



AGENDA

CITY COUNCIL MEETING

MARCH 4, 2025 @ 5:00 PM

Notice is hereby given that the City Council for the City of Parker will meet on Tuesday, March 4, 2025 at 5:00 PM at the Parker City Hall, 5700 E. Parker Road, Parker, Texas, 75002. The City Council meeting will be open to the public and live streamed.

Pursuant to Texas Government Code § 551.127, notice is given that it is the intent of the City Council that a quorum of the Council will be physically present for the above-referenced meeting at Parker City Hall, 5700 E. Parker Road, Parker, Texas. Some council members or City employees may participate in this meeting remotely by means of video conference call in compliance with state law.

CALL TO ORDER – Roll Call and Determination of a Quorum

WORKSHOP (5:00 – 6:00 PM)

1. PROPOSED PERSONNEL POLICY MANUAL

[Proposed Personnel Policy Manual](#)

ADJOURN

CALL TO ORDER – Roll Call and Determination of a Quorum

EXECUTIVE SESSION (6:00 – 7:00 PM) – Pursuant to the provision of Chapter 551, Texas Government Code the City Council may hold a closed meeting.

RECESS TO CLOSED EXECUTIVE SESSION IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN:

Government Code Section 551.074 Personnel—To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

Government Code Section 551.071(1)—Consultation with City Attorney concerning Pending or Contemplated Litigation.

Government Code Section 551.071(2) – Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter (Open Meetings Act).

CONVENE REGULAR MEETING AT 7:00 PM.

ANY APPROPRIATE DELIBERATION AND/OR ACTION ON ANY OF THE EXECUTIVE SESSION SUBJECTS LISTED ABOVE.

PLEDGE OF ALLEGIANCE

AMERICAN PLEDGE: I pledge allegiance to the flag of the United States of America; and to the republic for which it stands, one nation under God, indivisible with liberty and justice for all.

TEXAS PLEDGE: Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

PUBLIC COMMENTS – The City Council invites any person with business before the council to speak to the council. No formal action may be taken on these items at this meeting. please keep comments to 3 minutes.

ITEMS OF COMMUNITY INTEREST

2. NOISE COMMITTEE - MARCH 5, 2025, 2 PM

PARKS AND RECREATION COMMISSION (P&R) – WEDNESDAY, MARCH 12, 2025, 5 PM

THURSDAY, APRIL 3, 2025 - LAST DAY TO REGISTER TO VOTE FOR THE MAY 3, 2025, GENERAL ELECTION

2025 PWC'S CANDIDATES NIGHT – THURSDAY, APRIL 17, 2025, 7 PM – VICTORY CHURCH – 6301 E. PARKER ROAD

NATIONAL PRESCRIPTION DRUG TAKE BACK - SATURDAY, APRIL 26, 2025, 10AM-2PM
GENERAL ELECTION

REMINDER – MAY 3, 2025 – GENERAL ELECTION (EV AND ED INFO)

Sunday (Domingo)	Monday (Lunes)	Tuesday (Martes)	Wednesday (Miércoles)	Thursday (Jueves)	Friday (Viernes)	Saturday (Sábado)
April 20 No Voting (20 de abril) (Sin votar)	April 21 No Voting (21 de abril) (Sin votar)	April 22 Early Voting (22 de abril) (Votación adelantada) 8 am – 5 pm	April 23 Early Voting (23 de abril) (Votación adelantada) 8 am – 5 pm	April 24 Early Voting (24 de abril) (Votación adelantada) 8 am – 5 pm	April 25 Early Voting (25 de abril) (Votación adelantada) 8 am – 5 pm	April 26 Early Voting (26 de abril) (Votación adelantada) 8 am – 5 pm
April 27 No Voting (27 de abril) (Sin votar)	April 28 Early Voting (28 de abril) (Votación adelantada) 7am - 7pm	April 29 Early Voting (29 de abril) (Votación adelantada) 7am - 7pm	April 30 (30 de abril)	May 1 (1 de mayo)	May 2 (2 de mayo)	May 3 Election Day (3 de mayo) (Día de elección) 7am – 7pm

INDIVIDUAL CONSIDERATION ITEMS

3. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON THE ANNUAL AUDIT REPORT.

4. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2025-836 MAKING APPOINTMENTS TO THE ZONING BOARD OF ADJUSTMENT (ZBA).

ROUTINE ITEMS

5. UPDATE(S):

FM2551

PUMP STATION WATER CONNECTION

DUBLIN WATER LINES

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ)

ENGINEERING REVIEW

NOISE COMMITTEE
LEWIS LANE
CHAPARRAL INTERSECTION
POST OFFICE/ZIP CODE
ANY ADDITIONAL UPDATES

DONATION(S)

6. ACCEPTANCE OF DONATION(S) FOR POLICE, FIRE, AND CITY STAFF FOR THE RECORD (Each valued at between \$0 - \$1,000 [RES. NO. 2024-801])

Dana Davies donated snacks valued at \$30 to the Police Department.

The Parker Women's Club donated cookies valued at \$25 cookies to the Fire Department and City Hall Staff.

FUTURE AGENDA ITEMS

7. FUTURE AGENDA ITEMS

ADJOURN

In addition to any specifically identified Executive Sessions, Council may convene into Executive Session at any point during the open meeting to discuss any item posted on this Agenda. The Open Meetings Act provides specific exceptions to the requirement that a meeting be open. Should Council elect to convene into Executive Session, those exceptions will be specifically identified and announced. Any subsequent action, as a result of this Executive Session, will be taken and recorded in open session.

I certify that this Notice of Meeting was posted on or before February 28, 2025, by 5:00 p.m. at the Parker City Hall, and required by Texas Open Meetings Act (TOMA) is also posted to the City of Parker Website at www.parkertexas.us

The Parker City Hall is Wheelchair accessible. Sign interpretations or other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Secretary's Office at 972 442 6811.

Date Notice Removed

Patti Scott Grey
City Secretary

The Parker City Hall is Wheelchair accessible. Sign interpretations or other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Secretary's Office at 972 442 6811.

City of Parker

PERSONNEL POLICY MANUAL

PROPOSED

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CHAPTER 1 – CITY POLICIES

Section 1.1

Introduction

The purpose of the personnel policy manual is to promote understanding, cooperation, efficiency and unity, all of which come through the systematic application of established procedures in personnel management and administration; and to provide a uniform policy for all employees, with all the benefits such a program ensures. This manual is designed to acquaint all employees with the City and provide information about working conditions, employee benefits, and policies affecting employment. Employees should read, understand, and comply with all provisions of the manual. It describes many responsibilities as an employee and outlines the programs developed by the City to benefit employees. It is not intended to give specific guidelines for every conceivable personnel action; it does not replace in-person conversations with your supervisor. Because of the variety of services performed by the City, it may be necessary for individual departments to establish codes of conduct, rules and regulations, and policies and procedures to accomplish departmental responsibilities. An employee who violates a City or departmental code of conduct, rule, policy, or procedure is subject to disciplinary action.

The City reserves the authority to modify, revoke, interpret, or terminate any or all the rules and regulations specified in the personnel policy manual in whole or in part, at any time, with or without notice. The issuance of the personnel policy manual does not constitute an express or implied contract between the City of Parker and its employees. City supervisory personnel shall not make any representation to employees or applicants concerning the terms or conditions of employment with the City of Parker, which is not consistent with the personnel policy manual.

The Human Resources function may be performed by a designated City employee with a different title; all references to “Human Resources” or “Human Resources Manager” refer to the assigned employee and his or her designee.

Section 1.2

At-Will Employment

Employment with the City of Parker is on an at-will basis. Employment with the City is for no fixed or definite term. At-will employment means that both the employee and/or the City have the right to terminate employment at any time, with or without notice, and with or without cause. No agreement or promise regarding an employee's terms or conditions of employment is binding on the City unless such agreement is in writing, approved by the City Council, and signed by the Mayor. This personnel policy manual does not constitute a contract of employment. Nothing in this personnel policy manual is intended to alter the continuing at-will status of employment with the City.

Section 1.3

Equal Opportunity Employer

The City is an equal opportunity employer. Discrimination against any person in recruitment, examination, selection, appointment, rate of pay, promotion and transfer, retention, daily working conditions, training, awards, compensation and benefits, disciplinary measures or any other aspect of employment because of age, race, color, religion, sex, sexual

orientation, gender identity, national origin, disability, genetics, veteran's status or other unlawful basis, is prohibited.

Section 1.4 **Inappropriate Conduct and Prohibited Harassment**

All City employees are entitled to a workplace free of unlawful harassment and inappropriate conduct by management, supervisors, co-workers, citizens, and vendors. This means that each employee must be respectful of others and act professionally. City employees are also prohibited from engaging in inappropriate conduct and unlawful harassment of other employees, citizens, vendors, and all other third parties.

Unlawful Sexual Harassment

- All types of sexual harassment are prohibited. "Sexual harassment" means an unwelcome sexual advance, a request for a sexual favor, or any other verbal or physical conduct of a sexual nature if submission to the advance, request, or conduct is made, either explicitly or implicitly, a term or condition of an individual's employment; or
- submission to or rejection of the advance, request, or conduct by an individual is used as a basis for a decision affecting the individual's employment; or
- the advance, request, or conduct has the purpose or effect of unreasonably interfering with an individual's work performance; or
- the advance, request, or conduct has the purpose or effect of creating an intimidating, hostile, or offensive work environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different gender. Prohibited sexual harassment does not require sexual attraction or interest. This policy prohibits sexual advances and requests for sexual favors, sexual jokes and innuendo; comments about bodies, sexual prowess, sexual preferences, sexual experiences or sexual deficiencies; leering, whistling, or touching; verbal abuse of a sexual nature, including insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures, including nudity and pornography; and all inappropriate conduct of a sexual nature, whether it be physical, verbal or visual conduct.

It is an unlawful employment practice if sexual harassment of an employee occurs and the City's management or a supervisor (1) knows or should have known that the sexually harassing conduct was occurring; and (2) fails to take immediate and appropriate corrective action.

Inappropriate Conduct and Other Prohibited Harassment

In addition to the State law prohibiting sexual harassment, harassment on the basis of any other legally protected characteristic is also strictly prohibited. This means that verbal or physical conduct that singles out, denigrates, or shows hostility or aversion toward someone because of race, religion, color, national origin, age, disability, genetics, veteran status, sexual orientation, gender, gender identity, citizenship, or any other characteristic protected by law is also prohibited.

