



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

2402 S. Water Street (Hwy 281 South, Burnet Municipal Airport) Burnet, TX

Tuesday, April 08, 2025 at 6:00 PM

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Notice is hereby given that a **Regular City Council Meeting** will be held by the governing body of the City of Burnet on **Tuesday, April 08, 2025** at 6:00 PM 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:

Attendance By Other Elected or Appointed Officials: It is anticipated that the Burnet Economic Development Corporation Board, Planning & Zoning Commission, Historic Board, Zoning Board of Adjustment, Airport Advisory Board, Burnet Municipal Golf Course Advisory Committee, and Police Department Citizen Advisory Board members may attend the City Council Meeting at the date and time above in numbers that may constitute a quorum. Notice is hereby given that at the City Council Meeting at the date and time above, no Board or Commission action will be taken by such in attendance unless such item and action are specifically provided on a separate agenda posted subject to the Texas Open Meeting Act. This is not an agenda of an official meeting of the City Boards and Commissions, and minutes will not be taken.

**1. CALL TO ORDER:**

**2. ROLL CALL:**

**3. INVOCATION:**

**4. PLEDGES (US & TEXAS):**

**5. SPECIAL REPORTS/RECOGNITION:**

1. Audit Presentation: Diana Ward, Shareholder with Jaynes, Reitmeier, Boyd & Therrell, P.C. (JRBT)
2. Award Recognition of Burnet Emergency Services Personnel: M. Ingram and B. Lee
3. Delaware Springs Quarterly Report: T. Nash
4. Fire and EMS Quarterly Report: M. Ingram
5. Engineering/Public Works Quarterly Report: E. Belaj
6. Presentation of the TDA Form A1024 CDBG Section 3 Program Goals Presentation for the TxCDBG Project CDV23-0311 (Wofford Street Waterline Improvements): A. Feild

**6. CONSENT AGENDA ITEMS:** *(All of the following items on the Consent Agenda are considered to be self-explanatory by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member, staff member or citizen requests removal of the item from the consent*

*agenda for the purpose of discussion. For removal of an item, a request must be made to the Council when the Consent Agenda is opened for Council Action.)*

1. Approval of the March 4, 2025 Workshop Minutes

Approval of the March 24, 2025 Regular Meeting Minutes

Approval of the March 25, 2025 Workshop Minutes

**7. PUBLIC HEARINGS/ACTION:**

1. Public hearing and action: Ordinance No. 2025-16: L. Kimbler

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 REZONING PROPERTY KNOWN AS 110 E WASHINGTON STREET FROM ITS PRESENT DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1” TO A DESIGNATION OF GOVERNMENT – DISTRICT “G”; PROPERTY KNOWN AS 215 S PIERCE STREET FROM ITS PRESENT DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1” TO A DESIGNATION OF GOVERNMENT – DISTRICT “G”; PROPERTY KNOWN AS 127 E JACKSON STREET FROM ITS PRESENT DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1” TO A DESIGNATION OF GOVERNMENT – DISTRICT “G”; AND PROPERTY KNOWN AS 200 S. WEST STREET FROM ITS PRESENT DESIGNATION OF MEDIUM COMMERCIAL – DISTRICT “C-2” TO A DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1”; PROVIDING CUMULATIVE, REPEALER, AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE

Staff Presentation

Public Hearing

Discuss and consider action

2. Public hearing and action: Resolution No. 2025-27: L. Kimbler

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING THE “FINAL PLAT” OF LOT 1, BLOCK 1, CASEY’S BURNET ADDITION, A COMMERCIAL SUBDIVISION CONSISTING OF APPROXIMATELY 2.0035 ACRES; AND ACCEPTING A PERFORMANCE BOND ASSURING COMPLETION OF PUBLIC SEWER INFRASTRUCTURE

Staff Presentation

Public Hearing

Discuss and consider action

**8. ACTION ITEMS:**

1. Discuss and consider action: Ordinance No. 2025-15: K. McBurnett

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING CITY OF BURNET CODE OF ORDINANCES, CHAPTER 2 ARTICLE III (ENTITLED “APPOINTED BODIES”) AND CHAPTER 2, SECTION 2-277 (ENTITLED “ADVISORY COMMITTEE; PROVIDING FOR PENALTY; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE

2. Discuss and consider action: Resolution No. R2025-26: D. Vaughn

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE MAYOR TO ACCEPT A NEW UTILITY/IRIGATION EASEMENT RELATED TO THE RELOCATION OF THE GOLF COURSE IRRIGATION LINE AT 208 DELAWARE SPRINGS BOULEVARD; AND PROVIDING FOR AN EFFECTIVE DATE

3. Discuss and consider action: Appointment of a Council Member to serve on the Board of Directors for the YMCA of the Highland Lakes at Galloway-Hammond: D. Vaughn

4. Discuss and consider action: Resolution No. R2025-25: A. Feild

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, ACCEPTING A SUB-GRANT AWARD FOR THE HAZARD MITIGATION GRANT PROGRAM (HMGP) DR-4705-0026 IN THE AMOUNT OF \$796,800.00

5. Discuss and consider action: Resolution No. R2025-24: A. Feild

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH LANGFORD COMMUNITY SERVICES FOR GRANT ADMINISTRATION SERVICES RELATED TO THE HAZARD MITIGATION GRANT PROGRAM (HMGP) DR-4705-0026 – CITY OF BURNET GENERATORS PROJECT

6. Discuss and consider action: Resolution No. R2025-23: A. Feild

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF FY22/23/24/25 INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)/BIPARTISAN INFRASTRUCTURE LAW (BIL) AIRPORT GRANT FUNDING, AND AUTHORIZING THE CITY MANAGER TO EXECUTE NECESSARY DOCUMENTS

7. Discuss and consider action: Ordinance No. 2025-17: P. Langford

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE 2024-35; THE ORIGINAL BUDGET ORDINANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024, AND ENDING SEPTEMBER 30, 2025, FOR THE CITY OF BURNET, TEXAS, FUNDING ACCOUNTS IN BUDGET DUE TO UNFORESEEN SITUATIONS; CONTAINING FINDINGS; PROVIDING FOR SAVINGS AND SEVERABILITY

8. Discuss and consider action: Approval of an interlocal agreement between Texas Municipal League Intergovernmental Risk Pool (the “Pool”) and the City of Burnet to form a joint self-insurance pool to be named the Texas Municipal League Joint Cyber Liability and Data Breach Response Self-Insurance Fund (hereinafter referred to as the “Fund”) for the purpose of providing coverages against risks which are inherent in operating a political subdivision: P. Langford

## **9. EXECUTIVE SESSION:**

1. Pursuant to Section 551.072 Texas Government Code to deliberate the purchase, exchange, lease, or value of real property in order to minimize the detrimental effect of such discussion in open session on the position of the Council in negotiations with third parties for property located in the City limits of Burnet, Texas: D. Vaughn

**10. RECONVENE TO REGULAR SESSION FOR POSSIBLE ACTION:**

1. Discuss and consider action: Regarding deliberations of the purchase of real property in the City limits of Burnet, Texas: D. Vaughn

**11. 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.

**12. ADJOURN:**

Dated this 4th day of April 2025

**CITY OF BURNET**

**GARY WIDEMAN, MAYOR**

I, the undersigned authority, do hereby certify that the above NOTICE OF MEETING of the governing body of the above named City, BURNET, is a true and correct copy of said NOTICE and that I posted a true and correct copy of said NOTICE on the bulletin board, in the City Hall of said City, BURNET, TEXAS, a place convenient and readily accessible to the general public at all times, and said NOTICE was posted on April 4, 2025 at or before 6 o'clock p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

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Maria Gonzales, 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 emailed to the City Secretary at [citysecretary@cityofburnet.com](mailto:citysecretary@cityofburnet.com).*

**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

## Report to City Council

April 8, 2025

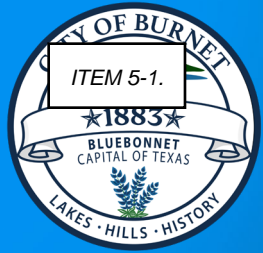


# Audit Scope and Results

## 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

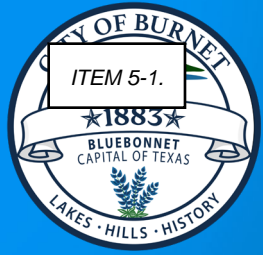
- Government-wide financial statements
- Fund financial statements
  - Governmental funds
  - Proprietary funds
- Notes to Financial Statements

## 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,...

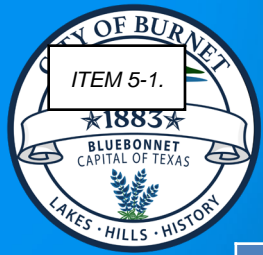
...the financial statements do present fairly, in all material respects, the financial position... as of September 30, 2024, and the changes in financial position and cash flows... for the year then ended in accordance with accounting principles generally accepted in the United States of America.



# Net Position

## *Government-Wide Financial Statements*

	Governmental Activities	Business-Type Activities	Total
Net position, beginning of year	\$ 41,133,920	22,584,897	63,718,817
Change in net position	6,761,716	1,294,644	8,056,360
Net position, end of year	\$ 47,895,636	23,879,541	71,775,177

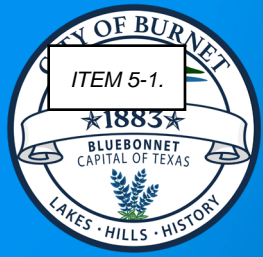


# Compliance with Budget

## *General Fund – Budgetary Basis*

	Final Budget	Actual	Variance
Revenues	\$ 12,142,960	12,729,412	586,452
Expenditures	(14,934,463)	(14,211,133)	723,330
Excess Expenditures over Revenues	(2,791,503)	(1,481,721)	1,309,782
Transfers in	4,214,782	4,259,568	44,786
Transfers out	(259,985)	(1,181,418)	(921,433)
Net change in fund balance	\$ 1,163,294	1,596,429	433,135





# Fund Balance

## *General Fund*

Fund balance, beginning of year	\$ 9,470,472
Net change in fund balance	1,596,429
Fund balance, end of year	\$ 11,066,901

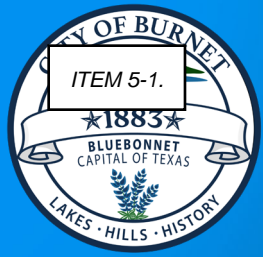
Nonspendable	\$ 37,595
Unassigned	11,029,306
Fund balance	11,066,901

(Unassigned fund balance equals 260 days  
of 2024 operating expenditures and transfers out)



## Operating Results - *Electric Fund*

	2024	2023
Operating revenue	\$ 11,195,759	10,233,561
Operating expense	(7,449,534)	(7,443,611)
Operating income	3,746,225	2,789,950
Nonoperating revenue (expense)	38,059	32,933
Transfers in	30,000	30,000
Transfers out	(2,623,899)	(2,749,458)
Change in net position	\$ 1,190,385	103,425



## Operating Results – *Water & Sewer Fund*

	2024	2023
Operating revenue	\$ 4,902,786	4,956,156
Operating expense	(3,759,176)	(3,536,804)
Operating income	1,143,610	1,419,352
Nonoperating revenue (expense)	(14,255)	(32,306)
Capital contributions	167,275	-
Transfers in	75,000	-
Transfers out	(1,383,593)	(1,405,733)
Change in net position	\$ (11,963)	(18,687)



## Operating Results – *Golf Course*

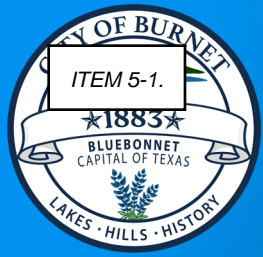
	2024	2023
Operating revenue	\$ 2,756,552	2,522,431
Operating expense	(2,491,373)	(2,290,378)
Operating income	265,179	232,053
Nonoperating revenue (expense)	50,546	40,380
Transfers in	248,466	223,210
Transfers out	(447,969)	(392,556)
Change in net position	\$ 116,222	103,087



# 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.

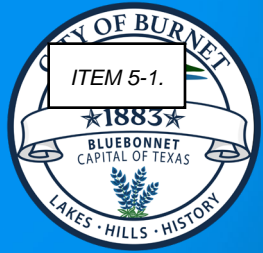


# *Compliance Audit – Federal Awards*

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.

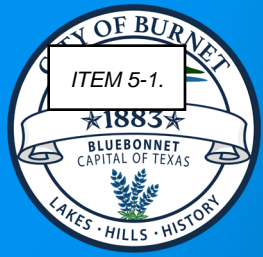




# *Compliance Audit – Federal Awards*

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, 2024.



# Questions ?



City of

BURNET•TEXAS



**Annual Comprehensive Financial Report  
For the Fiscal Year Ended  
September 30, 2024**

*ITEM 5-1.*

***Annual Comprehensive Financial Report***

of the



***City of Burnet, Texas***

Prepared by the  
Finance Department  
Year Ended September 30, 2024

# City of Burnet, Texas

September 30, 2024

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# CITY OF BURNET

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

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March 25, 2025

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, 2024.

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, 2024. 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 7,100. 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, Spider Mountain Bike Park, the Highland Lakes Air Museum, the Texas Wine Trail, and Delaware Springs Golf Course.

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

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

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

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

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

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

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



**Local economy.** The City of Burnet is a proactive, business friendly community centrally located fifty-five miles northwest of Austin and ninety-nine miles north of San Antonio near the Highland Lakes which is the largest chain of lakes in Texas. Steady population growth has been experienced for the last five years with a present population estimated in excess of 7,100. Burnet County's population is estimated at 55,400 which represents a 29% 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 510 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 a new office building for the Hill Country Children's Advocacy Center, remodel of building on the historic square for a new Fratelli's restaurant, and a new Tractor Supply.

The City has several new commercial projects currently underway including the Ranch at Delaware Creek Phase V (aka the Trailside addition) of 58 duplexes, the South Highway 281 Delaware commercial park with 3 lots, a nationally branded extended stay hotel, Sunday Drive commercial park, downtown building for City Hall, First Baptist Church, gas station, a jet hangar at the airport, and an Italian restaurant. Commercial remodels underway include the Craddock house coffee shop, county annex office expansion and remodel, and a new boutique on the square. Future commercial projects include Honey Rock commercial park with 2 lots, a nursing home, office furniture warehouse, and a helicopter hangar.

Several new residential developments were completed in 2024 including The Ranches at Delaware Creek Phase III with 19 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 Delaware Springs Section 19 Phase III with 15 single family lots. Several new residential developments have been planned and were under way in 2024 including Eagles' Nest Section III with 13 single family lots, Delaware Springs Section 25 with 26 single family lots, and Creekfall Phase III with 116 single family lots. Future planned subdivisions and expansions include Delaware Springs Section 19 Phase IV with 25 single family lots, Honey Rock Subdivision with 299 single family lots and 2 multifamily lots, Hilltop Oaks with 100 single family lots, the Springside Estate Subdivision with 105 single family lots, the Reserve at Burnet with 86 single family lots, Creekfall Phase IV with 52 single family lots, and Delaware Springs Section 17 with 18 lots.

**Long-term financial planning and major initiatives.** The following major projects have been budgeted for 2024-2025:

### **General Fund Capital Projects**

- \$8,600,000 for new City Hall building
- \$5,000,000 for new pedestrian walking bridge
- \$3,800,000 in street improvements
- \$300,000 for pickleball courts
- \$225,000 for park improvements
- \$200,000 for Police shooting range improvements
- \$159,500 in Galloway Hammond Recreational Center improvements
- \$140,000 for Valley Street land acquisition
- \$125,000 for mini excavator with trailer
- \$80,000 for Fire Department ventilator and endotracheal tube (ET) video equipment
- \$75,000 for portable stage
- \$58,000 for Fire Department self-contained breathing apparatus (SCBA) equipment
- \$52,500 to replace Police guns and holsters
- \$50,000 for door access control conversion
- \$50,000 for beautification projects

### **Electric Fund Capital Projects**

- \$1,367,000 for resiliency grant improvements
- \$539,069 for Creekfall offsite improvements
- \$250,000 for digger truck
- \$230,000 for subdivision electrical costs
- \$197,850 for 2 electric puller trailers
- \$115,000 for utility maps and models

### **Water/WW Fund Capital Projects**

- \$1,813,000 for new generators for SB3 compliance
- \$760,000 in CDBG water line project
  - Additional \$150,000 for Wofford street
- \$550,000 for Valley Street well engineering and evaluation
- \$301,000 for Eagles's Nest water tank upgrade
- \$250,000 for water and sewer plant maintenance/well and pump upgrades
- \$160,000 for water dump truck
- \$153,000 for Creekfall water line oversizing project
- \$140,000 for water meters

### **Golf Fund Capital Projects**

- \$350,000 for golf course improvements

### **Airport Fund Capital Projects**

- \$1,900,000 for jet hanger
- \$111,111 for Ramp grant improvements

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% of operating expenses for the General Fund.
- Budget projected net operating profit as fund balance for capital projects.
- 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, and Water/Wastewater Fund.
- Maintain Enterprise Fund net operating profit of no less than 5% of operating expenses.
- Delaware Springs to be operated as a true Enterprise Fund with its own self-funded account, capital account, and operating reserve account.

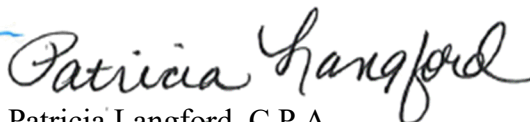
### ***Acknowledgements***

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,

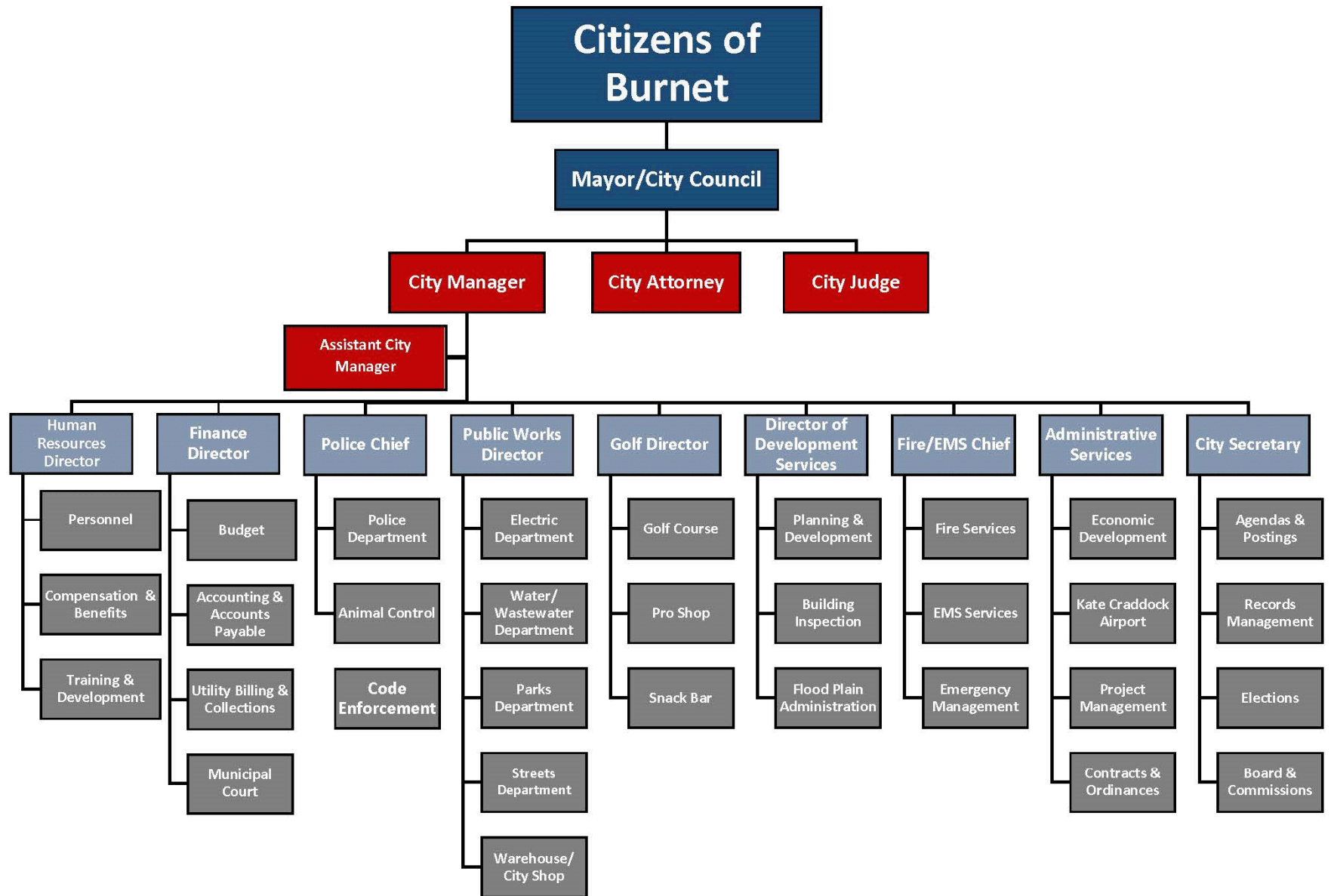


David Vaughn  
City Manager



Patricia Langford, C.P.A.  
Finance Director





**City of Burnet, Texas**  
Elected Officials and City Staff  
September 30, 2024

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**Elected Officials**

**City Council -Two-Year Terms**

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Term</u></b>
Gary Wideman	Mayor	2023-2025
Philip Thurman	Mayor Pro Tem	2024-2026
Tres Clinton	Council Member	2023-2025
Ricky Langley	Council Member	2023-2025
Tommy Gaut	Council Member	2024-2026
Joyce Laudenschlager	Council Member	2023-2025
Cindia Talamantez	Council Member	2024-2026

**City Staff**

<b><u>Name</u></b>	<b><u>Position</u></b>
David Vaughn	City Manager
Keith McBurnett	Assistant to the City Manager
Maria Gonzalez	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
Vacant	Director of Public Works/Development Services
Eric Belaj	City Engineer
Jacob Thomas	Water / Wastewater Field Superintendent
Richard Harrison	Water / Wastewater Treatment Superintendent
Andrew Scott	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
Heather Sutton	Municipal Court Administrator





Government Finance Officers Association

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Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2023

*Christopher P. Morill*

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, 2024, 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, 2024, 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 82 through 92 (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 95 through 102 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, 2025 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.

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

March 25, 2025



## 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, 2024.

### 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 \$71,775,177 (*net position*). Unrestricted net position of the City is \$8,929,614. The City’s total net position increased \$8,056,360 primarily due to continued profitability of utility services provided by the City and the recognition of \$3,302,836 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 \$22,856,398, an increase of \$1,061,869 in comparison with the prior year primarily due to the issuance of Series 2023 Combination Tax and Revenue Certificates of Obligation in the amount of \$3,970,000.
- 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 \$11,029,306, or approximately 80% of total general fund expenditures.
- The City’s general fund total fund balance increased \$1,596,429 in the current year compared to an increase in the prior year of \$3,347,257 mainly due to proceeds of \$1,115,000 from the sale of a building to BEDC in the prior year.
- During the current fiscal year, the Burnet Economic Development Corporation (“BEDC”) sold two tracts of land to developers for the future construction of an new hotel and retail agriculture supply store, which resulted in the recognition of a gain on the sale of properties held for resale in the amount of \$491,708. In the prior year, the 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 80 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 82 through 92. 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 95 through 102 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 \$71,775,177 at the close of the most recent fiscal year.



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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current assets	\$ 25,422,478	23,263,503	4,797,638	5,183,466	30,220,116	28,446,969
Capital assets, net	47,220,192	39,330,801	37,436,651	36,847,358	84,656,843	76,178,159
Total assets	72,642,670	62,594,304	42,234,289	42,030,824	114,876,959	104,625,128
Total deferred outflows of resources	1,584,259	2,773,024	548,890	942,659	2,133,149	3,715,683
Current liabilities	2,171,931	1,270,794	992,054	817,080	3,163,985	2,087,874
Noncurrent liabilities	22,805,264	21,119,494	17,549,087	19,003,797	40,354,351	40,123,291
Total liabilities	24,977,195	22,390,288	18,541,141	19,820,877	43,518,336	42,211,165
Total deferred inflows of resources	1,354,098	1,843,120	362,497	567,709	1,716,595	2,410,829
Net position:						
Net investment in capital assets	38,925,205	33,370,477	22,176,644	20,677,876	61,101,849	54,048,353
Restricted	1,743,714	1,427,252	-	-	1,743,714	1,427,252
Unrestricted	7,226,717	6,336,191	1,702,897	1,907,021	8,929,614	8,243,212
Total net position	\$ 47,895,636	41,133,920	23,879,541	22,584,897	71,775,177	63,718,817

By far, the largest portion of the City's net position (\$61.1 million or 85.1%) 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 (\$1.7 million or 2.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$8,929,614.

The City's overall net position increased \$8,056,360. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program revenues:						
Charges for services	\$ 5,563,663	5,652,566	18,855,097	17,712,148	24,418,760	23,364,714
Operating grants and contributions	14,454	13,723	-	-	14,454	13,723
Capital grants and contributions	3,658,614	1,217,289	167,275	-	3,825,889	1,217,289
General revenues:						
Property taxes	5,251,179	4,433,537	-	-	5,251,179	4,433,537
Sales taxes	2,946,756	2,775,485	-	-	2,946,756	2,775,485
Hotel/motel taxes	195,554	226,860	-	-	195,554	226,860
Franchise and other taxes	186,183	207,682	-	-	186,183	207,682
Unrestricted interest and miscellaneous revenues	1,246,752	1,151,491	147,631	124,337	1,394,383	1,275,828
Total revenues	19,063,155	15,678,633	19,170,003	17,836,485	38,233,158	33,515,118
Expenses:						
General government	\$ 3,209,804	3,403,779	-	-	3,209,804	3,403,779
Public safety	8,563,090	8,292,785	-	-	8,563,090	8,292,785
Highways and streets	1,321,352	1,573,757	-	-	1,321,352	1,573,757
Aviation services	421,714	800,680	-	-	421,714	800,680
Culture and recreation	1,161,995	1,304,946	-	-	1,161,995	1,304,946
Sanitation	1,012,676	994,964	-	-	1,012,676	994,964
Economic development	91,308	493,087	-	-	91,308	493,087
Interest and other charges on long-term debt	621,495	459,636	-	-	621,495	459,636
Electric	-	-	7,453,086	7,453,957	7,453,086	7,453,957
Water and sewer	-	-	3,828,905	3,609,788	3,828,905	3,609,788
Delaware Springs Golf Course	-	-	2,491,373	2,290,378	2,491,373	2,290,378
Total expenses	16,403,434	17,323,634	13,773,364	13,354,123	30,176,798	30,677,757
Increase (decrease) in net position before transfers	2,659,721	(1,645,001)	5,396,639	4,482,362	8,056,360	2,837,361
Transfers	4,101,995	4,294,537	(4,101,995)	(4,294,537)	-	-
Increase in net position	6,761,716	2,649,536	1,294,644	187,825	8,056,360	2,837,361
Net position, beginning of year	41,133,920	38,484,384	22,584,897	22,397,072	63,718,817	60,881,456
Net position, end of year	\$ 47,895,636	41,133,920	23,879,541	22,584,897	71,775,177	63,718,817

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$6,761,716 as compared to an increase of \$2,649,536 in the prior year. Key elements of the changes from the prior year are as follows:

- Capital grants and contributions increased \$2,441,325 in the current year primarily due to ongoing construction of the Children's Advocacy building under a Memorandum of Agreement with the Hill Country Children's Advocacy Center, which is being funded by the CDBG-CRP federal award.
- Property taxes increased \$817,642 during the year (approximately 18.4%), which is primarily due to increased property values and new property being added to the tax roll.

Overall, governmental expenses decreased \$920,200 (5.3%) due to a decrease in aviation expenses of \$378,966 primarily as a result of the new FBO Agreement in which the City no longer sells jet fuel effective December 2022. Also, economic development decreased \$401,779 primarily as a result of smaller scope of activities during the year since the BEDC manages much of the City's economic development initiatives. Overall, governmental activities recognized an increase in net position before transfers of \$2.7 million and a decrease in net position before transfers of \$1.6 million in 2024 and 2023, respectively. Transfers in were \$4.1 million and \$4.3 million in 2024 and 2023, respectively.

**Business-Type Activities.** During the current fiscal year, net position for business-type activities increased \$1,294,644 as compared to an increase of \$187,825 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 \$1,142,949 or 6.5% from the prior year. Electric consumption decreased from prior year by 2.0%; however there was a net increase in electric revenue of \$955,708 due to an increase in the cost of power which is passed on to the customer and non-standard connections amounting to \$533,124 that did not occur in the prior year. Water and sewer gallons sold decreased an average of 7.8%; however, revenues only declined an average of 2.2% due to minimum billing rates. Golf services and sales of merchandise increased \$238,958 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.
- Capital contributions increased \$167,275 due to developer contributions for water and sewer improvements that were accepted by the City for Phase 3 of the Delaware Springs subdivision.

Overall, business-type expenses increased \$419,241 (3.1%) primarily due to raises for personnel and the related increase in payroll taxes that was offset by an OPEB – health insurance benefit. Additionally, the City received credits from the Lower Colorado River Authority (“LCRA”) in the amount of \$342,871 due to settle-up provisions for prior year purchases of power. Overall, business-type activities recognized an increase in net position before transfers of \$5.4 million and \$4.5 million in 2024 and 2023, respectively. Transfers out were \$4.1 million and \$4.3 million in 2024 and 2023, 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 *government funds* is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the City’s financing requirements. In particular, *unassigned fund balance* may be a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the City itself.

At September 30, 2024, the City’s governmental funds reported combined fund balances of \$22,856,398, an increase of \$1,061,869 in comparison with the prior year. Of this amount, \$11,029,306 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, \$40,853; (2) restricted for particular purposes, \$9,291,704; or (3) assigned for particular purposes, \$2,494,535.

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 \$11,029,306. 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 80% of total general fund expenditures.

During the current fiscal year, fund balance for the general fund increased \$1,596,429 as compared to an increase of \$3,347,257 in the prior year. Key factors in this change are as follows:

- Property and sales taxes increased \$390,368 and \$171,271, respectively, during the year (approximately 10.8% and 6.2%, respectively), which is primarily due to increased property values and new property being added to the tax roll. Additionally, the City continues to see economic development and an increase in tourism.
- Intergovernmental revenue decreased \$98,662 due to \$141,969 received in the prior year under the Ambulance Services Supplemental Pay Program that was not received in the current year.

- Expenses increased \$557,061, approximately 4.2% 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 \$4,262,968, which was approximately \$122,686 less than the prior year amount of \$4,385,654.
- Transfers out of \$1,658,851 were \$776,235 more than the prior year amount of \$882,616, and were primarily for various smaller capital projects funded out of the general capital projects fund.

During the current fiscal year, fund balance for the airport fund increased \$111,747 as compared to an increase of \$100,304 in the prior year. Fuel sales decreased \$241,629 (with a corresponding decrease in cost of fuel purchased of \$174,346) 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 Certificates of Obligations.

During the current fiscal year, fund balance for the debt service fund increased by \$143,977 as compared to an increase of \$25,067 in the prior year. Property taxes increased by \$401,433 (50.6%) due to a reallocation of the City's total property tax rate, resulting in an increase in the I&S tax rate of \$0.0194 per \$100 valuation and increases in property values and new property being added to the tax roll. Debt service expenditures increased \$300,958 due to an increase in scheduled debt payments resulting from the issuance of Series 2023 Combination Tax and Revenue Certificates of Obligation in the amount of \$3,970,000.

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, federal grant awards, and transfers from the general and enterprise funds. During 2024, the City issued Series 2023 Combination Tax and Revenue Certificates of Obligation in the amount of \$3,970,000, which will be used for future street improvements. Capital expenditures for the current year of \$9,616,642 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 \$1,563,810; \$799,207, and (\$660,120), respectively. Net position for the electric and golf funds increased by \$1,190,385 and \$116,222, respectively. The net position for the water and sewer fund decreased by \$11,963. 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 \$631,238. Actual expenditures were 95.1% of appropriations. Transfers out exceeded budgeted amounts by \$921,433 due to additional transfers needed to the general capital project fund for various smaller capital projects that were not originally budgeted.

## 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, 2024, amounts to \$84,656,843 (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 \$8,478,684 or 11.1%.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 4,243,707	3,938,707	605,396	605,396	4,849,103	4,544,103
Buildings	8,306,863	8,808,923	93,428	96,778	8,400,291	8,905,701
Right-of-use asset - building	92,060	36,765	-	-	92,060	36,765
Infrastructure	23,522,245	20,911,776	34,709,627	34,436,586	58,231,872	55,348,362
Right-of-use assets - equipment	18,699	41,140	-	-	18,699	41,140
Machinery and equipment	4,123,292	3,988,565	1,777,774	1,349,249	5,901,066	5,337,814
Construction in progress	6,913,326	1,604,925	250,426	359,349	7,163,752	1,964,274
	<u>\$ 47,220,192</u>	<u>39,330,801</u>	<u>37,436,651</u>	<u>36,847,358</u>	<u>84,656,843</u>	<u>76,178,159</u>

Major capital asset activity during the current fiscal year included:

Work was completed on:

Street improvements	\$ 3,013,283
Structures and lines - electric	848,854
Generators and lines - water	466,541
Galloway-Hammond Recreation Center	301,402
Delaware Springs Golf Course improvements	134,031
Teen Center	20,000

Acquisition of park land from BEDC at no gain or loss	\$ 305,000
-------------------------------------------------------	------------

Acquisition of golf carts	\$ 501,155
Acquisition of ambulance and other public safety vehicles and equipment	\$ 1,076,374
Acquisition of various other equipment	\$ 323,374
Work continued on:	
New City Hall facility	\$ 1,792,445
Children's Advocacy facility	3,280,296
Airport box hanger	273,785
Utility map models	51,786
Airport paving improvements	30,000

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 \$40,354,351.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Certificates of obligation	\$ 14,905,000	11,570,000	13,190,000	13,965,000	28,095,000	25,535,000
Refunding bonds	-	-	1,840,000	1,965,000	1,840,000	1,965,000
Premiums	774,733	651,959	230,007	244,529	1,004,740	896,488
Total bonded debt	15,679,733	12,221,959	15,260,007	16,174,529	30,939,740	28,396,488
Lease liabilities	114,924	86,278	-	-	114,924	86,278
Compensated absences	547,361	562,856	156,632	137,443	703,993	700,299
Net pension liability	2,443,764	3,713,981	850,535	1,259,552	3,294,299	4,973,533
Total OPEB liability - life insurance	336,275	311,146	-	-	336,275	311,146
Total OPEB liability - health insurance	3,683,207	4,223,274	1,281,913	1,432,273	4,965,120	5,655,547
	<u>\$ 22,805,264</u>	<u>21,119,494</u>	<u>17,549,087</u>	<u>19,003,797</u>	<u>40,354,351</u>	<u>40,123,291</u>

The City's total outstanding debt increased by \$0.2 million during the current fiscal year. This change primarily resulted from the issuance of Series 2023 Combination Tax and Revenue Certificates of Obligation in the amount of \$4.1 million offset by decreases in the net pension and OPEB liabilities of \$2.3 million and scheduled principal payments on bonded debt and lease liabilities of \$1.6 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 2024 is \$0.1421 per \$100 assessed valuation. This represents only 9%, or \$1.3579, 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 52 to 57 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 2025 fiscal year budget:

- Maintaining the current tax rate of \$0.6131.
- Projected increase in property taxes due to increase in assessed property values, growth in the City, and reduction in the I&S rate.
- Funding salary increases and additional positions for public safety to keep up with growth and compete with other agencies for top talent.
- Maintaining a 90-day reserve for the general fund.
- Conservatively projecting revenues for Electric, Water and Golf given that weather has a significant impact on their revenues.
- Adjusting power cost factor calculation for Electric sales to include line loss to help cover rising maintenance and staffing costs of the department.
- Ensuring the City's enterprise funds remain healthy by budgeting a net profit of at least 5% of expenses.
- Establishing an operating reserve, self-funded equipment fund, and capital reserve fund for the Golf fund to maintain its financial health and sustainability.

### **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, 2024**

	Primary Government			Component Unit
	Governmental	Business-type	Total	Burnet Economic
	Activities	Activities		Development
				Corporation, Inc.
<b>Assets</b>				
Cash and cash equivalents	\$ 21,719,588	2,130,065	23,849,653	2,913,983
Receivables (net of allowance for uncollectibles)	3,276,894	1,489,626	4,766,520	172,273
Inventories	40,853	1,509,628	1,550,481	-
Prepaid expenses	-	23,864	23,864	-
Internal balances	355,545	(355,545)	-	-
Due from component unit	29,598	-	29,598	-
Restricted cash and cash equivalents	-	-	-	59,045
Properties held for resale	-	-	-	3,395,736
Capital assets not being depreciated:				
Land	4,243,707	605,396	4,849,103	41,360
Construction in progress	6,913,326	250,426	7,163,752	-
Capital assets, net of accumulated depreciation:				
Land improvements	-	-	-	272,946
Buildings	8,306,863	93,428	8,400,291	3,476,715
Right-of-use asset - building	92,060	-	92,060	-
Infrastructure	23,522,245	34,709,627	58,231,872	-
Right-of-use assets - equipment	18,699	-	18,699	-
Machinery and equipment	4,123,292	1,777,774	5,901,066	7,157
Total assets	<u>72,642,670</u>	<u>42,234,289</u>	<u>114,876,959</u>	<u>10,339,215</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources	<u>1,584,259</u>	<u>548,890</u>	<u>2,133,149</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable	765,845	218,744	984,589	4,432
Accrued interest payable	64,138	9,822	73,960	11,505
Accrued liabilities	1,278,688	172,091	1,450,779	-
Due to primary government	-	-	-	29,598
Deposits payable	6,885	591,397	598,282	-
Unearned revenue	56,375	-	56,375	-
Noncurrent liabilities:				
Due within one year	1,100,151	969,032	2,069,183	1,379,315
Due in more than one year	21,705,113	16,580,055	38,285,168	2,119,804
Total liabilities	<u>24,977,195</u>	<u>18,541,141</u>	<u>43,518,336</u>	<u>3,544,654</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources	<u>1,354,098</u>	<u>362,497</u>	<u>1,716,595</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	38,925,205	22,176,644	61,101,849	2,472,223
Restricted for:				
Debt service	438,669	-	438,669	-
Economic development	174,587	-	174,587	-
Aviation services	993,222	-	993,222	-
Public safety	137,236	-	137,236	-
Unrestricted	<u>7,226,717</u>	<u>1,702,897</u>	<u>8,929,614</u>	<u>4,322,338</u>
Total net position	<u>\$ 47,895,636</u>	<u>23,879,541</u>	<u>71,775,177</u>	<u>6,794,561</u>

See accompanying notes to financial statements.

