to or is required for the safety of commercial or noncommercial aircraft operations.

“**Airport**” shall mean that certain municipal airport owned and operated by the City known as the Burnet Municipal Airport, aka Kate Craddock Field, and that is located at 2302 S. Water Street, Burnet, Burnet County, Texas 78611.

“**Aircraft Hangar Facility**” shall mean the building to be constructed on the Land by Lessee to fulfill Lessee’s Mandatory Construction obligations pursuant to this Lease.

“**Appeal**” shall mean an appeal of a determination of the City Representative by Lessee to City Council.

“**Assignment**” shall mean the sale, exchange, assignment, or other disposition of all of Lessee's interest in this Lease and the leasehold estate created thereby, whether by operation of Law or otherwise.

“**Authorized Aeronautical Activities**” shall mean those Aeronautical Activities authorized by the City under this Agreement as set forth in Exhibit B.

“Best Management Practices” or **“BMP”** shall mean practices employed to prevent or reduce source water pollution, such as the construction of runoff-retention basins and replanting eroding surfaces.

“Business Day” shall mean any day which is not a Saturday, Sunday, or a day observed as a holiday by the City.

“Certificate of Occupancy” shall mean a certificate issued by the City permitting the occupancy of the Aircraft Hangar Facility. For purposes hereof, a temporary Certificate of Occupancy shall be deemed to be a Certificate of Occupancy but shall be replaced with a permanent Certificate of Occupancy before the expiration of such temporary Certificate of Occupancy.

“City” shall mean the City of Burnet, Burnet County, Texas, and in the context of the relationship with Lessee in this Agreement the term City shall be equivalent to the term “Lessor.”

“City’s Consent” shall mean the written consent of the City Council, or City Representative, as the case may be, such consent not to be unreasonably denied, conditioned or delayed.

“City Council” or **“Council”** shall mean the governing body of the City.

“City Representative” shall mean the City’s City Manager.

“Commencement Date” means the date designated in Section 4.01 as the date the Lease commences.

“Commencement of Construction” shall mean the date on which the Mandatory Construction shall commence, including any excavation or pile driving but not including test borings, test pilings, surveys, and similar pre-construction activities.

“Completion of Construction” shall mean the date on which the Mandatory Construction Aircraft Hangar Facility receives a Certificate of Occupancy.

“Condemnation” shall mean the taking or appropriation of all or any part of the Premises, or any interest therein or right accruing thereto including any right of access, by, or on behalf of any Governmental Authority, or by any entity granted the authority to take property in the exercise of the power or right of eminent domain granted by statute, or any agreement that conveys to the condemning authority all or any part of the Premises as the result of, or in lieu of, or in anticipation of, the exercise of a right of condemnation or eminent domain. Such term shall also be deemed to include, to the extent not otherwise defined herein, a temporary taking of the Premises or any part thereof or the Improvements thereon for a period of six months or more, and the taking of the leasehold interest created herein.

“Consumer Price Index” or **“CPI”** shall mean the Consumer Price Index for all Urban Consumers (CPI-U, Dallas-Fort Worth-Arlington, TX) 1982-84=100 Base as compiled by the Bureau of Labor Statistics, or any successor or substitute index, appropriately adjusted.

“Consideration” shall mean the Rent and Additional Consideration Lessee promises to exchange for the benefits of the Lease.

“Dangerous Acts and Omissions” means those actions or circumstances which Lessee should do or discontinue doing which are Derogatory to Aeronautical Activities. Conditions or circumstances which are Derogatory to Aviation Activities shall be conclusive as to Lessee if the determination that they are such is made by the FAA, TxDOT, or City Council.

“Derogatory” shall mean an act or omission by Lessee, which does or reasonably appears to materially hinder Aeronautical Activities.

“Due Date” shall mean the date on which such Rent payment is due as provided in this Lease.

“Encumbrances” shall mean a security instrument including, but not limited to a mortgage, pledge, hypothecate or otherwise transfer or assign the leasehold estate granted hereby as security for a purchase money debt to construct the Improvements contemplated in Article VIII.

“Environmental Laws” shall mean all Laws: (a) relating to the environment, human health, or natural resources; (b) regulating, controlling, or imposing liability or standards of conduct concerning any Hazardous Materials; (c) relating to Remedial Actions; and (d) requiring notification or disclosure of releases of Hazardous Materials or of the existence of any environmental conditions on or at the Premises, as any of the foregoing may be amended, supplemented, or supplanted from time to time.

“Environmental Liabilities” shall mean any loss, cost, expense, claim, demand, liability, obligation, action, or other responsibility of whatever kind, based upon or required under Environmental Laws or otherwise relating to: (a) any environmental, health, or safety matter or condition (including, but not limited to, on-site or off-site pollution or contamination, the welfare, safety, and health of people at the Premises or elsewhere, and the regulation of chemical substances or products); (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands, responses, and remedial, investigative, or inspection costs and expenses arising under or caused by application of Environmental Laws (including, but not limited to, fees for attorneys, engineers, and other professionals); (c) financial responsibility under Environmental Laws for Remedial Action or for any damages to natural resources; or (d) any other Remedial Actions required under Environmental Laws.

“Event of Default” or **“Default”** shall mean those acts or omissions set out in Section 3.07.

“Exigent Circumstances” shall mean a Dangerous Act or Omission on the Leased Premises, or a nuisance created or allowed on the Leased Premises, by Lessee, which if not immediately remediated by Lessee, upon written notice by City to Lessee, may be remediated by City with all reasonable charges for such remediation charged to Lessee.

“Expiration Date” shall mean the date designated in Section 4.02 as the date the Lease terminates.

“FAA” shall mean the Federal Aviation Administration.

"Governmental Authorities" shall mean the United States of America, the State of Texas, the County of Burnet, the City of Burnet, any political subdivision thereof, and any other governmental or regulatory authority, agency, board, department, bureau, body, commission, or instrumentality, or quasi-governmental authority, and any court, arbitrator, or other administrative, judicial, or quasi-judicial tribunal, or any other public or quasi-public authority, having jurisdiction over the Premises or the matter at issue or having jurisdiction or control over the operation of the Airport.

"Hazardous Materials" shall mean any substance or other material that: (i) is defined as a hazardous substance, hazardous material, hazardous waste or toxic substance under any Hazardous Materials Law or is a flammable or explosive material (including gasoline, diesel, aviation fuels, lubricating oils, and solvents), asbestos, radioactive material, nuclear medicine material, drug, vaccine, bacterial, virus, or injurious or potentially injurious matter; or (ii) is controlled or governed by any Hazardous Materials Law.

Hazardous Materials Laws shall mean any Federal, State or local law, ordinance, rule, order, regulation or court decision relating to Hazardous Materials.

"Improvements" shall mean all buildings and other improvements now located, or hereafter erected, on the Land (including the Facility), together with all fixtures now or in the future installed or erected in or upon the Land or such improvements owned or leased by City or Lessee (including boiler(s), equipment, elevators, escalators, machinery, pipes, conduits, wiring, septic systems, wells, and heating, ventilation, and air conditioning systems).

"Jet Blast" shall mean the phenomenon of rapid air movement produced by the jet engines of aircraft, particularly on or before takeoff."

"Land" shall mean all that certain plot, piece, tract, lot or parcel of land described in Section 2.01.

"Law" shall mean any present or future law, statute, ordinance, regulation (including zoning regulations), code, building code, judgment, injunction, arbitration award, order, rule, directive, proclamation, decree, common law, or other requirement, ordinary or extraordinary, foreseen or unforeseen, of the federal or any state or local governmental, or any political subdivision, arbitrator, department, commission, board, bureau, agency, or instrumentality thereof, or of any court or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction, or of any other public or quasi-public authority, having jurisdiction over the Premises; and any reciprocal easement, covenant, restriction, or other agreement, restriction or easement of record affecting the Premises as of the date of this Lease or subsequent thereto.

"Leasehold Mortgage" shall mean an Encumbrance.

"Leased Premises" or **"Premises"** shall mean the Land, any Improvements thereon (including the Facility, as applicable), and any and all rights, privileges, easements, and appurtenances to the Land and the Improvements. References in this Lease to the **"Leased Premises"** or **"Premises"** shall be construed as if followed by the phrase "or any part thereof" unless the context otherwise requires.

"**Liabilities**" shall mean all losses, claims, suits, demand, costs, liabilities, and expenses, including reasonable attorneys' fees, penalties, interest, fines, judgment amounts, fees, and damages, of whatever kind or nature.

"**Mayor**" shall mean the duly elected or appointed mayor of the City.

"**Mandatory Construction**" shall mean the required construction of Improvements described in Article VIII.

"**New Construction**" shall mean any addition of an improvement made by Lessee, including the Mandatory Construction, or any alteration to an existing improvement.

"**Person**" shall mean any individual, corporation, partnership, firm, or other legal entity.

"**Prop Wash**" shall mean the disturbed mass of air pushed aft by the propeller of an aircraft.

"**Protected Area**" shall mean an area located within the Leased Premises, which is: (i) accessible only to aircraft; (ii) identified on the Site Plan as Protective Area; (iii) identified on the Leased Premises by warning signs; and, (iv) may only be use for Authorized Aeronautical Activities only.

"**Ramp**" shall mean a paved aircraft ramp area wholly within the boundary lines of the Land designed and built to specifications, and for a minimum weight bearing capacity, established by the City, built to the full width of the Leased Premises, and to connect with adjacent taxiway, ramp and/or auto parking areas, in order that a continuous and safe pavement section results; and, if access to the Leased Premises is not available on existing taxiways and/or roadways, the Ramp to be constructed by Lessee shall include the construction of such access.

"**Run-up Area**" means that area of the taxiway where aircraft preparing for takeoff go through pre-takeoff procedures, which may produce Prop Wash or Jet Blast.

"**Security Deposit**" shall mean the deposit of money to City by Lessee to ensure that Rent will be paid, and Lessee will perform other obligations under the Lease.

"**Significant Materials**" shall mean materials having the potential to be released with storm water discharges including, but are not limited to, raw materials; fuels; materials such as solvents detergents and plastic pellets; finished materials such as metallic products, raw materials used in food processing or production; hazardous substances designated under section 101(14) of CERCLA; any chemical the Airport or Lessee is required to report pursuant to section 313 of title III of SARA; fertilizers; pesticides; and waste products such as ashes, slag and sludge.

"**Special Damages**" shall mean consequential, special, punitive (or exemplary), or any similar damages, including, without limitation, lost profits, loss of revenue or income, cost of capital, or loss of business reputation or opportunity.

"**State**" shall mean the State of Texas.

"**Storm Water**" shall mean storm water runoff, snow melt runoff, and surface runoff and drainage.

“**Storm Water Discharge Associated with Industrial Activity**” shall mean, as defined by EPA, the discharge associated with any conveyance which is used for collecting and conveying storm water, and which is directly related to manufacturing, processing or raw materials storage areas at an industrial plant. The term does not include discharges from facilities or activities excluded from the NPDES program under 40 C.F.R. Part 122.

"**Sublease**" shall mean any lease, sublease, occupancy, license, or concession agreement for the use or occupancy of space in the Improvements (other than this Lease).

"**Term**" shall mean the term of this Lease commencing on the Commencement Date and ending on the Expiration Date.

“**TxDOT**” shall mean the Texas Department of Transportation.

"**Transfer**" shall mean any transaction or series of transactions (including any assignment, transfer, issuance or redemption of any ownership interest, or any merger, consolidation, or dissolution) which results in a change of Control of Lessee or any Person or entity which directly or indirectly Controls Lessee. Notwithstanding the foregoing, a Transfer shall not be deemed to include an issuance or a transfer of stock through the over the counter market or through any recognized national stock exchange.

ARTICLE II PREMISES AND PRIVILEGES

2.01 Leased Premises. City, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Lessee, and subject to the terms, conditions and considerations stated herein, does hereby lease to Lessee and Lessee does hereby accept from City the Land, located at the Airport as follows:

Being approximately 0.972 acres legally described as Lot No. Two (2A), Replat of a portion of Lot Two (2) and Three (3), Flight Line Boulevard Subdivision, a subdivision in the City of Burnet, Burnet County, Texas, as shown on plat recorded under Clerk’s File No. 201810840, Official Public Records of Burnet County, Texas, as further show in **Exhibit “A.”**

2.02 Use of Leased Premises. Lessee shall only use the Leased Premises for the ‘Permitted Uses.’”

(A) Permitted Uses. The Leased Premises may be used for any Authorized Aeronautical Activity which must be made known to and agreed upon by City and for no other purposes. The list of Authorized Aeronautical Activities is attached hereto as **Exhibit “B.”** From time to time, Lessee may seek City’s Consent to amend the Authorized Aeronautical Activity list by written request made to the City Representative; and, may Appeal the denial thereof, by the City Representative, as provided in Section 12.03.