Prohibited conduct includes, but is not limited to, epithets, slurs and negative stereotyping;

threatening, intimidating, or hostile conduct; denigrating jokes and comments; and writings or pictures, that single out, denigrate, or show hostility or aversion toward someone on the basis of a protected characteristic.

Conduct, comments, or innuendoes that may be perceived by others as offensive are inappropriate and are strictly prohibited. This policy also prohibits sending, showing, sharing, or distributing in any form, inappropriate jokes, pictures, comics, stories, etc., including but not limited to via facsimile, e-mail, cell phone or other electronic devices, social media, and/or the Internet, such as YouTube and Facebook. Harassment of any nature, when based on race, religion, color, sex, sexual orientation, gender identity, national origin, age or disability, genetics, veteran status, citizenship or any other characteristic protected by law is prohibited and will not be tolerated.

This policy applies to City employees, citizens, vendors, and other visitors to the workplace, and applies to social events, off-duty, retreats and travel situations as well.

Mandatory Reporting

The City requires that employees report all perceived incidents of harassment or inappropriate conduct, regardless of the offender's identity or position.

Any employee who observes or otherwise learns of possible harassment in the workplace or who feels that harassment has occurred or has been subjected to conduct prohibited by this policy must report it immediately to:

- the Department Head
- the City Administrator or
- Human Resources

Any supervisor, manager, or department head who becomes aware of possible conduct prohibited by this policy must immediately advise the department head and/or the City Administrator.

Under this policy, an employee may report to and/or contact the City Administrator, without regard to the employee's normal chain of command:

Voice messages or e-mails may be left at any time.

Investigation

All reports of prohibited conduct will be investigated promptly and in as confidential a manner as possible. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have other relevant knowledge. All employees are required to cooperate with City investigations and to maintain confidentiality.

Retaliation Prohibited

Retaliation against employees who make a good faith charge or report of prohibited conduct or who assist in a complaint investigation is prohibited. Acts of retaliation must be reported immediately as set out above.

Responsive Action

The City will take immediate and appropriate action upon receipt of a sexual harassment complaint.

Misconduct constituting harassment or retaliation will be dealt with appropriately. Discipline, up to and including dismissal, will be imposed upon any employee who is found to have engaged in conduct prohibited by this policy. Likewise, disciplinary action will be imposed in situations where claims of prohibited conduct were untruthful, fabricated or exaggerated or when employees are untruthful during an investigation.

Section 1.5

Drug and Alcohol Use Policy/Testing

It is the desire of the City to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory and safe manner.

Prohibition Against Alcohol and Illegal and Unauthorized Drugs

While on City premises, while on duty, while conducting City-related business or other activities off premises, while driving a City-owned or leased vehicle, or while operating or using other City-owned or leased property or equipment, no employee may use, possess, distribute, sell, or have a detectable amount of alcohol in his/her system (.02) (except under the limited circumstances described below), inhalants, illegal drugs, including drugs which are legally obtainable but which were not legally obtained, and prescribed or over-the-counter drugs which are not being used as prescribed or as intended by the manufacturer.

The use of alcohol by a City employee during a business lunch is prohibited even though the person with whom the employee is having lunch may be consuming alcohol. Further, an employee on duty or conducting City business, including City-related business entertainment, may not drive his or her own personal vehicle while under the influence of alcohol. No employee in his or her work-related capacity should ever be impaired because of the use of alcohol. City employees may not bring alcoholic beverages on City premises, including parking lots adjacent to City work areas, and may not store or transport alcohol in a City-owned or leased vehicle.

Prohibition Against Illegal and Unauthorized Drug-Related Paraphernalia

This policy also prohibits the use, possession, distribution and sale of drug-related paraphernalia while on City premises, while on duty, while conducting City-related business or other activities off premises, while driving a City-owned or leased vehicle, or while operating or using other City-owned or leased property or equipment.

Drug-related paraphernalia includes material and/or equipment designed for use in testing, packaging, storing, injecting, ingesting, inhaling or otherwise introducing illegal or unauthorized drugs into the body.

Permissive Use of Prescribed and Over-The-Counter Drugs

The legal use of prescribed and over-the-counter drugs is permitted while on City premises, while on duty, while conducting City-related business or other activities off premises, while driving a City-owned or leased vehicle, or while operating or using other City-owned or leased property or equipment only if it does not impair an employee's ability to perform the essential functions of the job (or operate the vehicle, property or other equipment) effectively and in a safe manner that does not endanger the employee, citizens or other individuals in the workplace. Examples of impairment include, but are not limited to, drowsiness, dizziness, confusion, or feeling shaky.

Police Department Employees

Certain City Police Department employees may be required to be in possession of alcohol and/or drugs in carrying out their job duties. Such employees will be exempt from certain portions of this policy under certain limited conditions. Additional guidelines may be established by Police Department operating procedures.

Mandatory Disclosure by Employees

Employees taking prescription medication and/or over-the-counter medication must report such use to either their Department Head or to the City Administrator if there is a reasonable likelihood the medication will impair the employee's ability to perform the essential functions of his or her job (or operate a vehicle, property or other equipment, if applicable) effectively and in a safe manner that does not endanger the employee, citizens or other individuals in the workplace. Examples of impairment include, but are not limited to, slurred speech, drowsiness, dizziness, confusion, or feeling shaky.

Employees Who Are Called Out

Employees who are aware they are subject to being called out are expected to be fit for duty upon reporting to work.

Any employee who is called out is governed by this policy. If a situation occurs where the employee called out has a detectable amount of alcohol in his/her system (.02) or has a presence in the system of drugs, such that reporting to work would result in a violation of this policy, the employee must so advise the appropriate supervisor on duty. The employee will not be required to report to work.

Mandatory Reporting of Arrests and Convictions

Employees must notify their immediate supervisor and the department head, in writing, of any alcohol or drug-related arrest and/or convictions (including a plea of *nolo contendere*) or deferred adjudication, for a violation occurring off duty and/or in the workplace no later than twenty-four (24) hours after the arrest and/or conviction.

Off-Duty Conduct

The City may take disciplinary action, up to and including termination of employment, if an employee's off-duty use of or involvement with drugs or alcohol is damaging to the City's reputation or business, is inconsistent with the employee's job duties, or when such off-duty use or involvement adversely affects the employee's job performance.

Any employee reporting to work under the influence of illegal drugs or with a detectable amount of alcohol (.02 bac or higher) may be disciplined, up to and including termination.

Rehabilitation/Treatment

1. It is the City's desire to assist employees who voluntarily request assistance with alcohol or drug dependency. For City support and assistance, however, an employee must acknowledge the problem and seek and accept counseling and/or rehabilitation before it impairs job performance and/or jeopardizes the employee's employment.
2. Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take a leave of

absence to participate in a rehabilitation or treatment program. An employee may not enroll in a rehabilitation or treatment program in lieu of disciplinary action. The leave of absence may be granted in the City's sole discretion. Factors considered by the City in deciding whether to grant leave include: the length of the employee's employment with the City; the employee's prior work and disciplinary history; the employee's agreement to abstain from the use of the problem substance and follow all other requirements of the rehabilitation/treatment program; the reputation of the program and the likelihood of a successful outcome; the employee's compliance with City policies, rules, and prohibitions relating to conduct in the workplace; and the resulting hardship on the City due to the employee's absence. Unless otherwise required by law, it is the City's policy to grant such a leave of absence only once during the course of an employee's employment with the City.

3. The employee is responsible for all costs associated with any rehabilitation or treatment program. The cost of any rehabilitation or treatment may be partially covered under the City's group health insurance policy.
4. During time off for a City-approved rehabilitation or treatment program, the employee must use any available Vacation leave or Sick leave.
5. If the employee successfully completes the prescribed rehabilitation or treatment, the City will make reasonable efforts to return the employee to the prior position or one of similar pay and status. However, employment with the City following a City approved leave for rehabilitation or treatment is conditioned on the following:
 - Initial negative test for drugs and/or alcohol before returning to work;
 - A written release to return to work from the City-approved rehabilitation or treatment facility/program;
 - Periodic and timely confirmation of the employee's on-going cooperation and successful participation in any follow-up or ongoing counseling, testing, or other treatment required in connection with the City-approved rehabilitation or treatment program, if applicable;
6. In addition to any testing required in connection with the employee's ongoing treatment or follow-up to treatment, all employees who participate in rehabilitation or treatment under this section will also be required to submit to periodic and/or random testing by the City during the two years following the employee's return to work following treatment; and
7. The employee must sign a formal written agreement to abide by the above conditions, as well as any other conditions deemed appropriate by the City Administrator. The employee must meet with the City Administrator to discuss the terms of continued employment and sign a formal agreement before returning to work.

Policy Violations

Violations of this policy will generally lead to disciplinary action, up to and including immediate termination of employment and/or required participation in a substance abuse rehabilitation or treatment program. The Police Department may have stricter disciplinary rules regarding violation of this policy. Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with their

supervisor or the City Administrator to receive assistance or referrals to appropriate resources in the community.

TESTING

Types of Tests

Testing may include one or more of the following: urinalysis, hair testing, breathalyzer, Intoxilyzer, blood, or other generally accepted testing procedure.

Testing of Applicants

All applicants to whom a conditional offer of employment has been made will be required to submit to testing for illegal and unauthorized drugs.

A positive test result, refusal to test, or attempts to alter or tamper with a sample or any other part of the test, will render the applicant ineligible for consideration of employment or future employment with the City.