**City of Burnet, Texas**  
**Statement of Activities**  
Year Ended September 30, 2024

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 3,209,804	485,697	-	-
Public safety	8,563,090	3,499,048	14,454	3,369,872
Highways and streets	1,321,352	-	-	148,835
Aviation services	421,714	305,255	-	95,134
Culture and recreation	1,161,995	49,958	-	44,773
Sanitation	1,012,676	1,223,705	-	-
Economic development	91,308	-	-	-
Interest and other charges	621,495	-	-	-
Total governmental activities	16,403,434	5,563,663	14,454	3,658,614
Business-type activities:				
Electric	7,453,086	11,195,759	-	-
Water and sewer	3,828,905	4,902,786	-	167,275
Delaware Springs Golf Course	2,491,373	2,756,552	-	-
Total business-type activities	13,773,364	18,855,097	-	167,275
Total primary government	\$ 30,176,798	24,418,760	14,454	3,825,889
<b>Component unit:</b>				
Burnet Economic				
Development Corporation	\$ 592,595	61,504	-	-

## General revenues:

Property taxes

Sales taxes

Hotel/motel taxes

Franchise and other taxes

Interest

Gain on disposition of properties held for resale

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.
(2,724,107)	-	(2,724,107)	
(1,679,716)	-	(1,679,716)	
(1,172,517)	-	(1,172,517)	
(21,325)	-	(21,325)	
(1,067,264)	-	(1,067,264)	
211,029	-	211,029	
(91,308)	-	(91,308)	
(621,495)	-	(621,495)	
<u>(7,166,703)</u>	<u>-</u>	<u>(7,166,703)</u>	
-	3,742,673	3,742,673	
-	1,241,156	1,241,156	
-	265,179	265,179	
-	5,249,008	5,249,008	
<u>(7,166,703)</u>	<u>5,249,008</u>	<u>(1,917,695)</u>	
			<u>(531,091)</u>
\$ 5,251,179	-	5,251,179	-
2,946,756	-	2,946,756	982,252
195,554	-	195,554	-
186,183	-	186,183	-
1,209,077	147,607	1,356,684	120,732
-	-	-	491,708
37,675	24	37,699	-
4,101,995	(4,101,995)	-	-
<u>13,928,419</u>	<u>(3,954,364)</u>	<u>9,974,055</u>	<u>1,594,692</u>
6,761,716	1,294,644	8,056,360	1,063,601
<u>41,133,920</u>	<u>22,584,897</u>	<u>63,718,817</u>	<u>5,730,960</u>
<u>\$ 47,895,636</u>	<u>23,879,541</u>	<u>71,775,177</u>	<u>6,794,561</u>

## City of Burnet, Texas

Balance Sheet  
Governmental Funds

September 30, 2024

	General	Airport	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 9,669,459	994,855	716,478	7,303,998	3,034,798	21,719,588
Receivables (net of allowance for uncollectibles)	2,294,454	254,533	49,277	567,429	111,201	3,276,894
Due from other funds	226,394	-	3,950	-	671,212	901,556
Due from component unit	29,598	-	-	-	-	29,598
Inventories	37,595	-	-	-	3,258	40,853
Total assets	\$ <u>12,257,500</u>	<u>1,249,388</u>	<u>769,705</u>	<u>7,871,427</u>	<u>3,820,469</u>	<u>25,968,489</u>
<b>Liabilities</b>						
Liabilities:						
Accounts payable	\$ 131,993	1,710	-	531,916	100,226	765,845
Accrued liabilities	714,660	24	-	563,583	421	1,278,688
Deposits payable	-	6,885	-	-	-	6,885
Unearned revenue	5,500	500	-	50,375	-	56,375
Due to other funds	175,969	256	331,036	-	38,750	546,011
Total liabilities	<u>1,028,122</u>	<u>9,375</u>	<u>331,036</u>	<u>1,145,874</u>	<u>139,397</u>	<u>2,653,804</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - property taxes	162,477	-	49,019	-	-	211,496
Unavailable revenue - leases	-	246,791	-	-	-	246,791
Total deferred inflow of resources	<u>162,477</u>	<u>246,791</u>	<u>49,019</u>	<u>-</u>	<u>-</u>	<u>458,287</u>
<b>Fund Balances</b>						
Nonspendable	37,595	-	-	-	3,258	40,853
Restricted	-	993,222	389,650	6,725,553	1,183,279	9,291,704
Assigned	-	-	-	-	2,494,535	2,494,535
Unassigned	11,029,306	-	-	-	-	11,029,306
Total fund balances	<u>11,066,901</u>	<u>993,222</u>	<u>389,650</u>	<u>6,725,553</u>	<u>3,681,072</u>	<u>22,856,398</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>12,257,500</u>	<u>1,249,388</u>	<u>769,705</u>	<u>7,871,427</u>	<u>3,820,469</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.						47,220,192
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						211,496
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.						(22,392,450)
Net position of governmental activities						\$ <u>47,895,636</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, 2024

	General	Airport	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property taxes	\$ 4,011,372	-	1,194,601	-	-	5,205,973
Sales taxes	2,946,756	-	-	-	-	2,946,756
Hotel/motel taxes	-	-	-	-	195,554	195,554
Franchise and other taxes	186,183	-	-	-	-	186,183
Licenses and permits	127,939	-	-	-	-	127,939
Intergovernmental	1,111,405	-	-	3,302,836	95,134	4,509,375
Charges for services - sanitation	1,223,705	-	-	-	-	1,223,705
Charges for services - EMS	2,190,639	-	-	-	-	2,190,639
Charges for services - other	49,958	-	-	-	-	49,958
Fines	168,683	-	-	-	28,321	197,004
Interest	344,503	56,611	37,921	663,779	106,263	1,209,077
Contributions and donations	12,228	-	-	67,036	-	79,264
Fuel sales	-	23,788	-	-	-	23,788
Miscellaneous	356,041	281,467	-	36,358	12,358	686,224
Total revenues	<u>12,729,412</u>	<u>361,866</u>	<u>1,232,522</u>	<u>4,070,009</u>	<u>437,630</u>	<u>18,831,439</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	3,054,776	-	-	62,443	-	3,117,219
Public safety	7,937,625	-	-	119	18,372	7,956,116
Highways and streets	785,359	-	-	-	-	785,359
Aviation services	-	165,068	-	-	-	165,068
Culture and recreation	903,232	-	-	-	-	903,232
Sanitation	1,012,676	-	-	-	-	1,012,676
Economic development	-	-	-	-	91,308	91,308
<b>Debt service:</b>						
Principal	76,565	40,000	595,000	-	-	711,565
Interest and fiscal charges	5,392	20,263	493,545	-	-	519,200
Bond issuance costs	-	-	-	128,016	-	128,016
Capital outlay	66,686	-	-	9,616,642	1,079,159	10,762,487
Total expenditures	<u>13,842,311</u>	<u>225,331</u>	<u>1,088,545</u>	<u>9,807,220</u>	<u>1,188,839</u>	<u>26,152,246</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,112,899)</u>	<u>136,535</u>	<u>143,977</u>	<u>(5,737,211)</u>	<u>(751,209)</u>	<u>(7,320,807)</u>
<b>Other financing sources (uses):</b>						
Issuance of certificates of obligation	-	-	-	3,970,000	-	3,970,000
Premium on certificates of obligation	-	-	-	167,795	-	167,795
Issuance of lease	105,211	-	-	-	-	105,211
Proceeds on sale of capital assets	-	-	-	-	37,675	37,675
Transfers in	4,262,968	-	-	921,435	695,134	5,879,537
Transfers out	(1,658,851)	(24,788)	-	(3,400)	(90,503)	(1,777,542)
Total other financing sources (uses)	<u>2,709,328</u>	<u>(24,788)</u>	<u>-</u>	<u>5,055,830</u>	<u>642,306</u>	<u>8,382,676</u>
Net change in fund balances	1,596,429	111,747	143,977	(681,381)	(108,903)	1,061,869
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 11,066,901</u>	<u>993,222</u>	<u>389,650</u>	<u>6,725,553</u>	<u>3,681,072</u>	<u>22,856,398</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, 2024

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

Net change in fund balances - total governmental funds	\$ 1,061,869
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 (\$10,843,324) exceeded depreciation expense (\$2,953,933) in the current period.	7,889,391
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	45,206
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.	(3,490,225)
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>1,255,475</u>
Change in net position of governmental activities	<u>\$ 6,761,716</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, 2024**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 3,966,000	3,966,000	4,011,372	45,372
Sales taxes	2,756,413	2,756,413	2,946,756	190,343
Franchise and other taxes	194,000	194,000	186,183	(7,817)
Licenses and permits	171,000	171,000	127,939	(43,061)
Intergovernmental	1,129,329	1,129,329	1,111,405	(17,924)
Charges for services - sanitation	1,231,483	1,231,483	1,223,705	(7,778)
Charges for services - EMS	1,830,000	1,974,135	2,190,639	216,504
Charges for services - other	46,500	46,500	49,958	3,458
Fines	160,000	160,000	168,683	8,683
Interest	250,000	250,000	344,503	94,503
Contributions and donations	3,000	3,000	12,228	9,228
Miscellaneous	189,900	261,100	356,041	94,941
Total revenues	<u>11,927,625</u>	<u>12,142,960</u>	<u>12,729,412</u>	<u>586,452</u>
Expenditures:				
General government:				
Mayor and Council	20,095	36,373	34,326	2,047
Administrative	2,217,443	2,197,108	2,180,767	16,341
Planning and zoning	325,060	325,060	311,385	13,675
Engineering	312,579	312,579	288,959	23,620
City shop	114,186	125,789	122,190	3,599
Public works administration	177,743	177,743	76,702	101,041
Public safety:				
Police	3,540,271	3,598,641	3,451,021	147,620
Municipal court	117,514	150,344	146,617	3,727
Fire	4,787,508	4,966,669	4,814,273	152,396
Highways and streets	979,516	967,912	822,094	145,818
Culture and recreation:				
Parks	943,672	942,410	843,863	98,547
Recreation center	105,000	106,262	106,260	2
Sanitation	1,027,573	1,027,573	1,012,676	14,897
Total expenditures	<u>14,668,160</u>	<u>14,934,463</u>	<u>14,211,133</u>	<u>723,330</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,740,535)</u>	<u>(2,791,503)</u>	<u>(1,481,721)</u>	<u>1,309,782</u>
Other financing sources (uses):				
Transfers in	3,514,782	4,214,782	4,259,568	44,786
Transfers out	(239,977)	(259,985)	(1,181,418)	(921,433)
Total other financing sources (uses)	<u>3,274,805</u>	<u>3,954,797</u>	<u>3,078,150</u>	<u>(876,647)</u>
Net change in fund balances	534,270	1,163,294	1,596,429	433,135
Fund balances, beginning of year	<u>9,470,472</u>	<u>9,470,472</u>	<u>9,470,472</u>	<u>-</u>
Fund balances, end of year	<u>\$ 10,004,742</u>	<u>10,633,766</u>	<u>11,066,901</u>	<u>433,135</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, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Rent income and other	\$ 280,757	280,757	281,467	710
Fuel sales	20,000	20,000	23,788	3,788
Interest	35,000	35,000	56,611	21,611
Total revenues	335,757	335,757	361,866	26,109
Expenditures:				
Current:				
Aviation services	180,346	179,457	165,068	14,389
Debt service:				
Principal	-	-	40,000	(40,000)
Interest and fiscal charges	-	-	20,263	(20,263)
Total expenditures	180,346	179,457	225,331	(45,874)
Excess of revenues over expenditures	155,411	156,300	136,535	(19,765)
Other financing uses:				
Transfers out	(184,163)	(185,052)	(24,788)	160,264
Net change in fund balances	(28,752)	(28,752)	111,747	140,499
Fund balances, beginning of year	881,475	881,475	881,475	-
Fund balances, end of year	\$ 852,723	852,723	993,222	140,499

See accompanying notes to financial statements.



**City of Burnet, Texas**  
**Statement of Net Position –**  
**Proprietary Funds**  
**September 30, 2024**

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 727,675	649,441	752,949	2,130,065
Receivables (net of allowance for uncollectibles)	1,028,580	461,046	-	1,489,626
Inventories	1,014,888	386,448	108,292	1,509,628
Due from other funds	73,315	496,634	525,517	1,095,466
Prepaid expenses	21,506	2,358	-	23,864
Total current assets	<u>2,865,964</u>	<u>1,995,927</u>	<u>1,386,758</u>	<u>6,248,649</u>
Noncurrent assets:				
Capital assets:				
Land	11,171	357,759	236,466	605,396
Buildings	134,006	-	-	134,006
Infrastructure	8,958,808	48,182,426	4,034,702	61,175,936
Machinery and equipment	2,856,641	2,303,042	3,147,871	8,307,554
Construction in progress	200,097	50,329	-	250,426
Less accumulated depreciation	<u>(6,186,793)</u>	<u>(21,681,142)</u>	<u>(5,168,732)</u>	<u>(33,036,667)</u>
Total capital assets, net	<u>5,973,930</u>	<u>29,212,414</u>	<u>2,250,307</u>	<u>37,436,651</u>
Total assets	<u>8,839,894</u>	<u>31,208,341</u>	<u>3,637,065</u>	<u>43,685,300</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources	<u>165,251</u>	<u>232,213</u>	<u>151,426</u>	<u>548,890</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	30,381	110,001	78,362	218,744
Accrued interest payable	-	9,822	-	9,822
Accrued liabilities	67,551	30,420	74,120	172,091
Deposits payable	591,397	-	-	591,397
Due to other funds	-	154,952	1,296,059	1,451,011
Compensated absences - current	13,470	34,115	30,731	78,316
General obligation debt payable - current	-	850,000	-	850,000
Total OPEB liability - health insurance - current	<u>12,258</u>	<u>17,225</u>	<u>11,233</u>	<u>40,716</u>
Total current liabilities	<u>715,057</u>	<u>1,206,535</u>	<u>1,490,505</u>	<u>3,412,097</u>
Noncurrent liabilities:				
Compensated absences	13,470	34,114	30,732	78,316
General obligation debt payable	-	14,410,007	-	14,410,007
Net pension liability	256,065	359,826	234,644	850,535
Total OPEB liability - health insurance	<u>373,679</u>	<u>525,100</u>	<u>342,418</u>	<u>1,241,197</u>
Total noncurrent liabilities	<u>643,214</u>	<u>15,329,047</u>	<u>607,794</u>	<u>16,580,055</u>
Total liabilities	<u>1,358,271</u>	<u>16,535,582</u>	<u>2,098,299</u>	<u>19,992,152</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources	<u>109,134</u>	<u>153,358</u>	<u>100,005</u>	<u>362,497</u>
<b>Net Position</b>				
Net investment in capital assets	5,973,930	13,952,407	2,250,307	22,176,644
Unrestricted	<u>1,563,810</u>	<u>799,207</u>	<u>(660,120)</u>	<u>1,702,897</u>
Total net position	<u>\$ 7,537,740</u>	<u>14,751,614</u>	<u>1,590,187</u>	<u>23,879,541</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, 2024

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Operating revenues:				
Charges for sales and services:				
Electric service	\$ 11,062,536	-	-	11,062,536
Water and sewer services	-	4,801,058	-	4,801,058
Golf services	-	-	1,955,530	1,955,530
Sales of merchandise	-	-	738,504	738,504
Other operating revenue	133,223	101,728	62,518	297,469
Total operating revenues	<u>11,195,759</u>	<u>4,902,786</u>	<u>2,756,552</u>	<u>18,855,097</u>
Operating expenses:				
Personnel	794,349	1,196,612	1,105,412	3,096,373
Materials and supplies	102,347	265,664	144,187	512,198
Repairs and maintenance	203,898	389,520	140,261	733,679
Purchased services	130,926	464,337	180,079	775,342
Purchases for resale	5,766,312	103,542	446,375	6,316,229
Other operating expenses	107,979	-	-	107,979
Depreciation	343,723	1,339,501	475,059	2,158,283
Total operating expenses	<u>7,449,534</u>	<u>3,759,176</u>	<u>2,491,373</u>	<u>13,700,083</u>
Operating income	<u>3,746,225</u>	<u>1,143,610</u>	<u>265,179</u>	<u>5,155,014</u>
Nonoperating revenues (expenses):				
Gain on disposition of equipment	-	-	24	24
Interest earnings	41,611	55,474	50,522	147,607
Interest expense	(3,552)	(69,729)	-	(73,281)
Total nonoperating revenues (expenses)	<u>38,059</u>	<u>(14,255)</u>	<u>50,546</u>	<u>74,350</u>
Income before capital contributions and transfers	3,784,284	1,129,355	315,725	5,229,364
Capital contributions	-	167,275	-	167,275
Transfers in	30,000	75,000	248,466	353,466
Transfers out	<u>(2,623,899)</u>	<u>(1,383,593)</u>	<u>(447,969)</u>	<u>(4,455,461)</u>
Change in net position	1,190,385	(11,963)	116,222	1,294,644
Net position, beginning of year	<u>6,347,355</u>	<u>14,763,577</u>	<u>1,473,965</u>	<u>22,584,897</u>
Net position, end of year	<u>\$ 7,537,740</u>	<u>14,751,614</u>	<u>1,590,187</u>	<u>23,879,541</u>

See accompanying notes to financial statements.

**City of Burnet, Texas**  
**Statement of Cash Flows –**  
**Proprietary Funds**  
Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 11,269,612	4,892,464	2,756,552	18,918,628
Receipts of customer deposits	91,950	-	-	91,950
Payments to employees for salaries and wages	(706,555)	(508,408)	(864,529)	(2,079,492)
Payments to suppliers and others	(6,512,786)	(1,945,546)	(1,149,223)	(9,607,555)
Return of customer deposits	(78,332)	-	-	(78,332)
Net cash provided by operating activities	<u>4,063,889</u>	<u>2,438,510</u>	<u>742,800</u>	<u>7,245,199</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	30,000	75,000	248,466	353,466
Transfers to other funds	(2,623,899)	(1,383,593)	(447,969)	(4,455,461)
Net cash used in noncapital financing activities	<u>(2,593,899)</u>	<u>(1,308,593)</u>	<u>(199,503)</u>	<u>(4,101,995)</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	-	-	24	24
Acquisition and construction of capital assets	(1,260,776)	(551,312)	(768,213)	(2,580,301)
Principal paid on capital debt	(50,000)	(850,000)	-	(900,000)
Interest paid on capital debt	(6,527)	(81,875)	-	(88,402)
Net cash used in capital and related financing activities	<u>(1,317,303)</u>	<u>(1,483,187)</u>	<u>(768,189)</u>	<u>(3,568,679)</u>
Cash flows from investing activities:				
Interest on investments	<u>41,611</u>	<u>55,474</u>	<u>50,522</u>	<u>147,607</u>
Net cash provided by investing activities	<u>41,611</u>	<u>55,474</u>	<u>50,522</u>	<u>147,607</u>
Net increase (decrease) in cash and cash equivalents	194,298	(297,796)	(174,370)	(277,868)
Cash and cash equivalents, beginning of year	<u>533,377</u>	<u>947,237</u>	<u>927,319</u>	<u>2,407,933</u>
Cash and cash equivalents, end of year	<u>\$ 727,675</u>	<u>649,441</u>	<u>752,949</u>	<u>2,130,065</u>

(continued)

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

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 3,746,225	1,143,610	265,179	5,155,014
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	343,723	1,339,501	475,059	2,158,283
Decrease (increase) in assets and liabilities:				
Accounts receivable	60,235	(10,322)	-	49,913
Inventories	41,455	49,922	(9,466)	81,911
Prepaid expenses	(21,506)	(2,358)	-	(23,864)
Deferred outflows	133,917	168,795	91,057	393,769
Accounts payable	23,442	61,517	44,910	129,869
Accrued liabilities	46	8,394	23,646	32,086
Customer deposits	13,618	-	-	13,618
Compensated absences	(5,869)	17,987	7,071	19,189
Net pension liability	(139,063)	(178,862)	(91,092)	(409,017)
Total OPEB liability	(63,375)	(70,233)	(16,752)	(150,360)
Deferred inflows	(68,959)	(89,441)	(46,812)	(205,212)
Total adjustments	317,664	1,294,900	477,621	2,090,185
Net cash provided by operating activities	\$ 4,063,889	2,438,510	742,800	7,245,199

See accompanying notes to financial statements.





## City of Burnet, Texas

### Notes to Financial Statements

September 30, 2024

#### 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 source of revenue for the airport fund is hanger rentals.

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

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

The City reports the following major enterprise funds:

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

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

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

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

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

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

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

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

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under 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, 2024 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. Deposits and Investments

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 public funds investment pools. The public funds investment pools operate in accordance with appropriate state laws and regulations, and are reported at amortized cost.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

##### H. Deposits and Investments (continued)

###### Public Funds Investment Pools

The public funds investment pools have been created pursuant to the Interlocal Cooperation Act of the State of Texas. The City has delegated the authority to hold legal title to the public funds investments pools and, as custodian, to make investment purchases with the City's funds.

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

*Texas CLASS.* The Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS") was created as a local government investment pool pursuant to state law. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local governments that choose to participate in the trust ("participants"), Public Trust Advisors, LLC as program administrator, and UMB Bank, N.A. as custodian. Texas CLASS is overseen by a Board of Trustees ("the Board") comprised of active members of the pool and elected by the participants. The Board is guided by an Advisory Board and is responsible for selecting the program administrator. There are no maximum transaction amounts and withdrawals from Texas CLASS that may be made daily. Texas CLASS 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, government 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.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

##### I. Inventories and Prepaid Items (continued)

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

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

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.

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



## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

##### 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.

##### 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.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

##### 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.

##### 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.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

##### 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.

The components and specific purpose details of nonspendable, restricted, and assigned fund balances of governmental funds at September 30, 2024 are as follows:

	General	Airport	Debt Service	General Capital Projects	Nonmajor Governmental Funds	Total
Nonspendable:						
Inventories	\$ 37,595	-	-	-	3,258	40,853
Restricted:						
Aviation services	-	993,222	-	-	-	993,222
General obligation debt service	-	-	389,650	-	-	389,650
Capital projects	-	-	-	6,725,553	871,456	7,597,009
Economic development	-	-	-	-	174,587	174,587
Public safety	-	-	-	-	137,236	137,236
Assigned:						
Capital projects	-	-	-	-	2,494,535	2,494,535
Unassigned	11,029,306	-	-	-	-	11,029,306
	<u>\$ 11,066,901</u>	<u>993,222</u>	<u>389,650</u>	<u>6,725,553</u>	<u>3,681,072</u>	<u>22,856,398</u>

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

##### 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.

#### 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 \$22,392,450 difference are as follows:

General obligation debt	\$ (14,905,000)
Premiums on general obligation debt	(774,733)
Lease liabilities	(114,924)
Compensated absences	(547,361)
Accrued interest payable	(64,138)
Net pension liability, net of related deferred inflows of \$280,099 and deferred outflows of \$1,311,151	(1,412,712)
Total OPEB liability - life insurance, net of related deferred inflows of \$65,783 and deferred outflows of \$7,182	(394,876)
Total OPEB liability - health insurance, net of related deferred inflows of \$761,425 and deferred outflows of \$265,926	<u>(4,178,706)</u>
	<u>\$ (22,392,450)</u>

## 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

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 \$3,490,225 difference are as follows:

Issuance of certificates of obligation	\$ (3,970,000)
Premiums on issuance of certificates of obligation	(167,795)
Issuance of lease	(105,211)
Principal payments on general obligation debt	635,000
Amortization of premiums	45,021
Principal payments on lease liabilities	76,565
Accrued interest payable	(19,300)
Accrued compensated absences	15,495
	<u>\$ (3,490,225)</u>

#### III. Detailed Notes On All Activities and Funds

A. Deposits and Investments

Investments of the City at September 30, 2024, consist of investments in Texas Local Government Investment Pool (“TexPool”) of \$18,568,142 and Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS”) of \$4,232,234. See Note I.H. for a discussion of how the shares in TexPool Texas CLASS 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

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

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

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 investments in TexPool and Texas CLASS are 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 and Texas CLASS is 26 days and 36 days, respectively, as of September 30, 2024.

*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	\$ 2,537
Carrying amount of deposits	4,019,768
Carrying amount of investments	<u>22,800,376</u>
	<u>\$ 26,822,681</u>

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

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

Per the statement of net position for the City:

Cash and cash equivalents	\$ <u>23,849,653</u>
---------------------------	----------------------

Per the statement of net position for the Burnet  
Economic Development Corporation:

Cash and cash equivalents	2,913,983
Restricted cash and cash equivalents	<u>59,045</u>
	<u>2,973,028</u>
	\$ <u><u>26,822,681</u></u>

##### 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:

	General	Airport	Debt Service	General Capital Projects	Nonmajor Govern- mental	Total
Receivables:						
Property taxes	\$ 164,424	-	49,277	-	-	213,701
Sales taxes	516,820	-	-	-	-	516,820
Hotel/motel taxes	-	-	-	-	15,502	15,502
Intergovernmental	-	-	-	563,489	95,699	659,188
EMS	3,340,141	-	-	-	-	3,340,141
Lease receivable	-	146,286	-	-	-	146,286
Receivable from Burnet Economic Development Corporation	1,115,000	-	-	-	-	1,115,000
Other	119,095	108,247	-	3,940	-	231,282
	5,255,480	254,533	49,277	567,429	111,201	6,237,920
Less: allowance for uncollectibles	<u>(2,961,026)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,961,026)</u>
	<u>\$ 2,294,454</u>	<u>254,533</u>	<u>49,277</u>	<u>567,429</u>	<u>111,201</u>	<u>3,276,894</u>

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

##### B. Receivables (continued)

###### *Component Unit*

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

	Burnet Economic Developmen Corporation
Receivables:	
Sales taxes	\$ 172,273
Less: allowance for uncollectibles	<u>-</u>
	<u>\$ 172,273</u>

##### C. Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

###### *Primary Government*

	Beginning Balance	Increases	Decreases	Ending Balance
<b><i>Governmental activities:</i></b>				
Capital assets, not being depreciated:				
Land	\$ 3,938,707	305,000	-	4,243,707
Construction in progress	<u>1,604,925</u>	<u>5,408,401</u>	<u>(100,000)</u>	<u>6,913,326</u>
Total capital assets not being depreciated	<u>5,543,632</u>	<u>5,713,401</u>	<u>(100,000)</u>	<u>11,157,033</u>
Capital assets, being depreciated:				
Buildings	15,278,863	100,000	-	15,378,863
Right-of-use asset - building	134,807	105,211	(134,807)	105,211
Infrastructure	33,262,913	3,624,964	-	36,887,877
Right-of-use assets - equipment	86,022	-	-	86,022
Machinery and equipment	<u>16,297,957</u>	<u>1,399,748</u>	<u>-</u>	<u>17,697,705</u>
Total capital assets, being depreciated	<u>65,060,562</u>	<u>5,229,923</u>	<u>(134,807)</u>	<u>70,155,678</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
<b><i>Governmental activities:</i></b> (continued)				
Less accumulated depreciation for:				
Buildings	\$ (6,469,940)	(602,060)	-	(7,072,000)
Right-of-use asset - building	(98,042)	(49,916)	134,807	(13,151)
Infrastructure	(12,351,137)	(1,014,495)	-	(13,365,632)
Right-of-use assets - equipment	(44,882)	(22,441)	-	(67,323)
Machinery and equipment	<u>(12,309,392)</u>	<u>(1,265,021)</u>	-	<u>(13,574,413)</u>
Total accumulated depreciation	<u>(31,273,393)</u>	<u>(2,953,933)</u>	<u>134,807</u>	<u>(34,092,519)</u>
 Total capital assets, being depreciated, net	 <u>33,787,169</u>	 <u>2,275,990</u>	 <u>-</u>	 <u>36,063,159</u>
	 <u>\$ 39,330,801</u>	 <u>7,989,391</u>	 <u>(100,000)</u>	 <u>47,220,192</u>
 <b><i>Business-type activities:</i></b>				
Capital assets, not being depreciated:				
Land	605,396	-	-	605,396
Construction in progress	<u>359,349</u>	<u>51,786</u>	<u>(160,709)</u>	<u>250,426</u>
Total capital assets not being depreciated	<u>964,745</u>	<u>51,786</u>	<u>(160,709)</u>	<u>855,822</u>
 Capital assets, being depreciated:				
Buildings	134,006	-	-	134,006
Infrastructure	59,305,976	1,869,960	-	61,175,936
Machinery and equipment	<u>7,321,015</u>	<u>986,539</u>	-	<u>8,307,554</u>
Total capital assets being depreciated	<u>66,760,997</u>	<u>2,856,499</u>	<u>-</u>	<u>69,617,496</u>
 Less accumulated depreciation for:				
Buildings	(37,228)	(3,350)	-	(40,578)
Infrastructure	(24,869,390)	(1,596,919)	-	(26,466,309)
Machinery and equipment	<u>(5,971,766)</u>	<u>(558,014)</u>	-	<u>(6,529,780)</u>
Total accumulated depreciation	<u>(30,878,384)</u>	<u>(2,158,283)</u>	<u>-</u>	<u>(33,036,667)</u>
 Total capital assets, being depreciated, net	 <u>35,882,613</u>	 <u>698,216</u>	 <u>-</u>	 <u>36,580,829</u>
	 <u>\$ 36,847,358</u>	 <u>750,002</u>	 <u>(160,709)</u>	 <u>37,436,651</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)*

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

General government	\$ 322,488
Public safety	1,406,175
Highways and streets	618,662
Aviation services	279,461
Culture and recreation	<u>327,147</u>
Total depreciation expense	<u>\$ 2,953,933</u>

At September 30, 2024, the City's governmental activities construction contract commitments with contractors are as follows:

<u>Project Title</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
New City Hall building	\$ 2,142,289	\$ 6,450,000
Children's Advocacy building	4,191,257	785,349
Comprehensive plans	39,842	25,000
Airport box hanger	334,227	1,900,000
Airport paving	152,500	30,000
Project Lobby	3,975	100,000
Hamilton Creek extension	<u>49,236</u>	<u>5,000</u>
	<u>\$ 6,913,326</u>	<u>\$ 9,295,349</u>

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

**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, 2024, 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	\$ 250,000
Conduit for Creek Fall	35,336	155,000
Water improvements	50,329	250,000
Utility Map Models	51,786	115,000
	<u>\$ 250,426</u>	<u>\$ 770,000</u>

The construction contract commitments will be financed with available resources.

*Component Unit*

	Beginning Balance	Increases	Decreases	Ending Balance
<b><i>Burnet Economic Development Corporation:</i></b>				
Capital assets, not being depreciated:				
Land	\$ 41,360	-	-	41,360
Construction in progress	113,405	503,157	(616,562)	-
Total capital assets not being depreciated	<u>154,765</u>	<u>503,157</u>	<u>(616,562)</u>	<u>41,360</u>
Capital assets, being depreciated:				
Land improvements	321,112	-	-	321,112
Buildings	3,376,976	616,562	-	3,993,538
Machinery and equipment	22,200	-	-	22,200
Total capital assets being depreciated	<u>3,720,288</u>	<u>616,562</u>	<u>-</u>	<u>4,336,850</u>
Less accumulated depreciation for:				
Land improvements	(16,055)	(32,111)	-	(48,166)
Buildings	(393,981)	(122,842)	-	(516,823)
Machinery and equipment	(14,201)	(842)	-	(15,043)
Total accumulated depreciation	<u>(424,237)</u>	<u>(155,795)</u>	<u>-</u>	<u>(580,032)</u>
Total capital assets, being depreciated, net	<u>3,296,051</u>	<u>460,767</u>	<u>-</u>	<u>3,756,818</u>
	<u>\$ 3,450,816</u>	<u>963,924</u>	<u>(616,562)</u>	<u>3,798,178</u>

**City of Burnet, Texas**

Notes to Financial Statements  
(Continued)

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

**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, 2024 is as follows:

	<u>Date</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
<b><i>Governmental Activities</i></b>					
Combination tax and revenue certificates of obligation	2019	2,920,000	2.00%-5.00%	2039	2,350,000
Combination tax and revenue certificates of obligation	2021	5,755,000	1.50%-4.00%	2041	5,065,000
Combination tax and revenue certificates of obligation	2022	3,940,000	3.50%-5.00%	2042	3,665,000
Combination tax and revenue certificates of obligation	2023	3,970,000	3.43%-5.00%	2043	3,825,000
					<u>\$ 14,905,000</u>
<b><i>Business-Type Activities</i></b>					
Combination tax and revenue certificates of obligation	2010	11,425,000	0.00%	2040	\$ 6,290,000
Combination tax and revenue certificates of obligation	2012	9,900,000	0.00%	2042	6,120,000
Combination tax and revenue certificates of obligation	2019	970,000	2.00%-5.00%	2039	780,000
General obligation refunding bonds	2021	2,315,000	3.00%	2045	1,840,000
					<u>\$ 15,030,000</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)

Changes in the City's long-term liabilities for the year ended September 30, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt	\$ 11,570,000	3,970,000	(635,000)	14,905,000	625,000
Premiums	651,959	167,795	(45,021)	774,733	-
Total bonded debt	12,221,959	4,137,795	(680,021)	15,679,733	625,000
Lease liabilities	86,278	105,211	(76,565)	114,924	73,590
Compensated absences	562,856	950,983	(966,478)	547,361	273,680
Net pension liability	3,713,981	-	(1,270,217)	2,443,764	-
Total OPEB liability - life insurance	311,146	25,129	-	336,275	10,894
Total OPEB liability - health insurance	4,223,274	-	(540,067)	3,683,207	116,987
	<u>\$ 21,119,494</u>	<u>5,219,118</u>	<u>(3,533,348)</u>	<u>22,805,264</u>	<u>1,100,151</u>
Business-type activities:					
General obligation debt	\$ 15,930,000	-	(900,000)	15,030,000	850,000
Premiums	244,529	-	(14,522)	230,007	-
Total bonded debt	16,174,529	-	(914,522)	15,260,007	850,000
Compensated absences	137,443	475,373	(456,184)	156,632	78,316
Net pension liability	1,259,552	-	(409,017)	850,535	-
Total OPEB liability - health insurance	1,432,273	-	(150,360)	1,281,913	40,716
	<u>\$ 19,003,797</u>	<u>475,373</u>	<u>(1,930,083)</u>	<u>17,549,087</u>	<u>969,032</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 September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b><i>Governmental Activities</i></b>			
2025	\$ 625,000	513,107	1,138,107
2026	650,000	489,513	1,139,513
2027	675,000	464,975	1,139,975
2028	700,000	439,663	1,139,663
2029	735,000	407,263	1,142,263
2030-2034	4,120,000	1,594,316	5,714,316
2035-2039	4,805,000	898,506	5,703,506
2040-2043	<u>2,595,000</u>	<u>198,227</u>	<u>2,793,227</u>
	<u>\$ 14,905,000</u>	<u>5,005,570</u>	<u>19,910,570</u>

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b><i>Business-Type Activities</i></b>			
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	870,000	60,675	930,675
2030-2034	4,380,000	248,050	4,628,050
2035-2039	4,470,000	142,675	4,612,675
2040-2044	1,860,000	37,650	1,897,650
2045	<u>30,000</u>	<u>900</u>	<u>30,900</u>
	<u>\$ 15,030,000</u>	<u>778,000</u>	<u>15,808,000</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)*

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 \$12,410,000 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 \$12,410,000. Principal and interest paid for the current year and total pledged net revenues for the current year were \$735,000 and \$2,018,918, 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 24 months and 46 months. As of September 30, 2024, 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>
<b><i>Governmental Activities</i></b>			
2025	\$ 73,590	3,951	77,541
2026	<u>41,334</u>	<u>868</u>	<u>42,202</u>
	<u>\$ 114,924</u>	<u>4,819</u>	<u>119,743</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, 2024 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	\$ 1,510,000	-	(125,000)	1,385,000	130,000
Notes payable	<u>2,244,652</u>	<u>-</u>	<u>(130,533)</u>	<u>2,114,119</u>	<u>1,249,315</u>
	<u>\$ 3,754,652</u>	<u>-</u>	<u>(255,533)</u>	<u>3,499,119</u>	<u>1,379,315</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, 2024 is \$999,119.

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 at March 31, 2025, at which time all remaining unpaid principal is due. The outstanding note payable balance at September 30, 2024 is \$1,115,000.

General obligation debt outstanding for the component unit at September 30, 2024 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>1,385,000</u>
					\$ <u>1,385,000</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 September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b><i>Component Unit</i></b>			
2025	\$ 1,379,315	89,148	1,468,463
2026	273,208	79,406	352,614
2027	282,213	69,326	351,539
2028	291,334	58,905	350,239
2029	305,574	48,140	353,714
2030-2033	<u>967,475</u>	<u>86,020</u>	<u>1,053,495</u>
	<u>\$ 3,499,119</u>	<u>430,945</u>	<u>3,930,064</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 \$19,044.