- (1) Automobiles. Lessee may park Lessee's privately owned automobile(s): (i) inside the Aircraft Hangar Facility, but only while on a flight which originated at the Airport; and (ii) in the Airport's designated parking area.
- (2) Storage of hazardous materials. Storage of Hazardous Materials is subject to the terms and conditions of Article XI.

- 2.03 Right of Flight. City reserves unto itself, its patrons, visitors, and other lessees and their patrons, visitors, and employees, the right of flight for the passage of aircraft above the surface of the Leased Premises, together with the right to cause in such air space such noise, dust, interference as may be inherent in the lawful operation of aircraft now known or hereafter in use, including the right of using said air space for landing at, taking off from, or operating at or near the Airport.
- 2.04 Access and Use of Airport Facilities. During the Term of this Lease City agrees that Lessee shall have unrestricted access to the runways and taxiways now in existence, or hereinafter build at or on the Airport to the same extent that any other parties may have use thereof, subject to reasonable rules and regulations and non-discriminatory charges that may be imposed for use of the Airport facilities by City, the FAA, or any other Governmental Authorities. To assure the health and safety of Airport users, access may be restricted during City approved events or activities.
- 2.05 Covenant of Title and Authority. City represents and warrants that City has full right and lawful authority to enter into and perform the City's obligations under this Lease for the full Term as stated above, and all extensions hereafter provided, and has title to the Leased Premises.
- 2.06 Covenant of Quiet Enjoyment. City further covenants that if Lessee shall discharge the obligations herein set forth to be performed by Lessee, Lessee shall have and enjoy, during the Term hereof, and all extensions hereinafter provided, quiet and undisturbed possession of the Leased Premises and all appurtenances appertaining thereto, together with the right to use the runways and taxiways of the Airport facility as contemplated herein.
- 2.07 Superior Right of Federal and Municipal Government. The City's covenants, promises, representations and warranties are expressly limited by this Section 2.07; and, in the event of a conflict between any provision of this Lease and this Section 2.07, this Section shall prevail. This Lease is subject to the right of the United States of America to have exclusive or non-exclusive use, control and possession without charge, of the Airport or any portion thereof, during periods of national emergency; and further, subject to the right of the FAA, and United States Government under such agreement including the right to take a portion of the Airport for air traffic control activities, weather reporting activities or communication activities related to air traffic control. The City shall have superior right to temporarily use and close the Airport for purposes deemed in the public interest by the City. When possible, the City shall provide notice of dates and times the Airport will be closed to use. City reserves the right to close the Airport for emergencies, as determined by the City without notice. And, finally, the City reserves the right to permanently close the Airport as provided in Section 7.10.

ARTICLE III. CONSIDERATION

- 3.01 Consideration. In consideration for the lease of the Premises, Lessee hereby agrees to pay annually the sum of \$7,621.26 as Rent; and perform the Mandatory Construction requirements of Article VIII as Additional Consideration. Lessee agrees that the Rent listed herein shall be subject to review and adjustment by City throughout the Term of the Lease and prior to any extensions granted. The adjusted Rent shall be calculated on the fifth year anniversary of this Lease and recalculated at subsequent five year intervals. The adjusted Rent shall be equivalent to the percent change in the CPI during the preceding five year interval period. The increase in Rent shall begin immediately upon request from City and continue at that rate until the next five-year anniversary. Upon review, if the CPI shall have decreased as compared to the previous review date, the Rent for the Leased Premises shall not be decreased, but shall remain at the same level as was charged during the preceding five year period.
- 3.02 Security Deposit. Intentionally deleted.
- 3.03 Payment. All payments made hereunder by Lessee shall be made to City at the offices of the City of Burnet; P.O. Box 1369, Burnet, TX 78611-1369, unless notified in writing to the contrary by City.
- 3.04 Annual Payment. Lessee agrees that all Lease payments are due and payable and shall be paid by Lessee without demand or notice in writing from City. The first year’s Lease payment shall be paid within ten days of the Effective Date of this Lease. All subsequent Lease payments shall be paid by Lessee to the City annually within ten days of the anniversary of the Effective Date of this Lease.
- 3.05 Delinquent Payment. In addition to any other remedies provided in this Lease, if any rental, fee, charge, or other item set forth in this Lease is not paid to the City within fifteen days of the date due, Lessee agrees to pay a late charge of 10% per annum for each such late payment, and default interest shall accrue on such payment from thirty days after the date the payment was due, at a rate of 12% per annum.
- 3.06 Additional Space. Lessee may request the option to lease additional space at the Airport at the square footage rate in effect at the time the additional space is leased. The lease of additional space is contingent on approval by the City. The additional space must be contiguous to the existing Premises and used only for parking, green space, or apron unless otherwise agreed upon by the City.
- 3.07 Default. Default. The occurrence of any one or more of the following events shall constitute an “Event of Default” under this Lease by Lessee: (1) the failure by Lessee to pay Rent or the monetary penalty on delinquent Rent within ten (10) of the payment due date; (2) a petition in bankruptcy is filed by the Lessee, or if the Lessee is adjudicated as bankrupt or insolvent, or if the Lessee makes any general assignment for the benefit of creditors; and (3) the failure of Lessee to comply with the covenants and provisions of this Lease to be observed or performed by Lessee, other than a monetary failure, where such failure shall continue for a period of ten (10) days (or such longer period as may be reasonably required to effect such cure, provided Lessee promptly commences such cure and diligently proceeds with such efforts until completion thereof) following

receipt of written notice from the City to Lessee specifying such default with reasonable particularity. Notwithstanding the forgoing, Lessee's failure to comply with the covenants and provisions of this Lease, to be observed or performed by Lessee, that risks imminent harm to public health or safety shall be an Event of Default should such failure to comply not be cured within twenty-four (24) hours following receipt of written notice from the City to Lessee specifying such default with reasonable particularity. The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Lease by the City: (1) a petition in bankruptcy is filed by the City, or if the City is adjudicated as bankrupt or insolvent, or if the City makes any general assignment for the benefit of creditors; or (2) the City fails to abide by the terms of this Lease, where such failure shall continue for a period of thirty (30) days (or such longer period as may be reasonably required to effect such cure, provided the City promptly commences such cure and diligently proceeds with such efforts until completion thereof) following receipt of written notice from the Lessee to the City specifying such default with reasonable particularity.

ARTICLE IV. COMMENCEMENT AND TERM OF LEASE

- 4.01 Commencement Date. The Commencement Date of this Lease shall be June 1, 2024.
- 4.02 Term of Lease. The Term of this Lease for the Leased Premises shall begin on the Commencement Date and shall continue for a term of forty years until the Expiration Date of May 31, 2064. Notwithstanding anything to the contrary contained in this Lease, at any time during the Term following the tenth (10th) anniversary of the Commencement Date, Lessee shall have the right to terminate this Lease with or without cause by giving ninety (90) days prior written notice to the City. Upon termination of this Lease, neither party shall have any further rights or obligations under this Lease except with respect to those rights and obligations which expressly survive termination. In the event Lessee exercises Lessee's right of earlier termination, Lessee shall surrender the Leased Premises in accordance with Section 7.04.
- 4.03. Vacating Premises. Lessee agrees that upon the expiration of the Lease, or due to termination of the Lease by either party for any reason; and, except as provided in Section 4.06, all permanent Improvements located on the Leased Premises shall, at the City's election, become the property of City and that Lessee shall timely and peaceably vacate the Leased Premises with any holding over to be as a Lessee at will. As soon as practical, either before or after Lessee's vacation of the premises, City shall advise Lessee whether the Improvements are to remain on the Leased Premises or removed. In the event City elects for the Improvements to be removed, Lessee shall remove the Improvements, at Lessee's sole costs, within one-hundred and twenty days from the date of City's notice to do so. The City may require Lessee to post a bond or other fiscal security to assure Lessee fulfills this obligation. Lessee shall surrender the Leased Premises in accordance with Section 7.04.
- 4.04 Holding Over. Any holding over by Lessee after the expiration or termination of this Lease, in whatever manner its termination may be brought about, shall not operate as a renewal of this Lease, but during the period of such holding over Lessee shall be a Lessee at will of City and shall pay to City a sum equal to one hundred fifty percent of the Lease payment in effect on the last day of the Lease Term for each day Lessee occupies the Leased Premises after the termination of this Lease. City retains all rights allowable by law and equity to remove a holding over Lessee from the Leased Premises and recover damages therefrom.

- 4.05 Abandon or Vacated Leased Premises. Unless Lessee notifies City in advance, if Lessee has Abandoned or Vacated the Lease Premises, as defined in Article I, City shall be entitled to terminate the Lease as provided for in Article VII. Therefore, prior to taking any restorative actions, Lessee shall notify the City Representative any time during which the Leased Premises is to be unoccupied for repair or renovation. This temporary closure shall not exceed thirty days without City's consent.
- 4.06 Cancellation. It is understood and agreed, by and between the Parties hereto, that the continuing use of the Airport as an airport for general aviation is essential to the operation of Lessee, and that except for temporary closure pursuant to Section 2.07, or temporary or permanent closure due to non-appropriations pursuant to Section 7.10, failure to continue the use of the Airport for airport and aviation purposes shall constitute a default of the Lease by City; and upon giving notice to City by Lessee of such default and failure to cure such default within thirty days after the giving of such notice, the Lease shall terminate and end as of the date ninety days after such notice shall have been given. Lessee's sole remedy shall be limited to such cancellation and removal or relocation of Improvements installed by Lessee. City shall not be responsible or liable for any actual or Special Damages that may arise from such cancellation. Notwithstanding any closure of the Airport or discontinued use of the Airport for general aviation, Lessee shall have the option to continue to use the Premises for the use set forth herein unless prohibited by TxDOT.

ARTICLE V. COVENANTS AND CONDITIONS

- 5.01 Grant Compliance. The Lessee agrees to comply with such enforcement procedures as the United States or State of Texas might demand that the City take in order to comply with the City's assurances required to obtain FAA or TxDOT grant funding or other action necessitated for Airport improvements.
- 5.02 Non-Discrimination. The Lessee, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:
- (A) No person on the grounds of race, color, sex, religion, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving federal financial assistance from the Department of Transportation; and,
 - (B) That in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, religion or nation origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and,
 - (C) That the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Code of Federal Regulations, Title 49, Transportation Subtitle A, Office of the Secretary of Transportation, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation -- Effectuation of Title VI of the Civil Rights Act of 1964, Section 21.5 Discrimination prohibited; and,

- (D) That the Lessee shall at all times use the Premises in compliance with all Non-Discrimination laws, either in effect at the present time or those promulgated in the future, of the United States of America, the State of Texas, the City of Burnet, and the FAA, or their successors.
- (E) In this connection, the City reserves the right to take whatever action they might be entitled by law to take in order to enforce this provision following thirty days written notice to Lessee of any alleged violation. This provision is to be considered as a covenant on the part of Lessee, a breach of which, continuing after notice by the City to cease and desist and after a determination that a violation exists made in accordance with the procedures and appeals provided by law, will constitute a material breach of this Lease and will entitle the City, at its option, to exercise its right of termination as provided for herein, or take any action that it deems necessary to enforce compliance herewith.
- (F) Lessee shall include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than Lessee, operates any facility at the Leased Premises providing service to the public and shall include thereon a provision granting the City a right to take such action as the United States may direct to enforce such covenant.

5.03 Abide by All Laws. Lessee and the City agree to abide by all Laws of all duly constituted Governmental Authorities. No provision in this Lease shall be construed as being in conflict with FAA Rules or other Laws; and, to the greatest extent possible, this Lease shall be construed as being in harmony with such Laws in the case of any conflict. Lessee agrees to conduct all activities on the Leased Premises in accordance with the standards now established or that may be reasonably established later by all duly constituted Governmental Authorities.

5.04 Storage of Hazardous Materials. Lessee shall not store any Hazardous Materials on the Leased Premises except as authorized herein.

5.05 Non-exclusive. Notwithstanding provision contained herein that may be, or appear to, the contrary, it is expressly understood and agreed that the rights granted under this Lease are non-exclusive, and the City herein reserves the right to grant similar privileges to another lessee or lessees on other parts of the Airport.

5.06 Improvements. Lessee agrees to comply with the Mandatory Construction requirements of Article VIII; and, not make any other Improvements, or New Construction, to the Leased Premises without City's consent, which shall not be unreasonably withheld, conditioned or delayed.

5.07 Assignment/Subletting. Lessee may not assign this Lease or sublet any part of Leased Premises, except as provided below:

- (A) Mandatory Construction Prerequisite. Under no condition may the Lease be assigned or sublet until after the completion of the Mandatory Construction.