Testing of Employees

1. Employees will be tested for alcohol and/or illegal and unauthorized drugs after a workplace injury or accident or "near miss," when reasonable suspicion exists, or in connection with any required treatment or rehabilitation.
2. The City may conduct random testing on employees holding safety sensitive positions in the police department, fire department, and public works departments.
3. Police Department employees are also subject to any applicable departmental rules and regulations regarding illegal and unauthorized drug and alcohol testing.
4. For purposes of this policy, reasonable suspicion is a belief based on articulable observations (e.g., observation of alcohol or drug use, apparent physical state of impairment, incoherent mental state, changes in personal behavior that are otherwise unexplainable, deteriorating work performance that is not attributable to other factors, a work-related accident or injury, evidence of possession of substances or objects which appear to be illegal or unauthorized drugs or drug paraphernalia, or credible reports of drug use even if anonymously provided) sufficient to lead a supervisor to suspect that the employee is under the influence of illegal or unauthorized drugs or alcohol.
5. Supervisors who refer an employee for reasonable suspicion testing must document the specific factors that support reasonable suspicion testing (e.g., the who, what, when, where of the employee's behavior and other symptoms, statements from other employees or third parties, and other evidence supporting the reasonable suspicion testing).
6. Tests will be paid for by the City. To the extent possible, testing will normally be done during the employee's normal work time.
7. Any employee who refuses to be tested, or who attempts to alter or tamper with a sample or any other part of the testing process, will be subject to disciplinary action up to and including termination.

8. A positive test result is a violation of the City's Drug and Alcohol Use Policy and will result in disciplinary action up to and including termination of employment. Any employee who is terminated for violation of the City's Drug and Alcohol Use Policy is ineligible for future employment with the City.
9. The City has additional obligations when testing for controlled substances and alcohol for those employees regulated by the U.S. Department of Transportation. Please see the City's Drug and Alcohol Policy for DOT Employees (below) for additional information.

Testing Procedures

1. All testing must normally be authorized in advance by both the employee's department head and the Human Resources Manager. If the department head is unavailable within a reasonable period of time, the Human Resources Manager, with sole discretion, authorize the testing of an employee. If the Human Resources Manager is unavailable within a reasonable period of time, the department head or Human Resources Manager may, with sole discretion, authorize the testing of an employee. For reasonable suspicion testing, testing may not be authorized without the supervisor's documentation of the articulable factors which led the supervisor to suspect that the employee is has any detectable amount of alcohol or illegal/unauthorized drugs. Testing should be arranged as soon as possible after the supervisor's articulable observations and no later than 4 hours after the articulated observations.
2. If an employee is involved in workplace accident, injury or "near miss," or reasonable suspicion exists to believe that the employee has violated the City's Drug and Alcohol Use Policy, the employee will be provided with transportation to the testing facility. A supervisor or other designated City representative may be required to stay with the employee during the testing process. The City may, in its discretion, reassign the employee or put the employee on administrative leave until the test results are received. The City will make arrangements to have the employee transported home after the testing.
3. All substance abuse testing will be performed by an approved laboratory or healthcare provider chosen by the City. All positive test results will be subject to confirmation testing.
4. Test results will be maintained in a confidential file separate and apart from the employee's personnel file. Any medical-related information will be confidential and accessible only by the City Administrator and Human Resources; supervisors on a need to know basis, including those who have a need to know about necessary restrictions on the work or duties of an employee and any necessary accommodation; first aid and safety personnel when appropriate; government officials; insurance companies as may be necessary to provide health or life insurance to employees; by court order or as otherwise legally mandated; and as necessary to protect the interests of the City.

DRUG AND ALCOHOL POLICY FOR DOT EMPLOYEES

Employees/Applicants Subject to Testing

The City complies with the U.S. Department of Transportation's (DOT) physical mandated by the Federal Motor Carrier Safety Administration (FMCSA) applicable to employees in positions requiring a Commercial Driver's License (CDL). A DOT physical helps determine if a driver is physically, mentally, and emotionally fit to operate a CMV. For your safety and the public's safety, FMCSA requires all CDL holders to complete and pass a DOT physical to maintain a valid commercial driver's license.

Covered drivers must also comply with DOT drug testing and alcohol testing procedures.

Questions

Anyone with questions regarding this policy should contact the Human Resources Manager.

Section 1.6 Nepotism **(Employment of Relatives)**

This policy is designed to prevent conflicts of interest and perceptions of biased conduct and to maintain the confidentiality of restricted information.

Hiring & Employment of Relatives. The City will not hire a relative of a current employee without the express written authorization of the City Administrator. Continuing employment of employees who become relatives after they are hired is subject to the following:

- No employee may supervise, review, or process the work of a relative;
- The employees' relationship must not create an actual or potential conflict of interest;
- There can be no interdependence or relationship between jobs that might be potentially detrimental to the City;
- Relatives cannot work in the same Department; Department Heads cannot have a relative in their own or in another Department.

Mayor, Council Members, and City Administrator.

- Relatives of the Mayor may not work for the City.
- Relatives of City Council members may not work for the City.
- Relatives of the City Administrator may not work for the City.

Employee Dating. Department Heads are prohibited from dating another City employee. Other supervisors are prohibited from dating anyone in their own Department and are discouraged from dating employees in other Departments, especially if the relationship (or dissolution of the relationship) might reasonably create a disruption to the work environment, create a conflict of interest or the appearance of a conflict of interest, or lead to charges of favoritism, discrimination, or sexual harassment.

If a dating relationship is permitted under this policy, repeatedly asking out someone who is not interested is still a violation of this policy. For purposes of this policy "dating" includes both serious and casual dating and other conduct associated with romantic or sexual relationships. Anyone with questions as to whether an existing or potential relationship is prohibited by this policy is directed to discuss it with their Director, Human Resources, and/or the City Administrator's Office.

Required Disclosures.

- **Job Applicants.** Job applicants, both internal and external, must disclose during the hiring process if they are related to or are dating the Mayor, a Council Member, or a current City employee.
- **Current Employees.** Employees are required to notify the Human Resource department of the following:
 - **Relatives Seeking Employment.** Employees who know that a relative is or has applied for employment with the City must immediately notify Human Resources.
 - **Impending Relationships.** The City recognizes that future situations may arise where employees who were not relatives or who were not dating when hired may subsequently become related to or consider dating another City employee. If a romantic relationship, engagement, marriage, reorganization, or other situation will result in a violation of this policy, affected employees must immediately inform the appropriate Department Head and Human Resources.
- **Supervisors.** Supervisors must immediately disclose to the Human Resource department any known or suspected violations of this policy, as well as any impending relationships that will or may be in violation. Human Resources will work with Department Heads and the City Administrator to determine if this policy is or will be violated and coordinate any further action.

Application. This policy applies to all employees. Relationships that violate this policy will, unfortunately, result in the termination of one or both employees if a transfer or other resolution is not workable.

Definition of Relative. The definition of a “relative” is applied broadly and includes an employee’s:

- Mother, father, daughter, son, sister and brother;
- Stepparent, stepchild, and stepsibling;
- Aunt, uncle, niece, nephew, grandparent, and grandchild;
- Great-grandparent and great-grandchild;
- Spouse and the spouse’s mother/father, brother/sister, son/daughter, aunt/uncle, niece/nephew, grandparent, grandchild, great-grandparent and great-grandchild;
- Former spouse, fiancé, “significant other,” and members of the same household.

Section 1.7

Conflict of Interest and Outside Employment

It is the policy of the City of Parker to establish that no officer or employee shall give occasion for distrust of integrity, impartiality, or devotion to the best interests of the City and the public trust held by such persons.

No officer or employee shall use or attempt to use his official position to secure special advantage, privilege or exemption for him or herself or others.

To guard against a potential conflict of interest, no employee of the City of Parker may engage in any outside employment or self-employment without first securing approval, in writing, from his or her Department Head and approved by the City Administrator.

Section 1.8

Health/Medical Examinations/Fitness for Duty

The City endeavors to provide a safe work environment for all employees. It is the responsibility of each employee to maintain the standards of physical and mental health and fitness required for performing the essential functions of the position, either with or without reasonable accommodation.

Serious Health Condition/Disabilities

The City recognizes that employees with a potentially life-threatening and/or infectious illness or physical and/or mental disabilities may wish to continue to engage in as many of their normal pursuits as their condition allows, including their employment.

As long as these employees are able to perform the essential functions of their job, with or without a reasonable accommodation, without creating an undue hardship on other employees, and medical evidence indicates that their condition is not a direct threat to themselves or others, the City will treat them consistently with other employees.

Medical Exams for Current Employees

The City Administrator, or an employee's department head (with the prior written approval of the City Administrator) may require a current employee to undergo a medical and/or psychological examination to determine fitness for continued employment, as may be necessary in order for the City to provide a reasonable accommodation; following an injury or accident; and as otherwise permitted in accordance with applicable laws. Any requested medical examinations of employees will be job-related and consistent with business necessity.

Medical Information from an Employee's Doctor

Under certain circumstances, the City Administrator may require employees to provide medical information from their healthcare provider. In such cases, employees are to inform their health care provider not to provide any genetic information when responding to such request.

Genetic Information

In accordance with the Genetic Information Nondiscrimination Act (GINA), the City will neither request nor require genetic information of an employee or his/her family member, except as specifically allowed by GINA. To comply with GINA, employees are directed not to provide any genetic information when responding to any City request for medical information.

"Genetic information," as defined by GINA, includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or embryo lawfully held by an individual or family member receiving assistive reproductive services.

Medical Records

Medical records and sensitive information regarding an employee's health will be kept confidential as required by law. Limited information may be provided to supervisors and

managers, first aid and safety personnel, government officials, Texas Workers' Compensation Commission, and as necessary for insurance and other business-related purposes.

Return to Work/Fitness for Duty

Before returning to work following a medical and/or psychological examination under this policy, the employee must coordinate his/her return through the City Administrator. An employee who misses work due to medical reasons may be required to provide a fitness-for-duty certification before returning to work.

Time Off from Work

Time away from work undergoing a City mandated fitness for duty examination will normally be coded to paid administrative leave but may be retroactively changed to Sick or Vacation leave as circumstances warrant.

Section 1.9 **Americans with Disabilities Act**

To ensure compliance with the Americans with Disabilities Act and Americans with Disabilities Act as Amended (ADAAA), the City offers equal employment opportunity to qualified individuals and strictly prohibits discrimination against qualified individuals on the basis of disability.

The City will provide reasonable accommodation to the known physical or mental impairments of an otherwise qualified individual with a disability if such reasonable accommodation will enable the individual to perform the essential functions of the position at issue. The City's obligation under this policy is limited to providing reasonable accommodations that will not result in undue hardship to the City.

Any employee seeking reasonable accommodation for a disability that affects the employee's ability to perform the essential functions of the position shall make a written request to the City Administrator.

Employees who have a complaint involving potential violations of the Americans with Disabilities Act or ADAAA, including but not limited to harassment, discrimination, or failure to provide a reasonable accommodation, must immediately contact the immediate Supervisor, Department Head, or the City Administrator.