**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,	Principal	Interest	Total
<b><i>Governmental Activities</i></b>			
2025	\$ 7,526	12,406	19,932
2026	8,110	11,822	19,932
2027	8,748	11,184	19,932
2028	9,443	10,489	19,932
2029	10,203	9,729	19,932
2030-2034	45,656	36,343	81,999
2035-2039	26,995	24,070	51,065
2040-2044	19,905	18,201	38,106
2045-2049	23,075	15,031	38,106
2050-2054	26,750	11,356	38,106
2055-2059	31,011	7,095	38,106
2060-2064	28,330	2,155	30,485
	<u>\$ 245,752</u>	<u>169,881</u>	<u>415,633</u>

*Component Unit as Lessor*

Through September 30, 2024, Burnet Economic Development Corporation leased building space that was used for winery operations. This lease expired on September 30, 2024, and the extended lease agreement was assigned to the new owner of the building in connection with the subsequent sale of the building in October 2024. The total amount of lease revenue and lease related interest revenue recognized in 2024 was \$59,996.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

##### F. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2024 is as follows:

Fund	Receivable	Payable
General	\$ 226,394	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	525,517	1,296,059
	<u>\$ 1,997,022</u>	<u>1,997,022</u>

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

##### G. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2024 is as follows:

		Transfer out:						Total
	General	Airport	General Capital Projects	Nonmajor Governmental	Electric	Water and Sewer	Delaware Springs Golf Course	
Transfer in:								
General	\$ -	24,788	3,400	36,957	2,623,899	1,298,445	275,479	4,262,968
General capital projects	921,435	-	-	-	-	-	-	921,435
Nonmajor governmental	511,937	-	-	23,546	-	10,148	149,503	695,134
Electric	-	-	-	30,000	-	-	-	30,000
Water and Sewer	-	-	-	-	-	75,000	-	75,000
Delaware Springs Golf Course	225,479	-	-	-	-	-	22,987	248,466
	<u>\$ 1,658,851</u>	<u>24,788</u>	<u>3,400</u>	<u>90,503</u>	<u>2,623,899</u>	<u>1,383,593</u>	<u>447,969</u>	<u>6,233,003</u>

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

##### G. Interfund Transfers (continued)

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

##### H. Employee Benefits

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

*Plan Description* - The City participates as one of 934 plans in the defined benefit cash-balance pension 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 TMRS Act, Subtitle G, Title 8, Texas Government Code (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](http://tmrs.com).

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

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

At retirement, the 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.

## 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)

*Employees Covered by Benefit Terms* – At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	77
Inactive employees entitled to but not yet receiving benefits	106
Active employees	<u>130</u>
	<u>313</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 12.52% and 12.65% in calendar years 2024 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2024 were \$1,175,976, and were equal to the required contributions.

*Net Pension Liability* – The City's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions* – The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% 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

**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)**

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are 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 MP-021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 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 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2024 are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public and Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	<u>10.0%</u>	11.6%
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, 2022	\$ 32,371,103	27,397,570	4,973,533
Changes for the year:			
Service cost	1,499,763	-	1,499,763
Interest	2,182,600	-	2,182,600
Difference between expected and actual experience	(185,381)	-	(185,381)
Change in assumptions	(198,455)	-	(198,455)
Contributions - employer	-	1,191,096	(1,191,096)
Contributions - employee	-	635,493	(635,493)
Net investment income	-	3,171,485	(3,171,485)
Benefit payments, including refunds of employee contributions	(1,572,328)	(1,572,328)	-
Administrative expense	-	(20,173)	20,173
Other changes	-	(140)	140
Net changes	1,726,199	3,405,433	(1,679,234)
Balance at December 31, 2023	\$ 34,097,302	30,803,003	3,294,299

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

	1% Decrease (5.75%)	Current Rate Assumption (6.75%)	1% Increase (7.75%)
City's net pension liability (asset)	\$ 8,461,432	3,294,299	(865,540)

*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](http://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, 2024, the City recognized pension expense of \$953,412. At September 30, 2024, 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	\$ 899,127	-
Differences between expected and actual experience	146,489	229,246
Change in assumptions	-	148,340
Difference between projected and actual investment earnings, net	<u>721,873</u>	<u>-</u>
	<u>\$ 1,767,489</u>	<u>377,586</u>

The \$899,127 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, 2025. 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>	
2024	\$ 104,902
2025	183,199
2026	467,104
2027	<u>(264,429)</u>
Total	<u>\$ 490,776</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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	62
Inactive employees entitled to but not yet receiving benefits	17
Active employees	<u>130</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, 2024 were \$25,956, which equaled the required contribution for the year.

## City of Burnet, Texas

### Notes to Financial Statements (Continued)

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

##### 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, 2023, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions:* The total OPEB liability – life insurance in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	3.60% to 11.85% per year, including inflation
Discount rate	3.77% (based on the Fidelity Index's "20-year Municipal GO AA Index" rate as of December 31, 2023)
Administrative expenses	All administrative expenses are paid through the TMRS Pension Trust
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
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 the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending 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 – Life Insurance** (continued)

The changes in the total OPEB liability – life insurance for the measurement period ending December 31, 2023 were as follows:

	Total OPEB Liability - Life Insurance
Balance at December 31, 2022	\$ <u>311,146</u>
Changes for the year:	
Service cost	9,986
Interest	12,583
Differences between expected and actual experience	(4,628)
Changes in assumptions or other inputs	18,082
Benefit payments **	<u>(10,894)</u>
Net changes	<u>25,129</u>
Balance at December 31, 2023	\$ <u><u>336,275</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 3.77%, as well as what the City's total OPEB liability – life insurance would be if it were calculated using a discount rate that is one percentage point lower (2.77%) or one percentage point higher (4.77%) than the current rate.

	1% Decrease (2.77%)	Current Discount Rate Assumption (3.77%)	1% Increase (4.77%)
Total OPEB liability - life insurance	\$ <u><u>405,096</u></u>	<u><u>336,275</u></u>	<u><u>283,312</u></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, 2024, the City recognized OPEB expense – life insurance of \$9,395.

At September 30, 2024, 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	\$ 7,182	-
Differences between expected and actual experience	-	12,740
Change in assumptions	<u>-</u>	<u>53,043</u>
	<u>\$ 7,182</u>	<u>65,783</u>

The \$7,182 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, 2025. 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>	
2024	\$ (11,056)
2025	(18,405)
2026	(29,404)
2027	(8,292)
2028	<u>1,374</u>
Total	<u>\$ (65,783)</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, 2023.

##### *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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries	28
Active members	<u>10</u>
	<u>38</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, 2023.



## 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, 2023, was determined using the following actuarial assumptions:

**Valuation Date:** December 31, 2023

**Methods and Assumptions:**

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	3.77% as of December 31, 2023
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Health Care Trend Rates	Pre-65: Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years; Post-65: Initial rate of 5.10% declining to an ultimate rate of 4.25% after 9 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.
<b>Other Information:</b>	
Notes	The discount rate changed from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. Additionally, the demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study, and health care trend assumptions were updated to reflect the plan's anticipated experience.

**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, 2023 were as follows:

	Total OPEB Liability - Health Insurance
Balance at December 31, 2022	\$ <u>5,655,547</u>
Changes for the year:	
Service cost	70,464
Interest	227,283
Differences between expected and actual experience	(1,016,047)
Changes in assumptions or other inputs	185,576
Benefit payments **	<u>(157,703)</u>
Net changes	<u>(690,427)</u>
Balance at December 31, 2023	\$ <u><u>4,965,120</u></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 \$5,301,395 as of September 30, 2024

*Sensitivity of the Total OPEB Liability – Health Insurance to Changes in the Discount Rate* – The following presents the total OPEB liability – health insurance of the City, calculated using the discount rate of 3.77%, as well as what the City's total OPEB liability – health insurance would be if it were calculated using a discount rate that is one percentage point lower (2.77%) or one percentage point higher (4.77%) than the current rate.

	1% Decrease (2.77%)	Current Discount Rate Assumption (3.77%)	1% Increase (4.77%)
Total OPEB liability - health insurance	\$ <u>5,796,562</u>	<u>4,965,120</u>	<u>4,301,078</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:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
Total OPEB liability - health insurance	\$ 4,286,961	4,965,120	5,806,453

*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, 2024, the City recognized OPEB benefit – health insurance of \$(1,235,091). Total OPEB benefit recognized for health and life insurance amounted to \$(1,225,696) for the year ended September 30, 2024.

At September 30, 2024, the City reported deferred outflows of resources related to OPEB – health insurance from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 121,668	-
Differences between expected and actual experience	-	354,315
Change in assumptions	236,810	672,120
	<u>\$ 358,478</u>	<u>1,026,435</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)

The \$121,668 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, 2025. 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,

2025	\$ <u>(789,625)</u>
Total	\$ <u><u>(789,625)</u></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, 2024:

15	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	\$ 7,182	-	-	-	-
OPEB - health insurance	265,926	92,552	-	-	-
Total OPEB related	273,108	92,552	-	-	-
Pension related	1,311,151	456,338	-	-	-
	\$ 1,584,259	548,890	-	-	-
Deferred inflows of resources:					
OPEB - life insurance	\$ 65,783	-	-	-	-
OPEB - health insurance	761,425	265,010	-	-	-
Total OPEB related	827,208	265,010	-	-	-
Pension related	280,099	97,487	-	-	-
Unavailable property tax revenue	-	-	162,477	-	49,019
Unavailable lease revenue	246,791	-	-	246,791	-
	\$ 1,354,098	362,497	162,477	246,791	49,019

*Deferred Outflows of Resources.* 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, 2024, the City recognized lease income of \$244,442 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, 2024, was \$993,319.

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, 2024, was \$5,766,312.

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, 2024, was \$103,542.

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, 2024.

##### N. Subsequent Event

Subsequent to year end, in October 2024, Burnet Economic Development Corporation (“BEDC”) sold the building at 229 South Pierce Street, Burnet, Texas to an unrelated party for \$1.4 million, and recognized a loss from the sale of \$1.5 million. Additionally, the BEDC assigned its rights under an extended lease with an unrelated party for space used for a winery to the new owner.

##### 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 statements users by updating the recognition and measurement guidance for compensated absences. The requirements of this statement are effective for financial statements 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 to provide users of government 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.

**City of Burnet, Texas****Notes to Financial Statements  
(Continued)****III. Detailed Notes On All Activities and Funds (continued)****O. Authoritative Pronouncement Not Yet Effective (continued)**

GASB Statement No. 103, *Financial Reporting Model Improvements* (issued April 2024)  
– the objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement also addresses certain application issues. The requirements of this statement are effective for the City’s financial statements beginning October 1, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (issued September 2024)  
– the objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this statement are effective for financial statements for the City’s financial statements beginning October 1, 2025.



## **Required Supplementary Information**

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

Last Ten Measurement Dates

	2023	2022	2021	2020
<b>Total Pension Liability</b>				
Service cost	\$ 1,499,763	1,391,984	1,210,171	1,128,348
Interest (on the Total Pension Liability)	2,182,600	2,030,583	1,933,214	1,819,990
Difference between expected and actual experience	(185,381)	310,007	(335,760)	77,824
Change in assumptions	(198,455)	-	-	-
Benefit payments, including refunds of employee contributions	<u>(1,572,328)</u>	<u>(1,496,377)</u>	<u>(1,415,684)</u>	<u>(1,363,670)</u>
<b>Net change in Total Pension Liability</b>	1,726,199	2,236,197	1,391,941	1,662,492
<b>Total Pension Liability - beginning</b>	<u>32,371,103</u>	<u>30,134,906</u>	<u>28,742,965</u>	<u>27,080,473</u>
<b>Total Pension Liability - ending (a)</b>	<u>\$ 34,097,302</u>	<u>32,371,103</u>	<u>30,134,906</u>	<u>28,742,965</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 1,191,096	1,099,285	924,916	899,357
Contributions - employee	635,493	582,072	504,238	484,269
Net investment income	3,171,485	(2,141,755)	3,384,149	1,829,197
Benefit payments, including refunds of employee contributions	(1,572,328)	(1,496,377)	(1,415,684)	(1,363,670)
Administrative expense	(20,173)	(18,540)	(15,664)	(11,853)
Other	<u>(140)</u>	<u>22,124</u>	<u>108</u>	<u>(463)</u>
<b>Net change in Plan Fiduciary Net Position</b>	3,405,433	(1,953,191)	3,382,063	1,836,837
<b>Plan Fiduciary Net Position - beginning</b>	<u>27,397,570</u>	<u>29,350,761</u>	<u>25,968,698</u>	<u>24,131,861</u>
<b>Plan Fiduciary Net Position - ending (b)</b>	<u>\$ 30,803,003</u>	<u>27,397,570</u>	<u>29,350,761</u>	<u>25,968,698</u>
<b>Net Pension Liability - ending (a) - (b)</b>	\$ 3,294,299	4,973,533	784,145	2,774,267
<b>Plan Fiduciary Net Position as a percentage of Total Pension Liability</b>	90.34%	84.64%	97.40%	90.35%
<b>Covered payroll</b>	\$ 9,078,471	8,315,314	7,203,399	6,918,135
<b>Net Pension Liability as a percentage of covered payroll</b>	36.29%	59.81%	10.89%	40.10%

See accompanying independent auditor's report.

December 31,					
2019	2018	2017	2016	2015	2014
1,061,415	995,287	925,253	924,216	848,679	753,691
1,735,099	1,642,995	1,538,815	1,449,752	1,395,492	1,317,058
(206,289)	(61,582)	93,706	(80,956)	50,376	(61,528)
47,523	-	-	-	35,571	-
<u>(1,463,461)</u>	<u>(1,027,072)</u>	<u>(1,071,693)</u>	<u>(876,457)</u>	<u>(774,915)</u>	<u>(1,097,550)</u>
1,174,287	1,549,628	1,486,081	1,416,555	1,555,203	911,671
<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>	<u>18,987,048</u>
<u><u>27,080,473</u></u>	<u><u>25,906,186</u></u>	<u><u>24,356,558</u></u>	<u><u>22,870,477</u></u>	<u><u>21,453,922</u></u>	<u><u>19,898,719</u></u>
854,102	791,829	724,953	710,491	652,621	602,184
457,788	427,686	398,326	404,345	379,117	377,039
3,253,250	(644,826)	2,613,821	1,180,461	25,372	937,360
(1,463,461)	(1,027,072)	(1,071,693)	(876,457)	(774,915)	(1,097,550)
(18,387)	(12,455)	(13,549)	(13,325)	(15,452)	(9,786)
<u>(551)</u>	<u>(650)</u>	<u>(688)</u>	<u>(718)</u>	<u>(764)</u>	<u>(805)</u>
3,082,741	(465,488)	2,651,170	1,404,797	265,979	808,442
<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>	<u>16,384,220</u>
<u><u>24,131,861</u></u>	<u><u>21,049,120</u></u>	<u><u>21,514,608</u></u>	<u><u>18,863,438</u></u>	<u><u>17,458,641</u></u>	<u><u>17,192,662</u></u>
2,948,612	4,857,066	2,841,950	4,007,039	3,995,281	2,706,057
89.11%	81.25%	88.33%	82.48%	81.38%	86.40%
6,539,833	6,109,805	5,690,364	5,776,351	5,415,950	5,386,274
45.09%	79.50%	49.94%	69.37%	73.77%	50.24%

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

Fiscal Years Ended

	2024	2023	2022	2021
Actuarially determined contributions	\$ 1,175,976	1,155,435	1,076,480	916,631
Contributions in relation to the actuarially determined contributions	<u>1,175,976</u>	<u>1,155,435</u>	<u>1,076,480</u>	<u>916,631</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 9,370,055	9,037,372	8,201,093	7,114,710
Contributions as a percentage of covered payroll	12.55%	12.79%	13.13%	12.88%

**Notes to Schedule of Contributions**

**Valuation Date:** December 31, 2023

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	22 years (longest amortization ladder)
Asset Valuation Method	10 year smoothed fair value, 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

**Other Information:**

Notes There were no benefit changes during the year.

See accompanying independent auditor's report.

September 30,					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
889,655	837,493	771,831	724,651	682,912	648,053
<u>889,655</u>	<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>	<u>-</u>
6,834,933	6,425,991	5,982,896	5,659,002	5,506,318	5,385,452
13.02%	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 Seven Measurement Dates

	2023	2022	2021
<b>Total OPEB Liability - Life Insurance</b>			
Service cost	\$ 9,986	21,620	19,449
Interest (on the Total OPEB Liability - Life Insurance)	12,583	8,548	8,922
Difference between expected and actual experience	(4,628)	1,901	(17,752)
Change in assumptions	18,082	(170,124)	15,315
Benefit payments **	<u>(10,894)</u>	<u>(9,147)</u>	<u>(7,924)</u>
<b>Net change in Total OPEB Liability - Life Insurance</b>	25,129	(147,202)	18,010
<b>Total OPEB Liability - life insurance - beginning</b>	<u>311,146</u>	<u>458,348</u>	<u>440,338</u>
<b>Total OPEB Liability - life insurance - ending</b>	<u>\$ 336,275</u>	<u>311,146</u>	<u>458,348</u>
 <b>Covered-employee payroll</b>	 <u>\$ 9,078,471</u>	 <u>8,315,314</u>	 <u>7,203,399</u>
 <b>Total OPEB Liability - Life Insurance as a percentage of covered-employee payroll</b>	 3.70%	 3.74%	 6.36%

\*\* 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.

December 31,			
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
12,453	10,464	12,831	10,243
10,092	10,544	9,831	9,579
(4,303)	1,229	(10,286)	-
62,713	62,243	(21,779)	24,553
<u>(2,767)</u>	<u>(2,616)</u>	<u>(1,833)</u>	<u>(2,276)</u>
78,188	81,864	(11,236)	42,099
<u>362,150</u>	<u>280,286</u>	<u>291,522</u>	<u>249,423</u>
<u><u>440,338</u></u>	<u><u>362,150</u></u>	<u><u>280,286</u></u>	<u><u>291,522</u></u>
<u><u>6,918,135</u></u>	<u><u>6,539,833</u></u>	<u><u>6,109,805</u></u>	<u><u>5,690,364</u></u>
6.36%	5.54%	4.59%	5.12%

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

	2024	2023	2022
Actuarially determined contributions	\$ 25,956	24,970	15,997
Contributions in relation to the actuarially determined contributions	<u>25,956</u>	<u>24,970</u>	<u>15,997</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	<u>\$ 9,370,055</u>	<u>9,037,372</u>	<u>8,201,093</u>
Contributions as a percentage of covered-employee payroll	0.28%	0.28%	0.20%

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

**Valuation Date:** December 31, 2023

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	3.60% to 11.85%, including inflation
Discount rate*	3.77%
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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates - disabled retirees	2019Municipal Retirees of TexasMortality Tables with a 4 year setforward 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 the most recent Scale MP-2021 (with immediate convergence) 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, 2023

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending 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 2018 is not available.

See accompanying independent auditor's report.



September 30,			
2021	2020	2019	2018
12,302	11,121	10,924	10,171
12,302	11,121	10,924	10,171
-	-	-	-
7,114,710	6,834,933	6,425,991	5,982,896
0.17%	0.16%	0.17%	0.17%

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

Last Seven Measurement Dates

	2023	2022	2021
<b>Total OPEB Liability - Health Insurance</b>			
Service cost	\$ 70,464	152,794	147,109
Interest (on the Total OPEB Liability - Health Insurance)	227,283	143,660	174,500
Difference between expected and actual experience of the total OPEB liability	(1,016,047)	(14,373)	(1,293,531)
Change in assumptions *	185,576	(2,278,336)	208,659
Benefit payments **	(157,703)	(158,847)	(155,073)
<b>Net change in Total OPEB Liability - Health Insurance</b>	(690,427)	(2,155,102)	(918,336)
<b>Total OPEB Liability - health insurance - beginning</b>	5,655,547	7,810,649	8,728,985
<b>Total OPEB Liability - health insurance - ending</b>	\$ 4,965,120	5,655,547	7,810,649
<b>Covered-employee payroll</b>	\$ 1,059,006	1,253,759	1,557,422
<b>Total OPEB Liability - Health Insurance as a percentage of covered-employee payroll</b>	468.85%	451.09%	501.51%

\* Changes of assumptions reflect a change in the discount rate from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. Additionally, the demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study, and health care trend assumptions were reset to reflect the plan's anticipated experience.

\*\* 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	\$ 114,944	114,196	111,483
b. Implicit benefit payments	42,759	44,651	43,590
c. Total benefit payments	\$ 157,703	158,847	155,073

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.

December 31,			
2020	2019	2018	2017
176,841	135,278	175,111	150,174
204,947	266,180	245,548	248,688
(3,621)	(573,842)	37,721	-
1,059,259	568,616	(532,622)	644,918
<u>(145,292)</u>	<u>(132,787)</u>	<u>(166,304)</u>	<u>(163,990)</u>
1,292,134	263,445	(240,546)	879,790
<u>7,436,851</u>	<u>7,173,406</u>	<u>7,413,952</u>	<u>6,534,162</u>
<u>8,728,985</u>	<u>7,436,851</u>	<u>7,173,406</u>	<u>7,413,952</u>
<u>1,502,020</u>	<u>2,097,610</u>	<u>2,087,178</u>	<u>2,001,111</u>
581.15%	354.54%	343.69%	370.49%

104,753	95,737	132,725	130,878
40,539	37,050	33,579	33,112
<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, 2023

**Methods and Assumptions:**

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	3.77% as of December 31, 2023
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Health Care Trend Rates	Pre-65: Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years; Post-65: Initial rate of 5.10% declining to an ultimate rate of 4.25% after 9 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 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. Additionally, the demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study, and health care trend assumptions were updated to reflect the plan's anticipated experience.

See accompanying independent auditor's report.



## **Supplementary Information**

**City of Burnet, Texas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2024**

	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	
<b>Assets</b>											
Cash and cash equivalents	\$ 198,138	5,112	108,198	15,935	6,434	3,638	337,455	1,921,586	775,757	2,697,343	3,034,798
Receivables	15,502	-	-	-	-	-	15,502	-	95,699	95,699	111,201
Due from other funds	-	-	-	-	-	-	-	671,212	-	671,212	671,212
Inventories	-	-	-	-	-	-	-	-	3,258	3,258	3,258
Total assets	<u>\$ 213,640</u>	<u>5,112</u>	<u>108,198</u>	<u>15,935</u>	<u>6,434</u>	<u>3,638</u>	<u>352,957</u>	<u>2,592,798</u>	<u>874,714</u>	<u>3,467,512</u>	<u>3,820,469</u>
<b>Liabilities and Fund Balances</b>											
Liabilities:											
Accounts and retainages payable	\$ 303	-	1,660	-	-	-	1,963	98,263	-	98,263	100,226
Accrued expenses	-	-	421	-	-	-	421	-	-	-	421
Due to other funds	38,750	-	-	-	-	-	38,750	-	-	-	38,750
Total liabilities	<u>39,053</u>	<u>-</u>	<u>2,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,134</u>	<u>98,263</u>	<u>-</u>	<u>98,263</u>	<u>139,397</u>
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	-	3,258	3,258	3,258
Restricted	174,587	5,112	106,117	15,935	6,434	3,638	311,823	-	871,456	871,456	1,183,279
Assigned	-	-	-	-	-	-	-	2,494,535	-	2,494,535	2,494,535
Total fund balances	<u>174,587</u>	<u>5,112</u>	<u>106,117</u>	<u>15,935</u>	<u>6,434</u>	<u>3,638</u>	<u>311,823</u>	<u>2,494,535</u>	<u>874,714</u>	<u>3,369,249</u>	<u>3,681,072</u>
Total liabilities and fund balances	<u>\$ 213,640</u>	<u>5,112</u>	<u>108,198</u>	<u>15,935</u>	<u>6,434</u>	<u>3,638</u>	<u>352,957</u>	<u>2,592,798</u>	<u>874,714</u>	<u>3,467,512</u>	<u>3,820,469</u>

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, 2024**

	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	\$ 195,554	-	-	-	-	-	195,554	-	-	-	195,554
Intergovernmental	-	-	-	-	-	-	-	-	95,134	95,134	95,134
Fines	-	4,877	23,444	-	-	-	28,321	-	-	-	28,321
Interest	8,198	112	5,508	-	220	125	14,163	34,524	57,576	92,100	106,263
Miscellaneous	1,717	-	-	2,226	-	-	3,943	-	8,415	8,415	12,358
Total revenues	205,469	4,989	28,952	2,226	220	125	241,981	34,524	161,125	195,649	437,630
Expenditures:											
Current:											
Public safety	-	-	18,205	167	-	-	18,372	-	-	-	18,372
Economic development	91,308	-	-	-	-	-	91,308	-	-	-	91,308
Capital outlay	-	-	-	-	-	-	-	682,117	397,042	1,079,159	1,079,159
Total expenditures	91,308	-	18,205	167	-	-	109,680	682,117	397,042	1,079,159	1,188,839
Excess (deficiency) of revenues over (under) expenditures	114,161	4,989	10,747	2,059	220	125	132,301	(647,593)	(235,917)	(883,510)	(751,209)
Other financing sources (uses):											
Proceeds on sale of capital assets	-	-	-	-	-	-	-	37,675	-	37,675	37,675
Transfers in	-	-	-	-	-	-	-	695,134	-	695,134	695,134
Transfers out	(90,503)	-	-	-	-	-	(90,503)	-	-	-	(90,503)
Total other financing sources (uses)	(90,503)	-	-	-	-	-	(90,503)	732,809	-	732,809	642,306
Net change in fund balances	23,658	4,989	10,747	2,059	220	125	41,798	85,216	(235,917)	(150,701)	(108,903)
Fund balances, beginning of year	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
Fund balances, end of year	\$ 174,587	5,112	106,117	15,935	6,434	3,638	311,823	2,494,535	874,714	3,369,249	3,681,072

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, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Hotel/motel taxes	\$ 200,000	200,000	195,554	(4,446)
Interest earned	9,000	9,000	8,198	(802)
Miscellaneous	1,600	1,600	1,717	117
Total revenues	210,600	210,600	205,469	(5,131)
Expenditures:				
Economic development	122,100	119,571	91,308	28,263
Total expenditures	122,100	119,571	91,308	28,263
Excess (deficiency) of revenues over (under) expenditures	88,500	91,029	114,161	23,132
Other financing sources (uses:)				
Transfers in	30,000	50,650	-	(50,650)
Transfers out	(87,974)	(111,153)	(90,503)	20,650
Total other financing uses	(57,974)	(60,503)	(90,503)	(30,000)
Net change in fund balances	30,526	30,526	23,658	(6,868)
Fund balances, beginning of year	150,929	150,929	150,929	-
Fund balances, end of year	\$ 181,455	181,455	174,587	(6,868)

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, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	961,660	961,660	1,194,601	232,941
Interest	16,000	16,000	37,921	21,921
Total revenues	977,660	977,660	1,232,522	254,862
Expenditures:				
Debt service:				
Principal	595,000	595,000	595,000	-
Interest and fiscal charges	512,460	512,460	493,545	18,915
Total expenditures	1,107,460	1,107,460	1,088,545	18,915
Excess (deficiency) of revenues over (under) expenditures	(129,800)	(129,800)	143,977	273,777
Other financing sources:				
Transfers in	144,000	144,000	-	(144,000)
Net change in fund balances	14,200	14,200	143,977	129,777
Fund balances, beginning of year	245,673	245,673	245,673	-
Fund balances, end of year	\$ 259,873	259,873	389,650	129,777

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, 2024

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, 2024 and 2023

	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,913,983	2,123,359
Receivables (net of allowance for uncollectibles)	172,273	228,956
Properties held for resale	3,395,736	3,654,690
Total current assets	<u>6,481,992</u>	<u>6,007,005</u>
Noncurrent assets:		
Restricted cash and cash equivalents	59,045	128,415
Capital assets:		
Land	41,360	41,360
Land improvements	321,112	321,112
Buildings	3,993,538	3,376,976
Machinery and equipment	22,200	22,200
Construction in process	-	113,405
Less accumulated depreciation	(580,032)	(424,237)
Total capital assets, net	<u>3,798,178</u>	<u>3,450,816</u>
Total noncurrent assets	<u>3,857,223</u>	<u>3,579,231</u>
Total assets	<u>10,339,215</u>	<u>9,586,236</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	4,432	1,787
Accrued interest payable	11,505	12,822
Due to primary government	29,598	29,598
General obligation debt payable - current	130,000	125,000
Long-term notes payable - current	1,249,315	1,245,533
Total current liabilities	<u>1,424,850</u>	<u>1,414,740</u>
Noncurrent liabilities:		
General obligation debt payable	1,255,000	1,385,000
Long-term notes payable	864,804	999,119
Total noncurrent liabilities	<u>2,119,804</u>	<u>2,384,119</u>
Total liabilities	<u>3,544,654</u>	<u>3,798,859</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue - leases	-	56,417
<b>Net Position</b>		
Net investment in capital assets	2,472,223	2,069,231
Unrestricted	<u>4,322,338</u>	<u>3,661,729</u>
Total net position	<u>\$ 6,794,561</u>	<u>5,730,960</u>

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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Charges for sales and services	\$ 61,504	65,335
Total operating revenues	<u>61,504</u>	<u>65,335</u>
Operating expenses:		
Purchased services	201,340	203,243
Materials and supplies	125,873	85,410
Other operating expenses	12,348	21,636
Depreciation	155,795	129,042
Total operating expenses	<u>495,356</u>	<u>439,331</u>
Operating loss	<u>(433,852)</u>	<u>(373,996)</u>
Nonoperating revenues (expenses):		
Sales taxes	982,252	925,162
Interest earnings	120,732	88,371
Interest expense	(97,239)	(106,544)
Gain on sale of properties held for resale	491,708	-
Total nonoperating revenues (expenses)	<u>1,497,453</u>	<u>906,989</u>
Income before capital contributions	1,063,601	532,993
Capital contributions	<u>-</u>	<u>410,893</u>
Change in net position	1,063,601	943,886
Net position, beginning of year	<u>5,730,960</u>	<u>4,787,074</u>
Net position, end of year	<u>\$ 6,794,561</u>	<u>5,730,960</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			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 21,214,029	28,741,370	30,231,996	30,869,534
Restricted	1,340,997	1,238,789	1,235,092	1,314,155
Unrestricted	<u>774,101</u>	<u>(80,675)</u>	<u>(99,778)</u>	<u>(2,141,612)</u>
Total governmental activities net position	<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	\$ 17,511,195	18,152,400	18,881,590	19,529,455
Unrestricted	<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>\$ 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	\$ 38,725,224	46,893,770	49,113,586	50,398,989
Restricted	1,340,997	1,238,789	1,235,092	1,314,155
Unrestricted	<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>\$ 43,828,708</u>	<u>50,599,848</u>	<u>52,466,205</u>	<u>50,534,506</u>

Table 1

2019	2020	2021	2022	2023	2024
32,264,739	33,804,992	34,193,243	34,842,074	33,370,477	38,925,205
1,125,161	1,062,536	1,290,949	1,366,394	1,427,252	1,743,714
<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>7,226,717</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>	<u>47,895,636</u>
20,825,955	20,380,238	20,347,624	20,684,865	20,677,876	22,176,644
<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>1,702,897</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>	<u>23,879,541</u>
53,090,694	54,185,230	54,540,867	55,526,939	54,048,353	61,101,849
1,125,161	1,062,536	1,290,949	1,366,394	1,427,252	1,743,714
<u>(2,120,814)</u>	<u>(388,900)</u>	<u>388,489</u>	<u>3,988,123</u>	<u>8,243,212</u>	<u>8,929,614</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>	<u>71,775,177</u>

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

	Fiscal Year			
	2015	2016	2017	2018
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,935,695	2,128,923	2,230,501	2,332,969
Public safety	5,115,418	5,468,034	5,718,420	5,588,410
Highways and streets	735,677	764,824	883,301	868,877
Aviation services	585,925	430,876	633,950	729,812
Culture and recreation	980,761	1,001,469	987,084	942,121
Sanitation	785,024	775,516	764,511	801,329
Economic development	236,673	498,496	150,989	360,908
Interest	99,480	87,978	80,111	69,592
Total governmental activities expenses	<u>10,474,653</u>	<u>11,156,116</u>	<u>11,448,867</u>	<u>11,694,018</u>
Business-type activities:				
Electric	7,287,947	6,035,719	6,057,551	6,457,978
Water and sewer	2,679,434	2,942,937	2,988,463	3,074,170
Delaware Springs Golf Course	1,615,377	1,536,738	1,683,511	1,609,209
Total business-type activities expenses	<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>\$ 22,057,411</u>	<u>21,671,510</u>	<u>22,178,392</u>	<u>22,835,375</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 208,301	186,002	170,918	218,257
Public safety	2,072,672	1,884,904	1,751,748	2,065,945
Aviation services	652,944	590,356	779,047	847,149
Culture and recreation	21,012	24,058	17,008	16,748
Sanitation	898,728	863,235	925,486	954,670
Operating grants and contributions	532,971	565,044	607,145	690,265
Capital grants and contributions	767,048	6,200,801	1,185,608	85,709
Total governmental activities program revenues	<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	9,895,841	8,529,957	8,521,053	9,067,840
Water and sewer	4,038,239	4,069,235	4,207,289	4,374,178
Delaware Springs Golf Course	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>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>\$ 20,557,300</u>	<u>24,254,099</u>	<u>19,721,361</u>	<u>19,777,394</u>
Net (expense)/revenue				
Governmental activities	\$ (5,320,977)	(841,716)	(6,011,907)	(6,815,275)
Business-type activities	<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>\$ (1,500,111)</u>	<u>2,582,589</u>	<u>(2,457,031)</u>	<u>(3,057,981)</u>

Table 2

2019	2020	2021	2022	2023	2024
2,288,577	2,709,203	2,587,631	2,844,286	3,403,779	3,209,804
6,621,584	6,747,415	7,350,318	7,670,549	8,292,785	8,563,090
998,227	1,182,772	1,135,566	1,434,226	1,573,757	1,321,352
1,093,963	741,666	930,254	1,382,867	800,680	421,714
998,187	977,788	1,053,829	1,180,523	1,304,946	1,161,995
844,095	879,551	920,917	976,671	994,964	1,012,676
170,345	145,148	76,457	82,351	493,087	91,308
56,662	182,268	264,949	206,101	459,636	621,495
<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>	<u>16,403,434</u>
6,547,489	6,596,612	6,781,809	6,952,848	7,453,957	7,453,086
3,294,198	3,213,760	3,363,972	3,652,482	3,609,788	3,828,905
1,789,522	1,677,563	1,878,176	1,966,802	2,290,378	2,491,373
<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>13,773,364</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>	<u>30,176,798</u>
263,089	297,132	314,654	533,015	596,560	485,697
2,061,493	2,215,738	2,363,198	3,416,730	3,305,597	3,499,048
775,946	613,680	893,683	1,261,086	500,749	305,255
21,013	2,500	20,976	82,596	54,289	49,958
981,223	1,039,547	1,099,224	1,172,398	1,195,371	1,223,705
853,397	934,478	1,128,376	1,625,461	13,723	14,454
926,587	645,914	49,504	206,039	1,217,289	3,658,614
<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>	<u>9,236,731</u>
9,286,346	9,499,716	9,125,087	10,436,014	10,233,561	11,195,759
4,350,687	4,568,093	4,620,814	4,933,125	4,956,156	4,902,786
1,363,083	1,329,072	1,783,795	2,213,364	2,522,431	2,756,552
189,568	1,070,193	70,520	5,892	-	167,275
<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>19,022,372</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>	<u>28,259,103</u>
(7,188,892)	(7,816,822)	(8,450,306)	(7,480,249)	(10,440,056)	(7,166,703)
<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>5,249,008</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>	<u>(1,917,695)</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General Revenues and</b>				
<b>Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 2,139,732	2,245,634	2,276,681	2,709,971
Sales taxes	1,475,565	1,578,655	1,705,022	1,675,298
Franchise taxes	139,780	125,361	132,068	133,242
Hotel/motel taxes	136,372	151,168	165,925	172,794
Unrestricted investment earnings	60,127	9,266	15,367	32,468
Miscellaneous	-	-	-	-
Gain on sale of capital assets	3,028	73,141	22,588	100,781
Transfers	<u>3,792,711</u>	<u>3,228,848</u>	<u>3,162,082</u>	<u>2,558,930</u>
Total governmental activities	<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	59,421	5,326	5,737	21,862
Miscellaneous	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Transfers	<u>(3,792,711)</u>	<u>(3,228,848)</u>	<u>(3,162,082)</u>	<u>(2,558,930)</u>
Total business-type activities	<u>(3,733,290)</u>	<u>(3,223,522)</u>	<u>(3,156,345)</u>	<u>(2,537,068)</u>
Total primary government	<u>\$ 4,014,025</u>	<u>4,188,551</u>	<u>4,323,388</u>	<u>4,846,416</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 2,426,338	6,570,357	1,467,826	568,209
Business-type activities	<u>87,576</u>	<u>200,783</u>	<u>398,531</u>	<u>1,220,226</u>
Total primary government	<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>	<u>2024</u>
2,803,398	3,036,155	3,306,674	3,630,280	4,433,537	5,251,179
1,815,467	2,158,149	2,426,055	2,704,461	2,775,485	2,946,756
178,949	153,535	161,960	180,005	207,682	195,554
188,403	152,756	209,190	211,369	226,860	186,183
72,170	67,975	4,157	117,625	886,668	1,209,077
-	-	-	-	264,823	37,675
79,741	-	-	-	-	-
2,625,643	4,296,805	4,297,987	4,499,667	4,294,537	4,101,995
<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>	<u>13,928,419</u>
52,149	32,938	2,790	2,016	124,337	147,607
-	-	-	-	-	24
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>(4,101,995)</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>(3,954,364)</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>	<u>9,974,055</u>
574,879	2,048,553	1,955,717	3,863,158	2,649,536	6,761,716
<u>985,656</u>	<u>715,272</u>	<u>(718,938)</u>	<u>797,993</u>	<u>187,825</u>	<u>1,294,644</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>	<u>8,056,360</u>

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

	Fiscal Year			
	2015	2016	2017	2018
General fund				
Nonspendable	\$ 34,715	50,566	50,454	36,831
Unassigned	<u>4,072,418</u>	<u>3,900,868</u>	<u>4,267,005</u>	<u>4,120,481</u>
Total general fund	<u>\$ 4,107,133</u>	<u>3,951,434</u>	<u>4,317,459</u>	<u>4,157,312</u>
All other governmental funds				
Nonspendable	\$ 23,382	35,120	34,647	80,641
Restricted for:				
Debt service	174,187	194,298	161,167	172,217
Capital projects	-	-	-	-
Aviation services	787,609	583,320	720,176	811,348
Public safety	-	-	-	-
Other purposes	335,826	405,857	443,014	232,911
Assigned to:				
Capital projects	-	245,071	238,148	238,148
Other funds	595,825	293,272	484,646	916,581
Unassigned	<u>(174,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>	<u>2024</u>
64,178	30,388	26,382	33,809	33,218	37,595
<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>11,029,306</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>	<u><u>11,066,901</u></u>
43,070	30,355	54,272	85,468	-	3,258
160,286	186,688	173,805	220,606	245,673	389,650
-	-	5,512,394	5,037,081	6,919,882	6,725,553
674,307	655,053	783,539	705,846	881,475	993,222
-	-	82,997	99,964	119,096	-
185,638	176,974	180,250	242,726	1,261,560	1,183,279
-	15,607	-	4,384,465	487,052	-
1,422,626	2,164,128	2,287,189	-	2,409,319	2,494,535
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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>	<u><u>11,789,497</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			
	2015	2016	2017	2018
<b>Revenues</b>				
Taxes	\$ 3,889,905	4,094,869	4,308,989	4,653,385
Licenses and permits	35,416	43,302	48,375	76,264
Intergovernmental	454,410	466,308	525,335	549,042
Charges for services	2,866,090	2,628,738	2,517,800	2,876,101
Fines	105,213	138,653	171,494	154,334
Interest	60,127	9,266	15,367	32,468
Contributions and donations	13,247	357,735	46,827	55,803
Fuel Sales	450,941	387,664	571,420	645,987
Miscellaneous	461,311	449,548	444,416	521,212
Total revenues	<u>8,336,660</u>	<u>8,576,083</u>	<u>8,650,023</u>	<u>9,564,596</u>
<b>Expenditures</b>				
General government	1,617,461	1,734,087	1,884,218	2,018,763
Public safety	4,349,630	4,432,456	4,754,902	4,909,014
Highways and streets	401,815	404,575	500,807	506,475
Aviation services	546,632	400,793	599,848	680,576
Culture and recreation	756,395	728,381	716,884	730,237
Solid waste	785,024	775,516	764,511	801,329
Economic development	166,347	495,398	147,985	360,908
Debt service:				
Principal	311,780	293,644	295,508	302,373
Interest	100,986	89,366	81,510	71,012
Bond issuance costs	-	-	-	-
Capital outlay	821,510	2,754,235	1,397,635	1,633,719
Total expenditures	<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>(1,520,920)</u>	<u>(3,532,368)</u>	<u>(2,493,785)</u>	<u>(2,449,810)</u>
<b>Other financing sources (uses)</b>				
Insurance recoveries	3,028	73,141	13,104	9,377
Certificate of obligation issued	-	-	-	-
Sale of assets	-	-	9,484	91,404
Transfers in	4,999,879	6,796,823	4,305,350	4,683,078
Other resources	-	-	-	-
Transfers out	(1,207,168)	(3,478,225)	(1,143,268)	(2,124,148)
Total other financing sources (uses)	<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>\$ 2,274,819</u>	<u>(140,629)</u>	<u>690,885</u>	<u>209,901</u>
Debt service as a percentage of noncapital expenditures	6.80%	3.62%	4.43%	3.52%

(1) In 2023 report, corrected prior year calculation of 4.34% to 4.48%.