- (B) Subletting. The City Representative may grant permission to sublet the Aircraft Hangar Facility for Authorized Aeronautical Activities purposes. To request permission to sublet Aircraft Hangar Facility Lessee shall submit a written request to the City Representative. The request shall include a copy of the proposed sublet agreement, the name of the aircraft owner, and the aircraft's make/model/year manufactured/N-Number. The City Representative shall not unreasonably withhold, condition or delay its consent or permission. Notwithstanding anything to the contrary in this Lease, the entry by Lessee into occupancy and use agreements for aircraft owners/operators to store aircraft(s) in the Aircraft Hangar Facility shall only require notice to the City. No notice or restriction is required and the City hereby approves of charges to customers by Lessee for transient use of Aircraft Hangar Facility.
- (C) Appeal. Provided Lessee has complied with the Mandatory Construction requirements herein, the City Representative's denial of the subletting of aircraft storage space may be appealed as provided in Section 12.03.
- (D) Assignment of the Lease. Any assignment of the Lease must receive approval of City Council, which shall not be unreasonably withheld, conditioned or delayed.
 - (1) Should Lessee desires to assign the Lease, City shall have the right of first refusal to purchase the Improvements.
 - (2) Should Lessee and City not be able to agree on purchase price for the Improvements, the City Council may grant permission to Lessee to assign the Lease to a qualified applicant. To request permission to assign the Lease, Lessee shall submit a written request to the City Representative. The request shall include a copy of the proposed assignment agreement. The proposed assignee shall be required to submit to the City's Airport Ground Lease Application process, including allowing the City to conduct a due diligence financial examination to ascertain the proposed assignee's ability to perform under the assignment agreement.
- (E) Subletting and assignment without City's approval void. Any attempt to assign the Lease or sublet without City's consent shall be null and void. Neither the acceptance of Rent from any assignee or sub-lessee, nor the passage of time after any such assignment or sublease, shall constitute a waiver of this prohibition.
- (F) Subsequent assignment or subletting. City's consent to any particular assignment or sublease shall not constitute City's approval of any subsequent assignment or sublease.
- (G) Continuing obligation of Lessee. City's consent to an assignment or sublease shall not relieve Lessee from the performance of its obligations hereunder, including, but not limited to, the payment of Rent.

5.08 Acceptance of Leased Premises. Lessee acknowledges that it has inspected the Leased Premises, and has had the opportunity to conduct such studies and tests thereof (including environmental tests) as it deems necessary, and accepts possession of the Leased Premises "as is" in its present condition, and, subject to all limitations imposed upon the use thereof by the rules and regulations

of the FAA, the rules and regulations of the Airport, and by ordinances of the City, and admits the Leased Premises' suitability and sufficiency; further, City hereby disclaims, and Lessee accepts such disclaimer, as to warranty, either express or implied, of the condition, use, or fitness for purpose of the Leased Premises. Lessee assumes full responsibility to make any repairs, at Lessee's own expense, as may be necessary for the safe and/or efficient use of the premises and to furnish any equipment necessary to properly secure Lessee's aircraft.

5.09 Utilities. Lessee agrees to pay all charges for gas, water, electricity, telephone service and other utilities used on or furnished to the Leased Premises. At the City's choice, Lessee shall either extend or pay the costs for the City to extend water, wastewater, drainage, and electric power lines connected to a weather head connection (furnished by Lessee) located below ground, or as required by City, from the present service system of the City's utilities in this area.

5.10 Maintenance of Leased Premises by Lessee.

(A) Leased Premises Maintenance. Lessee agrees to be responsible for all maintenance and repair of all items on the Leased Premises including buildings, structures, aprons, parking lots, light fixtures, electric bi-fold door, grounds, pavements, utilities, grass cutting, landscaping, trash collection and removal and all other maintenance requirements that may arise. Lessee agrees that the Leased Premises, together with all Improvements, shall be maintained in a safe, clean and orderly condition at all times; and, that the grounds of the Leased Premises shall be kept in a neat and orderly condition at all times. Lessee shall provide a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse caused as a result of Lessee's activities. Lessee shall provide and use approved receptacles for all such garbage, trash, and other refuse. Piling of boxes, cartons, barrels or other similar items in an unorderly or unsafe manner, on or about the demised premises, shall not be permitted.

(B) Prohibited storage. Lessee herein agrees not to utilize or permit others to utilize areas on the Leased Premises which are located on the outside of the Airport Hangar Facility to be used for the storage of wrecked or permanently disabled aircraft, aircraft parts, automobiles, vehicles of any type, or any other nonaviation equipment of any kind or items which would distract from the appearance of the Leased Premises. Storage of nonaviation equipment such as automobiles, boats, or farm equipment in any structures is prohibited. Notwithstanding the foregoing, storage or operation of a tractor or similar vehicle used to tow an aircraft is permitted.

(C) Nuisance. Lessee shall commit no nuisance, waste, injury, Dangerous Act or Omission on the Leased Premises or Airport, and shall not do, or permit to be done, anything that may result in the creation, commission or maintenance of such nuisance, waste or injury on the Leased Premises or Airport. Notwithstanding anything to the contrary, the City agrees that night operations by Lessee shall not be deemed a nuisance under this Lease.

(D) Any violation of this subsection shall constitute a maintenance defect. A maintenance defect shall also include any defect on the Leased Premises which is the responsibility of the Lessee under Lease.

(E) City's curative rights. The City shall provide notice to the Lessee of any realized maintenance defect on the Leased Premises. Lessee shall have thirty (30) days from the postmark date of any City notice to correct the maintenance defect, save and except in the case of Exigent Circumstances, in which case the maintenance defect must be addressed immediately. Failure to correct the maintenance defect shall constitute authorization for the City to take corrective action, including but not limited to the removal or towing of unauthorized equipment or vehicles. The Lessee shall be required to reimburse the City for reasonable costs incurred not later than 30 days from written notification to Lessee that such costs have occurred along with a copy of invoice(s) reasonably substantiating such costs. Failure to pay the City in full, within ten (10) business days from the City's written notification, shall constitute a default under this Lease and the City shall have a lien upon the personal property upon the Leased Premises for the costs incurred. If Exigent Circumstances exists, requiring immediate action to correct, the City shall have the right to take steps to correct the defect and charge the Lessee the costs for correcting emergency condition, provided the emergency was created by the actions or negligence of Lessee, Lessee's agents, employees, or other invitees of Lessee.

- 5.11 Maintenance of Airport by City. Maintenance of the runways, taxiways and unoccupied property of the Airport, except for the Leased Premises, shall remain the obligation of the City. Provided, however, that City shall only be obligated to use Airport revenue funds for such purpose and it shall never have the obligation to use general, operating or bond funds for this purpose.
- 5.12 Taxes. Lessee agrees to pay, in addition to the Lease payment provided for herein, all taxes which Lessee may be required by law to pay. In addition, Lessee agrees to pay any ad valorem taxes assessed against the City associated with any Improvements on the Leased Premises and/or for the real property, if such is not tax-exempt.
- 5.13 Securing Aircraft. Lessee accepts and recognizes that it or its agents are responsible for setting parking brakes, placing chocks and tying down and checking of all aircraft on the Leased Premises. Lessee agrees to not park vehicles or aircraft in locations that inhibit the flow of traffic or other authorized users access.
- 5.14 Lien Granted. City retains a lien upon all Improvements as provided in Article X.
- 5.15 Inspection. City officers, employees, agents, representatives and contractors, provided same comply with all safety and security rules applicable to the Leased Premises, shall have the right to enter said Premises, at reasonable times during normal business hours, for inspection and to make written request that repairs be made to the facilities as may be necessary for the safe and efficient use of the facilities; or, at City's option, City shall have the right to make repairs, additions or alterations as may be necessary for the safety or preservation of the Leased Premises at Lessee's expense.
- 5.16 Utility Access. City officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right, at its own expense, to maintain existing and future Airport mechanical, electrical and other utility systems and to enter upon the easements in the Leased Premises to make such repairs, replacements or alterations as may be necessary or advisable, in the reasonable opinion of the City, and from time to time to construct or install over, in or under existing easements within the Leased Premises such systems or parts thereof and in

connection with such maintenance use the Leased Premises existing easements for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration or new construction, the City shall not install a utility under or through any building on the Leased Premises or unreasonably interfere with the actual use and occupancy of the Leased Premises by Lessee, all such utilities to be placed within existing easements. Upon reasonable notice by the City Representative, Lessee shall move such personal property that may obstruct City's utility access; and Lessee's failure to so move such property after direction from the City Representative to do so, shall be caused for the City or the utility company to move such , and Lessee waives any claim against the City for damages as a result there from, except for claims for damages arising from the City' negligence.

5.17 Proof of Ability to Perform. Prior to executing the Lease, Lessee provided City with financial documents and authorized City to perform a due diligence financial examination of Lessee. Upon completion of such due diligence City concluded Lessee is financially able to perform the Mandatory Construction obligations and service the Lease during the Term. Consequently, City offered this Lease to Lessee in reliance on the documentation and findings of the financial examination. Lessee promises and agrees to immediately notify City in writing of any material adverse change in Lessee's financial situation, which may cause Lessee to be unable to perform its obligations hereunder. Failure to provide such notification within thirty (30) days of such change shall constitute a breach of this Lease.

5.18 Compliance with Lease Terms and Conditions. Lessee covenants to comply with all terms and conditions of the Lease, including but not limited to compliance with the Rent and Additional Consideration terms and conditions.

5.19 Compliance with Airport rules. Lessee acknowledges that the City has adopted rules and regulations with respect to the occupancy and use of the Airport, and such rules may be amended, supplemented or re-enacted from time to time by the City provided that such rules apply generally to all similar occupants and users on the Airport, in addition to Lessee's covenant to obey all Laws, Lessee agrees to observe and obey any and all such rules and to require its officers, agents, employees, subtenants, contractors, and suppliers, to observe and obey the same.

5.20 Vibration and noise.

(A) Lessee's obligations. Lessee shall reduce to a practicable minimum vibrations tending to damage any equipment, structure, buildings or portions of buildings; and, not to produce or allow to be produced on the Airport, through the operation of machinery or equipment, any electrical, electronic or other disturbances that interfere with the operation by the City or the Federal Aviation Administration of air navigational, communication or flight equipment on the Airport or on aircraft using the Airport, or with ground transportation communications. Lessee will conduct its operations in such a manner as to keep the noise produced by aircraft engines and component parts thereof, and any other noise, to a minimum, by such methods as are practicable, considering the extent and type of the operations of Lessee and the limitations of federal law. In addition, Lessee will employ the maximum amount of noise arresting and noise reducing devices that are available and economically practicable, considering the extent of their operations, but in no event less than those devices required by federal, state or local law. In its use of the Leased Premises, Lessee shall take all possible care, exercise caution,

and use commercially reasonable efforts to minimize prop or jet blast interference and prevent jet blast damage to aircraft operating on taxiways and to buildings, structures and roadways, now located on or which in the future may be located on areas adjacent to the Leased Premises. If the City determines that Lessee has not curbed the Prop Wash or Jet Blast interference or damage, Lessee covenants to erect and maintain at its own expense such structure or structures as may be necessary to prevent Prop Wash or Jet Blast interference, subject, however, to the prior written approval of the City as to type, manner and method of construction.

- (B) Existing Conditions. Lessee acknowledges the Leased Premises are located in close proximity to the Run-up Area; and, the Leased Premises are subject to noise and wind blast generated by Prop Wash or Jet Blasts produced by aircraft preparing for takeoff. Accordingly, in the operations of the Leased Premises Lessee shall take precautions to minimize any potential disruption of Lessee's operations by such Prop Wash or Jet Blasts. Moreover, Lessee agrees it shall defend, indemnify, and hold harmless the City from liability and claim for damages because of bodily injury, death, property damage, sickness, or disease arising from said Prop Wash or Jet Blasts; and, further agrees the protection provided to City hereby shall be in addition to, and shall not limit, Lessee's covenants to defend, indemnify, and hold harmless the City expressed elsewhere in this Lease.

5.21 General obligations. General obligations of Lessee arising from the requirements of the City for use of the Airport and Leased Premises are as follows:

- (A) Lessee shall neither do, nor permit, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Leased Premises.
- (B) Except as provided herein, Lessee shall not install, maintain, operate or permit the installation, maintenance or operation of any restaurant, kitchen, stand or other establishment of any type for the sale of food or of any vending machines or device designed to dispense or sell merchandise or services of any kind to the general public, without City Consent. Notwithstanding the forgoing, Lessee may install kitchen equipment and vending machines for use by its employees and subtenants.
- (C) On forms and at the frequency prescribed by the City Representative, and with respect to each aircraft stored or primarily based on the Leased Premises, Lessee shall provide the City with the (a) make and model, (b) N-number, and (c) identity and address of the registered owner. This requirement shall apply to aircraft whether owned by Lessee or another party, and regardless of whether its storage is subject to the Minimum Standards or Rules of the Airport.
- (D) Lessee shall keep the doors to buildings closed and locked in the absence of the Lessee or authorized invitees.
- (E) Lessee shall not utilize the Leased Premises for any illegal or unauthorized uses.
- (F) Lessee shall comply with all security measures that City, the United States Transportation Security Administration, or any other Governmental Authority, including any access

credential requirements, any decision to remove Lessee's access credentials, and any civil penalty obligations and other costs arising from a breach of security requirements caused or permitted by Lessee or Lessee's Associates. Lessee agrees that Airport access credentials are the property of City and may be suspended or revoked by City in its sole discretion at any time. Lessee shall pay all fees associated with such credentials, and Lessee shall immediately report to the City Representative any lost credentials or credentials that Lessee removes from any employee or any of Lessee's Associates. Lessee shall protect and preserve security at the Airport as legally required.