Section 1.10 **Modified Duty Assignments**

The City may modify duty assignments available to ill or injured employees who are unable to perform their regular job duties. The decision to offer an employee a modified duty assignment is made in the City's sole discretion.

A modified duty assignment may be in the employee's own or another department in the City. Factors considered by the City in making its decision include but are not limited to: the nature of the employee's illness or injury; the medical release provided in support of modified duty; the risk that a modified duty assignment may result in aggravation of the employee's injury or illness; the type of modified duty work available; the length of the employee's

employment with the City; the employee's performance and disciplinary history in making modified duty assignments.

Employees who are released for and given a modified duty assignment may not perform work duties in violation of their medical release. An employee who violates the terms of the medical release while on a modified duty assignment may lose the modified duty assignment and, in addition, may be disciplined up to and including termination of employment.

Modified duty will not normally extend beyond thirty (30) calendar days without an evaluation by the employee's treating physician and a recommendation from the department head to the City Administrator. Only the City Administrator may approve an extension of a modified duty assignment.

Employees still unable to return to regular duty within the time limit established for modified duty must re-qualify for modified duty through evaluation by the treating physician or revert to workers' compensation indemnity payment or accumulated leave benefits, if available.

An employee who is released for and offered modified duty by the City, but who elects not to accept such an assignment, will be ineligible for leave benefits under City policy and salary continuation benefits under workers' compensation, but may still be granted unpaid leave.

An employee's salary during any modified duty assignment shall be at the same rate as the salary received prior to the injury. This policy will be enforced consistent with the City's obligations under the ADA/ADAAA.

Section 1.11 **Social Media Policy**

An employee's use of social media, both on and off duty, must not interfere with or conflict with the employee's duties or job performance, reflect negatively on the City or violate any City policy. The intent of these standards is to regulate the creation and distribution of information concerning the City, its employees, and citizens through electronic media, including, but not limited to online forums, instant messaging and internet social media and blogging sites. This policy is designed to protect the City's reputation and ensure that an employee's communications not only reflect positively on the employee as an individual, but also on the City.

The term "social media" encompasses Twitter, Facebook, Snapchat, TikTok, LinkedIn, Instagram, Threads, blogs, and other online journals and diaries; bulletin boards and chat rooms, microblogging and all other social networking sites, instant messaging and the posting of video on YouTube and similar media.

Use of City's Internet

Use of the City's Internet is a privilege and City employees must responsibly and ethically use it. The City may monitor an employee's access, use, and postings to the City's Internet to ensure compliance with internal policies, support the performance of internal investigations, assist management of information systems, and for all other lawful purposes. Employees have no expectation of privacy when using the City's internet.

The City expects all employees to follow the Guidelines below when posting information on

the City's Social media sites.

Other City Policies

This policy should be read and interpreted in conjunction with other City policies, including but not limited to, policies prohibiting harassment, discrimination, offensive conduct or inappropriate behavior. Violations of the Social Media Policy may lead to disciplinary action. The City provides an effective system for employee complaints through the "General Complaint and Grievance" policy without resorting to social media.

Employee Guidelines: Use of City's Social Media on Work Time

Any blogging or posting of information on the Internet or other City social media sites must comply with the City's guidelines, regardless of where the blogging or posting is done.

- Blogging, or posting information of a personal nature on the Internet or other City social media sites is prohibited during work hours. Employees are not permitted to engage in social networking of a personal nature while using any of the City's electronic social media sites.
- Employees must obtain written authorization from the City Administrator to update or post on social media sites on behalf of the City and all content must be approved prior to posting.
- All the employee's time spent updating or posting on City social media sites as part of the employee's job duties is compensable time that must be reported and counted in the calculation of overtime.
- No use of social media on work time and on City equipment on City networks is considered private or confidential, even if password protected or otherwise restricted. The City reserves the right to access, intercept, monitor and review all information accessed, posted, sent, stored, printed or received through its communication systems or equipment at any time.
- Never disclose any confidential information concerning another employee of the City in a blog or other posting to the Internet. Posting confidential information may violate state law and subject the user to criminal penalty. All requests for City documents must be processed through the Public Information Act.
- Employees must abide by all federal and state law and policies of the City regarding information sent through the City's Internet.
- Individual supervisors do not have the authority to make exceptions to these guidelines.

Employee Guidelines: Use of Personal Social Media While not on Work Time

The City recognizes that many City employees utilize social media when not at work. The City requires that employees be aware of guidelines regarding posting of work-related information on personal social media sites, and they are listed below.

- If the employee's social networking includes any information related to the City, the employee must make it clear to the readers that the views expressed are the employee's alone and not reflective of the views of the City.
- Employees are encouraged to act responsibly on and off duty, and to exercise good judgment when using social media. Recognize that postings on your social media site, even if done off premises and while off duty, could have an adverse effect on the City's legitimate business interests.

- Respect coworkers and the City. Do not put anything on your personal social media site that may defame, embarrass, insult, demean or damage the reputation of the City or any of its employees.
- Do not put anything on your personal social media site that may constitute violation(s) of the City's Inappropriate Conduct and Prohibited Harassment policy.
- Do not post any pornographic pictures of any type that could identify you as an employee of the City. Be mindful that the City's harassment policy covers both work and non-work time, including postings on social media sites.
- Do not post pictures of yourself or others on your personal social media site containing images of City uniforms or insignia, City logos, City equipment or City work sites.
- Do not post information on your personal social media site that could adversely impact the City and/or an employee of the City.
- Do not permit or fail to remove postings violating this policy, even when placed by others on your social media site.

CHAPTER 2 – EMPLOYMENT

Section 2.1 **Employee Applications**

The City relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the City's exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

Section 2.2 **Employee Classifications**

Exempt Employees

Salaried executive, administrative, and/or professional employees earning \$684 per week or more and who meet all of the exempt requirements of the FLSA are exempt under FLSA and are not eligible for overtime pay. Exempt employees usually work in excess of forty hours per week. Due to the nature of exempt work, exempt employees may work irregular, incidental, casual or discretionary hours beyond their normal work schedule. Such hours are an integral part of the job. The job description should inform employees whether their position is exempt.

However, exempt personnel may be allowed to flex time at the discretion of the City Administrator if the employee worked over the required eighty (80) hours during a pay period. Exempt personnel wishing to flex time off are expected to obtain approval in advance from the City Administrator. Exempt employees will not be paid for any additional hours worked upon separation.

Non-Exempt Employees

Non-Exempt employees are paid on an hourly basis and are eligible to receive overtime pay for overtime hours worked.

Full Time Employees

Full-time employees are those persons employed to work a regular full schedule. Each full-time employee is eligible for all benefits provided by the benefits plan currently in effect, subject to any waiting periods defined in specific plans.

Part Time Employees

Part-time employees generally work fewer than 18 hours per week and are paid on an hourly basis. Part-time employees do not participate in or receive employee benefits.

Seasonal Employees

Employees may be hired on a seasonal basis and are paid on an hourly basis. Seasonal employees do not participate in or receive benefits.

Section 2.3

Selection Process

The Department Head shall determine the most appropriate means of selecting applicants using job requirements to identify the best qualified and best suited applicant(s). Reference checks, interviews, assessment centers, medical examinations, performance tests, written tests, and other selection methods may be used.

Applicants shall be required to provide any information and undergo any examinations necessary to demonstrate compliance with prescribed requirements for the position(s) involved.

Section 2.4

Training and Evaluation Period

All regular employees shall be placed in a training and evaluation capacity for a period of three (3) months, with the exception of police personnel, who shall be placed in a training and evaluation capacity for a period of twelve (12) months. This training and evaluation period will be utilized for closely observing the employee's work; for securing the most effective adjustment for a new employee to the position; and for dismissing any employee whose performance does not meet the required work standards. During this training and evaluation period, employees have no opportunity to appeal their termination.

Section 2.5

Working Hours/Attendance

City Administration office hours are from 8:00 a.m. until 5:00 p.m. Monday-Friday. Scheduled working hours, lunch and rest breaks are established for each department employee by their respective department head. This schedule may change from time-to-time depending on the needs of the City of Parker. City offices are closed on Saturday and Sunday. Regular and reliable attendance is expected for all employees.

Section 2.6

Promotional Opportunities

Employees interested in promotional opportunities must apply through the Administration Department when opportunities are officially posted. The hiring supervisor will be allowed to review the employee's personnel file.

The City of Parker reserves the right to select individuals that it deems best suited for positions consistent with equal opportunity laws and fairness.

Section 2.7

Transfers

A transfer is the assignment of an employee in one position to another position at the same rate of pay. As with any other job opportunity, employees interested in a transfer must apply through the Administration Department when such an opportunity is officially posted. (This does not include internal transfers within a specific rank or classification within a department.) The hiring supervisor will be allowed to review the employee's personnel file.

A transfer does not affect the current rate of pay.

There will likely be no objection to capable employees transferring between departments provided the following conditions are met:

- Both department heads are aware of it and agreeable **before** contact is made with the employee.
- That the employee is the best available person to fill the job that is open.
- That the employee is qualified to handle the new job and it will not create undue hardship in the department that the employee is leaving.

Section 2.8 **Voluntary Demotion**

Voluntary demotions occur whenever employees apply for and accept a position at a lower pay rate. Prior to accepting the job offer, the Department Head and the City Administrator will decide the pay rate for the demotion, but it must be within the pay range of the lower job classification.

Section 2.9 **Involuntary Demotion**

An involuntary demotion occurs whenever a Department Head makes an administrative decision to permanently reassign an employee to a lower pay rate or reduced responsibilities. Compensation for an employee involuntarily demoted will be determined on a case-by-case basis by the Department Head and City Administrator depending on the circumstances of the demotion.

Section 2.10 **Temporary Assignments**

An employee may temporarily be paid at a higher base rate of pay if he or she performs all the duties of a higher job classification for a prescribed period of time. A temporary assignment to a higher job classification does not constitute a promotion and shall not be used to circumvent normal selection procedures. The employee involved shall not acquire any status or rights in the class to which temporarily assigned.

The City of Parker reserves the right to assign higher-level duties to an employee without additional compensation. Additional compensation for temporary assignments or acting duty shall be paid only if officially authorized by the Department Head and City Administrator.