(2) In 2024 report, corrected prior year calculations to exclude bond issuance costs per comments received from Government Finance Officers Association review:

2020 changed from 3.96% to 3.23%, 2021 changed from 12.42% to 11.36%, and 2023 changed from 6.72 to 6.01%.

Table 4

2019	2020	2021	2022	2023	2024
4,976,544	5,533,614	6,058,885	6,728,256	7,624,199	8,534,466
96,049	129,465	90,591	232,002	198,420	127,939
691,831	1,016,354	1,238,814	2,555,150	2,346,296	4,509,375
2,918,726	2,810,599	3,109,901	3,599,251	3,139,306	3,464,302
141,039	141,993	155,890	170,465	205,884	197,004
72,170	60,051	4,157	89,014	886,668	1,209,077
308,274	281,646	111,118	146,276	88,220	79,264
579,980	403,961	683,989	1,056,314	265,417	23,788
653,649	394,956	479,312	537,867	640,035	686,224
<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>	<u>18,831,439</u>
1,994,505	2,407,351	2,237,383	2,533,513	3,093,980	3,117,219
5,530,537	5,586,519	6,225,567	6,787,298	7,506,817	7,956,116
500,252	658,101	623,699	819,645	888,083	785,359
591,772	463,677	642,079	1,034,867	398,861	165,068
672,571	674,580	760,648	842,407	930,073	903,232
844,095	879,551	920,917	976,671	994,964	1,012,676
170,345	145,060	76,457	82,351	493,087	91,308
918,678	265,000	1,400,000	395,212	559,339	711,565
61,730	105,489	112,985	233,711	368,193	519,200
-	83,222	140,076	-	110,371	128,016
<u>2,207,471</u>	<u>5,940,047</u>	<u>2,464,697</u>	<u>3,073,686</u>	<u>4,955,084</u>	<u>10,762,487</u>
<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>	<u>26,152,246</u>
<u>(3,053,694)</u>	<u>(6,435,958)</u>	<u>(3,671,851)</u>	<u>(1,664,766)</u>	<u>(4,904,407)</u>	<u>(7,320,807)</u>
125,368	3,976	-	-	-	-
-	2,920,000	5,755,000	-	3,940,000	3,970,000
7,260	3,948	-	28,611	1,384,611	37,675
5,172,297	7,708,438	7,440,115	9,136,607	5,291,335	5,879,537
-	164,349	387,868	-	180,417	273,006
<u>(2,546,654)</u>	<u>(3,411,633)</u>	<u>(3,142,128)</u>	<u>(4,636,940)</u>	<u>(996,798)</u>	<u>(1,777,542)</u>
<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>8,382,676</u>
<u>(295,423)</u>	<u>953,120</u>	<u>6,769,004</u>	<u>2,863,512</u>	<u>4,895,158</u>	<u>1,061,869</u>
8.44%	3.23% (2)	11.36% (2)	4.48% (1)	6.01% (2)	8.04%

Table 5

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

<u>Fiscal Year</u>	<u>Property Tax (1)</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Hotel/Motel Occupancy Tax</u>	<u>Total</u>
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
2024	5,205,973	2,946,756	186,183	195,554	8,534,466

(1) Includes penalty and interest on delinquent taxes

Table 6

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

<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>
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 %
2024	1,292,126,166	93,259,874	457,301,449	928,084,591	0.6131	1,385,386,040	66.99 %

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

	City of Burnet			Overlapping Rates				Total Direct and Overlapping Rates
Fiscal Year	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)								
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
2024	0.4710	0.1421	0.6131	0.3111	0.0430	0.8742	0.0055	1.8469

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	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Entegris, Inc	\$ 13,228,937	1	0.95 %	\$		
Entegris, Inc	9,472,885	2	0.68 %			
R&L Partnership, LLC	7,535,483	3	0.54 %	2,340,930	6	0.41 %
Z Modular Marble Falls	7,079,967	4	0.51 %			
Atmos Energy/Mid-Tex Distr	4,671,386	5	0.34 %			
Judy & Thrasher, Inc	4,432,920	6	0.32 %	3,798,165	2	0.67 %
First State Bank of Burnet	4,187,688	7	0.30 %	1,927,237	7	0.34 %
Delaware Springs Ranch Inv, LLC	4,177,183	8	0.30 %	-		
Burnet Hotel, LLC	3,950,000	9	0.29 %			
Cox Stephen L	3,941,541	10	0.28 %			
ATMI Materials inc				21,389,809	1	3.79 %
MAHADEV LLC				2,434,010	4	0.43 %
Four Cooks Realty LLc				2,549,880	3	0.45 %
BJV Fox Holdings LP				1,699,802	10	0.30 %
Susser Petroleum Property Co				1,840,290	8	0.33 %
Fickett Franklin I Chariable Foundation				1,812,490	9	0.32 %
Hoover Building Supply, Inc				2,366,673	5	0.42 %
Totals	\$ <u>62,677,990</u>		<u>4.52 %</u>	\$ <u>42,159,286</u>		<u>7.47 %</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
2015	2,135,048	2,092,046	97.99	28,398	2,120,444	99.32
2016	2,222,953	2,182,536	98.18	28,646	2,211,182	99.47
2017 <sup>(1)</sup>	2,332,812	2,235,486	95.83	92,918	2,328,404	99.81
2018	2,596,423	2,545,204	98.03	36,957	2,582,161	99.45
2019	2,793,355	2,725,436	97.57	42,906	2,768,342	99.10
2020	3,056,024	3,004,098	98.30	42,346	3,046,444	99.69
2021	3,216,208 <sup>(2)</sup>	3,178,525	98.83	30,931	3,209,456	99.79
2022	3,591,240	3,545,050	98.71	76,230	3,621,280	100.84
2023	4,374,753	4,301,672	98.33	26,475	4,328,147	98.93
2024	5,215,591	5,087,911	97.55	-	5,087,911	97.55

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			
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
2024	14,905,000	774,733	114,924	15,030,000	230,007	-	31,054,664	11.50 %	817

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

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

Table 11

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

Fiscal Year	General Obligation Bonds	Premiums	Less: Amounts Available in Debt Service Fund	Total	Percentage of Taxable Value (1) of Property	Per Capita (2)
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
2024	14,905,000	774,733	389,650	15,290,083	1.65%	2,154

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

Table 12

**City of Burnet, Texas**  
**Direct and Overlapping Governmental Activities Debt**  
**General Obligation Bonds and Lease Liabilities**  
(Unaudited)  
September 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
City of Burnet	\$ <u>15,794,657</u> (1)	100.00 %	\$ <u>15,794,657</u>
Total direct	<u>15,794,657</u>		<u>15,794,657</u>
Overlapping:			
Burnet Consolidated Independent School District	50,620,000	19.88 %	10,063,256
Burnet County	<u>28,620,000</u>	6.95 %	<u>1,989,090</u>
Total overlapping	<u>79,240,000</u>		<u>12,052,346</u>
Total direct and overlapping debt	\$ <u><u>95,034,657</u></u>		\$ <u><u>27,847,003</u></u>

Source: City of Burnet, MAC of Texas Report

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.



Table 13

**City of Burnet, Texas**  
**Computation of Maximum Debt Margin**  
(Unaudited)  
September 30, 2024

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 2024 tax roll	\$ 928,084,591
Limit on amount designated for debt service	<u>1.50%</u>
Legal debt limit	\$ <u>13,921,269</u>
Actual amount expended for general obligation debt service during the year ended September 30, 2024	\$ <u>1,832,076</u>

Table 14

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

Fiscal Year	Gross Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest	Total	Coverage
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
2024	4,902,786	2,419,675	2,483,111	850,000	81,875	931,875	2.66

Source: Finance Department, City of Burnet, Texas

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

Table 15

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

Fiscal Year	Gross Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest	Total	Coverage
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
2024	11,195,759	7,105,811	4,089,948	50,000	1,500	51,500	79.42

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			
	2015	2016	2017	2018
Operating and Nonoperating Revenue:				
Charges for Services	\$ 9,841,737	8,463,572	8,457,602	9,007,547
Misc.	<u>85,170</u>	<u>67,836</u>	<u>64,632</u>	<u>60,293</u>
Total	<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>\$ 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>	<u>2024</u>
9,069,036	8,824,263	9,056,485	10,318,679	10,106,828	11,062,536
<u>217,310</u>	<u>675,453</u>	<u>70,116</u>	<u>117,335</u>	<u>126,733</u>	<u>133,223</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>11,195,759</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>	<u>7,105,811</u>

Table 17

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

Customer	Customer Type	2024			2015		
		Annual Sales	Rank	Percentage of Total Sales	Annual Sales	Rank	Percentage of Total Sales
Entegris	Manufacturing	\$ 1,139,019	1	10.30%	\$ 989,149	1	10.05%
Burnet CISD Schools*	Public Education	648,606	2	5.86%	638,326	2	6.49%
Seton HealthCare	Medical Facility	286,228	3	2.59%	291,755	6	2.96%
H.E.B #433	Grocery	232,190	4	2.10%	262,650	7	2.67%
Sure Cast	Manufacturing	225,164	5	2.04%	378,016	4	3.84%
Burnet Co Correctional Facility	Local Government	212,178	6	1.92%	348,566	5	3.54%
TDCJ-Utilities Energy	State Government	195,315	7	1.77%	463,623	3	4.71%
7-Eleven	Convenience Store	78,602	8	0.71%	-	-	-
McDonald's	Fast Food Rest.	93,548	9	0.85%	-	-	-
Circle K	Convenience Store	88,357	10	0.80%	-	-	-
Repro-Lon	Manufacturing	-	-	-	158,507	8	1.61%
COB Sewer Dept	Local Government	-	-	-	146,275	9	1.49%
Burnet County	Local Government	-	-	-	131,109	10	1.33%
Totals		\$ 3,199,207		28.92%	\$ 3,807,977		38.69%

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

\*Includes 4 locations - 1000 The Green Mile, 1401 N Main, 504 E Graves, and 111 Shady Grove.

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)
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%
2024	7,100	269,856,800	38,008	3,262	2.70%

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	2024		2015	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Burnet CISD	510	20.04%	451	24.19%
Burnet County	401	15.76%	302	16.20%
Entegris*	248	9.74%	*	*
City of Burnet	154	6.05%	115.5	6.19%
YMCA of the Highland Lakes	64	2.51%	46.00	2.47%
Stealth Products	122	4.79%	140	7.51%
Seton Highland Lakes	240	9.43%	293	15.71%
Texas Dept. of Criminal Justice	94	3.69%	129	6.92%
H-E-B	673	26.44%	335	17.97%
Sure Cast	39	1.53%	53	2.84%
Total	<u>2,545</u>	<u>100.00%</u>	<u>1,865</u>	<u>100.00%</u>

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

Notes: \*Employer was not able to provide the 2015 information

Table 20

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration	5.75	6.25	6.75	7	7.25	7.5	9.5	9.5	9.5	13
Engineering	0	0	0	0	0	0	0	0	2	2
Municipal Court	1	1	1	0.5	1	1	1	1	1	1
Planning & Zoning	2.8	3.2	3.2	3	4	4	4	4	3	2
Economic Development	0.75	0.75	1.5	0.75	0	0	0	0	0	0
Police Department	18	18	18	19.5	22	21	25	24	26	25
Streets Department	6.5	6.25	7.75	7.75	8.75	8.75	10.75	10.75	10.75	10.75
Parks Department	7.5	7.85	7.25	7.25	7.75	7.75	9.75	9.75	9.75	9.75
Airport	0.7	0.8	0.8	1.75	1.5	1.5	1.5	1.5	1.5	0
Fire Department	30	30	30	30	33	33	33	33	33	37
Electric Department	11.5	11	10	10.5	10.5	10.5	10.75	10.75	11.25	12.25
Water/Wastewater Department	15.5	16	15.75	15.5	15.5	15.5	19.75	18.75	18.25	18.25
Golf Course	15.5	15.9	15	15	17	12	19.2	27	29	23
Total	<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>	<u>154</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			
	2015	2016	2017	2018
<b>General government</b>				
Building permits issued	282	356	297	306
Building inspections conducted	1,027	1,337	1,066	836
<b>Police</b>				
Calls for Service	8,845	8,110	7,548	8,024
Assistance to Citizens	128	130	213	94
Miles Driven	139,734	127,933	136,166	151,732
Offense Reports	1,025	1,075	1,035	911
Physical arrests	318	318	484	400
Traffic violations	2,259	2,637	3,205	3,453
<b>Fire/EMS</b>				
Fire-Number of Calls City	557	715	816	844
EMS- Total number of Calls	4,347	4,893	4,150	4,370
Inspections	149	240	240	212
<b>Water/Wastewater</b>				
Effluent- Reclaimed Water (millions of gallons)	195.167	234.876	216.659	213.790
Average daily sewage treatment (millions of gallons)	0.53	0.64	0.59	0.59
Total Consumption Lake/Ground Water (millions of gallons)	351.440	298.094	324.233	319.341
Average daily consumption (millions of gallons)	0.963	0.817	0.888	0.875
<b>Golf Course</b>				
Rounds of Golf	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	2024
291	309	400	386	365	252
983	1,099	1714	2292	1675	1308
8,737	9,940	11667	11221	11973	12084
16	*	*	261	138	783
126,866	124,920	156,715	160,000	160,000	160,000
845	857	956	1179	852	1195
340	346	330	519	475	657
2,677	3,004	4668	4401	4715	5639
852	511	376	338	197	387
4,321	3,964	4755	4569	4139	1513
226	63	71	69	52	55
220.610	190.948	199.434	200.000	209.840	269.200
0.60	0.52	0.518	0.547	0.57	0.608
308.8	354.647	340.091	398	404.3	446.6
0.846	0.972	0.821	1.09	1.1	0.95
20,215	20,514	25,656	27,630	28,679	28,261

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

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

Source: Various City of Burnet Department's Scorecard Reports



Table 22

2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
22	20	24	24	23	19
2	2	2	2	2	2
117	117	117	117	117	117
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	1
2,557	2,670	2,759	2,771	2,839	2,870
62	60	62	64	66	69
4	3	3	3	3	3
414	425	425	450	471	471
2.88	3.60	3.60	3.60	3.60	3.60
2,332	2,395	2,395	2,487	2,555	2,591
52	50	52	54	55	58
12	12	12	12	12	12
1.7	1.7	1.7	1.7	1.7	1.7
3,073	3,143	3,211	3,287	3,652	3,405

**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, 2024

**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, 2024, 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, 2025.

***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, 2025



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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, 2024. 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, 2024.

***Basis for Opinion on Each 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, 2024, 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, 2025, 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, 2025

**City of Burnet, Texas**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2024**

(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?	<u>      </u> yes	<u>  x  </u> no
o Significant deficiency(ies) identified?	<u>      </u> yes	<u>  x  </u> none reported

Noncompliance material to financial statements noted?

<u>      </u> yes	<u>  x  </u> no
-------------------	-----------------

**Federal Awards**

Internal control over major programs:

o Material weakness(es) identified?	<u>      </u> yes	<u>  x  </u> no
o Significant deficiency(ies) identified?	<u>      </u> yes	<u>  x  </u> 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) ?

<u>      </u> yes	<u>  x  </u> 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?

<u>  x  </u> yes	<u>      </u> no
------------------	------------------

**City of Burnet, Texas**

**Schedule 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, 2024**

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	\$ -	3,302,836
Total Passed Through Texas Department of Housing and Community Affairs			-	3,302,836
Total U.S. Department of Housing and Urban Development			-	3,302,836
Total Expenditures of Federal Awards			\$ -	3,302,836

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, 2024

### (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, 2024. 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, 2024:

Expenditures per the Schedule of Federal Awards	\$ 3,302,836
State grant award	95,134
Other intergovernmental revenue - charges for services provided for EMS and other	<u>1,111,405</u>
Total intergovernmental revenue per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 4,509,375</u>



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March 25, 2025

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, 2024, and have issued our report thereon dated March 25, 2025. 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 October 3, 2024, 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 the system 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 system of 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**

We have identified the following significant risks:

1. Management override of controls – This is a presumed risk for all audit engagements.
2. Net pension and total other post-retirement employee benefit (“OPEB”) liabilities and their related deferred outflows and inflows of resources – This is a significant accounting estimate which involves a higher degree of uncertainty and subjectivity as well as reliance on completeness and accuracy of census data provided to a third-party actuary.

## **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 2024. 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 and Related Disclosures*

Accounting estimates and related disclosures 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 the actuarial assumptions used in pensions and other post-employment benefits ("OPEB") liabilities and related deferred inflows and outflows. 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 to convert from the modified accrual to full accrual basis of accounting for proprietary funds and the Burnet Economic Development Corporation and others that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

- Properly recognize gain on sales of properties held for resale by the Burnet Economic Development Corporation.
- Adjust beginning fund balance / net position for the general fund, electric fund, and water and sewer fund to audited amounts from prior year.
- Properly recognize transfers from general fund to general capital projects for capital projects funded with local funds.
- Adjust pension and OPEB liabilities and related deferred inflows and outflows to amounts provided by consulting actuaries.
- Properly recognize depreciation expense for 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

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

March 25, 2025

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, 2024, 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 that, in 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 consider necessary for the purpose of appropriately informing ourselves as of March 25, 2025:

## **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 3, 2024, 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 are 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 the 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; and
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures 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.
25. There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

**Information Provided**

26. 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.

27. 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.

28. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

29. 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.

30. 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.

31. 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.

32. 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.

33. 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.
34. 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.
35. 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.
36. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
37. 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.
38. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
39. The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
40. We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
41. 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.
42. 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.

43. 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.
44. 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.
45. 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**

46. 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:
  - a. We acknowledge our responsibility for the presentation of the RSI in accordance with U.S. GAAP;
  - b. We believe the RSI, including its form and content, is fairly presented in accordance with U.S. GAAP;
  - c. The methods of measurement or presentation have not changed from those used in the prior period; and
  - d. The significant assumptions or interpretations underlying measurement or presentation of the RSI and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

#### **Supplementary Information**

47. With respect to the schedule of federal awards and the other supplementary information as listed in the table of contents (collectively, "the supplementary information") accompanying the financial statements :
  - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP;
  - b. We believe the supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP;
  - c. The methods of measurement or presentation have not changed from those used in the prior period; and



- d. 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.
- e. 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

48. 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.

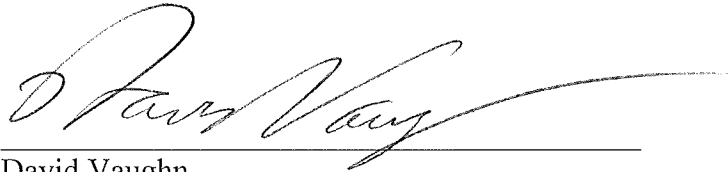
- u. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the 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 from these service organizations relating to noncompliance at the City.
- x. We have reviewed, approved, and taken responsibility for the financial statements, related notes, and the schedule of expenditures of federal awards, and have an acknowledgment of the auditor's role in the preparation of this information.
- y. We have reviewed, approved, and taken responsibility for adjustments to convert to the government-wide financial statements and have an acknowledgement of the auditor's role in the preparation of the adjustments to convert to the government-wide financial statements.
- 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.

In addition:

- 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

A handwritten signature in cursive script, reading "David Vaughn", written over a horizontal line.

David Vaughn  
City Manager

A handwritten signature in cursive script, reading "Patricia Langford", written over a horizontal line.

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

## Summary of Uncorrected Misstatements - General Fund

		<i>Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement</i>					
		<i>Total Assets and Deferred Outflows</i>	<i>Total Liabilities and Deferred Inflows</i>	<i>Fund Balance</i>	<i>Revenues and Other Financing Sources</i>	<i>Expenditures and Other Financing Uses</i>	<i>Net Change in Fund Balance</i>
Amounts Per Financial Statements		12,257,500	1,190,599	11,066,901	16,992,380	15,395,951	1,596,429
Effect of Current Period Uncorrected Misstatements		(94,200)	(4,000)	(90,200)	(90,000)	-	(90,000)
Effect of Prior Period Uncorrected Misstatements					20,000	-	20,000
Net Effect of Uncorrected Misstatements		(94,200)	(4,000)	(90,200)	(70,000)	-	(70,000)
<i>No.</i>	<i>Description</i>						
1	Understatement of accrued franchise tax revenues and related deferred inflow - historically not accrued by the City	(94,200)	(72,000)	(22,200)	(22,000)	-	(22,000)
2	Overstatement of unavailable property taxes - City does not recognize 60 day collections.	-	68,000	(68,000)	(68,000)	-	(68,000)

## Summary of Uncorrected Misstatements - Debt Service 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		769,705	380,055	389,650	1,232,522	1,088,545	143,977
Effect of Current Period Uncorrected Misstatements		-	12,240	(12,240)	(12,240)	-	(12,240)
Effect of Prior Period Uncorrected Misstatements					-	-	-
Net Effect of Uncorrected Misstatements		-	12,240	(12,240)	(12,240)	-	(12,240)
<i>No.</i>	<i>Description</i>						
1	Overstatement of unavailable property taxes - City does not recognize 60 day collections.	-	12,240	(12,240)	(12,240)	-	(12,240)

### 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		7,871,427	1,145,874	6,725,553	9,129,239	9,810,620	(681,381)
Effect of Current Period Uncorrected Misstatements		-	(81,800)	81,800	-	(81,800)	81,800
Effect of Prior Period Uncorrected Misstatements					-	(44,400)	44,400
Net Effect of Uncorrected Misstatements		-	(81,800)	81,800	-	(126,200)	126,200
<i>No.</i>	<i>Description</i>						
1	Understatement of accrued retainage for construction contract - City recognizes expense when cash is paid.	-	(81,800)	81,800	-	(81,800)	81,800

## Summary of Uncorrected Misstatements - Electric Fund

Amounts Per Financial Statements Effect of Current Period Uncorrected Misstatements Effect of Prior Period Uncorrected Misstatements Net Effect of Uncorrected Misstatements		Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement					
		Total Assets and Deferred Outflows	Total Liabilities and Deferred Inflows	Net Position	Revenues and Transfers In	Expenses and Transfers Out	Change in Net Position
		9,005,145	1,467,405	7,537,740	11,267,370	10,076,985	1,190,385
		45,700	-	45,700	-	(45,700)	45,700
					-	(84,500)	84,500
		45,700	-	45,700	-	(130,200)	130,200
No.	Description						
1	Results of test counts for inventory - projected estimate of overstatement of inventory.	19,500	-	19,500	-	(19,500)	19,500
2	Results of subsequent collection testwork - projected estimate of allowance for bad debts.	26,200	-	26,200	-	(26,200)	26,200



## 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		42,783,179	18,903,638	23,879,541	19,170,003	17,875,359	1,294,644
Effect of Current Period Uncorrected Misstatements		45,700	-	45,700	-	(45,700)	45,700
Effect of Prior Period Uncorrected Misstatements					167,275	(84,500)	251,775
Net Effect of Uncorrected Misstatements		45,700	-	45,700	167,275	(130,200)	297,475
<i>No.</i>	<i>Description</i>						
1	Results of price test for inventory - projected estimate of overstatement of inventory.	19,500	-	19,500	-	(19,500)	19,500
2	Results of subsequent collection testwork - projected estimate of allowance for bad debts.	26,200	-	26,200	-	(26,200)	26,200

## 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		74,226,929	26,331,293	47,895,636	23,165,150	16,403,434	6,761,716
Effect of Current Period Uncorrected Misstatements		(94,200)	(81,800)	(12,400)	(94,200)	(81,800)	(12,400)
Effect of Prior Period Uncorrected Misstatements					249,675	44,400	205,275
Net Effect of Uncorrected Misstatements		(94,200)	(81,800)	(12,400)	155,475	(37,400)	192,875
<i>No.</i>	<i>Description</i>						
1	Understatement of accrued franchise tax revenues - historically not accrued by the City	(94,200)	-	(94,200)	(94,200)	-	(94,200)
2	Understatement of accrued retainage for construction contract - City recognizes expense when cash is paid.	-	(81,800)	81,800	-	(81,800)	81,800



# DELAWARE SPRINGS QUARTERLY REPORT

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# Driving Range Mats





# Limestone



# Water Cooler





## Pro Shop Yard - Pro Shop Fence





QUESTIONS ?



# BURNET FIRE DEPARTMENT

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**2024 ANNUAL REPORT**



## Incident Response per shift and station

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- A Shift: 1,614
- B Shift: 1,605
- C Shift: 1,619
- Total: 4,838
- ❖ Central station: 2,600
- ❖ Station 2: 1,308
- ❖ Bertram Station: 930
- ❖ Total 4,838





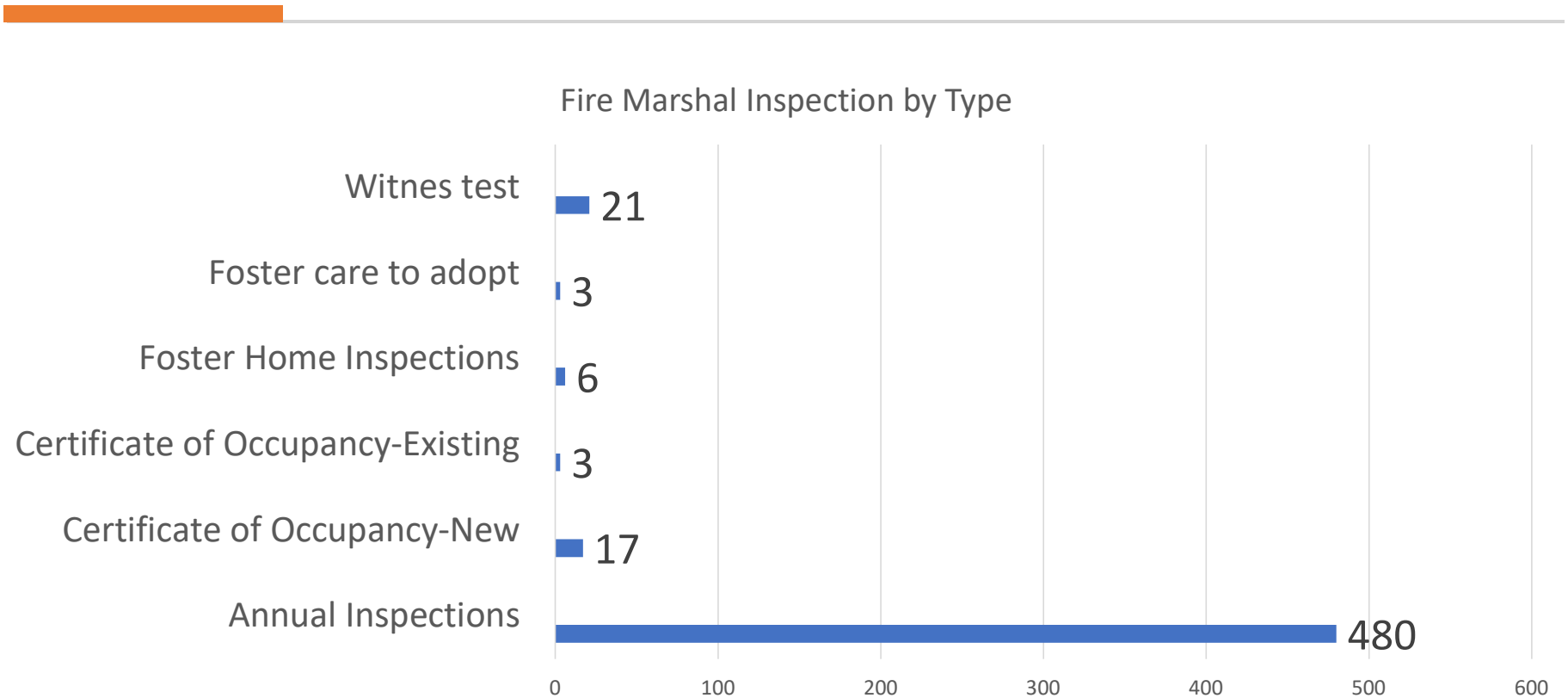
## EMS calls by type

- Cardiac 633
- Respiratory 277
- Stroke/Seizures 184
- All other EMS related calls 3,393

## Patient transport milage by month

Oct-23	Nov-23	Dec-23	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Total Miles
7,653	7,042	8,141	8,131	6,674	15,572	11,858	7,114	7,175	7,757	7,213	6,414	100,744

# Fire Marshal Inspections by Type



TRIPS\*

In 2024, your fleet has traveled over

**236,342 miles**

That's 9 times around the globe!

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**5,936 hours**

The total time your fleet spent on  
the road



---

**224 miles**

The longest trip traveled by one of  
your assets





- Questions?



ITEM 5-5.



City Council  
Regular Meeting

April 8, 2025

# ENGINEERING/PW REPORT





ITEM 5-5.



# Street Paving

Completed:  
Paving: 2.3 Miles







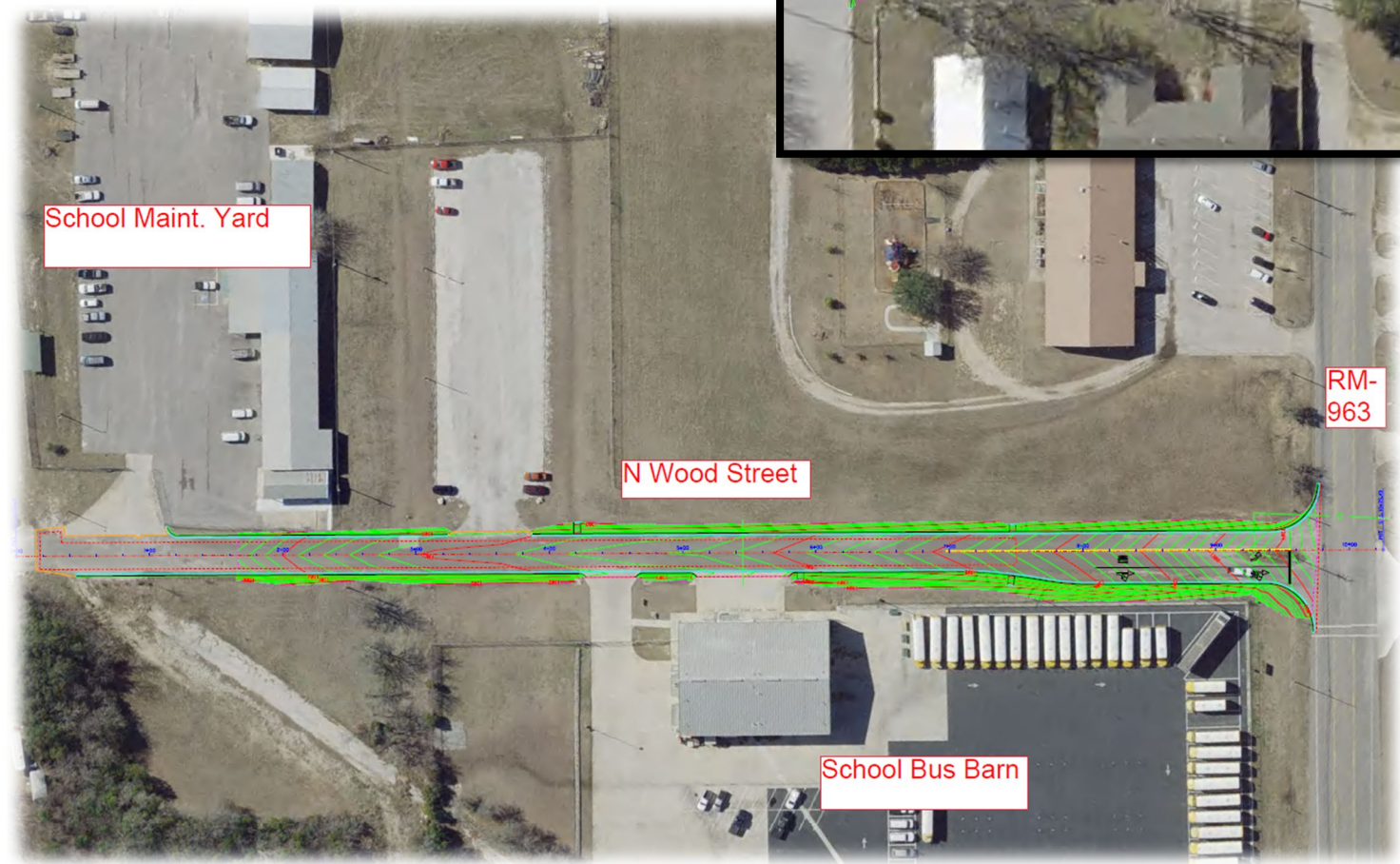


ITEM 5-5.



# Street Paving

Summer/Fall:  
N Wood St  
Northington  
N Boundary





# Development Review

---

15 development reviews (includes re-reviews)

---

28 total reviews

---

22 comment letters issued

---

Creekfall 4, Comm Natl. Bank, Carefile,  
Caseys, Stojani's, Delaware Commercial





ITEM 5-5.



# Street Dept.



Pavement Prep:  
Road Sealing  
9.8 Miles  
Burnet-Marble only 5 Mil



ITEM 5-5.



# Street Dept.

## Pavement Prep: Patching







# Water/WW Dept.

Math Problem:

- Fence in the front Yard
- +
- Overgrown trees in Utility Easement
- =
- Sewer Replacement





# Water/WW Dept.

If you hit a Fire Hydrant twice;  
you may hit bollards the third  
time

- This FH was hit on Del Springs
- Considerable Water Loss



## Fire Hydrant Replacements

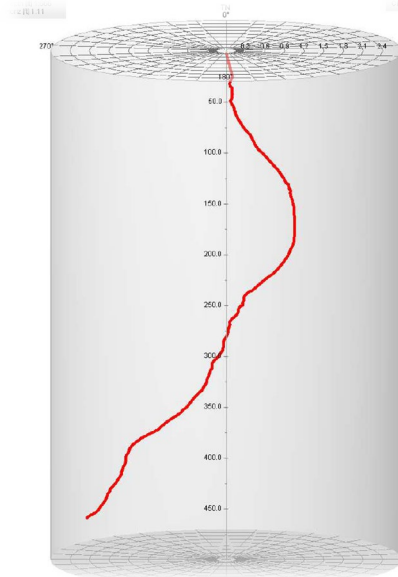




# Water/WW Dept.

New Pump: Hoped 180' but ended up at 150'.