ARTICLE VI. INSURANCE AND INDEMNIFICATION

6.01 Insurance Coverage. As a condition precedent to Lessee's right to operate at said Airport, Lessee shall continuously maintain in effect during the Term of this Lease and any extension thereof, at Lessee's expense, the following insurance coverage:

- (A) Insurance of Improvements. During the period of construction of any building or other improvement on the Leased Premises and at all times thereafter during the Term, Lessee shall keep the Improvements insured against loss or damage by fire, with extended coverage endorsement or its equivalent, and in amounts not less than one-hundred percent of the fair insurable value of the Improvements, exclusive of footing, foundations and excavations.
- (B) Liability Insurance during Construction. At all times when demolition, excavation, or construction work is in progress on the Leased Premises, construction liability insurance with limits of not less than one-million dollars per occurrence and two-million dollars per aggregate for damages to persons, and not less than one-million dollars per occurrence and two-million dollars per aggregate property damage, protecting CITY and LESSEE as well as such other person, or persons as LESSEE may designate, against any and all liability for injury or damage to any person or property in any way arising out of such demolition, excavation, or construction work.
- (C) General Liability Insurance. Liability and property damage insurance covering City as well as Lessee, to be in the amount of not less than One-million dollars per occurrence and two-million dollars per aggregate, and liability insurance to be in the amount of not less than one-million dollars per occurrence and two-million dollars per aggregate for bodily injury or death, against liability to any employees or servants of Lessee and to any other person or persons whomsoever arising out of or in connection with the occupation, use, or condition of the Leased Premises.
- (D) Pollution Insurance. Environmental Pollution Insurance not less than five-million dollars per occurrence/aggregate to protect against any Environmental Liabilities including, but not limited to, liability or property damage associated with the storage and handling of hazardous materials and/or anything categorized as a pollution exposure on the Leased Premises.

6.02 Insurance policy requirements.

- (A) All policies shall list the City as an additional named insured, to protect against losses the City may suffer, and provide for a minimum of thirty days written notice to the City prior to the effective date of any cancellation, material change, or lapse of such policies.
- (B) In the event there is an Encumbrance on the Leased Premises, complying with the provisions of Article X hereof, the first lien holder shall be entitled to a proportionate share of the insurance proceeds for its loss and subject thereto. Should the City also have sustained damages; and there are not sufficient insurance proceeds to pay claims of the City and 1st lien holder, the City and first lien holder shall share the proceeds in proportion to the loss. The City shall be paid first for its loss against all other claimants.
- (C) Lessee shall provide Certificates of Insurance to the City for approval before work commences.
- (D) Notwithstanding other provisions herein contained, City may cancel this Lease with or without notice to Lessee should Lessee's insurance lapse for a period of thirty (30) days or more. City may elect to reinstate and revive this Lease after such insurance obligation is cured by Lessee. City shall be listed as a Certificate Holder on Lessee's insurance and shall receive notification of any lapse.
- (E) The insurance required by this Lease shall be written by non-assessable insurance company licensed to do business in the State of Texas and currently rated "B+" or better by the A.M. Best Companies.
- (F) All policies shall be written on a "per occurrence basis" and not a "claims made" form.
- (G) The insurance required by this Lease shall contain an express waiver of any right or subrogation by the insurance company against the City.
- (H) The insurance required by this Lease shall be reviewed every five years from the Commencement Date; and the City shall have the right during such intervals to require insurance coverage limits to be increased if reasonably warranted due to inflationary factors, which would cause the effective policy limits insufficient to adequately protect against exposure to potential risks.

6.03 Destruction of Leased Premises Improvements. If the Improvements shall be partially damaged by any casualty insurable under Lessee's insurance policy, Lessee shall, upon receipt of the insurance proceeds, repair the same.

6.04 Reconstruction. If the Leased Premises shall be damaged, as a result of a risk which is not fully covered by Lessee's insurance, Lessee shall make repairs necessary to fully restore the Improvements. If Lessee fails to repair or rebuild the damaged Improvements fully, the City shall have the right to terminate this Lease and recover damages from the Lessee. Termination of this Lease due to destruction shall not relieve Lessee of the obligation to make Lease payments as provided in 3.01.

6.05 Indemnity Provision. LESSEE AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY AND ITS AGENTS, EMPLOYEES, OFFICIALS AND REPRESENTATIVES FROM AND AGAINST ALL LIABILITY FOR ANY AND ALL CLAIMS, SUITS, DEMANDS, AND/OR ACTIONS ARISING FROM OR BASED UPON INTENTIONAL OR NEGLIGENT ACTS OR OMISSIONS WHICH MAY ARISE OUT OF OR RESULT FROM LESSEE'S OCCUPANCY OR USE OF THE AIRPORT AND/OR ACTIVITIES CONDUCTED IN CONNECTION WITH OR INCIDENTAL TO THIS LEASE. SUCH INDEMNIFICATION SHALL INCLUDE, BUT IS NOT LIMITED TO, ACTS OR OMISSIONS ON THE PART OF LESSEE'S CONTRACTORS, SUBCONTRACTORS, AND SUB-LESSEES. LESSEE SHALL ALSO INDEMNIFY CITY AGAINST ANY AND ALL MECHANIC'S AND MATERIALMEN'S LIENS OR ANY OTHER TYPES OF LIENS IMPOSED UPON THE PREMISES DEMISED HEREUNDER ARISING AS A RESULT OF LESSEE'S CONDUCT OR ACTIVITY.

THIS INDEMNITY PROVISION EXTENDS TO ANY AND ALL SUCH CLAIMS, SUITS, DEMANDS, AND/OR ACTIONS REGARDLESS OF THE TYPE OF RELIEF SOUGHT THEREBY, AND WHETHER SUCH RELIEF IS IN THE FORM OF DAMAGES, JUDGMENTS, AND COSTS AND REASONABLE ATTORNEY'S FEES AND EXPENSES, OR ANY OTHER LEGAL OR EQUITABLE FORM OF REMEDY. THIS INDEMNITY PROVISION SHALL APPLY REGARDLESS OF THE NATURE OF THE INJURY OR HARM ALLEGED, WHETHER FOR INJURY OR DEATH TO PERSONS OR DAMAGE TO PROPERTY, AND WHETHER SUCH CLAIMS BE ALLEGED AT COMMON LAW, OR STATUTORY OR CONSTITUTIONAL CLAIMS, OR OTHERWISE. THIS INDEMNITY PROVISION SHALL APPLY WHETHER THE BASIS FOR THE CLAIM, SUIT, DEMAND, AND/OR ACTION MAY BE ATTRIBUTABLE IN WHOLE OR IN PART TO THE LESSEE, OR TO ANY OF ITS AGENTS, REPRESENTATIVES, EMPLOYEES, MEMBERS, PATRONS, VISITORS, CONTRACTORS, AND SUBCONTRACTORS (IF ANY), AND/OR SUB-LESSEES, OR TO ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM. THIS INDEMNITY PROVISION SHALL APPLY WHETHER OR NOT ANY OF THE NEGLIGENCE MAY BE ATTRIBUTED TO THE CITY.

FURTHER, CITY ASSUMES NO RESPONSIBILITY OR LIABILITY FOR HARM, INJURY, OR ANY DAMAGING EVENTS WHICH ARE DIRECTLY OR INDIRECTLY ATTRIBUTABLE TO PREMISE DEFECTS OR CONDITIONS WHICH MAY NOW EXIST OR WHICH MAY HEREAFTER ARISE UPON THE PREMISES, ANY AND ALL SUCH DEFECTS BEING EXPRESSLY WAIVED BY LESSEE. LESSEE UNDERSTANDS AND AGREES THAT THIS INDEMNITY PROVISION SHALL APPLY TO ANY AND ALL CLAIMS, SUITS, DEMANDS, AND/OR ACTIONS BASED UPON OR ARISING FROM ANY SUCH CLAIM ASSERTED BY OR ON BEHALF OF LESSEE OR ANY OF ITS MEMBERS, PATRONS, VISITORS, AGENTS, EMPLOYEES, CONTRACTORS AND SUBCONTRACTORS (IF ANY), AND/OR SUB-LESSEES.

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THE CITY SHALL NOT BE LIABLE OR RESPONSIBLE FOR THE NEGLIGENCE OF LESSEE, ITS AGENTS, SERVANTS, EMPLOYEES AND CONTRACTORS AND SUBCONTRACTORS (IF ANY), AND/OR SUB-LESSEES.

LESSEE FURTHER AGREES THAT LESSEE SHALL AT ALL TIMES EXERCISE REASONABLE PRECAUTIONS FOR THE SAFETY OF, AND SHALL BE SOLELY RESPONSIBLE FOR THE SAFETY OF LESSEE'S AGENTS, REPRESENTATIVES, EMPLOYEES, MEMBERS, PATRONS, VISITORS, CONTRACTORS AND SUBCONTRACTORS (IF ANY), AND/OR SUB-LESSEES, AND OTHER PERSONS, AS WELL AS FOR THE PROTECTION OF SUPPLIES AND EQUIPMENT AND THE PROPERTY OF LESSEE OR OTHER PERSONS. LESSEE FURTHER AGREES TO COMPLY WITH ALL APPLICABLE PROVISIONS OF FEDERAL, STATE, AND MUNICIPAL SAFETY LAWS, REGULATIONS, AND ORDINANCES.

PROVIDED FURTHER, THAT THE LESSEE AND THE CITY EACH AGREE TO GIVE THE OTHER PARTY PROMPT AND TIMELY NOTICE OF ANY SUCH CLAIM MADE OR SUIT INSTITUTED WHICH IN ANY WAY, DIRECTLY OR INDIRECTLY, CONTINGENTLY OR OTHERWISE, AFFECTS OR MIGHT AFFECT THE LESSEE OR THE CITY. LESSEE FURTHER AGREES THAT THIS INDEMNITY PROVISION SHALL BE CONSIDERED AS AN ADDITIONAL REMEDY TO CITY AND NOT AN EXCLUSIVE REMEDY.

6.06 Risk of loss. Lessee expressly agrees that the aircraft and their contents are to be stored, whether on the field or in the hanger, at Lessee's risk.

ARTICLE VII. TERMINATION

7.01 Early Termination. If Lessee commits an Event of Default under Section 3.07 which remains uncured for the applicable grace periods set forth in Section 3.07, City may either pursue remedies under Section 7.03; or, immediately, or any time thereafter that the Event of Default remains uncured, terminate this Lease. Upon such cancellation the Improvements may be disposed of as provided in Section 7.03.

7.02 Dangerous Acts and Omissions. Notwithstanding any provision of this Lease to the contrary, in the event the FAA, TxDOT or the City determines that Dangerous Acts or Omissions are occurring, or occurred in the past, during the Term, and are uncured, City may take any and all actions authorized by law and equity to resolve the Dangerous Acts or Omissions including, but not limited to the immediate cancellation of this Lease.

7.03 Remedies. In case of any Event of Default by Lessee which continues beyond the applicable grace periods set forth in Section 3.07, the City may, at its option, instead of canceling this Lease, take possession of the Leased Premises and re-let the same for the account of Lessee, and Lessee shall be liable to City for the amount of Lease payment payable hereunder for the remainder of the Term, less the net amount received by City on account of such re-letting, such net amount to be the total amount received by such re-letting, less necessary costs and expenses, including, without limitation, the expense of repairing and advertising incurred in connection with the re-letting of the Leased Premises. Lessee hereby grants, and at all times City shall have a contractual lien on Lessee's property in the Leased Premises to secure the performance of all of Lessee's obligations hereunder which contractual lien shall be in addition to all liens provided as a matter of law. Lessee may remove its personal property, therein, within thirty (30) days of the notice by City of Default and City's consent, or request, to remove same. After such time, City, in addition to the other

rights or remedies it may have, shall have the right to remove all persons and property from the Leased Premises. Such property shall become the property of the City. Lessee hereby waives all claims for damages which may be caused by the re-entry of City and the taking of possession of the Leased Premises or removal or storage of the furniture and property as herein provided, and will save City harmless from any loss, costs or damages occasioned by City thereby, and no such re-entry shall be considered or construed to be a forcible entry. No such re-entry or taking possession of said Premises by City shall be construed as an election on its part to terminate this Lease unless a written notice of such intention is given Lessee or unless the termination thereof is decreed by a court of competent jurisdiction.