Section 2.11 **Layoffs – Reduction in Force**

An employee may have his/her employment terminated due to the elimination of budgeted positions by the City Council. This is a non-disciplinary termination and is not subject to appeal.

Section 2.12

Searches

The City may conduct unannounced searches or inspections of the work site, including but not limited to City property used by employees such as lockers, file cabinets, desks, and offices, computer and electronic files, social media sites, cell phones, text messages, whether secured, unsecured or secured by a lock or password provided by the employee. No supervisor has the authority to deviate from City policy. If reasonable suspicion exists, the City may also conduct unannounced searches or inspections of the employee's personal property located on City premises, including vehicles parked on City parking lots.

All searches must be authorized and conducted under the direction of the City Administrator. Employees who refuse to cooperate with a search may be subject to disciplinary action up to and including termination.

Section 2.13

Telephone Contact

All supervisory personnel and service personnel must have a telephone number at which they can be reached during off-duty hours. This can be a cell phone or a land line telephone.

- No reimbursement shall be made to the employee for the City's use of such employee's private telephone to contact the employee regarding work-related matters.
- All employees must immediately notify supervision of any change in phone number(s), and provide a phone number for a secondary contact, i.e., spouse, parent.

CHAPTER 3 – WORK PERFORMANCE

Section 3.1 **Periodic Reviews**

It is a goal of the City to establish a uniform and equitable plan of evaluation and compensation based upon the relative duties and responsibilities of positions within the City and to reward meritorious service.

Newly hired employees will experience an intense period of job orientation for the first several months of employment. New employees will be evaluated on job performance as often as necessary. Employees will be evaluated three months after hire, and Police Officers will be evaluated 12 months after hire; all employees will be evaluated annually thereafter.

Periodic reviews may be performed when an employee's performance does not meet expectations or in any other event that the supervisor determines a performance review is needed.

If an employee believes he/she has received an unfair or incorrect performance evaluation, it should first be discussed with the Department Head during the initial evaluation interview. Written comments on the evaluation form are allowed, or they may be attached to the form, regarding why the employee contends the evaluation is unfair or incorrect. Written comments shall become part of the personnel file. Signing an evaluation does not indicate agreement with the review, only that it has been received.

Section 3.2 **Education and Training**

All employees shall have the knowledge and expertise to do their job. Employees will have the minimum educational standard required for their position. In addition, the City of Parker will work to provide the following:

- On the job training - Each employee will receive training on procedures, policy, and equipment from their supervisor and other employees in similar positions.
- Government required education and registration – All employees so required will achieve and maintain their own educational and registration requirements.
- Additional training and education – From time to time, additional training and education will be required to enhance job performance, knowledge, skills and ability.

Section 3.3 **Memberships in Organizations and Associations**

The City of Parker may pay for memberships in organizations and associations whose objectives and purposes are directly related to the objectives and purposes of the City. Each Department Head will be responsible for approving payment for membership in the organization.

CHAPTER 4 CONDUCT

Section 4.1 **Commitment**

The City of Parker expects each employee to provide quality public services by meeting high standards of job performance and conduct and by following established policies, procedures, rules, regulations, and practices. For this reason, all employees are to be treated as responsible adults in the employment relationship. Employees are expected to meet the City of Parker's performance standards and perform his/her job in an efficient and safe manner. Supervisors will provide a written job description and performance expectations. Employees are expected to hold a high level of commitment to the City of Parker organization. This commitment should be shown through cooperation, good work habits, and high standards of efficiency, economy, and accountability in the public service.

Section 4.2 **Personal Appearance**

All employees, regardless of work location and degree of public contact, are expected to maintain a good personal appearance and an acceptable standard of cleanliness and personal hygiene at all times.

While it is not the City's intention to dictate the personal wardrobe of employees, the appearance and dress of employees are important in creating a favorable image supportive of public confidence. In general, dress and grooming which management might consider faddish, extreme, slovenly, or overly casual should be avoided. The following guidelines should prove helpful:

1. Appearance of all employees should be businesslike and within the limits of common sense and acceptable community standards. Employees should wear clothing that is neat, clean, professional, attractive and suitable for business, except when fieldwork is required. Very casual clothing and evening wear are not appropriate.
2. Those employees who are issued uniforms are expected to wear them and present a neat and clean appearance. Identification badges should be worn when appropriate.
3. Grooming, hairstyle and length should be the individual's choice, but should avoid extremes, be neat, clean, and suitable for business. Safety concerns may override some employee preferences. Accessories and shoes should be functional and safe for the type of work performed. Since it is impossible to foresee all possible individual variations in dress and style, employees should be alert to the reactions of other employees and the public to their appearance.
4. Judgment is to be exercised by the department head to assure that equitable and uniform application of the guidelines prevails. An employee whose personal appearance is unacceptable to these general standards will be informed of this immediately and may be sent home. If the problem is not corrected promptly and cooperatively, he or she may receive disciplinary action.

Section 4.3

Contact with the Public and the Media

Employees are the ambassadors of the City to all they meet. Employees must be courteous, polite, and helpful. Nothing they do or say should detract from the public image of the City. If the help that is needed is “not your job,” courteously find the people or direct the person to the right people to assist them. If they ask, explain to anyone what you are doing and why you are doing it.

If the person is asking about the policies and opinions of the City, direct them to your supervisor.

Contact with the media is centralized to the City Administrator as Public Information Officer (PIO). Media contact dealing with police business goes through the Chief of Police. If a member of the media contacts an employee, the employee needs to refer them to the appropriate official.

Section 4.4

Electronic Communications and Systems Access Use

The City may provide computer networks, internet access, email, telephones, cell phones, digital cameras, voice mail, and fax communication systems for use by City employees in the performance of their job duties. These communication devices are referred to collectively in this policy as “electronic communications systems” or “systems.” These electronic communications systems are designed to support and enhance the communication, research and information capabilities of City employees and to encourage work-related communication and sharing of information resources within the City. This policy governs user behavior pertaining to access and usage of the City’s electronic communications systems. This policy applies to all City employees, contractors, volunteers and other affiliates who use the City’s electronic communications systems.

The City’s electronic communications systems access must be used in a professional, responsible, efficient, ethical and legal manner.

Internet, Instant Message and Email Access

Users desiring Internet, and/or email access must obtain written permission from their department head and provide it to the City Administrator. Users must acknowledge an understanding of this policy and its guidelines as a condition of receiving an Internet, instant message and/or email access account.

Failure to adhere to this policy and its guidelines may result in suspending or revoking the offender's privilege of access and/or other disciplinary action under City policies, up to and including termination of employment.

Acceptable Use

Acceptable uses of the City’s electronic communication systems are limited to those activities that support reference, research, internal/external communication and conducting City business in line with the user’s job responsibilities. Network users are encouraged to develop uses which meet their individual needs and which take advantage of the City’s internal network function. The City prohibits connection to sites or forwarding of information

that contain materials that may be offensive to others including, but not limited to, sites or information containing sexually explicit material.

Users must understand that use of any City-provided, publicly accessible computer network such as the Internet, instant messaging and email is a privilege. Personal use of City electronic media is not permitted. Supervisors cannot alter the restrictions of this policy.

Unacceptable Uses of Electronic Communications Systems include:

- Using profanity, obscenity, or other language which may be offensive or harassing to other coworkers **or** third parties.
- Accessing, displaying, downloading, or distributing sexually explicit material.
- Accessing, displaying, downloading or distributing profane, obscene, harassing, offensive or unprofessional messages or content.
- Copying or downloading commercial software in violation of copyright law.
- Using the systems for financial gain or for any commercial activity unrelated to City business.
- Using the systems in such a manner as to create a security breach of the City network.
- Looking or applying for work or business opportunities other than for internal City postings.
- Accessing any site, or creating or forwarding messages with derogatory, inflammatory, or otherwise unwelcome remarks or content regarding race, religion, genetics, color, sex, national origin, age, disability, age, physical attributes, or veteran status.
- Transmitting or sharing information regarding a coworker's health status without permission.
- Expressing opinions or personal views that could be misconstrued as being those of the City.
- Expressing opinions or personal views regarding management of the City or other political views.
- Using the electronic communication systems for any illegal purpose or in any way that violates City policy or is contrary to the City's best interest.
- The use of TikTok on a City-issued device is strictly prohibited; the City Administrator may prohibit the use of any other social media site, software, or application to protect the integrity of the City's network.

Responsibility

The person in whose name a City provided Internet, email or other electronic communications system account is issued is responsible at all times for its proper use, regardless of the user's location.

Exchanges that occur in the course of conducting City business on the City's electronic communications systems will be considered a communication of the City and held to the same standards as formal letters.

No Right of Privacy/Monitoring

Users of City electronic communications systems may not assume they are provided any degree of anonymity and employees have no right to privacy with regard to such systems. Personal passwords are not an assurance of confidentiality. To ensure proper use of its

electronic communications systems, the City will monitor their use. Management staff has the ability and will, with or without advance notice, monitor and view usage, including but not limited to: employee email, voice mail and instant messages, text messages, information and material transmitted, received or stored using City systems and user internet access and usage patterns to assure that the City's Internet resources are devoted to maintaining the highest levels of productivity, as well as proper use and compliance with this policy.

Copyright Restriction

Any software or other material, including music, downloaded into a City computer may be used only in ways consistent with the licenses and copyrights of the vendor, author or owner of the material. Prior written authorization from the City Administrator is required before introducing any software into the City's computer system. Employees may not download entertainment software, games or any other software unrelated to their work.

Cybersecurity Awareness Training

The City will conduct cybersecurity training in compliance with State law (HB 1118) and regulations for all employees, council members and any other person who has access to the City's computer network and/or IT infrastructure.

Section 4.5

Cell Phone Use in the Workplace

The City recognizes that many employees bring cell phones to work. Cell phones may belong to the employee or be provided for the employee's use by the City. The use of personal cell phones, including those with a texting, camera and/or video playing capability is not permitted during work time without a supervisor's approval.

Employees who are permitted by a supervisor to use a personal cell phone while at work must not allow cell phone use to become disruptive or interfere with their own or a co-worker's ability to do their jobs.

Employees who use cell phones to violate City policy, including the City's Inappropriate Conduct and Prohibited Harassment Policy, will be subject to disciplinary action.

Employees with City-issued cell phones are allowed to use City cell phones for personal phone calls.