- Producing 850 gallons per minute.
- Need 450 gallons per minute this season



## Cheatham Well

ITEM 5-5.



## Cheatham Well Piping

# Water/WW Dept.







ITEM 5-5.

# Electric Dept.

Over 400' or underground electric



Hotel Electric





# Electric Dept.

Over 850' of Overhead Electric  
Relocated Underground

- Spectrum
- Vyve
- Frontier
- ATT (911)

City Hall Electric





ITEM 5-5.



# Electric Dept.

What goes up

Must come down



Christmas Lights





ITEM 5-5.



## Parks Dept.

### Wallace Riddell: New Bathroom Ball Fields







## Meet Matt

# Parks Dept.

### Assistant Parks Superintendent

- Restroom facilities have been upgraded.
- Ball fields are in great shape.
- Little League is so grateful that Matt will be throwing the first pitch of the season.

Matt, a true modern-day cowboy, has a passion for ranching.

A big thank you to Matt and the Parks Crew!



ITEM 5-5.



# Questions?





## Presentation Brief

### **Meeting Date**

April 8, 2025

### **Presentation**

Presentation of the TDA Form A1024 CDBG Section 3 Program Goals Presentation for the TxCDBG Project CDV23-0311 (Wofford Street Waterline Improvements)

### **Information**

TDA issued a revised Section 3 Rule, Policy Issuance CDBG 20-01 on July 1, 2021 that now applies to all projects receiving CDBG funds. As part of this policy issuance, localities are required to present the Section 3 CDBG program goals in a City Council meeting. The intent of the Section 3 Program goals is to promote economic opportunities for low and very low-income persons in projects using CDBG funds.

HUD published a final rule updating requirements related to Section 3 of the Housing and Urban Development Act of 1968, as amended, which became effective on November 30, 2020. The Texas Department of Agriculture issued Policy Issuance CDBG 20-01 on July 1, 2021 to update the Section 3 requirements within the CDBG Implementation Manual. The purpose of the final rule is to improve the reporting and promotion of economic opportunities for low- and very low-income persons in projects using CDBG funds.

### **Recommendation**

Hear presentation from Adrienne Feild regarding Form A1024.

**CITY OF BURNET**

**A1024 Section 3 Presentation:  
City of Burnet CDV23-0311  
Wofford Street Waterline Improvements**

**City Council Regular Meeting  
April 8, 2025**

Presentation of the TDA Form A1024 CDBG Section 3 Program Goals Presentation for the TxCDBG Project CDV23-0311 (Wofford Street Waterline Improvements): A. Feild



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## CITY OF BURNET

### A1024 Section 3 Presentation: City of Burnet CDV23-0311 Wofford Street Waterline Improvements

The City of Burnet recently received the following grant award:

- Grant Contract No. Burnet CDV23-0311
- Award Amount: \$500,000
- Project: Water Improvements - The proposed project will enable the City to maintain the water supply in the event that this water plant is out of service by upsizing the transmission water line. This includes two thousand four hundred linear feet (2,400 LF) of sixteen-inch (16") transmission waterline, road reconstruction and additional associated items.



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## CITY OF BURNET

### A1024 Section 3 Presentation: City of Burnet CDV23-0311 Wofford Street Waterline Improvements

The grant is funded through the Community Development Block Grant, via:

- U.S. Department of Housing and Urban Development

And

- Texas Department of Agriculture



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## CITY OF BURNET

### A1024 Section 3 Presentation: City of Burnet CDV23-0311 Wofford Street Waterline Improvements

#### Section 3 Concepts

- As a condition of funding, the City of Burnet must comply with Section 3 of the Housing and Urban Development Act of 1968.
- To the greatest extent feasible, Grant Recipients must direct economic opportunities generated by CDBG funds to low- and very low-income persons.



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## CITY OF BURNET

### A1024 Section 3 Presentation: City of Burnet CDV23-0311 Wofford Street Waterline Improvements

#### Section 3 Concepts

In part, this means ensuring that:

- Section 3 Businesses have the information to submit a bid or proposal for the project; and
- Section 3 Workers have information about any available job opportunities related to the project.

For precise definitions, see TxCDBG Policy Issuance 20-01



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## CITY OF BURNET

### A1024 Section 3 Presentation: City of Burnet CDV23-0311 Wofford Street Waterline Improvements

#### Section 3 Business

A company may qualify as a Section 3 Business if:

- it is owned by low-income persons;
- it is owned by Section 8 assisted housing residents; or
- 75% of all labor hours for the business in a 3-month period are performed by Section 3 Workers

Register at:

- HUD's Section 3 website: <https://ddoct.org/hud-section-3-opportunity-portal/>
- Certify as a Section 3 Business (Form A1023)



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## CITY OF BURNET

### A1024 Section 3 Presentation: City of Burnet CDV23-0311 Wofford Street Waterline Improvements

#### Section 3 Business

This project is expected to include the following contracting opportunities:

- Grant Administration services – GrantWorks Inc.
- Engineering Services – Goodwin-Lasiter, INC
- Prime Contractor for Water/Sewer Improvements – Burnet



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## CITY OF BURNET

### A1024 Section 3 Presentation: City of Burnet CDV23-0311 Wofford Street Waterline Improvements

#### Section 3 Worker

You may qualify as a Section 3 Worker if:

- Your annual income is below the county threshold for your family size:
- You are a current or recent Youthbuild participant

Register your information and search for opportunities at:

- [WorkInTexas.com](https://www.WorkInTexas.com)



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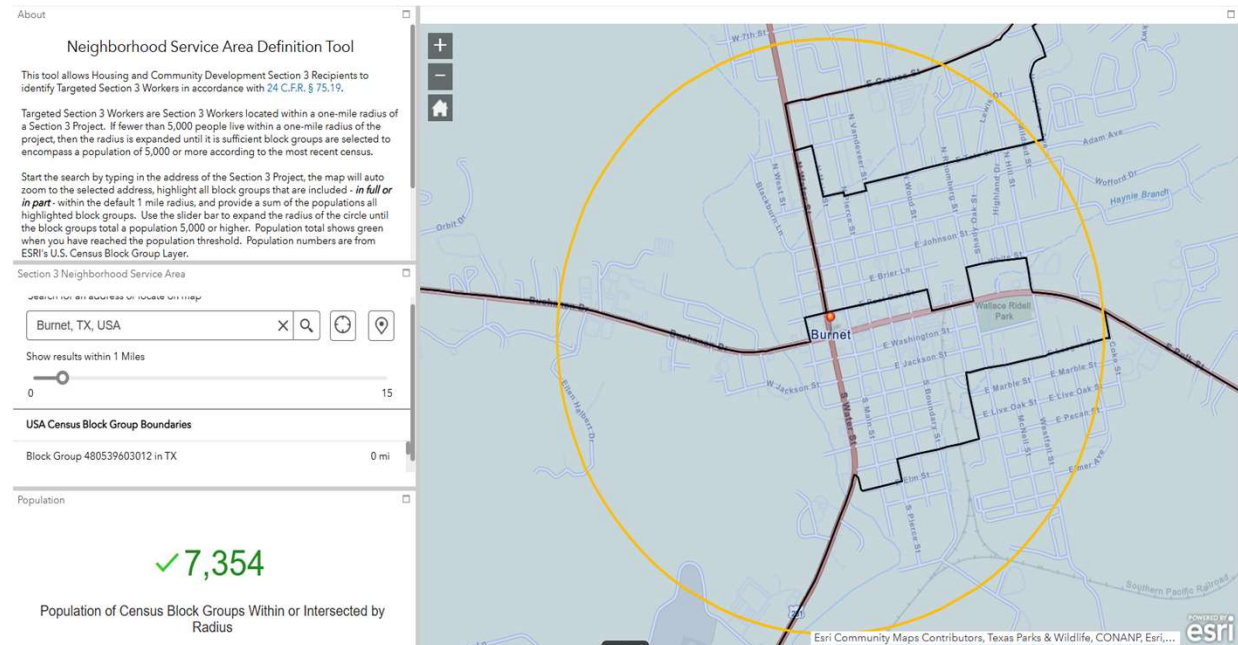
## CITY OF BURNET

### A1024 Section 3 Presentation: City of Burnet CDV23-0311 Wofford Street Waterline Improvements

#### Targeted Section 3 Worker

Section 3 Workers that reside near the project location may also qualify as Targeted Section 3 Workers.

For this project, that service area is defined by this map:



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## CITY OF BURNET

### A1024 Section 3 Presentation: City of Burnet CDV23-0311 Wofford Street Waterline Improvements

#### Recordkeeping

The City of Burnet will track all hours worked on the project based on the three categories of workers.

This will require collection of certain income information.



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## CITY OF BURNET

### A1024 Section 3 Presentation: City of Burnet CDV23-0311 Wofford Street Waterline Improvements

#### For More Information

##### **TxCDBG Policy Issuance 20-01**

Link: REVISED Policy Issuance 20-01 Section 3 v1.pdf ([texasagriculture.gov](https://www.texasagriculture.gov))

##### **24 CFR Part 75**

Link: Electronic Code of Federal Regulations (eCFR)



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

On this the 4<sup>th</sup> day of March 2025, the City Council of the City of Burnet convened in a Workshop Session, at 11:30 a.m. at 229 S. Pierce, Burnet, TX thereof with the following members present, to-wit:

Mayor	Gary Wideman
Council Members	Tommy Gaut, Philip Thurman, Tres Clinton, Joyce Laudenschlager, and Ricky Langley
Absent	Cindia Talamantez
City Manager	David Vaughn
City Secretary	Maria Gonzales

Guests: Jill Disler, Patricia Langford, Keith McBurnett

Call to Order: Mayor Gary Wideman called the meeting to order at 11:30 a.m.

CONSIDERATION ITEMS:

2.1 Discuss and Consider: Council's goals and priorities, including capital projects, strategic planning, and service levels.

Council members discussed a range of goals and priorities alongside those identified in the citizen survey reflecting the perspectives and needs of Burnet residents. Topics included restaurants, cohesive development, beautification, water quality, city park improvements, transportation concerns, and strategic planning.

EXECUTIVE SESSION: None.

RECONVENE TO REGULAR SESSION FOR POSSIBLE ACTION:

REQUESTS FROM COUNCIL FOR FUTURE REPORTS: In accordance with Resolution R2020-28 councilmembers may request the City Manager to prepare and present future reports on matters of public interest: None.

ADJOURN: There being no further business, the workshop was adjourned at 2:20 p.m.

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Gary Wideman, Mayor

**ATTEST:**

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Maria Gonzales, City Secretary

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

On this the 24<sup>th</sup> day of March 2025, the City Council of the City of Burnet convened in Regular Session, at 6:00 p.m. in the City of Burnet Council Chambers, located at 2402 S. Water, Burnet, TX thereof with the following members present, to-wit:

Mayor	Gary Wideman
Council Members	Cindia Talamantez, Tommy Gaut, Philip Thurman, Joyce Laudenschlager, and Ricky Langley
Absent	Tres Clinton
City Manager	David Vaughn
City Secretary	Maria Gonzales

Guests: Eric Belaj, Jessi Carpenter, Jill Disler, Jonathan Forsyth, Veronica Hernandez, Patricia Langford, Keith McBurnett, Thad Mercer, Tony Nash, Andrew Scott, Jacob Thomas, Gary Grumoli

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

INVOCATION: Led by Mayor Wideman

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

#### Special Reports/Recognition

5.1) Burnet Fire Department Quarterly Report: M. Ingram: No report given.

5.2) Finance Monthly Report: P. Langford: Finance Director, Patricia Langford, provided a brief review of the City's budget for the month of February. Mrs. Langford stated that the City is in great financial shape overall with the general fund reporting a balance of over \$2.8 million. This year's sales tax contribution has seen a 9% increase this year, in part due to a one-time audit adjustment. Other funds, such as Golf, Electric, Water/Wastewater, and Airport are all doing well and tracking on target. Mrs. Langford reported that the Unrestricted Cash Reserve Balance is \$4,336,543 and the Restricted by Council Cash Balance is \$5,134,348. Council Member Philip Thurman requested a financial report on the new City Hall building.

#### CONSENT AGENDA:

6.1) Approval of the March 11, 2025 Joint Workshop Minutes

Approval of the March 11, 2025 Regular Meeting Minutes

Council Member Ricky Langley moved to approve the consent agenda as presented. Council Member Joyce Laudenschlager seconded the motion. The motion carried unanimously.

#### PUBLIC HEARINGS/ACTION:

None.

#### ACTION ITEMS:

8.1) Discuss and consider action: Approval of removal of the bleachers at the YMCA gymnasium: G. Grumoli

Council Member Ricky Langley made a motion to approve and authorize the removal of the bleachers at the YMCA gymnasium if feasible without significant damage to the wall and flooring. Council Member Joyce Laudenschlager seconded the motion. The motion carried unanimously.

8.2) Discuss and consider action: Resolution No. R2025-19: J. Forsyth

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, DECLARING THE PURCHASE OF BADGER METERS TO BE A SOLE SOURCE ACQUISITION

Council Member Philip Thurman made a motion to approve Resolution No. R2025-19 as presented. Council Member Tommy Gaut seconded the motion. The motion carried unanimously.

8.3) Discuss and consider action: Resolution No. R2025-22: J. Forsyth

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE PURCHASE OF ELECTRIC METERS NECESSARY TO ENSURE CONTINUITY OF SERVICE AND OPERATIONAL EFFICIENCY; AND PROVIDING FOR AN EFFECTIVE DATE

Council Member Tommy Gaut made a motion to approve Resolution No. 2025-22 as presented. Council Member Cindia Talamantez seconded the motion. The motion carried unanimously.

8.4) Discuss and consider action: Resolution No. R2025-21: T. Nash

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE USE OF COUNCIL RESTRICTED FUNDS FOR A RELOCATION OF AN IRRIGATION LINE AT DELAWARE SPRINGS GOLF COURSE.

Council Member Joyce Laudenschlager made a motion to approve Resolution No. R2025-21 as presented. Council Member Tommy Gaut seconded the motion. The motion carried unanimously.

8.5) Discuss and consider action: Approval and authorization to purchase vehicles for the Building Department and the new Juvenile Investigator position: B. Lee

Council Member Philip Thurman made a motion to approve and authorize the purchase of one vehicle for the Building Department and one for the Juvenile Investigator position for an amount not to exceed \$126,553. Council Member Ricky Langley seconded the motion. The motion carried unanimously.

8.6) Discuss and consider action: Resolution No. R2025-20: E. Belaj

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, SELECTING A PROPOSAL UNDER REQUEST FOR PROPOSAL 2025-001; AWARDING A CONTRACT

TO SAID PROPOSER AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT ON BEHALF OF THE CITY

Council Member Joyce Laudenschlager made a motion to approve Resolution No. R2025-20 as presented. Council Member Philip Thurman seconded the motion. The motion carried.

EXECUTIVE SESSION:

9.1) Executive Session: The City of Burnet City Council shall meet in Executive Session in accordance with 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

Council Member Joyce Laudenschlager made a motion at 6:43 p.m. to convene into Executive Session. Council Member Philip Thurman seconded the motion. The motion carried unanimously.

RECONVENE TO REGULAR SESSION FOR POSSIBLE ACTION:

10.1) 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

At 6:53 p.m. Council Member Philip Thurman made a motion to reconvene to regular session. Council Member Joyce Laudenschlager seconded the motion. The motion carried unanimously.

Mayor Gary Wideman made a motion to confirm the City Manager's appointment of Keith McBurnett to serve as Acting City Manager during times of absence or disability of the City Manager. Council Member Tommy Gaut 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 reports on matters of public interest:

None.

ADJOURN: There being no further business, a motion to adjourn was made by Mayor Gary Wideman at 6:54 p.m. and seconded by Council Member Cindia Talamantez. The motion carried unanimously.

---

Gary Wideman, Mayor

**ATTEST:**

---

Maria Gonzales, City Secretary



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

On this the 25<sup>th</sup> day of March 2025, the City Council of the City of Burnet convened in a Workshop Session, at 7:30 a.m. at 216 S. Main Street, Burnet, TX thereof with the following members present, to-wit:

Mayor	Gary Wideman
Council Members	Tommy Gaut, Philip Thurman, Joyce Laudenschlager, and Ricky Langley
Absent	Cindia Talamantez and Tres Clinton
City Manager	David Vaughn
City Secretary	Maria Gonzales

Guests: Jill Disler, Patricia Langford, Keith McBurnett

Assistant to the City Manager began the meeting at 7:30 a.m.

**CONSIDERATION ITEMS:**

2.1) Discuss and Consider: Council's goals and priorities, including capital projects, strategic planning, mission, vision, and service levels.

Assistant to the City Manager, Keith McBurnett, led the Council members through a structured brainstorm and ranking activity to identify the Council's priorities and goals. Council members took into consideration input from previous workshops, as well as a summary from the community priority surveys that citizens submitted. Top priorities identified include: Beautification, Tourism, Parks & Recreation, Smart Growth, Downtown Square, Water Quality & Quantity, Infrastructure, Staff Retention, Street Improvement Plan, Public Safety, Master Plan, Transparency, and Transportation. Council will continue to discuss and define their priorities for the community.

**EXECUTIVE SESSION:** None.

**RECONVENE TO REGULAR SESSION FOR POSSIBLE ACTION:**

**REQUESTS FROM COUNCIL FOR FUTURE REPORTS:** In accordance with Resolution R2020-28 councilmembers may request the City Manager to prepare and present future reports on matters of public interest: None.

**ADJOURN:** The meeting concluded at 10:00 a.m.

\_\_\_\_\_  
Gary Wideman, Mayor

**ATTEST:**

\_\_\_\_\_  
Maria Gonzales, City Secretary



## Item Brief

### **Meeting Date**

April 8, 2025

### **Agenda Item**

Public hearing and action: Ordinance No. 2025-16: L. Kimbler

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 REZONING PROPERTY KNOWN AS 110 E WASHINGTON STREET FROM ITS PRESENT DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1” TO A DESIGNATION OF GOVERNMENT – DISTRICT “G”; PROPERTY KNOWN AS 215 S PIERCE STREET FROM ITS PRESENT DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1” TO A DESIGNATION OF GOVERNMENT – DISTRICT “G”; PROPERTY KNOWN AS 127 E JACKSON STREET FROM ITS PRESENT DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1” TO A DESIGNATION OF GOVERNMENT – DISTRICT “G”; AND PROPERTY KNOWN AS 200 S. WEST STREET FROM ITS PRESENT DESIGNATION OF MEDIUM COMMERCIAL – DISTRICT “C-2” TO A DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1”; PROVIDING CUMULATIVE, REPEALER, AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE

1. Staff Presentation
2. Public Hearing
3. Discuss and consider action

### **Information**

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

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.

Written notices were mailed to 43 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 Monday, April 7; staff will present P&Z's recommendation at the City Council meeting.

### **Recommendation**

Open the public hearing.

Discuss and consider Ordinance 2025-16.













Exhibit D – Location and Current Zoning  
200 S WEST ST



**ORDINANCE NO. 2025-16**

**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 REZONING PROPERTY KNOWN AS 110 E WASHINGTON STREET FROM ITS PRESENT DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1” TO A DESIGNATION OF GOVERNMENT – DISTRICT “G”; PROPERTY KNOWN AS 215 S PIERCE STREET FROM ITS PRESENT DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1” TO A DESIGNATION OF GOVERNMENT – DISTRICT “G”; PROPERTY KNOWN AS 127 E JACKSON STREET FROM ITS PRESENT DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1” TO A DESIGNATION OF GOVERNMENT – DISTRICT “G”; AND PROPERTY KNOWN AS 200 S. WEST STREET FROM ITS PRESENT DESIGNATION OF MEDIUM COMMERCIAL – DISTRICT “C-2” TO A DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1”; PROVIDING CUMULATIVE, REPEALER, AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the City Council, by the passage and approval of Ordinance No. 2021-01, 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**, 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 of this Zoning District Reclassification is: **110 E WASHINGTON STREET** (LEGAL DESCRIPTION: BEING 2,824 SQUARE FEET OF LAND OUT OF LOT NO. THREE, BLOCK NO. 12 IN THE PETER KERR PORTION) as shown on **Exhibit “A”** hereto.

**Section Three. Zoning District Reclassification. GOVERNMENT – DISTRICT “G”** 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: **215 S PIERCE ST** (LEGAL DESCRIPTION: BEING 0.121 ACRES (5,260 SQ FT) OUT OF THE JOHN HAMILTON SURVEY, ABS. NO. 405, AND ALSO KNOWN AS LOT FOUR, BLOCK SEVEN, PETER KERR PORTION) as shown on **Exhibit “B”** hereto.

**Section Five. Zoning District Reclassification. GOVERNMENT – “G”** 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: **127 E JACKSON STREET** (LEGAL DESCRIPTION: BEING 0.087 ACRES TRACT OF LAND BEING A PORTION OF LOT ONE, BLOCK THREE, PETER KERR PORTION) as shown on **Exhibit “C”** hereto.

**Section Seven. Zoning District Reclassification. GOVERNMENT – “G”** 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: **200 WEST STREET** (LEGAL DESCRIPTION: BEING 1.342 ACRES OF LAND OUT OF THE JOHN HAMILTON SURVEY NO. 1, ABS. NO. 405, AND ALSO KNOWN AS LOTS 1 AND 2, AND PORTION OF LOTS 3 AND 4, BLK. 42, PETER KERR PORTION) as shown on **Exhibit “D”** hereto.

**Section Nine. Zoning District Reclassification. GOVERNMENT – “G”** Zoning District Classification is hereby assigned to the Property described in section eight.

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

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

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

**PASSED AND APPROVED** on this the 8<sup>th</sup> day of April 2025.

**CITY OF BURNET, TEXAS**

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Gary Wideman, Mayor

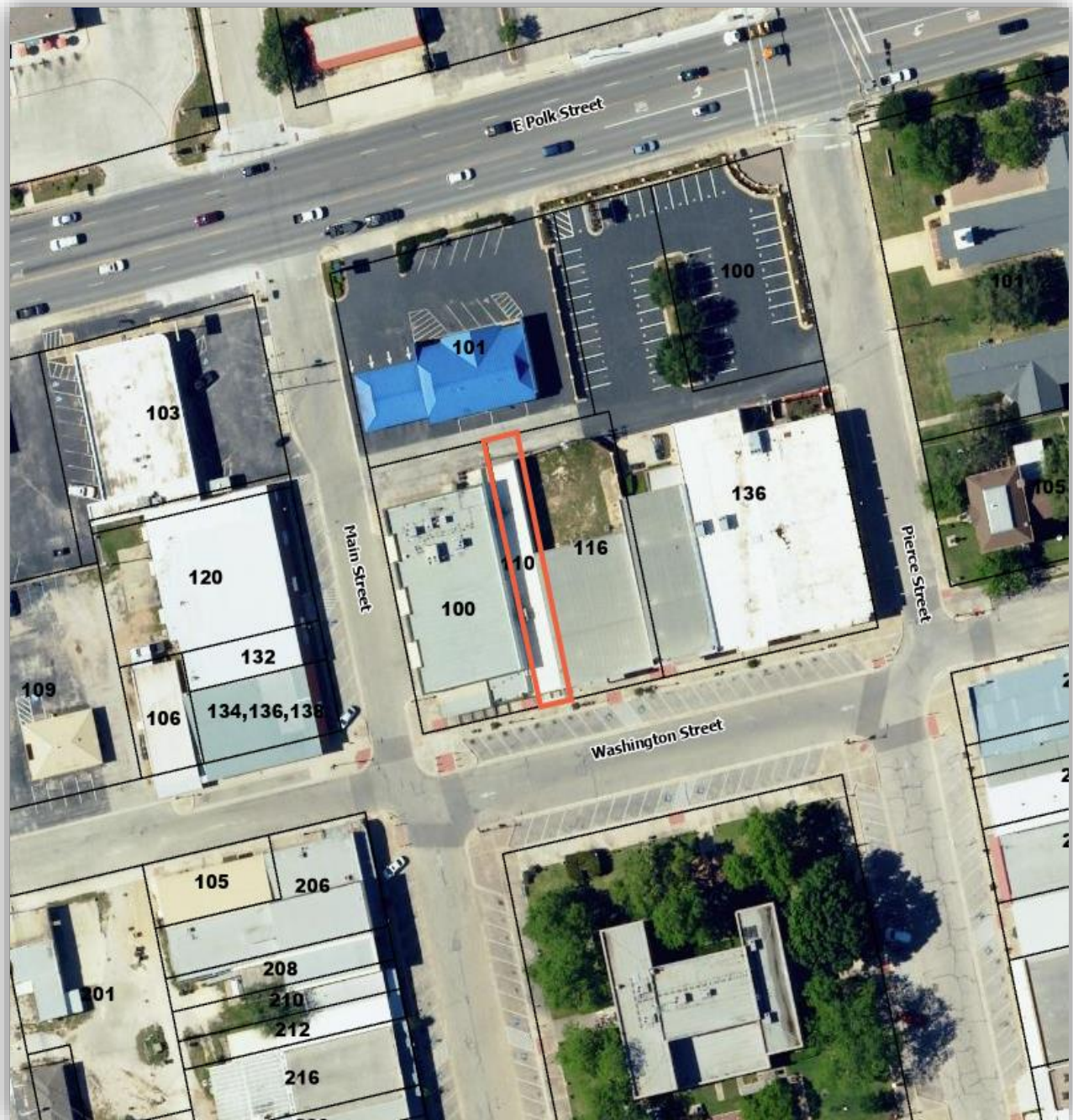
**ATTEST:**

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Maria Gonzales, City Secretary

**Exhibit "A"**

**Location Map  
110 E WASHINGTON STREET**





**Exhibit "B"**

**Location Map  
215 S PIERCE STREET**





Exhibit "C"

Location Map  
127 E JACKSON STREET

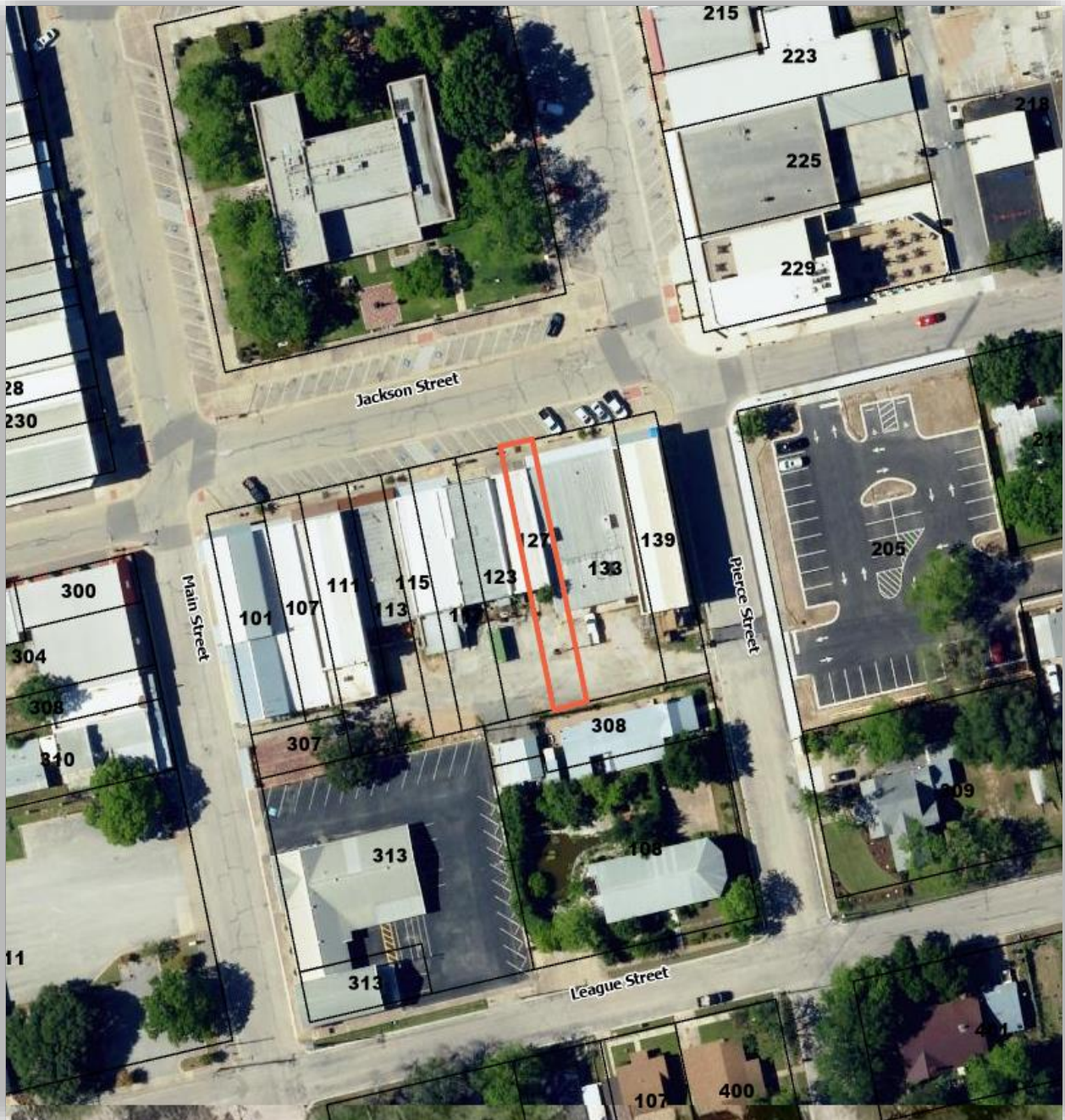




Exhibit "D"

Location Map  
200 S WEST STREET



## CITY OF BURNET

# City Council Regular Meeting April 8, 2025

Discuss and consider action: Ordinance No. 2025-16: L. Kimbler

**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 REZONING PROPERTY KNOWN AS 110 E WASHINGTON STREET FROM ITS PRESENT DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1” TO A DESIGNATION OF GOVERNMENT – DISTRICT “G”; PROPERTY KNOWN AS 215 S PIERCE STREET FROM ITS PRESENT DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1” TO A DESIGNATION OF GOVERNMENT – DISTRICT “G”; PROPERTY KNOWN AS 127 E JACKSON STREET FROM ITS PRESENT DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1” TO A DESIGNATION OF GOVERNMENT – DISTRICT “G”; AND PROPERTY KNOWN AS 200 S. WEST STREET FROM ITS PRESENT DESIGNATION OF MEDIUM COMMERCIAL – DISTRICT “C-2” TO A DESIGNATION OF LIGHT COMMERCIAL – DISTRICT “C-1”; PROVIDING CUMULATIVE, REPEALER, AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE**



*Bluebonnet Capital of Texas*



## CITY OF BURNET BACKGROUND & INFORMATION

City-initiated to bring properties into compliance with the current zoning code and ensure each property is zoned appropriately for the use as well as the surrounding area.



**110 E Washington Street**

**Proposed Zoning  
Government – District “G”**



**215 S Pierce Street**

**Proposed Zoning  
Government– District “G”**



*Bluebonnet Capital of Texas*



## CITY OF BURNET BACKGROUND & INFORMATION

City-initiated to bring properties into compliance with the current zoning code and ensure each property is zoned appropriately for the use as well as the surrounding area.



**127 E Jackson Street**  
**Proposed Zoning**  
**Government– District “G”**



**200 S West Street**  
**Proposed Zoning**  
**Light Commercial District “C-1”**



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## CITY OF BURNET



Notices were mailed to 43 surrounding property owners. Zero responses were received in favor or opposition.



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CITY OF BURNET

# Public Hearing

- **Public Hearing**
  - Limit 3 minutes per speaker
- **Discussion**
  - Discuss and consider proposed Ordinance 2025-16



*Bluebonnet Capital of Texas*



## Item Brief

### **Meeting Date**

April 8, 2025

### **Agenda Item**

Public hearing and action: Resolution No. 2025-27: L. Kimbler

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING THE "FINAL PLAT" OF LOT 1, BLOCK 1, CASEY'S BURNET ADDITION, A COMMERCIAL SUBDIVISION CONSISTING OF APPROXIMATELY 2.0035 ACRES; AND ACCEPTING A PERFORMANCE BOND ASSURING COMPLETION OF PUBLIC SEWER INFRASTRUCTURE

1. Staff Presentation
2. Public Hearing
3. Discuss and consider action

### **Information**

The proposed Final Plat of Lot 1, Block 1, Casey's Burnet Addition (Exhibit A) is a commercial subdivision of just over two (2) acres. The proposed subdivision will combine the three tracts within the block to create one large lot for the development of Casey's gas station.

No new roads have been created.

Although the lot has existing utilities, a sewer line currently runs through the middle of the lot. The development of the gas station requires this sewer line to be relocated and upgraded. This will become public infrastructure.

### **Staff Analysis**

The proposed Final Plat of Lot 1, Block 1, Casey's Burnet Addition has been reviewed using the Code of Ordinances Section 98-24 (Final Plats) as a guide. It has been found to comply with ordinance requirements relating to form and content.

The applicant has submitted a Performance Bond (Exhibit B) assuring the completion of the sewer infrastructure which allows the applicant to file the Final Plat. The proposed Resolution accepts the Performance Bond subject to the following:

- (a) The public improvements are completed and preliminary accepted before April 8, 2026; and
- (b) At the time of preliminary acceptance of the public improvements the subdivider provides a warranty or maintenance bond, assuring the quality of materials and workmanship, and maintenance of all public improvements; and
- (c) Failure to timely complete the public improvements shall cause the city manager to draw on the performance bond to complete the public improvements; and
- (d) The public improvements shall not be accepted until all improvements have been satisfactorily completed; and
- (e) The City shall withhold all City services to the subdivision until the public improvements are satisfactorily completed and accepted; and

### **P&Z Report**

Planning and Zoning will meet on Monday, April 7; staff will present P&Z's recommendation at the City Council meeting.

### **Recommendation**

Open the public hearing.

Discuss and consider the Final Plat of Lot 1, Block 1, Casey's Burnet Addition and Resolution R2025-27.

**RESOLUTION NO. R2025-27**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING THE “FINAL PLAT” OF LOT 1, BLOCK 1, CASEY’S BURNET ADDITION, A COMMERCIAL SUBDIVISION CONSISTING OF APPROXIMATELY 2.0035 ACRES; AND ACCEPTING A PERFORMANCE BOND ASSURING COMPLETION OF PUBLIC SEWER INFRASTRUCTURE**

**WHEREAS**, the City Council of the City of Burnet (City Council), Texas, has approved the Final Plat of Lot 1, Block 1, Casey’s Burnet Addition; and

**WHEREAS**, the Planning and Zoning Commission has made its recommendation on the final plat of the Lot 1, Block 1, Casey’s Burnet Addition; and

**WHEREAS**, the City staff and the City Engineer have opined that the application substantially complies with the subdivision ordinance; and

**WHEREAS**, accordance with City Code Sec. 98-61, the applicant has requested the final plat be recorded after approval and that the applicant be allowed to provide a performance bond to assure applicant’s completion of infrastructure after plat recordation.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF BURNET, TEXAS, AS FOLLOWS:**

**Section One. Findings.** The recitals set out above are hereby approved and incorporated herein for all purposes.

**Section Two. Approval.** The final plat of Lot 1, Block 1, Casey’s Addition, is hereby approved.

**Section Three. Performance Bond Accepted.** The Performance Bond is accepted, subject to the following:

- (a) The public improvements are completed and preliminary accepted before April 8, 2026; and
- (b) At the time of preliminary acceptance of the public improvements the subdivider provides a warranty or maintenance bond, assuring the quality of materials and workmanship, and maintenance of all public improvements; and
- (c) Failure to timely complete the public improvements shall cause the City Manager to draw on the performance bond to complete the public improvements; and

- (d) The public improvements shall not be accepted until all improvements have been satisfactorily completed; and
- (e) The City shall withhold all city services to the subdivision until the public improvements are satisfactorily completed and accepted.

**Section Four. Authorization.** The City Manager is authorized and directed to take those actions that are reasonably necessary to facilitate the purpose of this Resolution. Further, the city manager is to draw on the letter of credit to complete the public improvements, without any further City Council action necessary, should the subdivider fail to complete the public improvements within the period prescribed in this resolution.

**Section Five. Recordation.** The final plat of Lot 1, Block 1, Casey's Burnet Addition may be recorded in the Public Records of the County Clerk of Burnet County, Texas upon compliance with the requirements of Subdivision Code Sec. 98-24(h) and related regulations.