- 7.04 Waiver of Statutory Notice to Quit. In the event City exercises its option to cancel this Lease upon the happening of any or all of the events set forth herein, a notice of cancellation given pursuant to this Lease and sent to the address specified in Section 12.18, or subsequent address provided shall be sufficient to cancel this Lease.
- 7.05 Surrender of Premises. Lessee covenants and agrees that it will, at the expiration or termination of this Lease, in whatever manner such termination may be brought about, promptly surrender and deliver the Leased Premises with all Improvements thereto, or with all Improvements removed if ordered to do so by the City pursuant to Section 4.03, to City in the same condition as existed at the beginning of this Lease, ordinary wear and tear and damage by any casualty excepted. Lessee, having paid all Lease payments and not in default thereof, shall be given a reasonable time, not to exceed thirty (30) days after the termination of this Lease, to remove all of Lessee's personal property.
- 7.06 Rights of Mortgagee. A lending institution may retain a first lien on any hangar, structure, building or improvement constructed pursuant to an Encumbrance, approved by the City, between Lessee and any lending institution as prescribed in Article X.
- 7.07 Effect of Condemnation. If the whole or any part of the Leased Premises shall be condemned or taken by eminent domain proceedings by any city, county, state, federal or other authority for any purpose, then the Term of this Lease shall cease on the part so taken from the day the possession of that part shall be require for any purpose and the Lease payment shall be paid up to that day, and from that day, Lessee shall have the right to continue in the possession of the remainder of the Leased Premises under the terms herein provided, except that the Lease payment shall be adjusted to such amount as the Parties hereto shall negotiate. All damages awarded for such taking of land by the city, county, state or federal government, excluding the improvements for any public purpose shall belong to and be the property of City; provided, however, Lessee shall be entitled to seek compensation from the condemning authority to the extent funds are available for the costs of removing and relocating the Improvements.
- (A) TOTAL: If the whole of the Leased Premises shall be acquired or taken by eminent domain for any public or quasi-public use or purpose, then this Lease and the terms herein shall cease and terminate as of the date of title vesting in such proceeding,
- (B) PARTIAL: If any part of the Leased Premises, or all or part of the Airport shall be taken as aforesaid, and such partial taking shall render that portion of the Leased Premises not so

taken unsuitable for the activities of Lessee, then this Lease and the terms herein shall cease and terminate as aforesaid.

- (C) **AWARD:** Lessee shall not be entitled to and expressly waives all claims to any condemnation award made to City for any taking, whether whole or partial, and whether for diminution in value of the leasehold or to the fee, although Lessee shall have the right, to the extent that the same shall not reduce City's award, to claim from the condemner, but not from the City, such compensation as may be recoverable by Lessee in its own right for damage to Lessee's fixtures and improvements.
- (D) If this Lease is terminated as provided in this Section, Rent shall be paid up to the date the possession is so taken by the public authority, and City shall make an equitable refund of any Rent paid by Lessee in advance.

7.08 Non-Waiver for Breach. No acceptance of Rent by City after it is due, and no delay on the part of City in enforcing any obligation of the Lessee, shall be construed as a waiver or any default then, theretofore, or thereafter existing in the performance of any other obligation undertaken by Lessee. No lawful termination of this Lease shall release Lessee from responsibility or liability to the City for Rent theretofore due and unpaid nor from the performance of any of the covenants, agreements, or stipulations by the Lessee herein undertaken to be kept and performed.

7.09 Attorney Fees. If it becomes necessary for City to secure the services of an attorney in order to collect any amount due hereunder, or to enforce any of the provisions hereof, Lessee agrees and binds itself to pay to City a reasonable attorney's fee and court costs, which shall bear interest from the date of its accrual at the legal rate for judgments.

7.10 Non-Appropriation. Notwithstanding anything contained in this Lease to the contrary, each and every financial obligation of the City pursuant to this Lease is subject to appropriations. In the event no funds or insufficient funds are appropriated or budgeted by City for the operation of an airport by the City during the Term of this Lease, City will immediately notify the Lessee its assignee of such occurrence and this Lease shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to City of any kind whatsoever. In the event of such termination, Lessee agrees to peaceably surrender possession of the Leased Premises to City or its assignee on the date of such termination, except that Lessee shall have the option of removing Improvements within ninety days of such notice.

7.11 Airport Expansion. Lessee agrees and understands that City reserves the right to further expand, develop or improve the Airport, including the termination of this Lease, in such instance that the continued leasing of the Leased Premises would have a material negative impact on any proposed development or improvements at the Airport. This Lease may be terminated regardless of the desires, wishes or views of Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development or improvements are shown on a TxDOT and/or FAA approved Airport Layout Plan or Master Plan. In the event that City terminates this Lease as herein provided, then City shall be obligated either (i) to pay Lessee for all Improvements placed by Lessee upon the ground, based upon the fair market value of Improvements as of the date of termination, pro-rated by the Term of this Lease as such Improvements would have been dedicated

to the City at the end of such lease pursuant to Section 4.03 or (ii) to permit Lessee to relocate the improvements and other facilities to another location on the airport acceptable to the Parties under a lease agreement whose provisions are acceptable to the Parties or substantially the same as the terms and provisions of this Lease.

- 7.12 Depreciation. Improvements shall be determined to have depreciated to a zero value at the end of the Term of this Lease.

ARTICLE VIII. CONSTRUCTION

8.01 Construction of Improvements.

- (A) City Consent required. All new improvements made by Lessee on the Leased Premises are subject to City Consent, prior to construction. City Consent may be given by the City Representative upon making the findings that the proposed new improvements: (i) are in accordance with the overall plan of the Airport, various building ordinances, electrical codes and the uses and purposes contemplated by this Lease; (ii) will not constitute a fire or safety hazard; and (iii) will not interference in the use of the remainder of the Airport by the general aviation public. The Lessee shall tender a Site and Design Plan to the City prior to submitting requests for permits.
- (B) Preliminary Hangar Drawings. The City approves of the Preliminary Hangar Drawings attached hereto as Exhibit C.
- (C) Approval process. Lessee may request City Consent for the Site and Design Plan as follows:
- (1) Lessee shall submit an application on such form as provided by City and three sets of plan.
 - (2) The City Representative shall direct the appropriate City departments and disciplines review the Site and Design Plan. In the event the City Representative determines the need for third party consultation with an engineer, architect or other professional, Lessee shall pay costs for such consultation by City with its third-party consultant.
 - (3) Lessee may appeal the denial of a Site and Design Plan.
 - (4) Upon receiving City Consent, Lessee shall make application for all appropriate building permits for the construction of any improvements requiring a permit. Lessee shall be responsible for all city, state or county fees associated with the review, approval or construction of improvements and alterations. Plans and permit applications may be subject to approval by other Governmental Authorities.
 - (5) Upon receipt of a building permit Lessee may commence construction in accordance with the terms and conditions of the building permit, the City Code, and other applicable Laws.

- 8.02 Alterations/Improvements to Premises. Lessee covenants and agrees that it will make no structural alterations, material changes or additions in or to the Leased Premises or any part of the Airport without the prior written consent of City. Such alterations or changes, as are approved by City, shall be made at Lessee's expense. Except as herein provided, all permanent improvements and fixtures installed by Lessee shall become the property of the City in accordance with the terms and provisions of Section 4.03, unless otherwise agreed in writing. All fixtures, counters and equipment installed by Lessee and removable without structural injury to the Premises, may be removed by Lessee at the expiration of this Lease, provided Lessee is not then in default with respect to any of its obligations hereunder, and provided further that Lessee shall repair any damage done to the Leased Premises in removing said fixtures, counters and equipment and shall remain responsible for any such damage.
- 8.03 Unauthorized Structures. Equipment, portable buildings, house trailers, poles, or towers of any kind are prohibited and shall not be erected, moved in or installed on the Leased Premises; except as specifically approved by an authorized representative of the City.
- 8.04 Signs. Pylon and other freestanding signs are prohibited without City Consent. Lessee may install and maintain one or more wall signs on the Leased Premises identifying it and its operations. The copy, type, design, number, location, elevation and illumination of such signs shall require City Consent, which shall not be unreasonably withheld, conditioned or delayed.
- 8.05 Mandatory Construction. As Additional Consideration for the granting of this Lease, Lessee agrees to construct, at the Leased Premises, an Aircraft Hangar Facility with all necessary appurtenances and improvements reasonably necessary for that operation, including the construction of a fence as described in subsection below..
- (A) The Hangar. The Aircraft Hangar Facility to be constructed shall contain a minimum of 6,000 square feet of usable space; and, which shall be a complete, self-sufficient, and independent Aircraft Hangar structure, or structures, of such design as approved by the City, erected wholly within the boundary lines of the Land, and surrounded by the Ramp, and which shall have a concrete or asphalt floor, with each hangar to have at least one aircraft access door sized to accommodate an average private aircraft. Construction of the Aircraft Hangar Facility shall be conducted pursuant to this Article and City's ordinances applicable to the construction of Improvements, including the requirement to apply for permits, pay permit fees, receive permits, and construct the Improvements in compliance with the City's building codes and ordinances, and Minimum Standards.
- (B) The Fence. Lessee shall erect a fence around the perimeter of the Protected Area sufficient to keep wildlife from being able to enter the taxiway from the Leased Premises. The fence securing the Protected Area must be a minimum of eight feet in height and constructed of chain link, game fence, or other materials approved by the City. Lessee shall provide signage on the Leased Premises identifying the Protected Area. Lessee shall provide a fence, building or other protective structure, as approved by City, between the Protected Area and the area used by Lessee for parked vehicles. Construction of the Fence shall be completed before a Certificate of Occupancy may be issued for any improvement on the Leased Property.

- 8.06 Mandatory Construction Timeline. Submission of a Site and Design Plan to the City shall occur no later than 120 days from the Commencement Date. Commencement of Construction shall begin no later than 21 days from the date a permit for construction is issued; and Completion of Construction shall occur no later than 240 days from the Commencement of Construction Date. Subject to Section 12.11, Lessee's failure to substantially comply with this timeline shall be a Default; provided however, Lessee shall not be responsible for any construction delays due or caused by delay by the City to issue permits, inspect work, or issue approvals of completed work.
- 8.07 Consequences of Default. In the event Lessee does not comply with the deadlines set out in Section 8.06, and no extension has been approved by City, and subject to an authorized Mortgagee's right to cure under Section 10.3(D), and further subject to Section 12.11, this Lease shall immediately terminate. In such an instance Lessee shall be responsible for the removal of any incomplete improvements upon the Land at Lessee's expense. In the alternative, and upon City's consent, Lessee may pay to the City either the cost of removing any incomplete improvements or the cost to complete construction in lieu of removal; and Lessee shall thereafter be released from any further liability under this Lease.
- 8.08 Performance Guaranty. For all buildings and improvements constructed by Lessee on the Leased Premises, Lessee shall require of its contractors full performance and payment bonds from reputable surety companies, guaranteeing the performance by such contractors of their construction contracts and payment of all laborers, suppliers and subcontractors. Notwithstanding the forgoing, Lessee may be excused from requiring its contractor to provide a performance bond if Lessee, or its contractor, provides a cash bond, or letter of credit payable to the city, equal to the costs of removal of an incomplete improvement, as determined by the City's Representative. The proceeds from such cash bond or letter of credit shall be available to City should Lessee fail to Complete Construction within the prescribed time frame.

ARTICLE IX. STORMWATER COMPLIANCE

- 9.01 Acknowledgments. Notwithstanding any other provisions or terms of this Lease to the contrary, including the Lessee's right to quiet enjoyment, Lessee and City acknowledge the following:
- (A) The Airport is subject to federal storm water regulations, 40 C.F.R. Part 122, for "vehicle maintenance shops" (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations and/or deicing operations that occur at the Airport, as defined in these regulations, and state law concerning the prohibition against water pollution, as provided for in TEX. WATER CODE ANN. 26.121, as amended. Lessee further acknowledges that it is familiar with these storm water regulations, that it conducts or operates "vehicle maintenance" (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations and/or deicing activities as defined in the federal storm water regulations; and that it is aware that there are significant penalties for submitting false information, including fines and imprisonment for knowing violations; and
- (B) Close cooperation is necessary to ensure compliance with any storm water discharge permit terms and conditions, as well as to ensure safety and to minimize costs. Lessee

acknowledges that, as discussed more fully below, it may be required to undertake to minimize the exposure of storm water (and snow melt) to Significant Materials generated, stored, handled or otherwise used by the Lessee, as defined in the federal storm water regulations, by implementing and maintaining "Best Management Practices;" and

- (C) The Airport's storm water discharge permit is incorporated by reference into this Lease and any subsequent renewals.