Except in emergency circumstances, employees should not use a cell phone while operating a motor vehicle, including both making and receiving phone calls and texting. Employees using City -issued cell phones have no expectation of privacy in cell phone calls, pictures, or text messages on these phones.

Public Information Act

Employees are advised that records related to calls and text messages made and received on City issued cell phones are public information. Information related to telephone numbers called, length of call, and time and date of call as well as the text message itself may be obtainable through the Texas Public Information Act.

If an employee uses a personal phone or device for City related business, that phone or

device may be subject to disclosure under the Public Information Act of the State of Texas. Texas Government Code § 552.004, §552.233. Employees, including former employees, who possess City records on a personal device are required to either transfer the information to the City or to preserve the information in accordance with law and provide it to the City upon request. City information may be transferred from personal devices to the City by forwarding to the City Secretary.

Section 4.6

City Property/Equipment Use

The City attempts to provide employees with adequate tools, equipment, vehicles and facilities for the job being performed, and the City requires all employees to observe safe work practices and lawful, careful and courteous operation of vehicles and equipment. Any City-provided safety equipment must be used at all times.

From time to time, the City may issue various equipment or other property to employees, e.g., credit cards, keys, tools, security passes, manuals, written materials, uniforms, cell phones, computers, and computer-related equipment. Employees are responsible for items formally issued to them by the City, as well as for items otherwise in their possession or control or used by them in the performance of their duties.

At the time of issuance, employees may be required to sign certain forms or other documentation evidencing their receipt of property and/or equipment and authorizing a payroll deduction for the cost of lost, damaged, or unreturned items. In addition to payroll deductions, the City may take any other action it deems appropriate or necessary to recover and/or protect its property.

Employees must notify their supervisor immediately if any vehicle, equipment, machinery, tools, etc. appears to be damaged or defective, or are in need of repair. The appropriate supervisor can answer questions about an employee's responsibility for maintenance and care of equipment used on the job. The improper, careless, negligent, destructive, unauthorized, or unsafe use or operation of equipment will likely result in disciplinary action.

Personal Use Prohibited

City property, materials, supplies, tools, equipment or vehicles may not be removed from the premises or used for personal business without prior written approval by the City Administrator, or the Department Director.

Tobacco Use Prohibited

The use of all tobacco products of any kind, including smokeless electronic cigarettes is prohibited at any time in City buildings and other facilities, in City vehicles, while using City equipment, and as otherwise directed. Employees should not smoke at a resident's home. Employees are welcome to smoke on their rest breaks outside of the building in designated smoking areas. Smoke breaks which are excessive in frequency or length will be treated as an attendance issue.

Mileage Reimbursement

An employee will receive mileage reimbursement for consistently using such employee's own vehicle for City business if the use is deemed necessary by the City Administrator.

Mileage will be reimbursed at the current IRS mileage reimbursement rate.

Take Home Vehicles

A City vehicle may be assigned to a position or employee when it is more economical than payment of a car allowance or mileage reimbursement. To be eligible for assignment of a take-home vehicle, an employee must be subject to emergency call back during off-duty hours to locations other than the employee's normal work location. No personal use of a take-home vehicle is permitted except to commute to and from home or work. A City vehicle is not to be used for personal business such as going to the bank, grocery store, etc. without prior written approval of the City Administrator. No alcoholic beverages are allowed in City vehicles. No passengers may be transported in take-home vehicles except as required by official duties.

The City's vehicles are classified as either "exempt" or "non-exempt" as prescribed by law. Most pickups, vans and automobiles are classified as "non-exempt" vehicles. Employees to whom a "non-exempt" vehicle is assigned for take-home may incur a federal income tax liability for the benefit of commuting to and from work in a City vehicle. Police vehicles used by employees on call 24-hours are normally exempt from the benefit tax liability.

Use of City Vehicles

City-owned or leased vehicles may be used only for official City business. City owned or leased vehicles may only be driven by authorized City employees. If an employee drives a personal vehicle, or a City-owned, rented or leased vehicle on the job or while carrying out City-related business, the employee must comply with the following:

- Drivers must have a valid State of Texas driver's license appropriate for the vehicle operated, must maintain a satisfactory driving record, and must inform their supervisor of any change in status.
- Always observe all posted laws and speed limits.
- Always wear seat belts when the vehicle is in operation.
- No passengers other than City employees or others on City business may ride in a City vehicle unless otherwise approved in advance by the department head.
- No personal use of City-provided vehicles is allowed without the prior, specific approval of the Department Director.
- All maintenance and use records for City vehicles must be completed as directed by the employee's supervisor.
- Report any broken, missing, or worn parts, tires, etc., or any needed maintenance of City vehicles to the appropriate supervisor immediately.
- All drivers must be eligible for coverage under the City's insurance policy.
- Drivers covered by Department of Transportation (DOT) regulations must comply with the DOT regulations at all times.
- At no time may an employee under the influence of alcohol or with a presence in the system of illegal drugs drive a City vehicle or a personal vehicle while conducting City business.
- Employees involved in an accident while operating a City vehicle, or while operating a personal vehicle on City business, must immediately notify the proper law enforcement agency (if applicable) and the appropriate supervisor, Department Head, and/or City Administrator. Accident reports, along with any law enforcement report, must be filed by the employee with the City Administrator.

The City may, at any time, check the driving record of a City employee who drives as part of the job duties to determine that the necessary qualifications are maintained as a City driver. Employees must cooperate in giving the City whatever authorization is required for this purpose.

The above is not a complete and exhaustive list of vehicle use policies. Violations of any of the specific items listed, as well as the improper, careless, negligent, destructive, unauthorized, or unsafe use or operation of a vehicle, may result in loss of driving privilege or disciplinary action.

PROPOSED

CHAPTER 5 DISCIPLINE, APPEALS and GRIEVANCES

Section 5.1 **Discipline**

The City's discipline policy emphasizes the employee's responsibility for the consequences of his or her own behavior, with a focus on communicating expectations for changes in behavior and needed improvement. It also emphasizes that the disciplinary process should be fair to both the employee and the City and as consistent among employees and as appropriate to the individual situation as is practicable. The City's discipline policy and procedures apply to all City employees, except Council appointees and contractual employees, unless otherwise specifically stated.

Employees may be disciplined or discharged at any time and for any or no reason at the discretion of the City. The policy and procedures are only guidelines for supervisory actions; they are not intended to be inclusive of every possible situation. Furthermore, nothing in the policy is meant to imply that disciplinary steps or action must be taken in any particular order. No employee is entitled to progressive discipline.

Section 5.2 **Grounds for Disciplinary Action**

Every employee is expected to consistently maintain satisfactory performance standards. Continuing performance deficiencies, unlike the isolated violations noted in the subsequent sections of this chapter, should first be addressed by the mutually cooperative efforts of the supervisor and employee. Those efforts include but are not limited to:

- An analysis of the problem;
- A determination of needed changes and assistance; and
- Implementation of a corrective plan of action and establishment of achievement dates.

If performance standards are not met within a reasonable period of time, the employee, depending upon the reasons for failure, may be transferred, demoted, or terminated.

The following types of conduct are unacceptable and may be cause for discipline up to and including termination, depending upon the facts and circumstances of each case. The examples given below are typical, but not all-inclusive:

1. Unsatisfactory attendance is exemplified by, but is not limited to, the following violations:
 - Unexcused absence or tardiness; Failure to give notice of an absence or tardiness to the supervisor thirty (30) minutes before starting time, or as may be prescribed by departmental policy;
 - Separate absences or days of tardiness which exceed the average absences or days of tardiness of the employee's work group and which lack sufficient justification;
 - Failure to notify supervisor before leaving; or failure to return to work after any authorized leave of absence;

- Unscheduled absences in conjunction with weekends, holidays or other scheduled time off;
 - Absence or tardiness that causes disruption of services; or excessive amounts of time off the job, regardless of the reason.
2. Abandonment occurs when an employee, without authorization, is absent from the job, or refuses a legitimate order to report to work, for two (2) consecutive workdays. The employee is deemed to have abandoned his/her job and may be terminated. Any unauthorized leave shall be unpaid.
 3. Insubordination, including an inability or unwillingness to perform assigned work satisfactorily is exemplified by, but is not limited to, the following violations:
 - Failure to follow routine written or verbal instructions;
 - Arguing over assignments or instructions;
 - Disrespectful or challenging conduct towards supervisor;
 - An accumulation of other deficiencies indicating the employee's continuing failure to adequately perform in a productive, efficient, and competent manner;
 - Failure or refusal to follow the lawful and specific orders or instructions of a supervisor or higher authority; and/or
 - Pursuit of a denied request to a higher authority without revealing the lower-level disposition/failure to exhaust chain of command without excuse.
 4. Indifference toward work is exemplified by, but is not limited to, the following violations:
 - Inattention, inefficiency, loafing, sleeping, carelessness, or negligence;
 - Reading social media or unauthorized material, playing games, watching television, movies or other non-work-related video content, or otherwise engaging in entertainment while on the job and/or in view of the public.
 - Failure to remain at one's workstation without notifying the supervisor, leaving work without permission, or taking more time than allowed for meal or rest break periods;
 - Performance of personal business on work time;
 - Interference with the work of others; or
 - Discourteous or irresponsible treatment of the public or other employees.
 5. Sabotage is exemplified by, but is not limited to, the following violations:
 - Deliberate damage to or destruction of City equipment or property;
 - Defacing of City property;
 - Unauthorized alteration, removal, destruction, or disclosure of City records (this conduct may also violate criminal laws);
 - Advocacy of or participation in unlawful trespass or seizure of City property;
 - Encouraging or engaging in slowdowns, sit-ins, strikes, or other concerted actions or efforts to limit or restrict employees from working;
 - Encouraging City employees to disobey provisions of these rules and regulations, City ordinances, or other laws;
 - Interference with the public use of or access to City services, properties, or buildings;
 - Interference with the operations of City government; or