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

**PASSED AND APPROVED** on this the 8<sup>th</sup> day of April 2025.

**CITY OF BURNET, TEXAS**

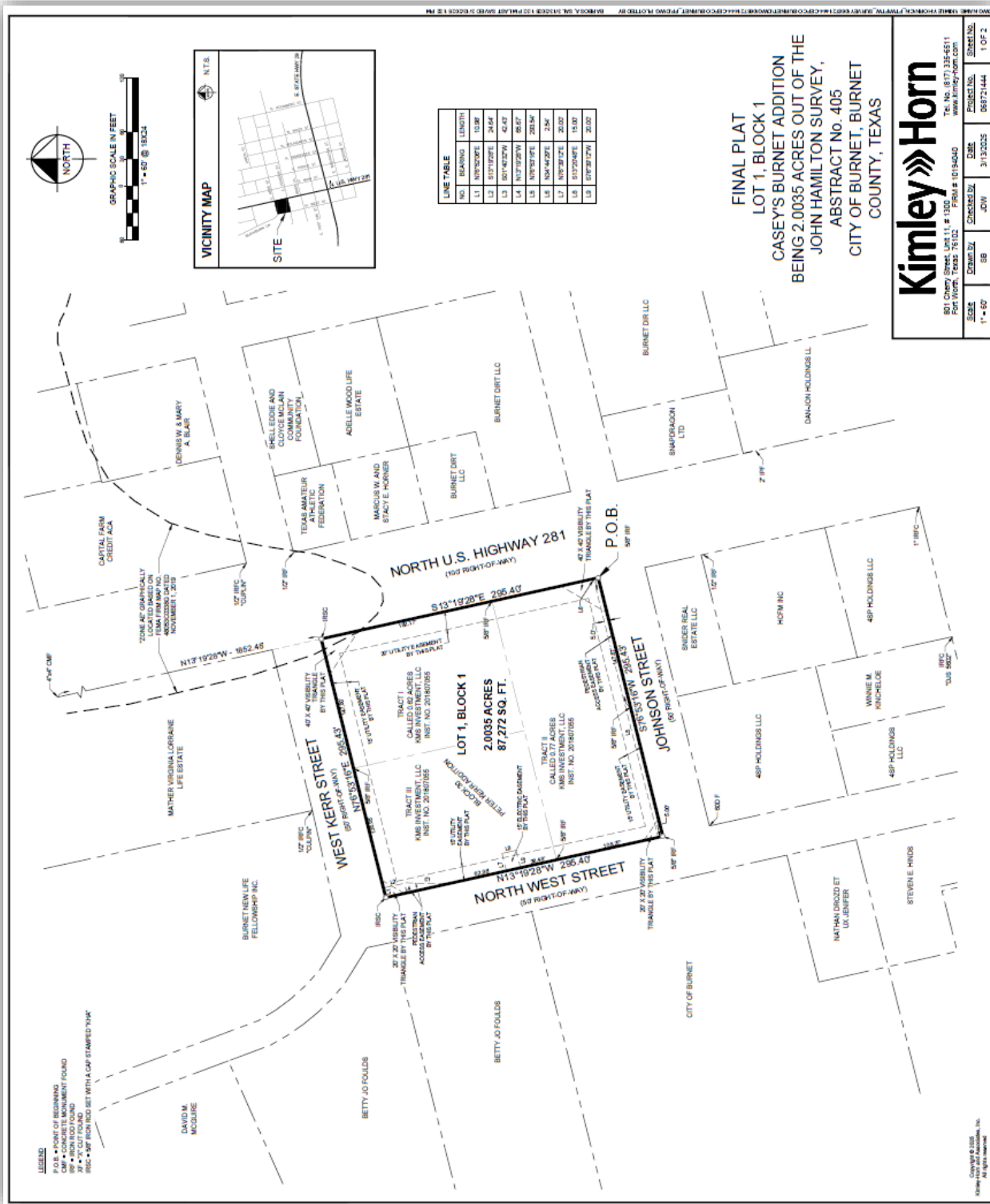
\_\_\_\_\_  
Gary Wideman, Mayor

**ATTEST:**

\_\_\_\_\_  
Maria Gonzales, City Secretary



**Exhibit “A” – Final Plat**





## Exhibit "B" – Performance Bond pg. 1

Bond No. 9429734

**PERFORMANCE BOND**

THE STATE OF TEXAS

§

KNOW ALL BY THESE PRESENTS:

COUNTY OF Burnet

§

That we, Casey's General Store [DEVELOPER], as Principal herein, and Fidelity and Deposit Company of Maryland [SURETY], a corporation organized and existing under the laws of the State of Texas and who is authorized and admitted to issue surety bonds in the State of Texas, Surety herein, are held and firmly bound unto the **City of Burnet**, Obligee herein, in the sum of Eighty Five Thousand Eight Hundred Forty Six Dollars (\$85,846.00) for the payment of which sum we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has agreed to complete certain infrastructure improvements per the approved engineering plans by the Obligee dated the 8th day of April, 2025, herein referred to as "the Design or Contract" and incorporated herein and made a part hereof for all purposes, for the construction of the following project: Public Sewer Main Extension.

NOW, THEREFORE, the condition of this obligation is such, if the said Principal shall faithfully perform the work in accordance with the plans, specifications, and other Contract Documents and shall fully indemnify and hold harmless the Obligee from all costs and damages which Obligee may suffer by reason of Principal's failure to perform the Work in conformity with the Contract Documents, and reimburse and repay Obligee for all outlay and expense that Obligee may incur in making good such default, then this obligation shall be void; otherwise, to remain in full force and effect.

Whenever Principal shall be declared by Obligee to be in default under the Contract, the Surety shall, upon request of Obligee and within ten (10) calendar days from receipt of Obligee's notice of Principal's default, commence and thereafter complete performance of Contractor's obligations under the Contract. Surety acknowledges that its obligations under this bond and as detailed herein and in the Contract Documents are not conditioned on a termination of the Principal by the Obligee. Surety further acknowledges and agrees that Surety shall obtain the Obligee's approval and consent with respect to the contractor(s) that Surety may retain to replace defaulted Principal or otherwise honor the obligations under this Bond.

**Exhibit "B" - Performance Bond pg. 2**

This Bond covers all contractual obligations of Contractor under the Contract, including, without limitation, the indemnity, warranty and guaranty obligations. The Surety stipulates and agrees that no change, extension of time, alteration, omission, addition or other modification to the terms of any of the Contract will affect its obligations on this bond, and it hereby waives notice of any such changes, extensions of time, alterations, omissions, additions, or other modifications, to the Contract or to related subcontracts, purchase orders or other obligations, and any notices provided in such regard shall not create as to any party a duty related thereto. The penal limit of this bond shall automatically be increased by the amount of any change order, supplemental agreement or amendment which increases the price of the Contract.

PROVIDED, HOWEVER, that this bond is executed pursuant to Chapter 2253 of the Texas Government Code, as amended, and all rights and liabilities on this bond shall be determined in accordance with the provisions of such statute, to the same extent as if it were copied at length herein. All notices shall be delivered in writing to the addresses shown below or to addresses provided in the Contract Documents.

IN WITNESS WHEREOF, the duly authorized representatives of the Principal and the Surety have executed this instrument.

SIGNED and SEALED this 8th day of April, 2025.

**The date of bond shall not be prior to date of Contract.**

ATTEST:

\_\_\_\_\_  
(Principal) Secretary

(S E A L)

\_\_\_\_\_  
Witness as to Principal

\_\_\_\_\_  
Casey's General Store

PRINCIPAL

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: Casey's General Store

404 N Water St.

Burnet, TX 78611

Telephone Number: \_\_\_\_\_

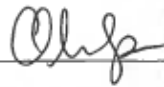
**Exhibit "B" - Performance Bond pg. 3**

ATTEST:

  
~~Surety~~  
(S E A L)

Joanne Czapinski  
Witness as to Surety

Fidelity and Deposit Company of Maryland  
SURETY

By: 

Name: Olivia Spada  
Attorney in Fact

Address: Fidelity and Deposit Company of Maryland  
1299 ZURICH WAY, 10TH FLOOR  
SCHAUMBURG, IL 60196 - 1056

Telephone Number: (847) 605-6000

**An original copy of Power of Attorney shall be attached to Bond by the Attorney-in-Fact.**

Approved as to Form:

**City of Burnet**  
**1001 Buchanan Drive, Suite 4**  
**Burnet TX. 78611**

By: \_\_\_\_\_

Title: \_\_\_\_\_

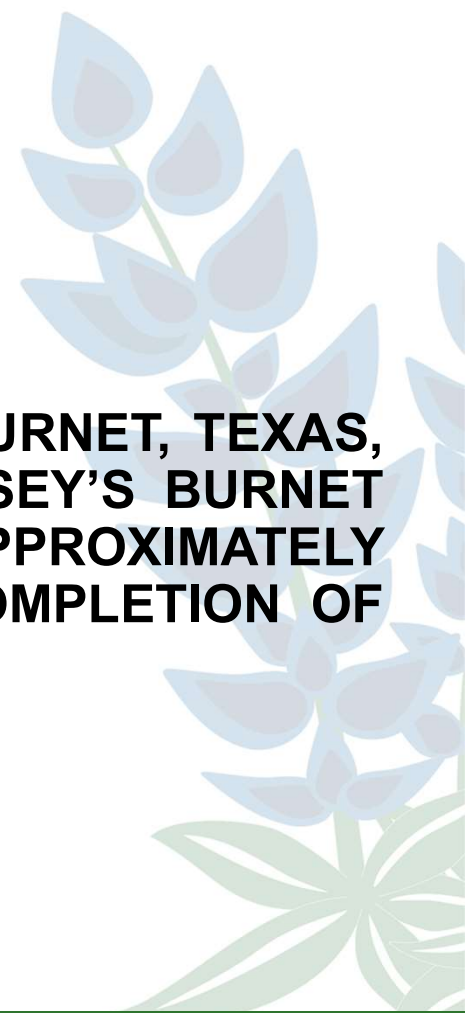
Date: \_\_\_\_\_

## CITY OF BURNET

# City Council Regular Meeting April 8, 2025

Discuss and consider action: Resolution No. R2025-27: L. Kimbler

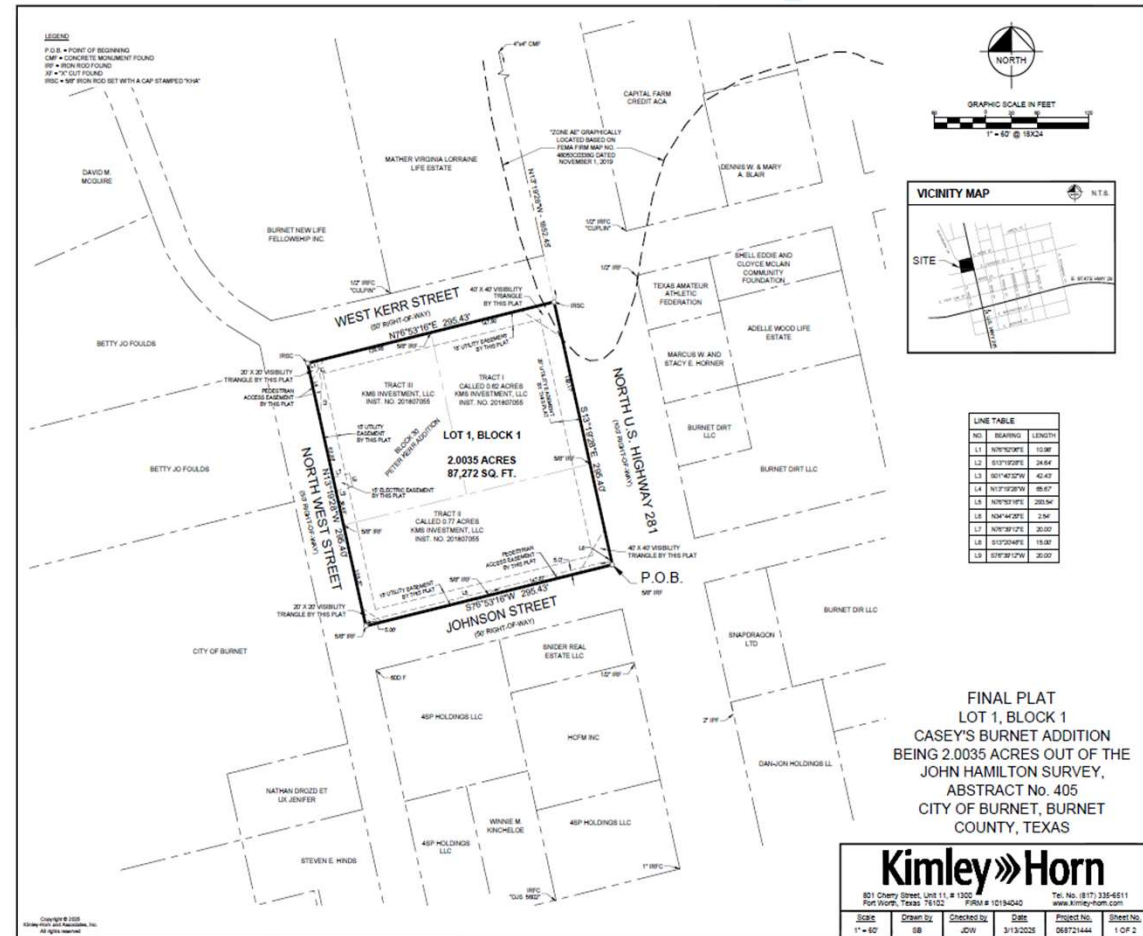
**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, APPROVING THE “FINAL PLAT” OF LOT 1, BLOCK 1, CASEY’S BURNET ADDITION, A COMMERCIAL SUBDIVISION CONSISTING OF APPROXIMATELY 2.0035 ACRES; AND ACCEPTING A BOND ASSURING COMPLETION OF**



*Bluebonnet Capital of Texas*

## CITY OF BURNET

- Proposed Final Plat, Casey's Burnet Addition.
- Commercial Subdivision.
- Casey's gas station.
- No new roads created.
- Current utilities.
- Sewer line to be relocated and upgraded.



Bluebonnet Capital of Texas

## CITY OF BURNET STAFF ANALYSIS

**The Final Plat of Lot 1, Block 1, Casey's Addition Subdivision has been reviewed using Code of Ordinances Section 98-24 (Final Plats) as a guide. It has been found to comply with ordinance requirements relating to form and content.**

**Applicant has submitted a performance bond assuring the completion of the sewer infrastructure and allowing the plat to be recorded.**



*Bluebonnet Capital of Texas*

CITY OF BURNET

# Public Hearing

- **Public Hearing**
  - Limit 3 minutes per speaker
- **Discussion**
  - Discuss and consider proposed Resolution R2025-27



*Bluebonnet Capital of Texas*



## Item Brief

### **Meeting Date**

April 8, 2025

### **Agenda Item**

Discuss and consider action: Ordinance No. 2025-15: K. McBurnett

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING CITY OF BURNET CODE OF ORDINANCES, CHAPTER 2 ARTICLE III (ENTITLED "APPOINTED BODIES") AND CHAPTER 2, SECTION 2-277 (ENTITLED "ADVISORY COMMITTEE; PROVIDING FOR PENALTY; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE

### **Information**

The Burnet City Council is granted authority by the City Charter and state law to establish and regulate appointed bodies. A comprehensive review of Article III and Section 2-277 has been undertaken by a Council-appointed committee comprised of Philip Thurman and Tommy Gaut. In working with staff, their charge was to clarify roles, enhance transparency, ensure legal compliance, and support improved public engagement through these advisory entities.

Key updates include:

- Codifies and updates the policies and procedures from the 2019 Policies and Procedures for Advisory Boards and Commissions document into the Code of Ordinances.
- Clearly defines authority and scope of all appointed bodies, including ad hoc committees and staff-appointed committees.
- Expands guidance on ethics, attendance, reporting, and training.
- Compliance with the Texas Open Meetings Act and Robert's Rules of Order.
- Standardizes appointment processes and member qualifications including nepotism restrictions, with Council appointments limited to boards and commissions with decision-making authority—including the Planning and Zoning



Commission, Zoning Board of Adjustment, Fire Code Appeals Board, Economic Development Corporation, and Historic Preservation Commission.

- Staff appointed committees include Airport Advisory Board, Police Department Citizen Advisory Board, Golf Course Advisory Committee, and Fire Appeal Board.
- Planning and Zoning Commission designated as the City's first review authority for land use, zoning, and development, with evaluation criteria tied to the City's Comprehensive Plan, infrastructure capacity, economic development goals, and community impact.
- Adds requirement that after any non-unanimous or denial vote, Planning and Zoning Commissioners must provide rationale for their vote, which is included in the official meeting record.
- Codifies that the Capital Advisory Committee, as required by impact fee regulations, is composed of the appointed members of the Planning and Zoning Commission.

### **Fiscal Impact**

There are no associated costs with these revisions.

### **Recommendation**

Staff recommends approval of Ordinance No. 2025-15 as presented.

**ORDINANCE NO. 2025-15**

**AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS, AMENDING CITY OF BURNET CODE OF ORDINANCES, CHAPTER 2 ARTICLE III (ENTITLED "APPOINTED BODIES") AND CHAPTER 2, SECTION 2-277 (ENTITLED "ADVISORY COMMITTEE; PROVIDING FOR PENALTY; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the City of Burnet City Council is authorized by the City Charter and state law to establish and regulate appointed boards, commissions, and committees that serve the public interest and advise the Council on matters of community importance; and

**WHEREAS**, the City Council finds it necessary to revise and modernize Article III of Chapter 2 of the Code of Ordinances to clarify the structure, authority, and responsibilities of appointed bodies; and

**WHEREAS**, the Council further desires to update and consolidate the provisions related to the Advisory Committee found in Section 2-277 to reflect its composition and responsibilities in accordance with current city practices and state law concerning impact fees and capital improvements planning; and

**WHEREAS**, the City Council finds that amending Article III and Section 2-277 of Chapter 2 is in the best interest of the City and its residents and will enhance the functionality and public trust in the City's appointed bodies; 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. Code Amendment.** The City Code of Ordinances, Chapter 2, is hereby amended by replacing Article III in its entirety with the text below and by replacing Section 2-277, "Advisory Committee," in its entirety with the text below:

## ARTICLE III. APPOINTED BODIES

## DIVISION 1. GENERAL PROVISIONS

**Sec. 2-41. Generally.**

- (a) *Authority.* Pursuant to the Charter and the laws of this state, city council is vested with the authority to establish and abolish appointed bodies, as may be mandated by state statute or other law, or as city council deems beneficial or necessary to serve the public good.
- (b) *Purpose.* The purpose of this article is to provide guidance generally as to the establishment, appointment of members, and operations of appointed bodies. The authority, functions and responsibilities of such appointed bodies may be prescribed in this section or by separate ordinance, resolution, or order of city council.
- (c) *Scope.* Except as provided in subsections (1) and (2) immediately below, this article is applicable to all bodies appointed by city council, whether such body is designated as a board, commission, agency, bureau, committee or by other designation; or is established by ordinance, resolution or order. Appointed bodies not falling within the scope of this Article are as follows:
  - (1) *Ad hoc committees.* Ad hoc committees are appointed for a specific purpose and for a specific length of time. Ad hoc committees may be appointed by ordinance, resolution, or order of city council. The instrumentality of appointment shall name the committee members, articulate the charge of the committee, and the length of time, if applicable, the committee has to accomplish its charge. An Ad hoc committee shall have no decision-making authority.
  - (2) *Staff appointed committees.* A staff appointed committee is appointed for a specific purpose or for a specific length of time, whose members shall be appointed by the City Manager or the City Manager's designee. The establishment of a staff appointed committee must be approved by city council by ordinance, resolution, or order. The instrumentality of establishment shall articulate the charge of the committee, and designate the committee as standing or temporal. A staff appointed committee shall have no decision-making authority. Staff appointed committees shall include, but are not limited to, Airport Advisory Board, Police Department Citizen Advisory Board, Golf Course Advisory Committee, Fire Appeal Board. No person within the second degree of affinity or third degree of consanguinity of the City Manager, or City Manager's designee, shall be eligible for appointment; nor, shall any person within the first degree of affinity or second degree of consanguinity of a staff appointed committee member be appointed to the same committee as the related member. Computation of degree of consanguinity and affinity shall be pursuant to Chapter 573 Texas Government Code.
- (d) *Establishment.* The authority, functions and responsibilities of such appointed bodies shall be established by city council ordinance, resolution, or order. In its

sole prerogative, city council may abolish an appointed body; or modify or alter an appointed body's authority, functions, charge, and responsibilities. In the event of a conflict between the ordinance, resolution, or order establishing an advisory body and this section the ordinance, resolution, or order establishing the advisory body shall prevail.

- (e) *Term.* Members of standing consulting and standing advisory bodies shall be appointed for two-year terms. Members may be reappointed and may serve on two or more advisory bodies unless such appointments are prohibited by law.
- (f) *Appointments.* Each advisory board position shall be assigned a place number. Even numbered places shall be appointed in even numbered years and odd numbered places shall be appointed in odd numbered years.
- (g) *At will appointment.* Except as provided by state statute, members appointed to an appointed body serve at the pleasure of city council and a member may be removed by city council with or without cause.

## **Sec. 2-42. Members.**

- (a) *Qualifications and applications.*
  - (1) Members of the Zoning Board of Adjustment, the Planning and Zoning Commission must be qualified voters and residents of the City of Burnet. Members of all other advisory bodies, unless otherwise specified herein, must be qualified voters and residents of the state of Texas. Failure of a member to maintain the required residency status shall result in the member's immediate resignation.
  - (2) Members of the Economic Development Corporation Board must: (1) live in the city; (2) live in the county in which the major part of the city is located; or (3) live within 10 miles of the city and in a county bordering the county in which the major part of the city is located.
  - (3) Applicants are subject to a background check, the results of which shall be made available to city council and for public inspection.
  - (4) Applicants with a felony, class A misdemeanor, or crime of moral turpitude on their record, or with such charges pending, shall be subject to being determined by council to be disqualified to serve.
  - (5) No person within the second degree of affinity or third degree of consanguinity of a sitting city council member shall be eligible for appointment; nor, shall any person within the first degree of affinity or second degree of consanguinity of an advisory body member be appointed to the same advisory body as the related member. Computation of degree of consanguinity and affinity shall be pursuant to Chapter 573 Texas Government Code.
  - (6) Applicants shall complete an application form as provided by the city manager.

- (b) *Ethics.* City council has adopted an Ethics Code, which is codified as Chapter 2 Article VIII of the City Charter. Prior to beginning service on an appointed body each member shall sign a pledge of adherence to the standards of conduct required by the Ethics Code.
- (c) *Criminal charges.* A member shall notify the city secretary within ten days of any criminal charge of felony, class A misdemeanor, or crime of moral turpitude lodge against the member by local, state, or federal law enforcement. Said notification must be in writing.
- (d) *Attendance.* Meeting attendance is critical to effective service as a member. Therefore, the unexcused absence for three consecutive regularly scheduled meetings, or 50% of the regularly scheduled meetings during any calendar year shall be deemed as a member's resignation.
- (e) *Education and training.* Members may be required to participate in orientation and annual educational and training events as provided by the City.
- (f) *Vacancies.* City Council shall appoint a new member to fill an Appointed Body vacancy caused by resignation or removal as follows:
  - (1) As soon as practicable after the vacancy is created, the City Secretary shall publish a solicitation for applicants to fill the vacancy on the City's website.
  - (2) At a meeting falling after the publication City Council shall select an applicant to fill the vacancy for its unexpired term.
  - (3) Notwithstanding the foregoing, City Council may fill a vacancy that causes the possibility of creating a lack of a quorum as soon as practicable without solicitation for applicants.

#### **Sec. 2-43. Meetings.**

- (a) *Rules of order.* Appointed bodies shall conduct business under rules of order adopted by the body and approved by city council. Until such time as an appointed body adopts rules of order, pursuant to this section, they shall conduct business in accordance with Robert's Rules of Order 12th Edition.
- (b) *Texas Open Meetings Act.* The Planning and Zoning Commission, Zoning Board of Adjustment, Fire Code Appeals Board, Economic Development Corporation, Historic Preservation Commission, and other advisory bodies with decision making authority or otherwise required to comply with the Texas Open Meetings Act shall:
  - (1) publish notice of all meetings in accordance with the requirements of Texas Open Meetings Act; and
  - (2) conduct such meetings in accordance with the requirements of the Texas Open Meetings Act; and
  - (3) keep meeting minutes in accordance with the requirements of the Texas Open Meetings Act.
- (c) *Other advisory bodies.* Advisory bodies with no decision-making authority are not subject to the Open Meeting Act. However, such advisory bodies shall open their

meetings to the public and, when practicable, post notice of the time, place and subject matter of such meetings at least 72 hours in advance.

- (d) *Reports.* Advisory bodies required to comply with subsection (b) , immediately above, shall also provide City Council with a report of each meeting which shall minimally contain the name of members present, whether members absent were excused from attendance, the caption of each item discussed at the meeting, the names of the members making the main motion, second and any amendatory motions, and the names of the members voting in favor of the motion, in opposition to the motion or abstaining from vote on the motion.
- (e) *Liaisons.*
  - (1) Council liaison. City council may appoint a councilmember as liaison to one or more appointed bodies. The role of the council liaison is that of a non-voting ex-officio member, to act as a communication conduit between city council and the appointed body.
  - (2) Staff liaison. The city manager may assign a staff member as an ex-officio member to a respective board to perform support services and may or may not, provide technical data, prepare agendas, post notices of meetings, prepare minutes of the meetings, and other related functions and will not be entitled to vote or preside over meetings.

## DIVISION 2. ADVISORY BODIES ESTABLISHED BY ORDINANCE

### **Sec. 2-44. Planning and zoning commission.**

- (a) *Establishment.* In accordance with Chapter 212 Subchapter A Local Government Code there is hereby established a planning commission. In accordance with Chapter 211 Subchapter A Local Government Code the members of the planning commission shall serve as the zoning commission. The commission shall serve as the city's first review authority on land use, zoning, and development to ensure alignment with the City's Comprehensive Plan and strategic objectives.
- (b) *Name.* This body is designated as the City of Burnet Planning and Zoning Commission and may be referred to simply as the commission.
- (c) *Duties and authority.* The commission shall review and make recommendations to the City Council on zoning, subdivision plats, special use permits, site development proposals, and other land use matters as prescribed in City Code chapters 98 and/or 118. The Commission shall evaluate proposals based on consistency with the City's Comprehensive Plan, infrastructure capacity, economic development priorities, and community impact.
- (d) *Membership.* The commission shall consist of five members. Three members shall constitute a quorum.
- (e) *Officers.* Commission officers shall be the chairperson, vice chairperson and secretary. All officers must be appointed members of the commission except the secretary who may be a member of city staff.

- (1) The chairperson shall preside over all meetings, may appoint committees, and preside over such committees; certify all commission official documents and minutes; and act in the absence of the secretary.
  - (2) The vice chairperson shall act in the absence of the chairperson, and if both the chairperson and secretary are absent, serve as the secretary.
  - (3) The secretary shall cause a record of meeting attendance and minutes; provide notification of meetings to commission members, file official records and reports of the commission with the city secretary; and provide notification and publications of commission meetings as prescribed by law.
- (f) *Meetings.* The commission's regular meetings shall occur the first Monday of each month. The chairperson may call special meetings as may be required to comply with statutory plat approval timelines or address other emergency matters.
- (g) *Voting.* Voting shall be subject to the following:
- (1) No affirmative action shall be valid unless authorized by a majority vote of the members present.
  - (2) Members must abstain from voting or discussion of any matter that poses a conflict of interest.
  - (3) Negative votes and abstentions shall be counted as a “nay” vote on any motion before the commission.
  - (4) Should after the reading of the caption and deliberation on a matter for recommendation to City Council the vote of the commission is tied, or should the commission fail to take action to approve, deny, or postpone action, the vote, or lack thereof, shall be recorded and reported as a recommendation of denial.
  - (5) Unless otherwise prohibited by statute the commission may only postpone action to a future date once. Such postponed action shall be placed on the first available agenda of the commission.
- (h) *Reports.* After any vote for recommendation of denial, or any vote that is not unanimous, on an agenda item, requiring a recommendation to city council, the chairperson shall poll each commissioner on the rationale for his or her vote. This information shall be included in the meeting minutes; and made part of the commission report on said agenda item.
- (i) *Ethics.* In addition to the City's Ethics Code compliance requirements, the commission (while acting in its capacity as the planning commission) shall comply with the requirements of Sec. 212.017 of Texas Local Government Code (entitled “Conflicts of Interest: Penalty”).

#### **Sec. 2-45. Zoning board of adjustment.**

The zoning board of adjustment is established and governed by City Code chapter 118, article IV.

**Sec. 2-46. Historic preservation board of directors.**

The historic preservation board of directors is established and governed by chapter 118, article X, City Code.

**Sec. 2-47. Airport board of adjustment.**

The airport board of adjustment is established and governed by City Code chapter 18, article I.

**Sec. 2-48. Economic development corporation board of directors.**

The economic development corporation board of directors is established and governed by June 11, 2008 Articles of Incorporation and the Burnet Economic Development Corporation Bylaws.

**Sec. 2-49. Parks and recreation advisory board.**

The parks and recreation advisory board is established and governed by City Code chapter 74, article II.

**Sec. 2-50. Board of ethics.**

The board of ethics is established and governed by City Code chapter 2, article VIII.

**Sec. 2-51 Advisory committee.**

The advisory committee is established and governed by City Code Chapter 2, article X.

**Section two. Amendment.** The City Code of Ordinances Chapter 2 is hereby amended by replacing Section 2-277 advisory committee in its entirety with the text below:

**Sec. 2-277 Advisory committee.**

- (a) The advisory committee shall consist of the members of the appointed planning and zoning commission. If the commission does not include at least one representative of the real estate, development or building industry the city council shall appoint at least one representative, having such qualifications, as a voting member of the advisory committee. If any impact fee is to be applied to the extraterritorial jurisdiction of the city, a representative from that area shall be appointed by the city council.
- (b) The duties of the advisory committee shall be as follows:
  - (1) Advise and assist the adoption of land use assumptions;
  - (2) Review the capital improvements plan and file written comments;



- (3) Monitor and evaluate implementation of the capital improvements plan;
  - (4) File semi-annual reports with respect to the progress of the capital improvements plan and report to the city council any perceived inequities in implementing the plan or imposing the impact fee; and
  - (5) Recommend to the city council as necessary and required the timely amendment and/or update of the capital improvements plan and the impact fees.
- (c) All information and professional reports concerning the development and implementation of the capital improvements plan shall be made available to the advisory committee, and the city staff and contract officers of the city shall provide the committee with such support and assistance as may be required.

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

**Section Four. 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 Five. 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 Six. 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 Seven. 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 Eight. Effective Date.** This Ordinance shall be effective upon the date of final adoption hereof.

**PASSED, APPROVED, AND ADOPTED** on this 8<sup>th</sup> day of April 2025

**CITY OF BURNET, TEXAS**

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Gary Wideman, Mayor

**ATTEST:**

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Maria Gonzales, City Secretary

*ITEM 8-1.*



**City Council  
Regular Meeting  
April 8, 2025**

## Appointed Bodies

Discuss and consider action: Ordinance No. 2025-15: K. McBurnett

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING CITY OF BURNET CODE OF ORDINANCES, CHAPTER 2 ARTICLE III (ENTITLED “APPOINTED BODIES”) AND CHAPTER 2, SECTION 2-277 (ENTITLED “ADVISORY COMMITTEE; PROVIDING FOR PENALTY; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE



## Appointed Bodies

- A comprehensive review of Article III and Section 2-277 has been undertaken by a Council-appointed committee comprised of Philip Thurman and Tommy Gaut working collaboratively with staff.



## Key Updates

- Codifies and updates the policies and procedures from the 2019 Policies and Procedures for Advisory Boards and Commissions document into the Code of Ordinances.
- Clearly defines authority and scope of all appointed bodies, including ad hoc committees and staff-appointed committees.
- Expands guidance on ethics, attendance, reporting, and training.
- Compliance with the Texas Open Meetings Act and Robert's Rules of Order.



## Key Updates

- Standardizes appointment processes and member qualifications including nepotism restrictions, with Council appointments limited to boards and commissions with decision-making authority—including the Planning and Zoning Commission, Zoning Board of Adjustment, Fire Code Appeals Board, Economic Development Corporation, and Historic Preservation Commission.
- Staff appointed committees include Airport Advisory Board, Police Department Citizen Advisory Board, Golf Course Advisory Committee, and Fire Appeal Board.



## Key Updates

- Planning and Zoning Commission designated as the City's first review authority for land use, zoning, and development, with evaluation criteria tied to the City's Comprehensive Plan, infrastructure capacity, economic development goals, and community impact.
- Adds requirement that after any non-unanimous or denial vote, Planning and Zoning Commissioners must provide rationale for their vote, which is included in the official meeting record.
- Codifies that the Capital Advisory Committee, as required by impact fee regulations, is composed of the appointed members of the Planning and Zoning Commission.





# Questions?

## Recommendation

- Staff recommends approval of Ordinance No. 2025-15 as presented.



## Item Brief

### **Meeting Date**

April 8, 2025

### **Agenda Item**

Discuss and consider action: Resolution No. R2025-26: D. Vaughn

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE MAYOR TO ACCEPT A NEW UTILITY/IRIGATION EASEMENT RELATED TO THE RELOCATION OF THE GOLF COURSE IRRIGATION LINE AT 208 DELAWARE SPRINGS BOULEVARD; AND PROVIDING FOR AN EFFECTIVE DATE

### **Information**

During construction of a new home at 208 Delaware Springs Blvd., it was discovered that the City's golf course irrigation line runs beneath a portion of the home's foundation. Although a utility easement had been provided during the replatting process, the irrigation line was not within the designated area as originally believed.

As a result, the irrigation line must be relocated, and a new 30' utility easement must be recorded to accommodate the installation of the new irrigation line.

To avoid delay in resolving this issue and to ensure continuous operation of the irrigation system, staff recommends approving the attached resolution authorizing the Mayor to accept the new utility easement once finalized. This will allow the City to expedite the legal process and proceed with necessary work without requiring a subsequent Council action.

### **Fiscal Impact**

There is no financial impact regarding this item.

### **Recommendation**

Staff recommends approval of Resolution No. R2025-26 as presented.

**RESOLUTION NO. R2025-26**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE MAYOR TO ACCEPT A NEW UTILITY/IRRIGATION EASEMENT RELATED TO THE RELOCATION OF THE GOLF COURSE IRRIGATION LINE AT 208 DELAWARE SPRINGS BOULEVARD; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, the City of Burnet owns and operates a golf course irrigation system that serves the Delaware Springs Golf Course; and

**WHEREAS**, a replat was previously approved for 208 Delaware Springs Boulevard which included a utility easement believed to contain the existing irrigation line; and

**WHEREAS**, during the construction of a new residence at that address, it was discovered that the irrigation line is not located within the recorded easement and instead runs beneath a portion of the home's foundation; and

**WHEREAS**, in order to preserve the City's irrigation infrastructure and avoid service interruption, the City Council has approved the relocation of the irrigation line and allocated funds for that purpose; and

**WHEREAS**, a new 30' utility easement is necessary to reflect the updated location of the irrigation line and ensure long-term access for maintenance and operation; and

**WHEREAS**, to expedite the process, City staff recommends authorizing the Mayor to accept and execute the necessary easement documents on behalf of the City Council once finalized.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AS FOLLOWS:**

**Section One. Findings.** The recitals set out above are hereby approved and incorporated herein for all purposes.

**Section Two. Approval.** The City Council approves the Mayor to accept the utility/irrigation easement on behalf of the city.

**Section Three. Authorization.** The City Mayor is authorized and directed to take those actions that are reasonably necessary to accept and execute, on behalf of the City of Burnet, a new utility/irrigation easement related to the relocation of the golf course irrigation line at 208 Delaware Springs Boulevard, once the easement has been finalized and reviewed by City staff and legal counsel.

**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** on this the 8th day of April 2025.

**CITY OF BURNET, TEXAS**

\_\_\_\_\_  
Gary Wideman, Mayor

**ATTEST:**

\_\_\_\_\_  
Maria Gonzales, City Secretary

# New Utility Easement

## City Council Regular Meeting April 8, 2025

Discuss and consider action: Resolution No. R2025-26: D. Vaughn

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE MAYOR TO ACCEPT A NEW UTILITY/IRRIGATION EASEMENT RELATED TO THE RELOCATION OF THE GOLF COURSE IRRIGATION LINE AT 208 DELAWARE SPRINGS BOULEVARD; AND PROVIDING FOR AN EFFECTIVE DATE

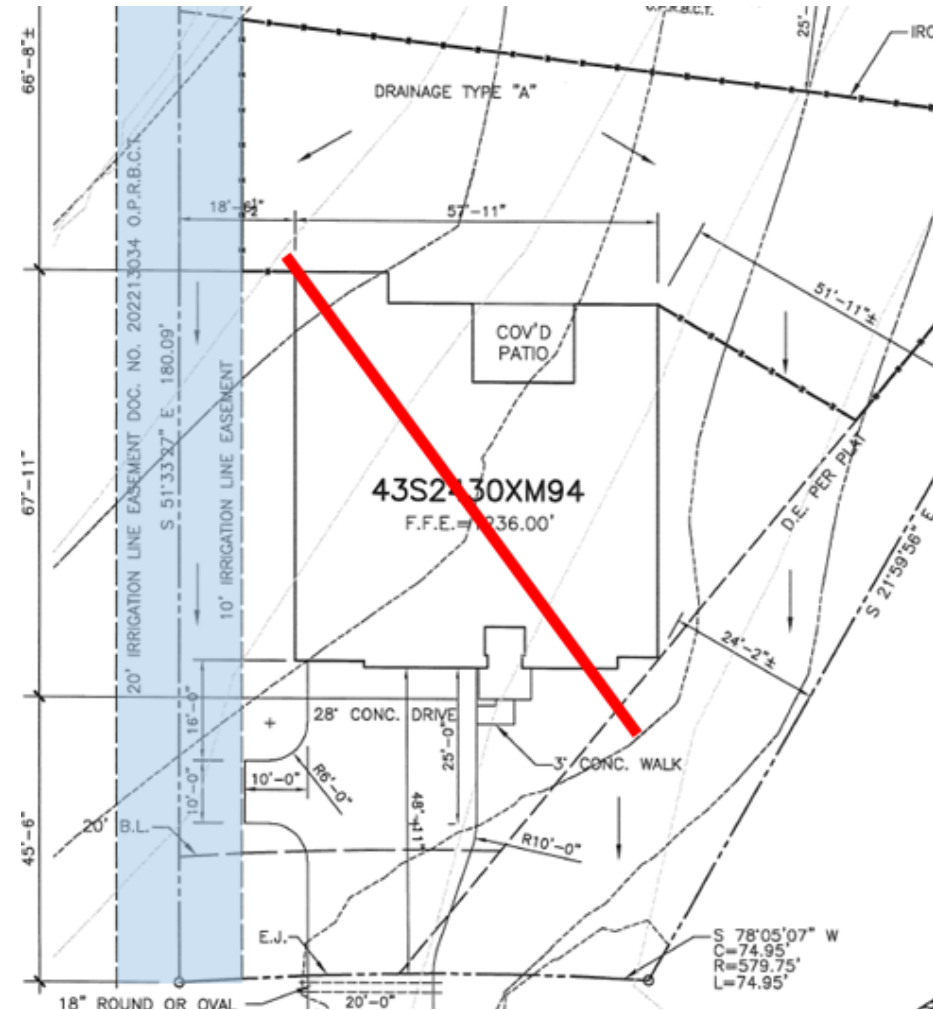


*Bluebonnet Capital of Texas*



# Purpose of Resolution

- Related to relocation of the golf course irrigation line at 208 Delaware Springs Blvd.
- Existing irrigation line is not within the recorded easement



# Purpose of Resolution



- The irrigation line will be relocated to a new 30' utility easement (See red band)
- Approval of the resolution authorizing the Mayor to accept a new utility easement
  - Streamlines process—no additional Council action needed



# Questions?

## Recommendation

- Staff recommends approval of Resolution No. R2025-26 as presented.