9.02 Permit Compliance.

- (A) City will provide Lessee with written notice of the requirements contained in the Airport's storm water discharge permit which Lessee will be obligated to perform from time to time, including, but not limited to, certification of non-storm water discharges; collection of storm water samples; preparation of storm water pollution prevention or similar plans; implementation of "good housekeeping" measures of Best Management Practices; and maintenance of necessary records. Such written notice shall include applicable deadlines. Lessee, within seven days of receipt of such written notice, shall notify City in writing if it disputes any of the storm water discharge permit requirements it is being directed to undertake. If Lessee does not provide such timely notice, it is deemed to assent to undertake steps necessary to comply with such requirements.
- (B) Lessee agrees to undertake, at its sole expense, unless otherwise agreed to in writing between City and Lessee, those storm water discharge permit requirements for which it has received written notice from the City. Lessee warrants that it shall meet any and all deadlines that may be imposed on or agreed to by City and Lessee.
- (C) City agrees to provide Lessee, at its request, with any non-privileged information collected and submitted to any Governmental Authorities pursuant to applicable storm water regulations.
- (D) Lessee agrees that the terms and conditions of the Airport's storm water discharge permit may change from time to time and hereby appoints City as its agent to negotiate with the appropriate Governmental Authorities any such permit modifications.
- (E) City will give Lessee written notice of any breach by Lessee of the Airport's storm water discharge permit or the provisions of this Section. Such a breach is material, and, if of a continuing nature, City may terminate the Lease pursuant to the terms of this Lease, if the breach is not promptly cured by Lessee. Lessee agrees to cure any such breach requiring time to comply within ten days' of receipt of written notice by City of such breach (or such longer period as may be reasonably required to effect such cure provided Lessee promptly commences such cure and diligently proceeds with such efforts until completion thereof). For circumstances requiring immediate action for safety purposes, the Lessee agrees to immediately comply upon verbal or written notice.
- (F) Lessee agrees to participate in any Airport-organized task force or other work group established to coordinate storm water activities at the Airport.

9.03 Indemnification. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS LEASE, LESSEE AGREES TO INDEMNIFY AND HOLD HARMLESS CITY AND OTHER LESSEES FOR ANY AND ALL CLAIMS, DEMANDS, COSTS (INCLUDING ATTORNEYS FEES), FEES, FINES, PENALTIES, CHARGES AND DEMANDS BY AND LIABILITY DIRECTLY OR INDIRECTLY ARISING FROM LESSEE'S ACTIONS OR OMISSIONS, INCLUDING FAILURE TO COMPLY WITH LESSEE'S OBLIGATIONS UNDER THIS ARTICLE, THE APPLICABLE STORM WATER REGULATIONS, AND STORM WATER DISCHARGE PERMIT, UNLESS THE RESULT OF CITY SOLE NEGLIGENCE. THIS INDEMNIFICATION SHALL SURVIVE ANY TERMINATION OR NON-RENEWAL OF THIS LEASE.

ARTICLE X: LEASEHOLD LIENS AND ENCUMBRANCES

10.01 Encumbrances. Encumbrances are only allowed under this Lease to finance construction of Improvements. Encumbrances allowed under this Lease are subject to the terms and conditions of this Article. Any proposed Encumbrance by Lessee must first receive City's consent. Any Encumbrance not approved by the City is void. Any document used to encumber the Leased Premises must incorporate the provisions of this Lease.

10.02 Encumbrances requirements. The City may withhold consent to an Encumbrance for any of the following reasons:

- (A) Lessee is in default of this Lease, whether notice of default has been given by the City.
- (B) The entity requiring the prospective Encumbrance has not agreed in writing to be bound by this Lease.
- (C) The Encumbrance documents have not been provided to the City.
- (D) Improvements previously undertaken by Lessee have not been completed to the City's satisfaction.
- (E) Lessee has not paid the processing fee for approval of an Encumbrance.

10.03 Encumbrance requirements. An Encumbrance to finance construction of Improvements are subject to the following requirements and covenants:

- (A) Any deed of trust must require that any notice of default and any notice of sale be given in writing to the City concurrently with the filing of a notice of default and sale. Lessee must furnish the City a complete copy of the deed of trust and note secured thereby prior to recording.
- (B) Lessee shall provide City with a true copy of the instrument of Encumbrance and the name and address of the Mortgagee.

- (C) The City upon providing Lessee any notice of default under this Lease or termination of this Lease, shall at the same time provide a copy of such notice to the Leasehold Mortgagee by first class U.S. mail at the address provided by Lessee.
- (D) The City may not terminate this Lease because of Lessee's breach if, within sixty days after the City gives written notice of the breach, the Mortgagee:
 - (1) Cures the breach if it can be cured by the payment or expenditure of money required to be paid under the terms of this Lease; and
 - (2) Agrees in writing to keep and perform all of the covenants and conditions of this Lease requiring the payment of expenditure of money by Lessee until the time as the leasehold is sold upon foreclosure pursuant to the deed of trust or released or reconveyed under the deed of trust.
- (E) If the default is not curable, the Mortgagee will cause the trustee to exercise the power of sale under the deed of trust as provided by law. Before exercising the power of sale, the trustee will first offer to the City the right to purchase all right, title, and interest in the leasehold encumbered under the deed of trust directly from trustee and without public sale for the then outstanding balance due on the note or notes secured by the deed of trust, plus trustee's fees and costs of sale. The trustee's offer to the City must be made no later than ten days following the filing of Notice of Default, and the City may exercise the option to purchase within 90 days following the filing.
- (F) If the City does not purchase the Mortgagee's interest, the Mortgagee may upon prior City Consent, cause Lessee's interest in this Lease:
 - (1) To be transferred at foreclosure sale pursuant to a deed of trust, by judicial foreclosure, or by an assignment in lieu of foreclosure; or
 - (2) To be transferred or assigned to an established bank, savings and loan association, or insurance company.
- (G) The Mortgagee must give the City written notice of any such transfer, setting forth the name and address of the transferee, the effective date of such transfer and the express agreement of the transferee assuming and agreeing to perform all of the obligations under this Lease, and submits to the City a copy of the document by which such transfer was made.
- (H) The City may terminate this Lease if the Mortgagee fails or refuses to comply with any condition of this Section 10.03.

Processing Fee. The Lessee must pay a five-hundred dollar non-refundable fee to the City for processing each of Lessee's requests for the City's consent to an Encumbrance.

10.04 Landlord Liens. LESSEE HEREBY GIVES AND GRANTS TO CITY A LIEN UPON, AND PLEDGES AS COLLATERAL TO CITY IN CASE OF DEFAULT, ALL, CHATTELS AND

PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION NOW OR HEREAFTER TO BE PLACED, INSTALLED OR STORED BY LESSEE AT THE AIRPORT. LESSEE AGREES THAT IN THE EVENT OF ANY FAILURE ON THE PART OF LESSEE TO COMPLY WITH EACH AND EVERY ONE OF THE COVENANTS AND OBLIGATIONS HEREOF, OR IN THE EVENT OF ANY DEFAULT CONTINUING FOR TWENTY DAYS OF ANY SPECIFIED NATURE, AFTER NOTIFICATION TO LESSEE BY CITY IN WRITING, CITY MAY TAKE POSSESSION OF AND SELL THE SAME IN ANY MANNER PROVIDED BY LAW AND MAY CREDIT THE NET PROCEEDS UPON ANY INDEBTEDNESS DUE OR DAMAGE SUSTAINED BY CITY, WITHOUT PREJUDICE TO FURTHER CLAIMS THEREAFTER TO ARISE UNDER THE TERMS HEREOF. ANY LEASEHOLD MORTGAGE SHALL BE SUBORDINATE TO THIS CONTRACTUAL LANDLORD LIEN AND ANY STATUTORY LIEN ARISING UNDER THE TEXAS PROPERTY CODE; BUT SHALL BE SUPERIOR TO THE EXTENT OF SUCH LIENS OF ANY STRUCTURES AND FIXTURES ON THE LEASED PREMISES.

10.05 Liens on City Property Prohibited. Lessee shall not suffer or permit any tax, judgment, mechanics or materialmen’s lien or other liens to be filed against the fee of the Premises nor, except as provided in Section 10.01, against Lessee’s leasehold interest in the land nor any Improvements by reason of any work, labor, services, or materials supplied or claimed to have been supplied to Lessee or to anyone holding the Premises or any part thereof through or under Lessee. If any such liens shall be recorded against the Premises or any Improvements thereof, Lessee shall cause the same to be immediately removed or, in the alternative, if Lessee, in good faith desires to contest same, Lessee shall be privileged to do so, but in such case Lessee hereby agrees to INDEMNIFY AND SAVE CITY HARMLESS from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said mechanics’ lien, cause the same to be discharged and removed prior to the execution of such judgment.

ARTICLE XI. HAZARDOUS MATERIAL HANDLING, SPILLS, AND CLEANUP.

11.01 Hazardous Material Storage. Lessee shall not store hazardous materials on the Premises except such materials as are normal and reasonably necessary for aircraft operation and maintenance; and for Lessee's air-ambulance and aero-medical services. Lessee shall not store Hazardous Materials if such storage is either a violation of any Hazardous Material Law; or, determined by the Fire Marshal, or Chief of the City’s Fire Department, to constitute a danger to the Airport.

11.02 Storage/Disposal of Hazardous Materials. Lessee must materially comply with any Hazardous Materials Law in the storage, distribution, processing, handling or disposal of any Hazardous Materials. If any Hazardous Material spills, leaks, or is discharged on or from the Premises, Lessee must, at Lessee's cost, immediately make all repairs necessary to prevent further spills, leaks or discharges and immediately clean up the spill, remove any contaminated soil and promptly dispose of the spilled Hazardous Material and soil as required by Hazardous Materials Laws. If Lessee fails to immediately clean up the spill or properly dispose of any contaminated soil the City may, upon twenty-four hours written notice to Lessee, clean up the spill and dispose of any contaminated soil. Lessee must reimburse the City for the cost of all such work by the City within thirty days from receipt of a bill from the City. The Lessee must pay, or indemnify the City for the City's

payment of, any fines or penalties levied by any federal or state agency as a result of Lessee's release or discharge of any Hazardous Materials from the Premises.

- 11.03 Termination. Upon termination of this Lease, Lessee must at Lessee's cost, remove any equipment utilized in connection with any Hazardous Materials and clean up, detoxify, repair and restore the Premises to a condition free of Hazardous Materials, to the extent the Lessee or Lessee's sublessee or their respective agents, contractors, employees, licensee or invitees caused the condition.
- 11.04 Default. Lessee is in default of this Lease if Lessee or Lessee's sublessee releases or discharges any Hazardous Materials or violates any Hazardous Materials Law. In addition to or in lieu of the remedies available under the Lease as a result of the default, the City may, without terminating the Lease, require Lessee to suspend its operations and activities on the Premises until the City is satisfied that appropriate remedial work has been or is being adequately performed. The City's election to suspend Lessee's operations is not a waiver of the City's right to later declare a default and pursue other remedies set forth in the Lease.
- 11.05 Hazardous Materials. Notwithstanding anything contained in this Lease to the contrary, Lessee shall not have any liability to City resulting from any Hazardous Materials existing or generated at, in, on, under or in connection with the Premises or Airport (i) prior to the Commencement Date, or (ii) found to be existing after the Commencement Date which were not caused or introduced by Lessee or its invitees, assignees, agents, employees or contractors.

ARTICLE XII. MISCELLANEOUS

- 12.01 Additional Instruments and Mutual Assistance. City and Lessee will do all things reasonably necessary or appropriate to carry out the terms and provisions of this Lease and to aid and assist each other in carrying out such terms and provisions
- 12.02 Amendments. This Lease constitutes the entire understanding and agreement of the Parties as to the matters set forth in this Lease. No alteration of or amendment to this Lease shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- 12.03 Appeals. An appeal to Council may be had only when expressly authorized in this Lease. An appeal must be made in writing and delivered to the City Secretary within five business days of the City Representative's denial.
- 12.04 Binding Obligation. This Lease and all covenants, agreements, provisions and conditions hereto, shall be binding upon and inure to the benefit of the respective Parties hereto, their legal representatives, successors or assigns upon execution by all signatories hereto. The City warrants and represents that the individual executing this Lease on behalf of the City has full authority to execute this Lease and bind the City to the same. Lessee warrants and represents that the individual executing this Lease on its behalf has full authority to execute this Lease and bind it to the same, as provided below:

(A) City Council has authorized the City Manager to execute this Lease on behalf of the CITY, as evidenced by Resolution, attached hereto as Exhibit "D."

(B) Lessee has authorized its Chief Executive Officer to execute this Lease on its behalf, as evidenced by Resolution, attached hereto as Exhibit “E.”

(C) Lessee has provided the following to the City: Certificate of Formation certified by the Secretary of State of the State of Texas (the “Secretary of State”); and Certificate of Existence issued by the Secretary of State; and Certificate of Franchise Tax Account Status issued by the Comptroller of Public Accounts of the State of Texas (the “Comptroller”).

12.05 Counterparts. This Lease may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document. To facilitate the execution hereof, an executed copy of this Lease which is signed electronically via DocuSign and/or which is delivered by electronic mail or other electronic transmittal shall have the effect of an original, executed instrument.