- Threats to commit any act of sabotage as defined in this subparagraph.
6. Safety violations are exemplified by, but are not limited to, the following violations:
- Failure to follow City or departmental safety rules and regulations;
 - Failure to use required safety apparel;
 - Removal or circumvention of a safety device;
 - Lifting in a manner which may cause injury;
 - Operations of a vehicle or other equipment in an unsafe, negligent, or careless manner;
 - Smoking in a prohibited area;
 - Endangering of one's own safety or that of others by careless or irresponsible actions or negligence;
 - Failure to immediately report an on-the-job injury, vehicle accident, or unsafe working condition;
 - Failure of a supervisor to remove from the workplace or to assist to a safe location an employee whose mental capabilities are impaired due to injury, illness, alcohol or drug use, or emotional distress; or
 - Failure to maintain an insurable driving record acceptable to the City.
7. Dishonesty is exemplified by, but is not limited to, the following violations:
- Acceptance of money or anything of value from a person subject to the regulatory decision or supervision of the employees;
 - Failing to be honest and truthful to supervisors when questioned;
 - Cheating, forging, or falsification of official City reports or records;
 - False reporting of the reason for an absence, paid or unpaid; or
 - Other falsifying action detrimental to the City, City employees, or others.
8. Theft, regardless of item value, is exemplified by, but is not limited to, the following violations:
- Unauthorized taking of City property, City supplies or the property of others;
 - Unauthorized use of City or employee funds;
 - Using or authorizing the use of City equipment, supplies, or employee services for other than official City business, including the unauthorized use of long distance or pay telephone services (including "900" toll calls); or
 - Using or authorizing the use of City equipment or employee services without proper authority.
9. Abuse of drugs or alcohol is exemplified by, but is not limited to, the following violations:
- The manufacture, distribution, dispensing, possession, sale, purchase or consumption of drugs or alcohol during working hours, work breaks, lunch period, in a City vehicle or at any time while the employee is on City property;
 - Entering City property or reporting to work unable to perform duties in an effective and safe manner due to the ingestion, inhalation or injection of a drug or ingestion and/or consumption of an alcoholic beverage;
 - Employees may use legally prescribed drugs or over the counter medicines but must not use any drugs or medicines that impair his/her ability to perform the essential functions of his/her job safely and satisfactorily. Employees shall report to HR when an employee takes any medication that might impair their ability to

- perform the essential functions of his/her job;
 - Criminal acts involving the use of illegal drugs or alcohol while off-duty are grounds for termination.
10. Disturbance is exemplified by, but is not limited to, the following violations:
 - Fighting or boisterous conduct;
 - Deliberate causing of physical injury to another employee or citizen;
 - Use of profane, abusive, threatening, or loud and boisterous language;
 - Harassment, as defined by the Texas Penal Code, or intimidation;
 - Unlawful harassment, violation of Inappropriate conduct or equal employment opportunity policies;
 - Spreading of false reports; or
 - Other disruption of the harmonious relations among employees or between employees and the public.
 11. Abuse of City property is exemplified by, but is not limited to, the following violations:
 - Intentional, careless, or negligent damage or destruction of City equipment or property;
 - Waste of materials or negligent loss of tools or materials;
 - Improper maintenance of equipment; or
 - Damage caused by use of tools or equipment for purposes other than that for which the tool or equipment was intended.
 12. Misconduct is any criminal offense or immoral conduct, during or off working hours, which, on becoming public knowledge, could have an adverse effect on the City or the confidence of the public in City government. "Criminal offense" means any act constituting a violation of law and/or resulting in charges being filed, arrest, or confinement.
 13. Violation of the City's Inappropriate Conduct and Prohibited Harassment policy.
 14. An employee shall maintain high standards of moral conduct in his personal affairs and shall not be a participant in any incident which tends to or does impair his ability to perform as a City employee or cause the City to be brought into disrepute.
 15. An employee shall notify his/her immediate supervisor of all traffic violations, arrest and/or convictions within twenty-four hours of any offense.
 16. Except for sworn peace officers and those licensed by the State of Texas to carry a handgun, no employee of the City, shall carry a handgun or any other firearm into any City building or portion of a building, or any City vehicle.
 17. Engaging in conflicts of interest could compromise the appearance of professionalism and impartiality necessary to public service. Examples of prohibited conduct that could constitute an improper conflict of interest are:
 - No employee shall accept any gift, or favor from any citizen, person, firm, group or corporation that does business with the City or that might reasonably be expected by the donor to result in favorable or special treatment in the performance of the employee's official duties.

- No employee shall use his/her official position to secure or grant benefits, privileges, or special consideration to himself/herself or others beyond that which is available to every other citizen, person, firm, group, or corporation.
- No employee shall transact any business on behalf of the City in his/her official capacity with any business entity with which he/she is an officer, agent, or member, or in which he/she owns directly or indirectly an interest.
- No employee shall accept other employment or engage in outside activities incompatible with the full and proper discharge of his/her duties and responsibilities with the City, or which might impair his/her independent judgment in the performance of his/her public duty.
- No employee shall receive any fee or compensation for his/her services as an officer or employee of the City from any source other than the City, except as may otherwise be provided by law. This shall not prohibit his/her performing the same type of other services for a private organization that he/she performs for the City if there is no conflict with his/her City duties and responsibilities.

Section 5.3

Types of Disciplinary Action

In making a decision as to what discipline should be recommended, the supervisor should consider such factors as the type and severity of the offense or offenses, the employee's work record, and any mitigating circumstances which may be relative to the situation.

The following disciplinary actions are not exclusive and may be initiated against an employee for violations of these Policies and/or City or departmental rules and regulations.

Verbal Counseling

Verbal counseling is best suited for a minor rule infraction or incident of substandard performance. Verbal counseling should identify violations and indicate areas needing improvement. A written record of this warning shall be maintained in the employee's personnel file.

Written Reprimand

A written reprimand is a formal warning of an infraction that may result in suspension, demotion, or termination should the violation recur. Both the supervisor and the employee should sign the written reprimand. Included in the written reprimand should be a statement of what changes in behavior are expected, when the next evaluation will be held and what penalty will be imposed if no changes are made by the employee. Copies of the written reprimand and all supporting documentation, if any, will become part of the employee's personnel file. The employee shall be given the opportunity to respond in written form to the written reprimand.

Suspension

A suspension is to bring about a change in behavior and results in time off without pay. The employee should be encouraged to reflect on his/her behavior during the suspension and to decide whether he/she wishes to correct the offending behavior or terminate his/her employment.

A Department Head may suspend an employee without pay for a period of not less than one (1) hour nor more than ten (10) working days. Prior to suspending an employee, a Department Head shall confer with the City Administrator. Suspension for more than ten (10) working days requires the written approval of the City Administrator. A suspension becomes a permanent part of the employee's personnel file.

Demotion

A Department Head may demote an employee for a disregard or violation of these Policies and/or any City or departmental rule or regulation, or for repeated refusal or inability to improve performance. Prior to demoting an employee, the Department Head shall confer with the City Administrator regarding the proposed demotion. Demotions may be either permanent or for a predetermined specified period of time and shall result in a reduction of salary. The demotion becomes a permanent part of the employee's personnel file.

Termination

An employee may be dismissed from employment at any time for any reason. The City Administrator must ratify any termination of an employee. The ratification will take place as soon as possible. An employee is not entitled to progressive discipline. For example, the City is not required to provide an employee with verbal counseling or a written reprimand before suspending, demoting, or terminating the employee.

Section 5.4 **Disciplinary Procedures**

Any disciplinary action, with the exception of oral reprimand/employee counseling, shall be presented in written form to the employee and the City Administrator specifying:

- The type of disciplinary action taken, i.e., written reprimands, suspension, or demotion;
- The specific rule violated;
- The specific incident, including date(s), if applicable, causing the action;
- A written or verbal response from employee regarding the allegations against him/her, if any;
- The employee's right to appeal to a specific office within a specified time; and
- The finality of the action if the employee fails to appeal within the specified time.

No discipline above oral reprimand/counseling shall be administered without prior approval by the City Administrator.

Section 5.5 **Appeals of Disciplinary Action**

An employee may appeal the following disciplinary actions to the Department Head if the discipline was imposed by a supervisor of lesser rank than the Department Head: a) Verbal Counseling b) Written reprimands. The decision of the Department Head will be final and non-appealable. If the Department Head makes the initial decision, no appeal is available.

The City Administrator has the authority to appoint, suspend or terminate any City employee.

The following actions may be appealed to the City Administrator: suspension, demotion and terminations. The appeal must be submitted to the City Administrator.

In order to appeal disciplinary actions, an employee must submit a written request for an appeal within three (3) business days, to the City Administrator. The decision of the City Administrator is final and no further appeal is available.

The appeal of disciplinary action will be an informal process wherein an employee will be given an opportunity to inform the City Administrator the action was not appropriate. The hearing will be confined to consideration of the reasons for the disciplinary action. If the reasons for the action have not yet been reduced to writing, they will be presented to the employee at least three (3) days prior to the hearing. The sole purpose of the hearing is to allow the employee an opportunity to respond to allegations of misconduct. It is not a formal evidentiary hearing.

Any appeal decision is final and non-appealable.

The procedures as set forth herein are intended to be used as guidelines only and are not to be interpreted as giving any employee substantive or procedural due process. All employees serve the City on an at-will basis. These guidelines do not alter the at-will relationship between the City and any employee.

Section 5.6 **Grievance Procedures**

Definition of Grievance. Employee complaints of inconsistent treatment, interpretation and/or application of City or departmental policies, procedures, or practices; and retaliation.

Any employee wishing to submit a complaint or grievance must first discuss the grievance with the employee's supervisor. If the employee's supervisor is a Department Head, the employee should first discuss the grievance with the Department Head in an effort to resolve the matter informally.

If the matter is not resolved to the employee's satisfaction, the employee may submit the grievance in writing on or within seven (7) calendar days after the discussion with the supervisor.

An employee still dissatisfied after conferring with the employee's Department Head may present the grievance to the City Administrator within three (3) business days of receipt of the Department Head's decision. The City Administrator's decision is final.

If an employee is complaining about the City Administrator, the employee must submit his/her grievance to the City Council within three business days for its consideration.

If the City Administrator has a complaint, they may submit their grievance to the Council for its consideration not less than three business days of the desire to have the grievance considered by the City Council.

CHAPTER 6 PERSONNEL RECORDS

Section 6.1

Personnel Files and Records

The City of Parker will request, use and retain only that personal information about employees that is required for business or legal reasons. The confidentiality of all personal information in City records and files will be protected, preserved, and maintained for all City employees in compliance with State and Federal laws.