*Bluebonnet Capital of Texas*







## Item Brief

### **Meeting Date**

April 8, 2025

### **Agenda Item**

Discuss and consider action: Appointment of a Council Member to serve on the Board of Directors for the YMCA of the Highland Lakes at Galloway-Hammond: D. Vaughn

### **Information**

The YMCA of the Highland Lakes at Galloway-Hammond provides essential recreational, educational, and wellness programs that benefit the residents of Burnet. To strengthen collaboration and enhance communication between the City and the YMCA, the Council will appoint a Council Member to a position on the YMCA Board of Directors.

Per the Operating Agreement between the City of Burnet and the YMCA of the Highland Lakes, the City shall be entitled to appoint one (1) representative to serve on the Board of Directors for the facilities during the term of the agreement.

A formal representative from the City Council on the YMCA Board would create opportunities for strategic cooperation, ensuring alignment between city priorities and YMCA initiatives. The YMCA has successfully partnered with other cities in seeking grant funding for recreational and community development projects, demonstrating its ability to secure resources that benefit local communities. The appointed Council Member will serve as a liaison between the City and the YMCA, providing updates as necessary and supporting cooperative initiatives that benefit the community.

### **Fiscal Impact**

None

### **Recommendation**

Staff recommends approving the appointment of a Council Member to the serve on the Board of Directors for the YMCA of the Highland Lakes at Galloway-Hammond.



## Item Brief

### **Meeting Date**

April 8, 2025

### **Agenda Item**

Discuss and consider action: Resolution No. R2025-25: A. Feild

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, ACCEPTING A SUB-GRANT AWARD FOR THE HAZARD MITIGATION GRANT PROGRAM (HMGP) DR-4705-0026 IN THE AMOUNT OF \$796,800.00

### **Information**

The City of Burnet has received official notification from FEMA approving the application for the City of Burnet Generators project. The total project cost is \$1,062,400.00, with FEMA providing \$796,800.00 through the Hazard Mitigation Grant Program (HMGP), FEMA-4705-DR-TX. The City of Burnet will contribute a non-federal match of \$265,600.00. Additionally, \$53,000.00 in Subrecipient Management Costs (MC) will be fully covered by FEMA at a 100% federal cost share.

The approved project scope includes the installation of four permanent backup generators at critical facilities: one water treatment plant, two pump stations, and one lift station. Electrical upgrades will be made at the sites to accommodate the generators, and protective fencing will be installed where needed. The generators will be installed on concrete pads.

### **Fiscal Impact**

This is a reimbursable grant with a 75/25 federal-to-local match. The total project cost is \$1,062,400.00, with FEMA contributing \$796,800.00 through the Hazard Mitigation Grant Program (HMGP), FEMA-4705-DR-TX. The City of Burnet will provide a non-federal match of \$265,600.00.

### **Recommendation**

Staff recommends approval of Resolution No. R2025-25 as presented.

**RESOLUTION NO. R2025-25**

**A RESOLUTION OF THE CITY COUNCIL OF BURNET, TEXAS,  
ACCEPTING A SUB-GRANT AWARD FOR THE HAZARD MITIGATION  
GRANT PROGRAM (HMGP) DR-4705-0026 IN THE AMOUNT OF  
\$796,800.00**

**WHEREAS**, the City of Burnet has received official notification from the Federal Emergency Management Agency (FEMA) approving the application for the City of Burnet Generators Project under the Hazard Mitigation Grant Program (HMGP), FEMA-4705-DR-TX; and

**WHEREAS**, the total project cost is \$1,062,400.00, with FEMA providing \$796,800.00 in funding and the City of Burnet contributing a non-federal match of \$265,600.00; and

**WHEREAS**, FEMA has also approved \$53,000.00 in Subrecipient Management Costs (MC) to be fully covered by FEMA at a 100% federal cost share; and

**WHEREAS**, the City of Burnet's Generators Project will involve the installation of four permanent backup generators at critical facilities, including one water treatment plant, two pump stations, and one lift station, with necessary electrical upgrades and protective fencing; and

**WHEREAS**, the City of Burnet recognizes the importance of the project in enhancing community resilience and ensuring continued operations of critical services during power outages; and

**WHEREAS**, the City Council acknowledges the terms of the grant, including the reimbursable 75/25 federal-to-local match structure, and the obligation to manage and implement the project in accordance with federal, state, and local regulations; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AS FOLLOWS:**

**Section One. Findings.** The recitals set out above are hereby approved and incorporated herein for all purposes.

**Section Two. Acceptance.** The City Council hereby accepts the sub-grant award in the amount of \$796,800.00 for the Hazard Mitigation Grant Program (HMGP) DR-4705-0026, to be used for the City of Burnet Generators Project.

**Section Three. Authorization.** The City Manager is authorized to take all necessary actions to execute and implement the sub-grant agreement and manage the project in accordance with the terms and conditions of the HMGP.

**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** on this the 8th day of April 2025.

**CITY OF BURNET, TEXAS**

\_\_\_\_\_  
Gary Wideman, Mayor

**ATTEST:**

\_\_\_\_\_  
Maria Gonzales, City Secretary



**FEMA**

January 30, 2025

W. Nim Kidd, MPA, CEM  
Chief, Texas Division of Emergency Management  
Vice Chancellor - The Texas A&M University System  
2883 Highway 71 East  
P.O. Box 285  
Del Valle, TX 78617-9998

Attn: Ms. Michelle Ellis, State Hazard Mitigation Officer

RE: DR-4705-0026-TX  
City of Burnet – City of Burnet Generators  
Assistance Listing 97.039 Hazard Mitigation Grant Program

Dear Chief Kidd:

This letter provides official notification that the Federal Emergency Management Agency (FEMA) approves the application submitted by the City of Burnet for the City of Burnet Generators project. The total project cost is \$1,062,400.00. The Federal share in the amount of \$796,800.00, is available through the Hazard Mitigation Grant Program (HMGP) under FEMA-4705-DR-TX. The non-federal match requirement of \$265,600.00 will be provided by City of Burnet.

Pursuant to Section 1215 of the Disaster Recovery Reform Act of 2018, which amended Section 324 of the Robert T. Stafford Disaster Relief and Assistance Act, subrecipient Management Costs (MC) in the amount of \$53,000.00 are available to the City of Burnet at a Federal Cost Share of 100%.

The following is the approved Scope of Work (SOW) for the above-referenced project:

The City of Burnet in Burnet County, TX proposes to install four permanent backup generators at four critical facilities: one water treatment plant, two pump stations, and one lift station. The proposed sites will have electrical upgrades to be able to accept the generators and protective fencing will be installed where one does not already existing. The generators will be mounted to concrete pads.

Generators that have been approved as components in this project's SOW are listed below.

Chief Kidd  
January 30, 2025  
Page 2

Generator Site Name	Generator Street Address	Generator Size	Portable/ Permanent	Latitude	Longitude
Main Street Water Plant	701 N. Main St.	500kW	Permanent	30.764514	-98.228966
Eagles Nest Pump Station	Big Sky	200kW	Permanent	30.768109	-98.268969
East Tank Pump Station	1804 Wofford	250kW	Permanent	30.767617	-98.209726
Delaware Ranch Lift Station	201 Sunday Dr.	175kW	Permanent	30.720910	-98.243638

This project has been determined to be Categorically Excluded (CATEX) in accordance with FEMA Instruction 108-1-1 and Department of Homeland Security (DHS) Instruction 023-01-001-01; CATEX n18 from the need to prepare either an Environmental Impact Statement or Environmental Assessment. No extraordinary circumstances in accordance with DHS Instruction 023-01-001-01 have been identified regarding this action. The applicant must comply with all conditions set forth in the attached Record of Environmental Consideration (REC). Failure to comply with these conditions may jeopardize federal assistance including funding.

#### Technical Conditions

Subrecipient must coordinate with the local floodplain administrator to obtain required permits. The subrecipient must comply with any conditions of the permit(s) prior to initiating work. All permits and coordination pertaining to these activities must be retained by the subrecipient. Submit permits and documentation of coordination to FEMA at closeout. Subrecipient must acquire all applicable federal, state, tribal and/or local permits.

FEMA will not establish activity completion timeframes for individual sub awards. The Period of Performance (POP) for DR-4705-TX is set to expire on October 18, 2028. It is the responsibility of the Recipient and subrecipient to ensure all approved activities associated with this sub-award are completed by the end of the POP. Any costs incurred prior to the date of this approval or after the POP will be disallowed.

A change to the approved SOW requires prior approval from FEMA. The National Environmental Policy Act (NEPA) stipulates that additions or amendments to a HMGP SOW shall be reviewed by all state and federal agencies participating in the NEPA process. NEPA sign-off for all SOW additions or amendments is essential before the revised SOW can be approved by FEMA or implemented by the HMGP subrecipient.

In accordance with 2023 Hazard Mitigation Assistance Program and Policy Guidance HMGP MC, any MC provided will be obligated in increments sufficient to cover Recipient and subrecipient needs for no more than one year unless contractual agreements require additional funding. Actual subrecipient MC are to be reconciled quarterly during the review of expenditures

Chief Kidd  
January 30, 2025  
Page 3

submitted by the subrecipient through quarterly report process. Subrecipient MC can be expended for a maximum time of 180 days after work is completed for the subaward or the end of the POP, whichever is sooner.

The initial quarterly progress reports for the HMGP project are due at the end of the approving quarter. Please include this HMGP project in your future quarterly reports. Title 44 of the Code of Federal Regulations (44 C.F.R.) § 206.438(c) indicates the State must provide a quarterly progress report to FEMA indicating the status and completion date for each project funded. The report will include any problems or circumstances affecting completion dates, SOW, or project cost that may result in non-compliance with the approved grant conditions.

Pursuant to Title 2 C.F.R § 200.403 et seq. all costs, to include engineering fees, must be adequately documented, necessary and reasonable for the performance of the federal award and be allocable thereto under these principles except where otherwise authorized by statute. FEMA approval of a project budget is not a determination of the allowability of costs. Future amendments and closeout will require itemized budgets (no lump sums).

In accordance with HMGP rules and policy, we require the submittal of all closeout documentation within 120 days of the project completion, not to exceed POP. Section 206.438(d) of 44 C.F.R. requires the Governors Authority Representative to “certify that reported costs were incurred in the performance of eligible work, that the approved work was completed, and that the mitigation measure is in compliance with the provisions of the FEMA-State Agreement.”

The Obligation Report, REC, and Technical Recommendation Report are included for your records.

If you have any questions regarding the information, please contact Angela Rivera-Watts, Hazard Mitigation Assistance (HMA) Specialist, at (202) 710-6282 or [Angela.Rivera-Watts@fema.dhs.gov](mailto:Angela.Rivera-Watts@fema.dhs.gov).

Sincerely,



FOR Marty Chester  
Acting HMA Disaster Branch Chief

Enclosures: Obligation Report  
REC  
Technical Recommendation Report

## FEDERAL EMERGENCY MANAGEMENT AGENCY

## RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project HMGP-4705-0026-TX (1)

Title: City of Burnet Generator Project

## NEPA DETERMINATION

Non Compliant Flag: No	EA Draft Date:	EA Final Date:
EA Public Notice Date:	EA Fonsi	Level: CATEX
EIS Notice of Intent	EIS ROD Date:	

**Comment** The City of Burnet in Burnet County, TX proposes to install 4 permanent backup generators at four critical facilities: one water treatment plant, two pump stations, and one lift station. The proposed sites will have electrical upgrades in order to be able to accept the generator and protective fencing will be installed where not already existing. The generators will be mounted to concrete pads. Each fuel tank provided will be double walled and have fuel leak detection.

- \*. Main Street Water Plant (30.764514, -98.228966)
- \*. Eagles Nest Pump Station (30.768109, -98.268969)
- \*. East Tank Pump Station (30.767617, -98.209726)
- \*. Delaware Ranch Lift Station (30.720910, -98.243638)

This project has been determined to be Categorically Excluded from the need to prepare either an Environmental Impact Statement or Environmental Assessment in accordance with FEMA Instruction 108-1-1 and DHS Instruction 023-01-001-01; CATEX N18. Particular attention should be given to the project conditions before and during project implementation. Failure to comply with these conditions may jeopardize federal assistance including funding.  
- dcook125 - 08/26/2024 18:17:27 GMT

## CATEX CATEGORIES

Catex Category Code	Description	Selected
*n18	(*n18) Federal Assistance for Construction or Installation of Structures, Facilities, or Equipment to Ensure Continuity of Operations. Federal assistance for the construction or installation of measures for the purpose of ensuring the continuity of operations during incidents such as emergencies, disasters, flooding, and power outages involving less than one acre of ground disturbance. Examples include the installation of generators, installation of storage tanks of up to 10,000 gallons, installation of pumps, construction of structures to house emergency equipment, and utility line installation. This CATEX covers associated ground disturbing activities, such as trenching, excavation, and vegetation removal of less than one acre, as well as modification of existing structures.	Yes

## EXTRAORDINARY

Extraordinary Circumstance Code	Description	Selected ?
	No Extraordinary Circumstances were selected	

## ENVIRONMENTAL LAW / EXECUTIVE ORDER

Environmental Law/ Executive Order	Status	Description	Comment
Clean Air Act (CAA)	Completed	Project will not result in permanent air emissions - Review concluded	



## FEDERAL EMERGENCY MANAGEMENT AGENCY

## RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project HMGP-4705-0026-TX (1)

Title: City of Burnet Generator Project

Environmental Law/ Executive Order	Status	Description	Comment
Coastal Barrier Resources Act (CBRA)	Completed	Project is not on or connected to CBRA Unit or otherwise protected area - Review concluded	
Clean Water Act (CWA)	Completed	Project would not affect any water of the U.S. - Review concluded	
Coastal Zone Management Act (CZMA)	Completed	Project is not located in a coastal zone area and does not affect a coastal zone area - Review concluded	
Executive Order 11988 - Floodplains	Completed	No effect on floodplain/flood levels and project outside floodplain - Review concluded	Per Flood Insurance Rate Map (FIRM) panels 48053C0325G, 48053C0338G, 48053C0339G, and 48053C0480G dated 11/1/2019, the project is located outside the 500- year floodplain, special flood hazard area and the activity does not adversely affect floodplain values. - dcook125 - 08/26/2024 18:19:19 GMT
Executive Order 11990 - Wetlands	Completed	No effects on wetlands and project outside wetlands - Review concluded	A review of the National Wetland Inventory (NWI) online mapper, accessed on 08/26/2024, for the site indicates that the area is not located within, nor does it affect a designated wetland. - dcook125 - 08/26/2024 18:19:29 GMT
Executive Order 12898 - Environmental Justice for Low Income and Minority Populations	Completed	Low income or minority population in or near project area	This project has been determined to have no potential to have disproportionately high and adverse human health or environmental effects on minority or low-income populations according to FEMA's EO 12898 Guidance or input from EHP Leadership. FEMA has no further EO 12898 responsibilities with regard to these activities. - dcook125 - 08/26/2024 18:19:43 GMT
	Completed	No disproportionately high and adverse impact on low income or minority population - Review concluded	
Endangered Species Act (ESA)	Completed	Listed species and/or designated critical habitat present in areas affected directly or indirectly by the federal action	
	Completed	No effect to species or designated critical habitat (See comments for justification) - Review concluded	
Farmland Protection Policy Act (FPPA)	Completed	Project does not affect designated prime or unique farmland - Review concluded	

## FEDERAL EMERGENCY MANAGEMENT AGENCY

## RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project HMGP-4705-0026-TX (1)

Title: City of Burnet Generator Project

Environmental Law/ Executive Order	Status	Description	Comment
Fish and Wildlife Coordination Act (FWCA)	Completed	Project does not affect, control, or modify a waterway/body of water - Review concluded	
Migratory Bird Treaty Act (MBTA)	Completed	Project located within a flyway zone	
	Completed	Project does not have potential to take migratory birds - Review concluded	
Magnuson-Stevens Fishery Conservation and Management Act (MSA)	Completed	Project not located in or near Essential Fish Habitat - Review concluded	
National Historic Preservation Act (NHPA)	Completed	Applicable executed Programmatic Agreement. Activity meets Programmatic Allowance (enter date and # in comments) - Review concluded	The scope of work has been reviewed and meets the criteria in Appendix B - Programmatic Allowances, Tier II; Section A.3.b, D.2.a. of FEMA's Programmatic Agreement (PA) dated March 16, 2022. In accordance with this PA, FEMA is not required to determine the National Register eligibility of properties where work performed meets the Appendix B criteria. The scope of work has been reviewed and FEMA has determined, based on Tribal preferences, that the project will not require Tribal Consultation. - smcgoe2 - 08/26/2024 17:53:37 GMT
Resource Conservation and Recovery Act, aka Solid Waste Disposal Act (RCRA)	Completed	Review concluded	
Wild and Scenic Rivers Act (WSR)	Completed	Project is not along and does not affect Wild and Scenic River - Review concluded	

## CONDITIONS

## Special Conditions required on implementation of Projects:

Unusable equipment, debris and material shall be disposed of in an approved manner and location. In the event significant items (or evidence thereof) are discovered during implementation of the project, applicant shall handle, manage, and dispose of petroleum products, hazardous materials and toxic waste in accordance to the requirements and to the satisfaction of the governing local, state and federal agencies.

Source of condition: Resource Conservation and Recovery Act, aka Solid Waste Disposal Act (RCRA)

Monitoring Required: No

## Standard Conditions:

## RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

**Project** HMGP-4705-0026-TX (1)**Title:** City of Burnet Generator Project

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Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.

This review does not address all federal, state and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize federal funding.

If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.

# Record of Technical Consideration and Benefit Cost Summary

## Project Summary

Program:	HMGP
Project Number:	4705-0026
Sub-Recipient:	City of Burnet
County or Parish:	Burnet County, Texas
Project Title:	City of Burnet Generators
Project Type:	Generator
Phase:	Non-phased
Project Budget:	\$1,062,400
Issue Date:	11/26/2024

## BCA Summary

Analyst:	Subrecipient
Projected Benefit:	\$2,375,040
Projected Cost:	\$1,062,400
Total Cost:	\$1,232,772
Benefit Cost Ratio:	1.93
Benefit Coast Analysis Tool Used:	Benefit-Cost Calculator V.6.0.
Hazard Type Analysis:	Generator
Property Structure Type	Utilities
Type of Service:	Potable Water and Wastewater
Number of Generators:	4: 500 kW, 200 kW, 250 kW, 175 kW
BCA Reanalysis:	No



# FEMA

Analyst:	Subrecipient
FEMA:	Recommended
BCA File Name	BCA---City-of-Burnet-Emergency-Generators-02-02-2024_1122191.xlsx

## Objective

The main objective is to review the information submitted by the subrecipient to ensure completeness, adherence to programmatic guidelines and cost allowability and to determine if there are any pre award conditions that should be applied to the project prior to the award of funding. Additionally, the project will be reviewed for post award conditions that will be required for closeout. Project data and information submitted should have enough information to demonstrate the project is sustainable and cost-effective and will be designed to reduce the risk to individuals and property from future natural hazards, while also reducing reliance on federal funding from future disasters

## Scope of Work

The City of Burnet in Burnet County, TX proposes to install 4 permanent backup generators at four critical facilities: one water treatment plant, two pump stations, and one lift station. The proposed sites will have electrical upgrades in order to be able to accept the generator and protective fencing will be installed where not already existing. The generators will be mounted to concrete pads. Each fuel tank provided will be double walled and have fuel leak detection. The proposed site locations can be found in Table 1 below.

The project will be in compliance with latest edition of codes and standards required by Federal, State and Local Rules and regulations.

**Table 1:** Generator Size/Location

Name	Size	Latitude	Longitude	Flood Zone	Source of Flood Data
Main Street Water Plant	500kW	30.764514	-98.228966	Zone X, Unshaded	48053C0338G, Eff. 11/1/2019
Eagles Nest Pump Station	200kW	30.768109	-98.268969	Zone X, Unshaded	48053C0325G, Eff. 11/1/2019
East Tank Pump Station	250kW	30.767617	-98.209726	Zone X, Unshaded	48053C0339G, Eff. 11/1/2019
Delaware Ranch Lift Station	175kW	30.720910	-98.243638	Zone X, Unshaded	48053C0480G, Eff. 11/1/2019

Benefit Cost Analysis

A Benefit Cost Analysis (BCA) was completed, the following information was applied:

	Data	Data Used in BCA	Source
1	Project Useful Life	19 years	BCA Generated standard values
2	Cost	\$1,062,400	Provided by Subrecipient
3	Maintenance Cost	\$12,000	Provided by Subrecipient
4	Number of Customers	2,650	Provided by Subrecipient
5	Damages Before Mitigation	Professional Expected	BCA Generated standard values
6	Damages After Mitigation	Professional Expected	BCA Generated standard values

Conditions

1. Subrecipient must coordinate with the local floodplain administrator to obtain required permits. The subrecipient must comply with any conditions of the permit(s) prior to initiating work. All permits and coordination pertaining to these activities must be retained by the subrecipient. Submit permits and documentation of coordination to FEMA at closeout.
2. Subrecipient must acquire all applicable federal, state, tribal and/or local permits.
3. FEMA approved BCA file titled, “BCA--City-of-Burnet-Emergency-Generators-02-02-2024\_1122191.xlsx”, must be used for any future scope of work and/or budget modifications.



**City Council  
Regular Meeting  
April 8, 2025**

## **HAZARD MITIGATION GRANT PROGRAM- CITY OF BURNET GENERATORS PROJECT SUB-GRANT AWARD ACCEPTANCE**

Discuss and consider action: Resolution No. R2025-25

A RESOLUTION OF THE CITY COUNCIL OF BURNET, TEXAS,  
ACCEPTING A SUB-GRANT AWARD FOR THE HAZARD  
MITIGATION GRANT PROGRAM (HMGP) DR-4705-0026 IN  
THE AMOUNT OF \$796,800.00: A. Feild



## Project Overview

- **Grant Name:** HMGP DR-4705-0026
- **Project Focus:** Installation of generators to enhance community resilience and emergency preparedness.

Generator Site Name	Generator Street Address	Generator Size	Portable/ Permanent
Main Street Water Plant	701 N. Main St.	500kW	Permanent
Eagles Nest Pump Station	Big Sky	200kW	Permanent
East Tank Pump Station	1804 Wofford	250kW	Permanent
Delaware Ranch Lift Station	201 Sunday Dr.	175kW	Permanent

- **Goal:** Enhance community resilience through backup power solutions, to reduce future disaster risks and improve public safety.





## Resolution Overview

- **Resolution Purpose:** Accept a sub-grant award for the Hazard Mitigation Grant Program (HMGP), DR-4705-0026, in the amount of \$796,800.00.
- **Financial Impact:**
  - This is a reimbursable grant with a 75/25 federal-to-local match.
  - The total project cost is \$1,062,400.00.
  - FEMA will contribute \$796,800.00 through the Hazard Mitigation Grant Program (HMGP), FEMA-4705-DR-TX.
  - The City of Burnet will provide a non-federal match of \$265,600.00, which is budgeted in the Water/Wastewater Capital Fund.



# Questions?

## Recommendation

- Staff recommends approval of Resolution No. 2025-25 as presented.



## Item Brief

### **Meeting Date**

April 8, 2025

### **Agenda Item**

Discuss and consider action: Resolution No. R2025-24: A. Feild

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH LANGFORD COMMUNITY SERVICES FOR GRANT ADMINISTRATION SERVICES RELATED TO THE HAZARD MITIGATION GRANT PROGRAM (HMGP) DR-4705-0026 – CITY OF BURNET GENERATORS PROJECT

### **Information**

This resolution authorizes the City Manager to execute an agreement with Langford Community Services for grant administration services related to the Hazard Mitigation Grant Program (HMGP) DR-4705-0026 – City of Burnet Generators Project. This resolution acknowledges the importance of securing funding for hazard mitigation, affirms Langford Community Services' qualifications, and confirms compliance with grant requirements.

### **Fiscal Impact**

Management Costs (MC) in the amount of \$53,000.00 are available to the City of Burnet at a Federal Cost Share of 100%.

Under the agreement, grant administration services will be billed at a rate of \$125 per hour for grant and project management, with total costs not to exceed \$52,000.00.

### **Recommendation**

Staff recommends approval of Resolution No. R2025-24 as presented.

**RESOLUTION NO. R2025-24**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH LANGFORD COMMUNITY SERVICES FOR GRANT ADMINISTRATION SERVICES RELATED TO THE HAZARD MITIGATION GRANT PROGRAM (HMGP) DR-4705-0026 – CITY OF BURNET GENERATORS PROJECT**

**WHEREAS**, the City of Burnet recognizes the importance of securing funding to enhance community resilience and mitigate hazards; and

**WHEREAS**, the Hazard Mitigation Grant Program (HMGP) DR-4705-0026 provides financial assistance for projects that reduce the risk of future disasters and improve public safety; and

**WHEREAS**, through RFP-2023-009, the Council selected Langford Community Services to provide grant administration services for the Hazard Mitigation Grant Program (HMGP) DR-4705-0026 – City of Burnet Generators Project; and

**WHEREAS**, Langford Community Services has the expertise and experience necessary to provide grant administration services and ensure compliance with federal and state grant requirements; and

**WHEREAS**, the City Council finds it in the best interest of the community to engage Langford Community Services to manage the administrative responsibilities associated with the HMGP grant; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AS FOLLOWS:**

**Section One. Findings.** The recitals set out above are hereby approved and incorporated herein for all purposes.

**Section Two. Authorization.** The City Manager is authorized to execute an agreement with Langford Community Services, attached as Exhibit 'A,' for grant administration services related to the HMGP DR-4705-0026 – City of Burnet Generators Project.

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

**PASSED AND APPROVED** on this the 8th day of April 2025.

**CITY OF BURNET, TEXAS**

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Gary Wideman, Mayor

**ATTEST:**

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Maria Gonzales, City Secretary

## **Exhibit “A”**

Contractual Agreement for Administrative Management Services  
for Hazard Mitigation

Grant Program (HMGP) DR-4705-0026 City of Burnet Generators  
Project



David Vaughn  
City Manager  
1001 Buchanan Drive, Suite 4  
Burnet, TX 78611

RE: Contractual Agreement for Administrative Management Services for Hazard Mitigation Grant Program (HMGP) DR-4705-0026 City of Burnet Generators Project

Mr. Vaughn:

Insofar as Langford Community Management Services (LCMS) was selected by the City of Burnet (in the same solicitation as the application preparation scope of work) to administer/manage the City's recently awarded grant project from the Texas Department of Emergency Management (TDEM), I am pleased to submit this Scope 2 contractual document to City.

#### Scope of Services

Langford Community Management Services will administer the grant funds in accordance with the HMGP guidelines, in cooperation with TDEM, and in compliance with all applicable state and federal statutes, terms, and conditions as per the attached list.

Billed at a cost of \$125 (one hundred twenty-five dollars) an hour for grant and project management services and not to exceed the amount of \$52,000.00 (fifty-two thousand dollars) will be paid to Langford Community Management Services for performing the activities listed below:

*Project start-up* – Process Notice of Award Letter to final execution and execute professional services contracts through signature and submission into the TDEM Grant Management System, attend kick-off meeting, and establish project files.

*Recordkeeping* – LCMS will prepare a filing system for the grant at the LCMS office and in cloud storage. This dual set filing system allows for protection of the files and accessibility of files for the City during the project. The preparation of all start-up documentation including direct deposit and signatory forms will also be prepared for signature and then submission to the agency.

*Requests for Reimbursements / Financial Management* – Vouchers with accompanying documentation and spreadsheets are required by TDEM for the processing of pay requests. LCMS will review the pay requests and prepare the documentation on required TDEM/FEMA forms and submit to the City for signatures. Once signed, the vouchers will be submitted to

agency for payment. LCMS will track reimbursement requests and payments for documentation for the files and for payment.

*Design Phase / Bid(s) / Construction Compliance* – LCMS will oversee through progress meetings, conferences with the City, engineers, and/or TDEM to assure all bidding is completed meeting all required agency rules and regulations, as well as all Local, State and Federal laws. LCMS will work with construction companies, engineers, the City, and TDEM to comply with all agency requirements for construction. LCMS will also ensure compliance with the Excluded Parties list System that shows that any chosen contractor is not currently on the federally excluded (debarred) list. LCMS will assist in the preparation of force account documentation of in-house labor and equipment.

*Quarterly Reporting* – LCMS will prepare and submit all required quarterly reports for the project including any necessary supporting documentation for the report.

*Close-out / Completion* – LCMS will prepare final documentation for City review and approval and submission to TDEM.

LCMS includes all budget modifications, project modifications, extensions, and contract modifications as part of the course of the administration of the project and does not charge additional fees to accomplish these activities. Travel and overhead are not charged separately. This administration contract is for the term of the HMGP contract including all time extensions if necessary.

#### Additional Services

The City of Burnet and Langford Community Management Services will negotiate a mutually acceptable amendment to this contract for any additional services above the normal day-to-day administration of this grant.

#### Special Provisions

1. Langford Community Management Services will work with City Engineer Eric Belaj and Administrative Services/Airport Manager Adrienne Field as the primary contacts and local liaisons.
2. This contract may be terminated by either party upon written notice to the other party at least thirty days prior to the effective termination date and upon payment of any and all fees due for work completed.



PAYMENTS TO Langford Community Management Services:

Progress Invoices will be submitted monthly/bimonthly to the City. The City of Burnet shall pay for professional services performed within this AGREEMENT of Scope 2 activities in proportion to services performed during the period. Invoice payments will be made with Net 30-day terms.

If you are in agreement with the terms of this contract, please sign below and return the signed copy to me.

Sincerely,



Judy Langford  
President

Accepted and agreed to on the \_\_\_\_ day of \_\_\_\_\_, 2025, by:

Signed: \_\_\_\_\_

David Vaughn  
City Manager

## REQUIRED CONTRACT PROVISIONS

2 CFR 200.327 Contract provisions. The non-Federal entity's contracts should contain applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards. The non-Federal entity's contracts must contain the provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards, as applicable. **\*Language as of November 14, 2023.**

THRESHOLD	PROVISION	CITATION
>\$250,000 (Simplified Acquisition Threshold)	Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by <a href="#">41 U.S.C. 1908</a> , must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.	2 CFR 200 APPENDIX II (A)
>\$10,000	All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.	2 CFR 200 APPENDIX II (B)
None	<p>Equal Employment Opportunity. Except as otherwise provided under <a href="#">41 CFR Part 60</a>, all contracts that meet the definition of “federally assisted construction contract” in <a href="#">41 CFR Part 60-1.3</a> must include the equal opportunity clause provided under <a href="#">41 CFR 60-1.4(b)</a>, in accordance with Executive Order 11246, “Equal Employment Opportunity” (<a href="#">30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp.</a>, p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at <a href="#">41 CFR part 60</a>, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”</p> <p>41 CFR 60-1.4 Equal opportunity clause.</p> <p>(b) Federally assisted construction contracts. (1) Except as otherwise provided, each administering agency shall require the inclusion of the following language as a condition of any grant, contract, loan, insurance, or guarantee involving federally assisted construction which is not exempt from the requirements of the equal opportunity clause:</p> <p>The [recipient] hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:</p> <p>During the performance of this contract, the contractor agrees as follows:</p> <p>(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:</p>	2 CFR 200 APPENDIX II (C) and 41 CFR §60-1.4(b)

	<p>Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.</p> <p>(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.</p> <p>(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.</p> <p>(4) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.</p> <p>(5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.</p> <p>(6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.</p> <p>(7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted</p>	
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	<p>construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.</p> <p>(8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:</p> <p>Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.</p> <p>The [recipient] further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the [recipient] so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.</p> <p>The [recipient] agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.</p> <p>The [recipient] further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the [recipient] agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the [recipient] under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such [recipient]; and refer the case to the Department of Justice for appropriate legal proceedings.</p>	
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>\$2,000	<p>Davis-Bacon Act, as amended (<a href="#">40 U.S.C. 3141-3148</a>). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (<a href="#">40 U.S.C. 3141-3144</a>, and <a href="#">3146-3148</a>) as supplemented by Department of Labor regulations (<a href="#">29 CFR Part 5</a>, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (<a href="#">40 U.S.C. 3145</a>), as supplemented by Department of Labor regulations (<a href="#">29 CFR Part 3</a>, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.</p>	2 CFR 200 APPENDIX II (D)
>\$100,000	<p>Contract Work Hours and Safety Standards Act (<a href="#">40 U.S.C. 3701-3708</a>). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with <a href="#">40 U.S.C. 3702</a> and <a href="#">3704</a>, as supplemented by Department of Labor regulations (<a href="#">29 CFR Part 5</a>). Under <a href="#">40 U.S.C. 3702</a> of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of <a href="#">40 U.S.C. 3704</a> are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.</p>	2 CFR 200 APPENDIX II (E)
None	<p>Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under <a href="#">37 CFR § 401.2 (a)</a> and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of <a href="#">37 CFR Part 401</a>, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.</p>	2 CFR 200 APPENDIX II (F)
>\$150,000	<p>Clean Air Act (<a href="#">42 U.S.C. 7401-7671q.</a>) and the Federal Water Pollution Control Act (<a href="#">33 U.S.C. 1251-1387</a>), as amended - Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations</p>	2 CFR 200 APPENDIX II (G)

	issued pursuant to the Clean Air Act ( <a href="#">42 U.S.C. 7401-7671q</a> ) and the Federal Water Pollution Control Act as amended ( <a href="#">33 U.S.C. 1251-1387</a> ). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).	
>\$25,000	Debarment and Suspension (Executive Orders 12549 and 12689) - A contract award (see <a href="#">2 CFR 180.220</a> ) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at <a href="#">2 CFR 180</a> that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.	2 CFR 200 APPENDIX II (H)
>\$100,000	Byrd Anti-Lobbying Amendment ( <a href="#">31 U.S.C. 1352</a> ) - Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by <a href="#">31 U.S.C. 1352</a> . Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.	2 CFR 200 APPENDIX II (I) and 24 CFR §570.303
	See 2 CFR §200.323.	2 CFR 200 APPENDIX II (J)
	See 2 CFR §200.216.	2 CFR 200 APPENDIX II (K)
	See 2 CFR §200.322.	2 CFR 200 APPENDIX II (L)
>\$10,000	A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at <a href="#">40 CFR part 247</a> that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.	2 CFR 200.323
>\$100,000	<i>§135.38 Section 3 clause</i> <i>All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):</i>  A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.	