12.06 Construction. The Parties acknowledge that the Parties and their counsel have reviewed and revised the Lease and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Lease.

12.07 Employment of Undocumented Workers. During the Term of this Lease, Lessee agrees to not knowingly employ any undocumented workers, and, if convicted of a violation under 8 U.S.C. Section 1324a(1), Lessee shall be in Default.

12.08 Enforcement. The City Representative may enforce all legal rights and obligations under this Lease without further authorization; and, may engage legal counsel to represent the City in such enforcement. Lessee shall provide to the City Representative all documents and records that the City Representative reasonably requests to assist in determining Lessee’s compliance with this Lease.

12.09 Entire Agreement. This Lease constitutes the entire agreement between the Parties with respect to the subject matter covered in this Lease. There is no other collateral oral or written agreement between the Parties that, in any manner, relates to the subject matter of this Lease, except as provided for in any Exhibits attached hereto or duly approved amendments to this Lease, as approved by the City Council of the City of Burnet, Texas.

12.10 Exhibits and Attachments. All Exhibits and Attachments referenced in this Lease are attached hereto and incorporated herein for all purposes. Exhibits to this Lease are as follows:

- Exhibit “A”: Description of the Land.
- Exhibit “B”: Authorized Aeronautical Activities.
- Exhibit “C”: Preliminary Hangar Drawings.
- Exhibit “D” Resolution of City Council.
- Exhibit “E”: Resolution of Lessee.

12.11 Force Majeure. It is expressly understood and agreed by the Parties to this Lease that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, pandemic, fire or other casualty, or court injunction, inability to obtain labor or materials or

Notice to Mortgagee with Rights under Section 10.03. In the Event of Default by Lessee, notice of default and opportunity for Mortgagee to cure shall be hand delivered or sent by registered or certified mail, return receipt requested, postage prepaid, to Mortgagee.

The City shall only be responsible for providing notice to Mortgagee subject to the accuracy of the information provided to the City by the Lessee. Lessee shall provide name, address and mortgage amount for each holder thereof that has a mortgage on any permanently attached property to the Leased Premises, including information as such changes.

- 12.19 Ordinance Applicability. The signatories hereto shall be subject to all ordinances of the City, whether now existing or in the future arising; provided, however, no ordinance shall reduce or diminish the contractual obligations contained herein.
- 12.20 Protection of Airport. The City reserves its right to take any action the City considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport which, in the opinion of City, would limit the usefulness of the Airport or constitute a hazard to aircraft. Lessee shall comply with height restrictions and safety requirements of applicable Governmental Authorities when making any Improvement to the Leased Premises.
- 12.21 Recording of Lease. A memorandum of Lease, may be recorded by the City, and the costs of such recordation, and any closing costs associated with this Lease, its execution and recordation, shall be billed to and paid by Lessee as additional rent.
- 12.22 Severability. In the event any provision of this Lease is illegal, invalid, or unenforceable under the present or future laws, then, and in that event, it is the intention of the Parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the Parties to this Lease that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable a provision be added to this Lease which is legal, valid and enforceability and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.
- 12.23 Sovereign Immunity. The Parties agree that nothing in this Lease shall be determined to waive the City's sovereign or governmental immunity to the extent sovereign or governmental immunity is applicable.
- 12.24 Subordination. This Lease shall be subordinate to provisions of any existing or future agreements entered into by and between the City and the Federal or State Government for the improvement, operation and maintenance of the Airport; provided, that if such agreements restrict the operation of the Leased Premises, appropriate Rent reductions shall be negotiated, if appropriate.
- 12.25 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Lease shall survive termination.
- 12.26 Waivers. No failure or delay of a party in the exercise of any right given to such party hereunder or by law shall constitute a waiver thereof, nor shall any single or partial exercise of any such right

preclude other further exercise thereof or of any other right. The waiver by a party of any breach of any provision hereof shall not be deemed to be a waiver of any subsequent breach thereof or of any breach of any other provision hereof.

12.27 This Lease is for the sole benefit of Landlord and Tenant, and no third party shall be deemed a third party beneficiary hereof.

Signature page to follow.

EXHIBIT "A"
Description of the Land

Being approximately 0.972 acres legally described as Lot No. Two (2A), Replat of a portion of Lot Two (2) and Three (3), Flight Line Boulevard Subdivision, a subdivision in the City of Burnet, Burnet County, Texas, as shown on plat recorded under Clerk's File No. 201810840, Official Public Records of Burnet County, Texas.

EXHIBIT "B"

Authorized Aeronautical Activities

- (1) Air charter, air ambulance and aero-medical services.
- (2) Aircraft maintenance, cleaning and storage.
- (3) Training.
- (4) Rental or use of hangar space.
- (5) Ancillary activities that are ordinarily necessary and incident to carrying out the activities set forth in this Exhibit B.

EXHIBIT "C"
Preliminary Hangar Drawings

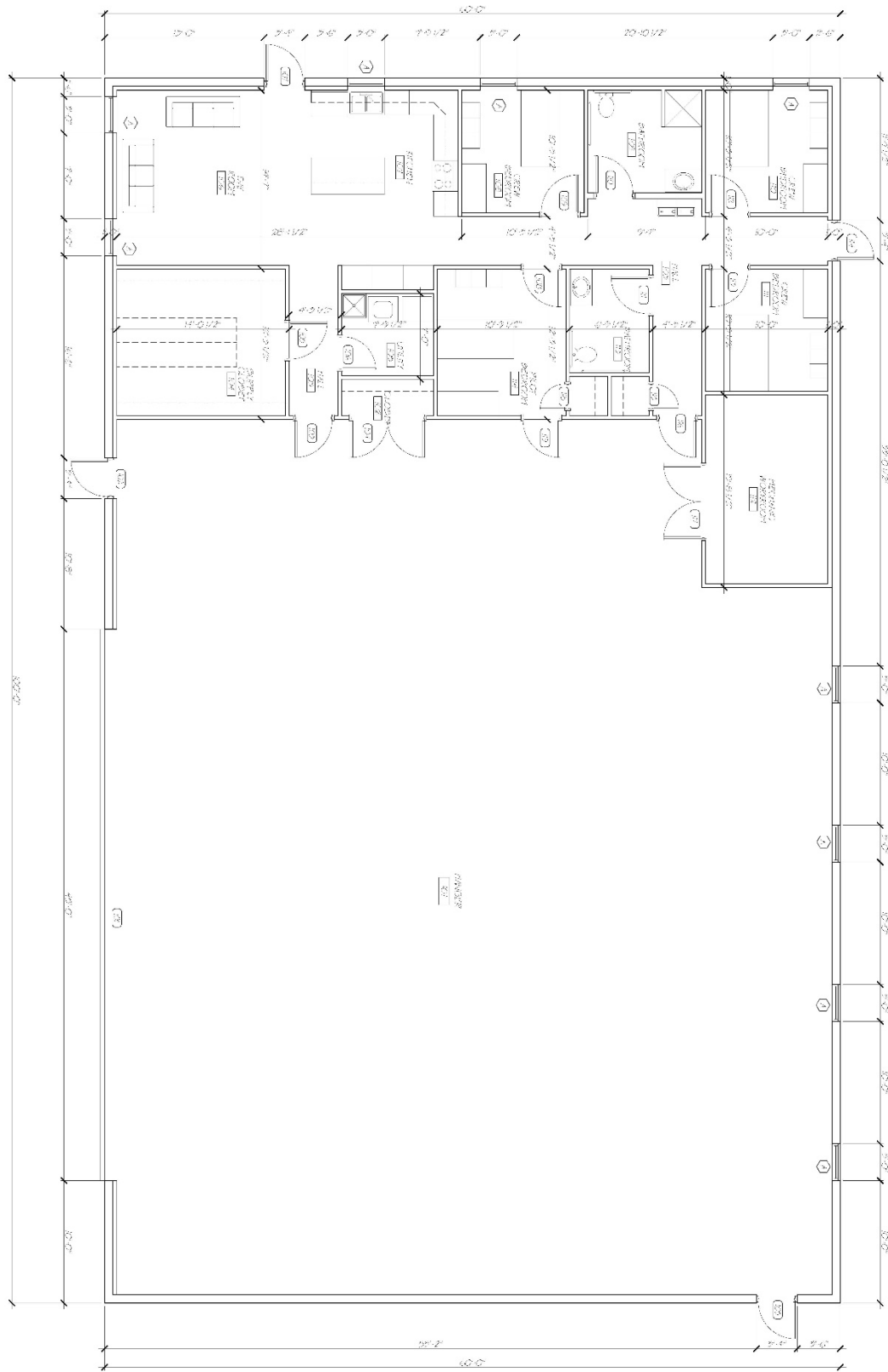


EXHIBIT "D"
Resolution of City Council

EXHIBIT "E"
Resolution of Lessee

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS APPROVING A FORTY-YEAR AIRPORT GROUND LEASE AGREEMENT WITH CAREFLITE FOR APPROXIMATELY 0.972 +/- ACRES LOCATED AT THE SOUTH END OF THE AIRPORT.

Adrienne Feild, Administrative Services/Airport Manager



CAREFLITE AIRPORT GROUND LEASE AGREEMENT

- CareFlite is a Texas, 501(c)3 nonprofit corporation that provides medical transportation services.
- Lease Area: 0.972 +/- acres located at the south end of the Airport
 - Aircraft Hangar Facility minimum of 6,000 sq ft of usable space
- Lease Term: June 1, 2024 – May 31, 2064 (forty -years)
- Authorized Aeronautical Activities:
 - (1) Air charter, air ambulance and aero -medical services.
 - (2) Aircraft maintenance, cleaning and storage.
 - (3) Training.
 - (4) Rental or use of hangar space.
 - (5) Ancillary activities that are ordinarily necessary and incident to carrying out the activities set forth in Exhibit B.
- Positive impact to the Airport Fund of \$7,621.26 in Annual Rent.
 - Consumer Price Index(CPI) Rent Adjustment every 5 -years.





Administration

ITEM 4.10

David Vaughn
City Manager
512.715.3208
dvaughn@cityofburnet.com

Agenda Item Brief

- Meeting Date:** April 23, 2024
- Agenda Item:** Discuss and consider action: A RESOLUTION OF THE BURNET CITY COUNCIL APPROVING A CONTRACT FOR MUNICIPAL COURT PROSECUTOR SERVICES: D. Vaughn
- Background:** Pursuant to Resolution 2020-25, on Jun 23, 2020, and with the approval of the City Attorney, City Council designated Assistant City Manager Habib Erkan as a deputy city attorney to serve in the role of municipal court prosecutor. He is retiring as Assistant City Manager effective April 26, 2024, but is keen on retaining the prosecutor position.
- Information:** Habib has over 32 years' experience as a municipal prosecutor, including twelve years as the Burnet Municipal Court prosecutor. This appointment shall not change Denton, Navarro, Rocha, Bernal & Zech P.C.'s role, and the firm shall remain as City Attorney for all matters, except municipal court prosecution.
- Fiscal Impact:** None.
- Recommendation:** Approve and adopt Resolution R2024-31 as presented.

RESOLUTION NO. R-2024-31

A RESOLUTION OF THE BURNET CITY COUNCIL APPROVING A CONTRACT FOR MUNICIPAL COURT PROSECUTOR SERVICE.

Whereas, the City of Burnet Municipal Court is established pursuant to City Charter Section 4.03 and the laws and constitution of the State of Texas; and

Whereas, Texas Code of Criminal Procedures Section 45.201 (a) provides that all prosecutions in municipal court shall be conducted by the city attorney of the municipality or by a deputy city attorney; and

Whereas, pursuant to Resolution 2020-25, on Jun 23, 2020, and with the approval of the City Attorney, City Council designated Assistant City Manager Habib Erkan as a deputy city attorney to serve in the role of municipal court prosecutor.

Whereas. Mr. Erkan is retiring as Assistant City Manager effective April 26, 2024, but both the City and he wish him to be retained as municipal court prosecutor on a contractual basis.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Approval. The contract attached hereto for prosecutor service is hereby approved.

Section two. Authorization. The City manager is hereby authorized to execute a contract for prosecutor services substantially similar to the attachment hereto and to execute such other documents and take such other action reasonably necessary to facilitate the purpose of this resolution.

Section three. Cumulative. This resolution shall be cumulative with Resolution 2020-25, except where the provisions of this resolution is in direct conflict with the provisions of Resolution 2020-25, in which event Section.

Section four. TOMA. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, as modified by the governor's orders in response to the COVID-19 pandemic.

Section five. Effective Date. This resolution shall take effect upon approval and adoption by City Council.

APPROVED AND ADOPTED on this the 23rd day of April 2024.

CITY OF BURNET

Gary Wideman, Mayor

ATTEST:

Kelly Dix, City Secretary

Municipal Prosecutor Contract

CONTRACT MUNICIPAL PROSECUTOR LEGAL SERVICES

The Parties to this Contract for Municipal Prosecutor Legal Services are Habib H. Erkan Jr., 115 Vandeventer Drive, Burnet, Texas 78611, (“Prosecutor”) and the City of Burnet, Texas P.O. Box 1369, Burnet, Texas 78611 (the “City”). Prosecutor and the City are referred to collectively herein as the “Parties.”

WHEREAS, on April 1, 2020, Prosecutor was hired by City as the Assistant City Manager; and

WHEREAS, pursuant to Resolution 2020-25, on Jun 23, 2020, and with the approval of the City Attorney, City Council designated Prosecutor as a deputy city attorney to serve in the role of municipal court prosecutor; and

WHEREAS, on April 26, 2024, Prosecutor shall retire from his role as Assistant City Attorney; and

WHEREAS, the Parties wish to continue with Prosecutor serving as the municipal court prosecutor.

NOW THEREFORE, for the mutual covenants and considerations described herein, the parties agree as follows:

- (1) **ROLE AND SCOPE OF WORK:** Prosecutor agrees to provide legal services to the City as the Deputy City Attorney serving as the primary Municipal Prosecutor, representing the City as Municipal Prosecutor in cases before the Municipal Court and any appeals. Prosecutor shall provide no other legal services to the City. Said scope of work shall include all matters within the jurisdiction of the Municipal Court including:
 - (a) *Pretrial:* Prosecutor shall handle all prosecutorial preliminary matters, including and not limited to discovery request, attorney correspondences, appearance dockets, and preliminary motions related to such docket.
 - (b) *Trial:* Prosecutor shall appear on behalf of the City for all bench and jury trials.
 - (c) *Post Judgement:* Prosecutor shall handle all prosecutorial post judgement matters, including and not limited to appeals, expungements, and probation revocation hearings.
- (2) **QUALIFICATIONS AND PERFORMANCE:** Prosecutor shall provide competent, zealous legal services in a professional, skilled manner consistent with an attorney’s responsibilities under the Texas Disciplinary Rules of Professional Conduct and the Texas Code of Criminal Procedure. Prosecutor must maintain the minimum qualifications to practice law in the state of Texas and must immediately inform the City Manager and City Attorney of any change in the status of the Attorney’s licensure.
- (3) **FEES AND EXPENSES FOR MATTERS WITHIN THE SCOPE OF WORK:**
 - (a) *Fee.*
 - *Regular session.* Currently, Municipal Court pretrial and trial docket is held one day every other month, which equals six court appearances annually (hereinafter “regular session”). The City agrees to pay Prosecutor a flat rate of \$2,000.00 per month for each month the services described in Section (1) are provided (6 x \$2,000 = \$12,000 annually).
 - *Special session.* A Municipal Court pretrial and trial special session docket is one which is called in addition to a regular session docket.

Municipal Prosecutor Contract

In the event a special session docket is called the City agrees to pay Prosecutor for his services at the rate of \$200.00 per hour for performance of legal services described in Section (1). Prosecutor shall not charge City for travel time or telephone calls less than 10 minutes in length.

- (b) *Expenses.* Any out-of-pocket expenses incurred by Prosecutor shall require the approval of the City Manager prior to submission to City for reimbursement. Prosecutor shall be responsible for all costs incurred to maintain his bar license, including license renewal fee, and continuing legal education.
- (4) **DESIGNATED DEPUTY CITY ATTORNEY:** Prosecutor shall retain his designation~~ed~~ as “Deputy City Attorney” for the City for the purposes of only representing the City in Municipal Court and appeals and shall have no other responsibility to the City under this Contract.
- (5) **BILLING AND COMPENSATION:** Prosecutor shall submit monthly invoices to the City for matters included in this Contract. Monthly invoices shall include a brief description of the work performed, and if the work perform related to a special session docket, the length of time it took to perform the work to the nearest tenth of an hour, and the date the work was performed. All invoices (s) shall be submitted by Prosecutor as soon as possible after the end of each calendar month and are due and payable by the City within thirty (30) day of receipt by the City.
- (6) **TERM.** Subject to the terms of Paragraph 7, below, this contract shall be effective as of the date signed by the City Manager and shall terminate on September 30, 2024, provided however, that it may be renewed annually in subsequent City Budget years by appropriation of funds by City Council and approval of the Parties.
- (7) **TERMINATION:** Either of the Parties may terminate this contract for any reason or for no reason by giving thirty (30) days written notice to the other party. Upon termination by either party, the City agrees to pay to Prosecutor all fees and expenses for services performed prior to the date of termination.
- (8) **CONFLICTS:** Prosecutor understands and agrees that he shall be bound by the City’s Ethics Ordinance. Moreover, Prosecutor agrees not to undertake representation of any person or entity in a manner adverse to the City’s legal interests during the term of the contract. Further, Prosecutor agrees that, to the best of his actual knowledge, Prosecutor has no personal, business, or financial interests or relationships which would cause a reasonable individual with knowledge of the relevant facts to question the integrity or impartiality of his acting as legal advisors and representatives of the City under this contract.
- (9) **INDEPENDENT CONTRACTOR:** Prosecutor shall be an independent contractor to the City and shall not be an employee. This Contract does not create any partnership, joint venture, or relationship other than an independent contractor relationship. Prosecutor shall not be deemed to be an employee of the City for any purpose whatsoever, and Prosecutor shall not be eligible to participate in any benefit program provided by the City for its employees. Prosecutor shall be exclusively responsible for the payment of his own respective taxes, professional fees, or dues and continuing legal education expenses.
- (10) **SPECIAL TERMS:** The City Attorney also has the authority to provide such backup or lead support for the provision of prosecutorial legal services to the City if it is in

Municipal Prosecutor Contract

the best interests of the City to do so and with the approval of the City Manager.

- (11) **ASSIGNMENT:** Prosecutor shall not assign or transfer his interest in this Contract.
- (12) **DISPUTE RESOLUTION:** Any controversy, dispute, or disagreement arising out of or relating to this Contract, or any breach thereof, shall first be mediated. Each party shall bear its own attorneys' fees and costs for such dispute resolution.
- (13) **NOTICE:** All notices required to be sent under this Contract shall be in writing and given by First Class U.S. Mail or Personal Delivery addressed:

To Prosecutor at:
Habib H. Erkan Jr.
115 Vandeventer Drive
Burnet, Texas 78611

To City at:
City of Burnet
PO Box 1369
1001 Buchanan Drive, Suite 4
~~1001~~ Burnet, Texas 78611

Each Party shall have the continuing obligation to advise the other parties of any change of address.

- (14) **AGREEMENT:** This written authorization embodies the entire agreement between the Parties, and there are no other agreements, oral or written, with reference to this Contract. In case any one or more of the provisions contained in the Contract shall be held unenforceable, the remaining provisions contained herein shall not be impaired thereby.
- (15) **AMENDMENTS:** No change or modification to this Contract shall be valid unless made in writing and signed by both Parties.

Municipal Prosecutor Contract

Executed by authorized representatives of the Parties to be Effective the First Day of May 2024.

City of Burnet

Prosecutor

By: _____
David Vaughn

By: _____
Habib H. Erkan Jr.



Administration

ITEM 4.11

David Vaughn
City Manager
512-715-3208
dvaughn@cityofburnet.com

Agenda Item Brief

Meeting Date: April 23, 2024

Agenda Item: Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS ESTABLISHING AN EXEMPTION FROM AD VALOREM TAXES FOR QUALIFYING CHILD-CARE FACILITY PROPERTIES: D. Vaughn

Background: In 2023, Texas Tax Code Section 11.36 was added to the tax code by S.B. 1145 of the 88th Texas Legislature regular session. This section authorizes an exemption from ad valorem (property) taxes on all or part of the appraised value of real property, or a portion thereof, operating as a qualifying child-care facility.

Information: **In Section 11.36**, a “Child-care facility” means *a facility licensed by the Health and Human Services Commission to provide assessment, care, training, education, custody, treatment, or supervision for a child who is not related by blood, marriage, or adoption to the owner or operator of the facility, for all or part of the 24-hour day, whether or not the facility is operated for profit or charges for the services it offers.* A “Qualifying child-care facility” means *a child-care facility: (A)the owner or operator of which participates in the Texas Workforce Commission’s Texas Rising Star Program as described by Section 2308.3155 (Texas Rising Star Program), Government Code, for that facility; and (B) at which at least 20 percent of the total number of children enrolled at the facility receive subsidized child-care services provided through the child-care services program administered by the Texas Workforce Commission.*

This ordinance authorizes an exemption from property tax for all qualifying child-care facilities in Burnet. The amount of the exemption between 1% and 100% will need to be determined by city council.

Stan Hemphill, Chief Appraiser for the Burnet County Appraisal District provided the following information:

There are three childcare facilities in the City limits that have been identified by the Burnet County Appraisal District. The total estimated value of all three facilities is \$970,413.00. Based on the 2023 tax rate the total tax amount for the three facilities would be \$5,949.00.

If Council chooses to do the 100% the total \$5,949.00 would be exempt. If Council chooses the 50% option the total exemption would be \$2,974.00.

Burnet County Commissioners approved the 100% option for all eligible childcare facilities in the County, retroactive to January 1, 2024, at the April 9, 2024 Burnet County Commissioners Meeting.

Fiscal Impact: To be determined by Council. The fiscal impact attributable to the passage of this resolution is dependent on the percentage of property tax exemption that is provided.

Recommendation: The recommended motion is as follows: "Move to approve the first reading of Ordinance No. 2024-14 and provide _____ percentage of property tax exemption to qualified child-care facilities in Burnet.

ORDINANCE NO. 2024-14

**AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS
ESTABLISHING AN EXEMPTION FROM AD VALOREM TAXES FOR
QUALIFYING CHILD-CARE FACILITY PROPERTIES.**

Whereas, Texas Tax Code Section 11.36, as added by S.B. 1145 of the 88th Texas Legislature regular session (2023), authorizes an exemption from ad valorem (property) taxes on all or part of the appraised value of real property, or a portion thereof, operating as a qualifying child-care facility; and

Whereas, the Burnet City Council deems it in the public interest to such exemption, as described in section qualifying child-care facility.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BURNET:

Section one. Exemption adopted. City Council adopts an exemption, as authorized by Texas Tax Code Section 11.36, entitling qualifying persons to an exemption from taxation by the City of **INSERT PERCENTAGE** percent of the appraised value of:

- (A) the real property the person owns and operates as a qualifying child-care facility; or
- (B) the portion of the real property that the person owns and leases to a person who uses the property to operate a qualifying child-care facility.

Section two. Exception. As set forth in Texas Tax Code Section 11.36(g), a person cannot claim the child-care facility exemption on property they own and lease to another to operate a qualifying child-care facility if the person also claims a Texas Tax Code Section 11.13 residence homestead exemption on the property or leases any part of the property to another for use as a principal residence.

Section three. Application. The exemption adopted by this ordinance applies to the tax year beginning January 1, 2024.

Section four. Effective Date. This ordinance shall take effect immediately from and after its passage.

PASSED AND APPROVED on first reading this the 23rd day of April 2024.

FINALLY PASSED AND APPROVED on this the 14th day of May 2024.

CITY OF BURNET, TEXAS

Gary Wideman, Mayor

ATTEST:

Kelly Dix, City Secretary



Administration

ITEM 5.1

David Vaughn
City Manager
512-715-3208
dvaughn@cityofburnet.com

Action

Meeting Date: April 23rd, 2024

Agenda Item: Executive Session: The City of Burnet City Council shall meet in Executive Session in accordance to the provision of the Open Meetings Act, Texas Government Code, Chapter 551, and Sub-section 551.074 regarding deliberation on the appointment, employment, and duties of an acting City Manager: D. Vaughn

Background:

Information: To be discussed with Council.

Fiscal Impact:

Recommendation: To be determined by Council.



Administration

ITEM 6.1

David Vaughn
City Manager
512-715-3208
dvaughn@cityofburnet.com

Action

Meeting Date: April 23rd, 2024

Agenda Item: Discuss and consider action: To confirm the City Manager's appointment of an Acting City Manager who may serve in times of absence or disability of the City Manager: D. Vaughn

Background: The City of Burnet Charter reads as follows:

Section 4.01.-CITY MANAGER

E. Acting City Manager. The City Manager, within sixty (60) days after taking office, shall designate by letter filed with the City Secretary, an administrative officer of the City to perform the duties of the City Manager in the absence or disability of the City Manager. The Designee shall be subject to the consent of the City Council. The designee may be changed at the discretion of the City Manager, with the consent of the City Council.

Information: Due to the retirement of Assistant City Manager Habib Erkan, Jr. effective today, April 23, 2024, it will be necessary to appoint an acting City Manager to serve in the absence of the City Manager. City Staff continues to seek qualified applicants to fill the Assistant City Manager position at this time.

Fiscal Impact:

Recommendation: To be determined by Council.