	<p>B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.</p> <p>C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.</p> <p>D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.</p> <p>E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.</p> <p>F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.</p> <p>G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).</p>	
None	<p>Section 889(b)(1) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (FY2019 NDAA) and 2 C.F.R. § 200.216, as implemented by FEMA Policy 405-143-1, Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services (Interim), prohibit the obligation or expending of federal award funds on certain telecommunication products or from certain entities for national security reasons. Effective August</p>	2 CFR 200.216

	<p>13, 2020, FEMA recipients and subrecipients, as well as their contractors and subcontractors, may not obligate or expend any FEMA award funds to:</p> <p>Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:</p> <ul style="list-style-type: none"> <li>(1) Procure or obtain;</li> <li>(2) Extend or renew a contract to procure or obtain; or</li> <li>(3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in <a href="#">Public Law 115-232</a>, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).</li> </ul> <ul style="list-style-type: none"> <li>(i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).</li> <li>(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.</li> <li>(iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.</li> </ul> <p>(b) In implementing the prohibition under <a href="#">Public Law 115-232</a>, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.</p> <p>(c) See <a href="#">Public Law 115-232</a>, section 889 for additional information.</p> <p>(d) See also <a href="#">§ 200.471</a>.</p>	
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None	<p>As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award. For purposes of this section:</p> <p>(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.</p> <p>(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.</p>	2 CFR 200.322(a)(b)(1)(2)
None	The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.	2 CFR 200.112
None	The Federal awarding agency and the non-Federal entity should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine-readable formats rather than in closed formats or on paper in accordance with applicable legislative requirements. A machine-readable format is a format in a standard computer language (not English text) that can be read automatically by a web browser or computer system. The Federal awarding agency or pass-through entity must always provide or accept paper versions of Federal award-related information to and from the non-Federal entity upon request. If paper copies are submitted, the Federal awarding agency or pass-through entity must not require more than an original and two copies. When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.	2 CFR 200.336
None	<p>Contracting with HUB, small and minority businesses, women's business enterprises, and labor surplus area firms.</p> <p>(a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.</p> <p>(b) Affirmative steps must include:</p> <p>(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;</p> <p>(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;</p> <p>(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;</p> <p>(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;</p>	2 CFR 200.321

	<p>(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and</p> <p>(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section.</p>	
None	<p>Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:</p> <p>(a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.</p> <p>(b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.</p> <p>(c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.</p> <p>(d) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.</p> <p>(e) Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.</p> <p>(f) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: Indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).</p> <p>(1) <i>If submitted for negotiation.</i> If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.</p> <p>(2) <i>If not submitted for negotiation.</i> If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.</p>	2 CFR 200.334
None	<p>CONTRACTS WITH COMPANIES ENGAGED IN BUSINESS WITH IRAN, SUDAN, OR FOREIGN TERRORIST ORGANIZATION PROHIBITED. A governmental entity may not enter into a governmental contract with a company that is identified on a list prepared and maintained under Section 2270.0052, 2270.0102, or 2270.0152. In accordance with Texas Government Code, Chapter 2252, Subchapter F, <b>Respondent</b> hereby represents and warrants that it is not a company identified on the lists prepared and maintained under Texas Government Code §§ 2270.0052 (companies with business operations in</p>	Texas Government Code 2252.152

	Sudan), 2270.0102 (companies with business operations in Iran), or 2270.0152 (companies known to have contracts with or provide supplies or services to a foreign terrorist organization). Notwithstanding the foregoing, a company that the United States government affirmatively declares to be excluded from its federal sanctions regime relating to Sudan, Iran, or to a foreign terrorist organization, is not subject to contract prohibition under this clause. A company claiming such exemption must submit the official copy of the declaration.	
>\$100,000	<p>PROVISION REQUIRED IN CONTRACT. (a) This section applies only to certain solicitations and contracts. Section 2271.002 of the Texas Government Code states the following:</p> <p>(a) This section applies only to a contract that:</p> <p>(1) is between a governmental entity and a company with 10 or more full-time employees; and</p> <p>(2) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity.</p> <p>(b) A governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:</p> <p>(1) does not boycott Israel; and</p> <p>(2) will not boycott Israel during the term of the contract. Section 2271.001(2) of the Government Code defines "company" to be the meaning assigned by Section 808.001 of the Texas Government Code, except that the term does not include a sole proprietorship.</p>	Texas Government Code 2271.002
Option Contract Language for contracts awarded prior to Grant Award	The contract award is contingent upon the receipt of federal funds. If no such funds are awarded, the contract shall terminate.	Optional
	Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.	42 U.S.C. 6201
	The Firm agrees that no otherwise qualified individual with disabilities shall, solely by reason of his/her disability, be denied the benefits of, or be subjected to discrimination, including discrimination in employment, under any program or activity receiving federal financial assistance.	Section 504 of the Rehabilitation Act of 1973, as amended.

Contractor agrees to comply with all federal, state, and local laws, rules, regulations, and ordinances, as applicable. It is further acknowledged that contractor certifies compliance with all provisions, laws, acts, regulations, etc. as specifically noted above.

Contractors Name:

Langford Community Management Services

Address, City, State, and Zip Code:

9017 W. Hwy 29, Suite 206, Liberty Hill, TX 78642

Phone Number:

(512) 452-0432

Printed Name and Title of Authorized Representative:

Judy Langford, President

Signature of Authorized Representative:

Date:





**City Council  
Regular Meeting**

**April 8, 2025**

## **HAZARD MITIGATION GRANT PROGRAM- CITY OF BURNET GENERATORS PROJECT**

### **GRANT ADMINISTRATION SERVICES**

Discuss and consider action: Resolution No. R2025-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH LANGFORD COMMUNITY SERVICES FOR GRANT ADMINISTRATION SERVICES RELATED TO THE HAZARD MITIGATION GRANT PROGRAM (HMGP) DR-4705-0026 – CITY OF BURNET GENERATORS PROJECT: A. Feild





City of Burnet,  
Texas – HMGP  
DR-4705-0026  
Generators  
Project

GRANT  
ADMINISTRATION  
SERVICES

## Project Overview

- **Grant Name:** HMGP DR-4705-0026
- **Project Focus:** Installation of generators to enhance community resilience and emergency preparedness.

Generator Site Name	Generator Street Address	Generator Size	Portable/ Permanent
Main Street Water Plant	701 N. Main St.	500kW	Permanent
Eagles Nest Pump Station	Big Sky	200kW	Permanent
East Tank Pump Station	1804 Wofford	250kW	Permanent
Delaware Ranch Lift Station	201 Sunday Dr.	175kW	Permanent

- **Goal:** Enhance community resilience through backup power solutions, to reduce future disaster risks and improve public safety.





City of Burnet,  
Texas – HMGP  
DR-4705-0026  
Generators  
Project

GRANT  
ADMINISTRATION  
SERVICES

## Resolution Overview

- **Resolution Purpose:** Authorizes the City Manager to execute an agreement with Langford Community Services.
- **Financial Impact:** Reimbursable Expense
  - Management Costs (MC) in the amount of \$53,000.00 are available to the City of Burnet at a Federal Cost Share of 100%.
  - Grant administration services will be billed at \$125 per hour, with total costs not exceeding \$52,000.





# Questions?

## Recommendation

Staff recommends approval of Resolution No. 2025-24 as presented.







## Item Brief

### **Meeting Date**

April 8, 2025

### **Agenda Item**

Discuss and consider action: Resolution No. R2025-23: A. Feild

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF FY22/23/24/25 INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)/BIPARTISAN INFRASTRUCTURE LAW (BIL) AIRPORT GRANT FUNDING, AND AUTHORIZING THE CITY MANAGER TO EXECUTE NECESSARY DOCUMENTS

### **Information**

This resolution authorizes the City of Burnet to submit an application in the amount of \$585,000 for FY22/23/24/25 Airport Infrastructure Grant funding under the Infrastructure Investment and Jobs Act (IIJA)/Bipartisan Infrastructure Law (BIL). If awarded, the grant will partially fund the Box Hangar airport improvement project, alleviating financial burdens on the City and its taxpayers. This resolution authorizes the City Manager to execute the necessary documents and take any actions required to facilitate the application and acceptance of the funding.

### **Fiscal Impact**

The grant funding to be received is expected to be \$585,000.

### **Recommendation**

Staff recommends approval of Resolution No. R2025-23 as presented.

**RESOLUTION NO. R2025-23**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF FY22/23/24/25 INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)/BIPARTISAN INFRASTRUCTURE LAW (BIL) AIRPORT GRANT FUNDING, AND AUTHORIZING THE CITY MANAGER TO EXECUTE NECESSARY DOCUMENTS.**

**WHEREAS**, the City of Burnet, Texas, recognizes the importance of maintaining and improving airport infrastructure to support economic growth; and

**WHEREAS**, the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), provides federal funding for critical airport infrastructure improvements through the Federal Aviation Administration (FAA); and

**WHEREAS**, the Texas Department of Transportation - Aviation Division administers FAA grant funding for airports in Texas, ensuring proper allocation and compliance with state and federal regulations; and

**WHEREAS**, the City of Burnet is eligible to apply for FY22/23/24/25 Airport Infrastructure Grant funding in the amount of \$585,000 to support necessary improvements and enhancements to the Burnet Municipal Airport; and

**WHEREAS**, the City Council finds it in the best interest of the community to pursue these grant funds to support airport infrastructure improvements that will enhance efficiency and ensure long-term viability; and

**WHEREAS**, if awarded, the acceptance of grant funds will provide financial support for the box hangar airport infrastructure project, reducing the financial burden on the City and its taxpayers; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AS FOLLOWS:**

**Section One. Findings.** The recitals set out above are hereby approved and incorporated herein for all purposes.

**Section Two. Approval.** The submission of the application for FY22/23/24/25 Infrastructure Investment and Jobs Act (IIJA)/Bipartisan Infrastructure Law (BIL) Airport Infrastructure Grant funding is hereby approved, along with the acceptance of the grant funds if awarded.

**Section Three. Authorization.** The City Manager is authorized and directed to take those actions that are 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** on this the 8th day of April 2025.

**CITY OF BURNET, TEXAS**

\_\_\_\_\_  
Gary Wideman, Mayor

**ATTEST:**

\_\_\_\_\_  
Maria Gonzales, City Secretary



**City Council  
Regular Meeting**

**April 8, 2025**

# Airport – IIJA/BIL FY22/23/24/25 Airport Infrastructure Grant

Discuss and consider action: Resolution No. R2025-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF FY22/23/24/25 INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)/BIPARTISAN INFRASTRUCTURE LAW (BIL) AIRPORT GRANT FUNDING, AND AUTHORIZING THE CITY MANAGER TO EXECUTE NECESSARY DOCUMENTS: A. Feild





**Airport  
IIJA/BIL  
FY22/23/24/25**

**Airport  
Infrastructure  
Grant**

## Resolution Overview

- Authorizing the submission of an application for FY22/23/24/25 IIJA/BIL Airport Infrastructure Grant funding.
- Authorizing the acceptance of funds if awarded.
- Authorizing the City Manager to execute necessary documents.





**Airport  
IIJA/BIL  
FY22/23/24/25  
  
Airport  
Infrastructure  
Grant**

## Importance of Airport Infrastructure

- Drives economic growth and strengthens regional development.
- Improves safety, operational efficiency, and sustainability.
- Eases financial impact on the city and its taxpayers.

## Grant Funding Details

- Funding Source: IIJA/BIL through FAA, administered by TxDOT Aviation Division.
- Eligible Grant Amount: \$585,000
- Purpose: Box Hangar Infrastructure Project





# Questions?

## Recommendation

- Staff recommends approval of Resolution No. 2025-23 as presented.





## Item Brief

### **Meeting Date**

April 8, 2025

### **Agenda Item**

Discuss and consider action: Ordinance No. 2025-17: P. Langford

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE 2024-35; THE ORIGINAL BUDGET ORDINANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024, AND ENDING SEPTEMBER 30, 2025, FOR THE CITY OF BURNET, TEXAS, FUNDING ACCOUNTS IN BUDGET DUE TO UNFORESEEN SITUATIONS; CONTAINING FINDINGS; PROVIDING FOR SAVINGS AND SEVERABILITY

### **Information**

This ordinance provides for the second quarter fiscal year 2024-2025 budget amendments as listed on Attachment “A” of the ordinance. Items 1 – 4 on Attachment “A” were previously presented to Council.

Item 5 on Attachment “A” is a new item requesting an increase in the Parks Improvements budget by seventy-five thousand and 00/100 dollars (\$75,000) to cover additional costs to finish out park restroom projects including the concrete work, additional access controls to park restroom doors and the current budget overage of approximately six thousand and 00/100 dollars (\$6,000). Costs will be covered by General Fund reserves.

### **Fiscal Impact**

As noted on Attachment “A”.

### **Recommendation**

Staff recommends approval of Ordinance No. 2025-17 as presented.



**ORDINANCE NO. 2025-17**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE 2024-35; THE ORIGINAL BUDGET ORDINANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024, AND ENDING SEPTEMBER 30, 2025, FOR THE CITY OF BURNET, TEXAS, FUNDING ACCOUNTS IN BUDGET DUE TO UNFORESEEN SITUATIONS; CONTAINING FINDINGS; PROVIDING FOR SAVINGS AND SEVERABILITY**

**WHEREAS**, the City of Burnet, Texas Fiscal Year 2024-2025 Budget was adopted by Ordinance 2024-35 within the time and in the manner required by State Law; and

**WHEREAS**, the City of Burnet, Texas has reviewed the Budget; and

**WHEREAS**, the City Council of the City of Burnet, Texas has considered the status of the Capital Improvement Projects for the rest of the fiscal year; and

**WHEREAS**, the City Council of the City of Burnet, Texas hereby finds and determines that it is prudent to amend the line items due to unforeseen situations that have occurred in the City; and

**WHEREAS**, the City Council of the City of Burnet, Texas further finds that these amendments will serve in the public interest; and

**WHEREAS**, the City Council of the City of Burnet, Texas finds and determines that the change in the Budget for the stated municipal purpose is warranted and necessary, and that the amendment of the Budget to fund these line items is due to unforeseen situations and a matter of public necessity warranting action at this time, and

**WHEREAS**, the Local Government Code Section 102.010 allows for changes in the budget for municipal purposes.

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

**Section 1. Findings.** The facts and matters set out above are found to be true and correct.

**Section 2. Purpose.** The City of Burnet, Texas, Fiscal Year 2024-2025 Budget is hereby amended to reflect the effect of unforeseen circumstances, as reflected in attachment "A".

**Section 3. Savings/Repealing Clause.** All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to

the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

**Section 4. Severability.** It is hereby declared to be the intention of the City Council that if any of the sections, paragraphs, sentences, clauses, and phrases of the Ordinance shall be declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation of this Ordinance of unconstitutional or invalid phrases, clauses, sentences, paragraphs, or sections.

**PASSED, APPROVED, AND ADOPTED** on this the 8th day of April 2025.

**CITY OF BURNET, TEXAS**

\_\_\_\_\_  
Gary Wideman, Mayor

**ATTEST:**

\_\_\_\_\_  
Maria Gonzalez, City Secretary

**Attachment A**

1. \$33,820 increase in General Fund Capital Budget expenses to purchase seven (7) scoreboards and related equipment for the fields located at the YMCA. Cost will be covered by General Fund reserves. (Presented to and approved by Council on March 11, 2025, Item 8-1).
2. \$126,555 increase in General Fund Capital Budget expenses to purchase and outfit vehicles for future Building Official (\$54,300) and Juvenile Investigator positions (\$72,255). Costs will be covered by General Fund reserves. (Presented to and approved by Council on March 24, 2025, Item 8-5).
3. \$225,000 increase in Water & Wastewater Operating Budget expenses for hay operations. Costs will initially be covered by Use of Water & Wastewater Fund Balance and possibly Hay Sale Revenues depending on the timing of hay sales. (Presented to Council during workshop on April 8, 2025).
4. \$100,000 increase in Water & Wastewater Capital Budget expenses to purchase hay equipment. Costs will be covered by Water & Wastewater reserves. (Presented to Council during workshop on April 8, 2025).
5. \$75,000 increase in General Fund Capital Budget expenses for park improvements to cover additional costs to finish out restrooms, concrete work, access door readers, and current budget overage of approximately \$6K. Costs will be covered by General Fund reserves.

**CITY OF BURNET**

# **2<sup>nd</sup> Quarter Fiscal Year 2024-2025 Budget Amendments**

**City Council Regular Meeting**  
**April 8, 2025**

Discuss and consider action: Ordinance No. 2025-17

An Ordinance of the City Council of the City of Burnet, Texas, amending Ordinance 2024-35; The original budget ordinance for the fiscal year beginning October 1, 2024, and ending September 30, 2025, for the City of Burnet, Texas, funding accounts in budget due to unforeseen situations; containing findings; providing for savings and severability: P. Langford



*Bluebonnet Capital of Texas*



## CITY OF BURNET

## 2<sup>nd</sup> Quarter Fiscal Year 2024-2025 Budget Amendments

1. \$33,820 increase to purchase 7 scoreboards and related equipment. Costs covered by reserves.
2. \$126,555 increase to purchase new vehicles for the future Building Official and Juvenile investigator. Costs covered by reserves.
3. \$225,000 increase for hay operations. Costs covered by reserves and possibly hay sales.
4. \$100,000 increase for hay equipment. Costs covered by reserves.
5. \$75,000 increase for park improvements. Costs covered by reserves.



*Bluebonnet Capital of Texas*



## CITY OF BURNET

# Questions?

## Recommendation

- Staff recommends approval of Ordinance No. 2025-17 as presented.



*Bluebonnet Capital of Texas*





## Item Brief

### **Meeting Date**

April 8, 2025

### **Agenda Item**

Discuss and consider action: Approval of an interlocal agreement between Texas Municipal League Intergovernmental Risk Pool (the “Pool”) and the City of Burnet to form a joint self-insurance pool to be named the Texas Municipal League Joint Cyber Liability and Data Breach Response Self-Insurance Fund (hereinafter referred to as the “Fund”) for the purpose of providing coverages against risks which are inherent in operating a political subdivision: P. Langford

### **Information**

Cyberattacks are becoming more common, more sophisticated, and more expensive. In fact, the Pool’s cyber claims have increased exponentially since 2016. Therefore, the Pool is updating its Cyber Coverage and creating a separate Cyber Fund. The Fund’s coverage provides, among other things, breach response, network business interruption, cyber extortion, data recovery costs, and fraud protection.

### **Fiscal Impact**

Cyber coverage contributions (premiums) will increase based on the City’s elected limits. The new contribution ranges from \$1,000 to \$1,850 depending on which option is selected.

### **Recommendation**

Staff recommends approval the interlocal agreement between Texas Municipal League Intergovernmental Risk Pool (the “Pool”) and the City of Burnet.

# Texas Municipal League Intergovernmental Risk Pool

1821 Rutherford Lane, First Floor • Austin, Texas 78754

## CYBER LIABILITY AND DATA BREACH RESPONSE INTERLOCAL AGREEMENT

This Contract and Interlocal Agreement is entered into by and between political subdivisions of this state (hereinafter referred to as “Pool Members”) to form a joint self-insurance pool to be named the Texas Municipal League Joint Cyber Liability and Data Breach Response Self-Insurance Fund (hereinafter referred to as the “Fund”) for the purpose of providing coverages against risks which are inherent in operating a political subdivision.

WITNESSETH:

The undersigned Pool Member, in accordance with Chapter 2259, Texas Government Code, the Interlocal Cooperation Act, Tex. Gov’t Code § 791.001, et seq., and the interpretation thereof by the Attorney General of the State of Texas (Opinion #MW-347, May 29, 1981), and in consideration of other political subdivisions executing like agreements, does hereby agree to become one of the Pool Members of this self-insured pool. The conditions of membership agreed upon by and between the parties are as follows:

1. Definitions of terms used in this Interlocal Agreement.
  - a. Board. Refers to the Board of Trustees of the Fund.
  - b. Fund Year. 12:01 a.m. October 1 through 12:01 a.m. the following October 1.
  - c. Manual Rates. The basic rates applicable to each cyber liability and data breach response classification promulgated by the Insurance Service Office or the Board.
  - d. Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan. The Cyber Liability and Data Breach Response Coverage Document that sets forth in exact detail the coverages provided as part of the overall plan.
  - e. Adjustments. Refers to any offsets to manual premium that may result from the Pool Member’s election of deductibles, loss experience, or Fund Modifier which reflects the savings to the Pool Member by entering into this Interlocal Agreement.
  - f. Premium and Contribution. Used interchangeably in some parts of this Interlocal Agreement. Any reference at any time in this Interlocal Agreement to an insurance term not ordinarily a part of self-insurance shall be deemed for convenience only and is not construed as being contrary to the self-insurance concept except where the context clearly indicates no other possible interpretation such as but not limited to the reference to “reinsurance.”
  - g. Reimbursable Deductible. The amount that was chosen by this Pool Member to be applicable to the first monies paid by the Fund to effect judgment or settlement of any claim or suit. The Pool Member, upon notification of the action taken, shall promptly reimburse the Fund for all or such part of the deductible amount as has been paid by the Fund. Further, however, the Fund’s obligation to pay damages shall be subject to the limits of liability stated in the Declarations of Coverage or Endorsements to this Interlocal Agreement less the stated deductible amount.
  - h. Fund Modifier. A percentage figure that is applied to the manual rates by the Fund to reflect the savings to the Pool Member by entering into this Interlocal Agreement.
  - i. Agreement Period. The continuous period since the Pool Member first became a member of this Fund excluding, however, any period or periods of time therein that the member did not participate as a member of the Pool.
  - j. Declarations of Coverage. The specific indication of the coverages, limits, deductibles, contributions, and special provisions elected by each individual Pool Member. The Declarations of Coverages may be modified by Endorsement.
2. The Board, acting through its agents and Fund staff, is responsible for the administration of all Fund business on behalf of the Pool Members.
3. In consideration of the execution of this Interlocal Agreement by and between the Pool Member and the Fund and of the contributions of the Pool Member, the coverage elected by the Pool Member is afforded according to the terms of the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan. The affirmative declaration of contributions and limits of liability in the Declarations of Coverage and Endorsements determine the applicability of the Self-Insurance Plan.



Each Pool Member agrees to adopt and accept the coverages, provisions, terms, conditions, exclusions, and limitations as further provided for in the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan or as specifically modified by the Pool Member's Declarations of Coverage. This Interlocal Agreement shall be construed to incorporate the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan, Declarations of Coverage, and Endorsements and addenda whether or not physically attached hereto.

4. It is understood that by participating in this risk sharing mechanism to cover cyber liability and data breach response exposures, the Pool Member does not intend to waive any of the immunities that its officers or its employees now possess. The Pool Member recognizes the Texas Tort Claims Act and its limitations to certain governmental functions as well as its monetary limitations and that by executing this Interlocal Agreement does not agree to expand those limitations.
5. The term of this Interlocal Agreement and the self-insurance provided to the Pool Member shall be continuous commencing 12:01 a.m. on the date designated in this Interlocal Agreement until terminated as provided below. Although the self-insurance provided for in this Interlocal Agreement shall be continuous until terminated, the limit of liability of the Fund under the coverages that the Pool Member elects shall be limited during any Fund Year to the amount stated in the Declarations of Coverage for that Fund Year.

This Interlocal Agreement may be terminated by either party giving to the other sixty (60) days' prior written notice of intent to terminate except the Pool Member may terminate this Interlocal Agreement and its coverages thereunder without giving the sixty (60) days' notice if the reason is because of a change by the Fund in the Pool Member's contribution, coverage, or other change in the limits of liability, terms, conditions, exclusions, and limitations provided for in the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan provided that no termination by the Member shall be effective prior to the date that written notice of termination is actually received in the offices of the Fund and provided that the Pool Member agrees to and shall pay the applicable premium and contribution for those coverages it is terminating until the date the notice of termination is actually received by the Fund.

The Fund shall provide the Pool Member with Declarations of Coverage and any Endorsements that determine the applicability of the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan annually by December 1. Such Declarations of Coverage shall include, but not be limited to, the coverage period which shall be the applicable Fund Year, limits, deductibles, contributions, special provisions, and limitations. Changes made during the Fund Year, whether requested by the Pool Member or required by the Fund, will be handled by Endorsement.

It is the intention of the parties that the Pool Member's coverages under this Interlocal Agreement shall remain in full force and effect from Fund Year to Fund Year, subject to the limits of liability that the Fund can provide each Fund Year and the terms, conditions, and limitations that the Fund may require to protect its solvency and to comply with reinsurance requirements, until notice of termination is given as herein provided. Realizing that the Pool Member needs the earliest possible information concerning the Fund coverages, limits, and exclusions, and the Pool Member's contribution that will be required for any new Fund Year, the Fund will endeavor to provide this information as soon as possible before the beginning of each Fund Year. The parties recognize, however, that conditions in the reinsurance industry are such that the Fund may not be able to provide this information to the Pool Member before the beginning of a Fund Year for various reasons including the failure of the Pool Member to timely submit the appropriate exposure summary or delays on the part of reinsurers in getting information to the Fund, and so, to protect the Pool Member from gaps in its coverage and to protect the solvency of the Fund, the parties agree as follows:

*If, for any reason other than the Pool Member's failure to provide the information requested in the exposure summary, the Fund has not been able to provide the Pool Member with information concerning available coverages for a new Fund Year or advise the Pool Member of the amount of its contribution for the new Fund Year by the beginning of the Fund Year, the Fund shall nevertheless continue the Pool Member's coverages at the same limits of liability (if still available and if not, then at the highest limit of liability available for the new Fund Year) so that the Pool Member shall at all times remain covered as herein provided and the Pool Member's initial contributions for the new Fund Year shall be determined by a "tentative contribution" as determined by the Board with the Pool Member's actual annual contribution to be credited by the amount paid in accordance with the tentative contribution and adjusted during the Fund Year. In the event the Pool Member does not wish to have its coverages extended or renewed at the end of any Fund Year, the burden shall be upon the Pool Member to give written notice to the Fund as provided hereinabove and the Pool Member agrees to pay as hereinabove stated all contributions or pro rata contributions until the date such written notice is received in the offices of the Fund or the date of termination of this Interlocal Agreement, whichever is later.*

6. Commensurate with the execution of this Interlocal Agreement and annually thereafter, the Pool Member shall complete the appropriate exposure summary and deliver it or cause it to be delivered to the Fund, or, if so instructed, to a designated contractor, no later than September 1 of each year and new annual contributions shall be calculated using manual rates times exposure, less any adjustments. Intentional or reckless misstatements on the exposure summary shall be grounds for cancellation. In the event that the Pool Member fails or refuses to submit the appropriate exposure summary, the Fund reserves the right to terminate such Pool Member by giving (30) days' written notice and to collect any and all contributions that are earned pro rata for the period preceding contract termi

ITEM 8-8.

The Pool Member agrees to pay the annual contribution to the Fund in four (4) equal quarterly installments, in advance, commencing at the beginning of this Interlocal Agreement with subsequent installments due the first quarter thereafter. In the event this Interlocal Agreement is terminated as herein provided, the Fund shall promptly repay to the Pool Member any such unearned annual contribution prorated as of the date of termination and the Pool Member agrees during the term of this Interlocal Agreement to promptly pay all reimbursable deductibles upon receipt of statement.

At the end of each and every Fund Year, the Fund may require the Pool Member to submit the actual data requested on the exposure summary as reflected by the books and records of the Pool Member. The Fund reserves the right to audit the records of any Pool Member and adjust contributions accordingly.

In the event that the Pool Member fails or refuses to make the payments, including accrued interest, as herein provided, the Fund reserves the right to terminate such Pool Member by giving them ten (10) days' written notice and to collect any and all amounts that are earned pro rata for the period preceding contract termination. If the amounts owed, including reimbursable deductibles, must be collected by suit, the Pool Member agrees to pay attorneys' fees and costs incurred in such suit.

7. The Fund shall maintain adequate protection from catastrophic losses to protect its financial integrity. Aggregate protection shall also be maintained. The Member's contributions shall be limited to that amount as calculated under this Interlocal Agreement. Notwithstanding anything to the contrary, the total combined aggregate limit of liability of the Fund for all Pool Members in any Fund Year, regardless of the number of occurrences or claims, shall be limited to the amount of money contained in the Fund. As to the Pool annual aggregate limits or the amount of money in the Fund, the Board of Trustees, in its sole discretion, may determine an allocation methodology among affected Pool Members should the Pool annual aggregate limit be reached, or should the money in the Fund be exhausted.
8. Notwithstanding the provisions of the foregoing paragraph, it is agreed the Board shall have the right to adjust the financial protection outlined above and/or amend coverages as it finds available or deems necessary to maintain the fiscal soundness of the Fund at the beginning of or during any Fund Year.
9. The Fund will make available loss control services to the Pool Members to assist them in following a plan of loss control that may result in reduced losses. The Pool Member agrees that it will cooperate in instituting any and all reasonable loss control recommendations. In the event that the recommendations submitted seem unreasonable, the Pool Member has a right to appeal to the Board. The Board shall hear the objections of the Pool Member at its next regularly scheduled meeting and its decisions will be final and binding on all parties. Any Pool Member who does not agree to follow the decision of the Board shall be withdrawn from the Fund immediately.
10. The Pool Member agrees that it will appoint a contact of department head rank, and the Fund shall not be required to contact any other individual except this one person. Any notice to or any agreements with the contact shall be binding upon the Pool Member. The Pool Member reserves the right to change the contact from time to time by giving written notice to the Fund.
11. The Fund agrees to handle all cyber liability and data breach response claims, and provide a defense for any and all cyber liability and data breach response claims covered under this Interlocal Agreement after prompt notice has been given. The Pool Member hereby appoints the Fund staff and Contractors as its agents to act in all matters pertaining to processing and handling of claims covered under this Interlocal Agreement and shall cooperate fully in supplying any information needed or helpful in settlement or defense of such claims. As respects cyber liability and data breach response claims, the Fund staff and Contractors shall carry on all negotiations with the claimant and his/her attorney, when applicable, and negotiate within authority previously granted by the Fund. If a personal appearance by the Pool Member or an employee is necessary, the expense of this appearance will not be the responsibility of the Fund. With the advice and consent of the Fund, the Fund staff and the Contractors will retain and supervise legal counsel for the prosecution and defense of any litigation. All decisions on individual cases shall be made by the Fund through the Fund staff and the Contractors, which include, but are not limited to, the decision to appeal or not to appeal, settlement negotiations, the decision of whether to settle, and other litigation tactics. However, any Pool Member shall have the right in any case to consult with the Fund on any decision made by the Fund staff or Contractors. The Board shall hear the objections of the Pool Member at its next regularly scheduled meeting and its decision will be final and binding on all parties. Any suit brought or defended by the Fund shall be brought or defended only in the name of the Pool Member and/or its officers or employees. There shall be supplied periodically to each Pool Member a computer printout involving a statement of claims. As respects the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan, the Fund shall have priority in enforcing its subrogation claims against the claims of Pool Member.
12. The Pool Member acknowledges that it has received a copy of the Bylaws of the Fund and agrees to abide by the Bylaws and any amendments thereto.
13. The Fund agrees that all Fund transactions will be annually audited by a nationally recognized certified public accounting firm.
14. If legally required, the Fund shall cause to be filed the necessary tax forms with the Internal Revenue Service.

ITEM 8-8.

As the administrators of the Fund, the Board shall primarily and consistently keep foremost in their deliberations and decisions in operating the Fund that each of the participating Pool Members is a "self-insured." At least annually, the Board shall carefully review, study, and consider the actual claims or loss experience (including reserves for future claims payments) of each of the Pool Members, the pro rata savings to the Fund resulting from overall loss experience attributed to each Pool Member, and the pro rata portion of the cost of all catastrophic loss protection and aggregate stop loss protection allocated to each Pool Member as well as the pro rata allocation, as determined by the Board of the other and necessary administrative expenses of the Pool, in order to reasonably determine the actual pro rata cost, expense, and loss experience of each Pool Member in order to maintain as nearly as possible an equitable and reasonable self-insurance administration of the Fund as applied to each Pool Member.

The Fund shall maintain case reserves and supplemental reserves computed in accordance with standard actuarial principles, taking into account historical and other data, designed to measure claims development and claims incurred but not yet reported, so that funds will be available to meet these claims as they become due, subject to paragraph 7 above. The Board has complete authority to determine all matters pertaining to the existence and dissolution of the Fund.

16. Venue of any suit or action arising out of or related to this Interlocal Agreement shall be exclusively in the state and federal courts of Travis County, Texas. The parties agree they shall assume their own expenses for attorney's fees in any suit or action arising out of or related to this Interlocal Agreement.
17. The parties agree this Interlocal Agreement may be executed by original written ink signature on paper documents, an exchange of copies showing the original written ink signature on paper documents, or electronic or digital signature technology in such a manner that the signature is unique and verifiable to the person signing. The use of any one or combination of these methods of execution shall constitute a legally binding and valid signing of this Interlocal Agreement, which may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

EMPLOYER MEMBERS' FUND CONTACT (See Section 10):

Member Name \_\_\_\_\_

Name of Contact \_\_\_\_\_ Title \_\_\_\_\_

Mailing Address \_\_\_\_\_ Email Address \_\_\_\_\_

Street Address (if different from above) \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF AUTHORIZED MEMBER OFFICIAL

\_\_\_\_\_  
Title \_\_\_\_\_ Date \_\_\_\_\_

Member's Federal Tax I.D. Number \_\_\_\_ - \_\_\_\_ - \_\_\_\_  
**This Information is MANDATORY**

**TO BE COMPLETED BY FUND: (OFFICE USE ONLY)**

Effective Date of This Agreement \_\_\_\_\_

Member Name \_\_\_\_\_

Contract Number \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF AUTHORIZED FUND OFFICIAL

\_\_\_\_\_  
Title \_\_\_\_\_ Date \_\_\_\_\_



## City Council Regular Meeting

April 8, 2025

# Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool for Cyber Coverage

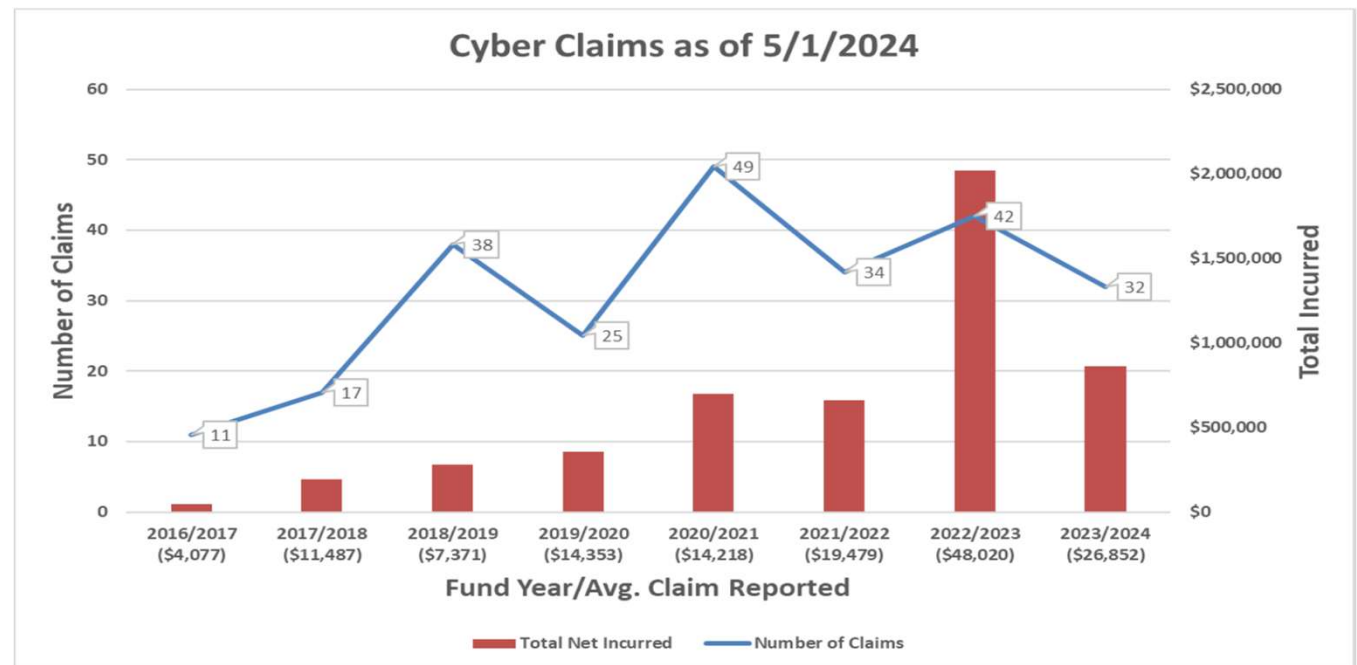
Approval of an interlocal agreement between Texas Municipal League Intergovernmental Risk Pool (the “Pool”) and the City of Burnet to form a joint self-insurance pool to be named the Texas Municipal League Joint Cyber Liability and Data Breach Response Self-Insurance Fund (hereinafter referred to as the “Fund”) for the purpose of providing coverages against risks which are inherent in operating a political subdivision: P. Langford





## Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool for Cyber Coverage

- In 2016, the Pool began offering complimentary Cyber coverage. Later, as the exposure increased, the Pool began charging a minimal amount for coverage.





## Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool for Cyber Coverage



- \*Cyber Claims have increased exponentially since 2016
- \*Cyber attacks are becoming more sophisticated and impossible to predict
- \*Pool's exposure could be in the billions if Member's were hit by a coordinated attack



### **New Cyber fund created to ensure the viability of the Pool's Cyber Coverage**

- \*Total annual payout for the Fund is capped at \$25M should criminals execute a widespread attack
- \*The Limit for third party liability has been reduced to \$500,000 or \$1,000,000 depending on option selected







## Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool for Cyber Coverage Limit Page

	Core	Core+
<b>Tower 1 - Limit of Liability*</b>	\$500,000	\$1,000,000
Data & Network and Media Liability Aggregate Limit of Liability	\$500,000	\$1,000,000
Retention	\$0	\$0
<b>Tower 2 - Limit of Liability</b>	\$100,000	\$250,000
<b><u>First Party Loss</u></b>		
Business Interruption Aggregate Sublimit	\$20,000	\$50,000
Cyber Extortion Loss Aggregate Sublimit	\$25,000	\$50,000
Data Recovery Costs Aggregate Sublimit	\$20,000	\$50,000
Reputational Loss Aggregate Sublimit	\$5,000	\$10,000
Retention (other than Business Interruption)	\$0	\$5,000
Income Loss Retention under Business Interruption	\$5,000	\$5,000
<b><u>Third Party Loss</u></b>		
Regulatory Defense and Penalties Aggregate Sublimit	\$25,000	\$75,000
Payment Card Liabilities & Costs Aggregate Sublimit	\$10,000	\$25,000
Retention	\$0	\$5,000
<b><u>eCrime</u></b>		
Fraudulent Instruction Aggregate Sublimit	\$25,000	\$50,000
Funds Transfer Aggregate Sublimit	\$25,000	\$50,000
Telephone Fraud Aggregate Sublimit	\$25,000	\$50,000
Criminal Reward	\$2,500	\$2,500
Retention (other than Criminal Reward)	\$2,500	\$5,000
Retention Criminal Reward	\$0	\$0
<b>Tower 3 - Limit of Liability</b>	\$100,000	\$150,000
<b>Breach Response Aggregate Limit of Liability</b> Beazley Response Services	\$100,000	\$150,000
Retention	\$0	\$0
<b>New 2024-25 Annual Contribution</b>	<b>\$1,000</b>	<b>\$1,250</b>
<i>Previous 2023-24 Contribution</i>	<i>\$175</i>	<i>\$247.24</i>





# Questions?

## Recommendation

- Staff recommends approval of the interlocal agreement between Texas Municipal League Intergovernmental Risk Pool (the “Pool”) and the City of Burnet.