Employees have access to personal information in his/her personnel files and will have the right to correct inaccurate information or express, in writing, disagreement with the accuracy of information maintained.

PROPOSED

CHAPTER 7 SAFETY

Section 7.1 **Safe Working Conditions**

It is the policy of the City to make every effort to provide healthy and safe working conditions for all its employees.

1. Employees will follow all established safety regulations and use all safety equipment provided by each department.
2. Each department head is responsible for reviewing all work procedures and enforcing all necessary safety rules and providing any safety equipment necessary to provide a safe working environment.
3. Employees shall immediately report any accidents or injuries occurring on the job to their supervisor. The supervisor shall take all necessary action to ensure safe transportation and/or treatment of the injured. The supervisor shall then notify the City Administrator's Office of the incident and shall file a written accident report with the Administration Department.
4. Employees shall not be compelled by orders of a supervisor to commit acts that are unlawful or pose unusual and unnecessary risk to the health or life of the employee.

Safety is important to the City and to you. Failure to follow safety rules is grounds for discipline up to and including termination.

Section 7.2 **Driving Record Checks**

An employee required to drive a City vehicle or personal vehicle as a regular part of their job will have their driving record reviewed from time to time. In addition, any and all traffic accidents, moving violations, convictions (including probated sentences), and/or license suspensions, whether occurring on or off the job, must be reported to your immediate supervisor within twenty-four hours of occurrence and the supervisor must immediately report it to the Department Head and/or the City Administrator. In order to ensure the safety of all employees and the public, employees may be forbidden to operate street vehicles based on a case-by-case review of driving records. If driving is an essential function of the job, this may result in termination.

An employee charged with, but not convicted of, any major moving violations including D.W.I. or D.U.I., may be removed from driving pending the resolution of the alleged violation or terminated if the circumstances warrant. If the employee is not lawfully authorized to drive and driving is an essential job function, the employee may be terminated.

PROPOSED

CHAPTER 8 COMPENSATION

Section 8.1 **Pay Days**

The City of Parker pays employees bi-weekly. Payroll is completed by the Friday following the two-week pay period ending on the previous Friday at 11:59 p.m.

If the payday falls on a holiday, payroll will be issued on the last working day preceding the holiday.

Section 8.2 **Overtime Pay**

The Fair Labor Standards Act defines “exempt” employees. Exempt employees are paid to do a job and are not required to be compensated for overtime.

Vacation, Sick, Holiday, and Bereavement leave does not count as “hours worked” for purposes of an employee reaching the overtime threshold.

Nonexempt employees may not work overtime (more than 40 hours per week, except for police officers and firefighters) without prior approval by their supervisor. Any nonexempt employee who works overtime without prior supervisory approval shall be disciplined, up to and including termination. Police officers and firefighters are subject to the 7k partial overtime exemption from overtime.

Section 8.3 **Longevity Pay**

Regular, full-time employees are eligible to receive longevity pay beginning November 2023. Longevity pay is calculated from date of hire through the end of the fiscal year at the rate of \$4.00 per month per year of service. Payment of longevity will be during second half of November each year. An employee who terminates employment with the City either voluntarily or involuntarily before November 15 will not be paid the longevity pay for the previous years’ service.

Section 8.4 **Final Pay Upon Separation**

Upon final separation, an employee shall be paid his or her last paycheck on the next regularly scheduled payday.

Section 8.5 **Travel and Subsistence Allowance**

Statement of Policy

When employees of the City are required to travel on official business, the City will pay reasonable amounts for transportation, meals, and lodging. An employee is expected to show good judgment and an appreciation for the economy when incurring travel expenses.

Expense limits established by these regulations are limits, and not allowances or authorization to spend that much if less would be adequate.

General

Travel expenses must be itemized on a travel expense form, which must be forwarded to the Finance Director within two working days after returning from a trip. Paid bills for lodging and receipts for air or rail fares are required to be attached to the travel expense form if such expenses have been incurred. The City shall pay actual registration fees which shall be based upon a copy of the official conference brochure indicating such fees.

Meal Allowance

Employees are reimbursed for meals while traveling on City business according to the current GSA schedule and rates provided by the U.S. General Services Administration or its successor.

Transportation

The City may purchase tickets in advance for employees traveling by common carrier. All employees shall travel in economy class where such services are available.

Municipal owned vehicles may be used for out-of-City travel. All expenses incurred for operation of such vehicles must be documented by receipts attached to the expense report. Employees who, with authorization from their Department Head, use their personal vehicles for official business will be reimbursed for mileage at the current IRS mileage reimbursement rates.

Receipts must be attached to the expense report to claim reimbursement for all transportation costs. If receipts were not available for ferry, bridge, road and parking tolls, and taxicab fares, these items can be itemized with the reason the receipts were not available. Reimbursements for those unreceipted costs will be determined on a case-by-case basis.

Lodging

An employee is expected to make hotel or motel reservations well in advance whenever possible and to take other actions to insure that lodging is secured at moderate rates.

If an employee is to attend a formal, organized meeting or conference, he/she may stay at the hotel where the meeting is to be held unless it is within a 50-mile radius of City hall. The City, in all cases, will pay no more than the regular single room rate.

Non- Allowable Expenses

Expenses or charges for the following will normally not be reimbursed and must be paid for by the employee:

- In-hotel pay television and movies;
- Dry cleaning and laundry;
- Health club and spas;
- Expenses of a spouse;
- Alcoholic beverages;
- Personal long distance telephone calls; and
- Other items of a personal nature.

Section 8.6

Attendance and Work Hours

Regular Work Hours

Nonexempt employees of the City, except for Police Department Personnel, normally work 40 hours in a seven-day workweek. Exempt employees may be required to work in excess of 40 hours in certain weeks.

The work week for most City employees begins at 12:00 a.m. on Saturday and ends at 11:59 p.m. on Friday. With approval of the City Administrator, individual departments may be permitted to set a work week that differs.

The City has declared a 14-day work period for Police Personnel under the 7K partial overtime exemption. For police officers, overtime is paid for time worked in excess of 80 hours in a 14-day work period.

Adjustment to Work Hours

In order to assure the continuity of City services, it may be necessary for Department Heads to establish other operating hours for their departments. Work hours and work shifts must be arranged to provide continuous service to the public. Employees are expected to cooperate when asked to work overtime or a different schedule. Acceptance of work with the City includes the employee's acknowledgement that changing shifts or work schedules may be required and indicates that the employee will be available to do such work.

On-Call and Call Back Pay

On-call status is not considered time worked. On-call employees called back to the workplace will be paid at their overtime rate of pay for actual hours worked or a minimum of two (2) hours, whichever is greater for each call-back within the same 24 hours after their regularly scheduled working hours or on a regular day off. Continuing work on a call-back that extends beyond the 2-hour minimum and into a day off does not entitle the employee to additional premium pay. An employee who is on call must be able to reach City Hall within one hour. Travel time to and from a call-back is compensable under this policy. On-call employees who do not return to the workplace but who handle a workplace issue by phone will be paid for actual time spent on the phone. Employees are on-call for one work week at a time and receive a stipend for each week they are on-call week.

Attendance/Time Records

Employees are expected to be at their workstations and ready to work at their scheduled start time. Employees are required to accurately record the number of hours worked each day. Employees' meal breaks are automatically deducted, and the employee must affirm that he/she took a meal break and was relieved of his/her duties. Meal breaks for police personnel are not deducted. Employees are required to sign the time sheets and affirm the work time reported is accurate.

Attendance and Punctuality

Regular and reliable in-person attendance is an essential job function.

To maintain a safe and productive work environment, the City expects employees to be

reliable and punctual in reporting to work. Absenteeism and tardiness are disruptive and place a burden on the City and on co-workers.

Either may lead to disciplinary action, up to and including termination of employment.

In most instances, an employee who fails to properly notify the supervisor in advance of an absence or tardiness will be subject to disciplinary action up to and including termination. An employee who fails to notify the City of an absence of three days or more may be presumed to have voluntarily resigned from employment.

Regular and reliable on-time attendance is required. Accordingly, employees with unscheduled and/or unapproved tardies and absences, if more often than infrequent, will face discipline.

Generally, if an employee has two or more tardies within 6 months, he will receive a reprimand; if he has 3 or more tardies within a twelve-month period, he will receive a written reprimand and if he has more than 4 in a 12-month period, he will be suspended and/or terminated.

Generally, if an employee has an unscheduled and unexcused absence, and does not provide a doctor's note, he will generally receive a reprimand. If he has more than one unscheduled and unexcused absence in a 12-month period, he will be suspended without pay. If he has more than 2 unexcused and unscheduled absences within a twelve-month period he will likely be terminated.

Section 8.7 **Clocking In & Out for Employees**

The Fair Labor Standards Act (FLSA) requires employers to keep records on wages and hours worked. The City of Parker uses Time and Attendance tracking software. Employees may use an application for their phone to clock in and out or may enter their hours worked through the software available on their work computer.

The FLSA requires employers to pay non-exempt employees for all hours worked, so it is important for employees to clock in and clock out or enter time appropriately. Employees should record hours worked by clocking in or recording the time immediately prior to beginning work and clocking out from their work site or recording the time upon finishing work before leaving for the day. Early or late clocking in/out or time recording will not be permitted unless the employee is actually working.

Rounding

It is permissible to round the employee's start time and stop time under the FLSA when used in such a manner that it will not result, over a period of time, in the failure to compensate properly for all hours actually worked by non-exempt employees. The City of Parker's timekeeping system records time to the nearest quarter of an hour (15 minutes). The City will ensure that the employees are adequately compensated for all hours worked.

Section 8.8

Breaks

The City may allow rest breaks as authorized by an employee's immediate supervisor during the course of each workday to prevent undue fatigue.

Rest Breaks

Full-time employees may, depending on individual departmental work schedules and the discretion of the supervisor, take up to two fifteen-minute, paid breaks each day, one during the first part of the workday and the other during the latter part of the workday. Breaks may not be combined. Time spent on rest breaks will be compensated as hours worked. An employee is expected to be punctual in starting and ending breaks and will be subject to disciplinary action for tardiness.

Meal Periods

Full-time employees are normally provided with a one-hour unpaid meal break near the middle of the workday. Employees will be relieved from work responsibilities during unpaid meal breaks. Employees may not extend meal breaks beyond their assigned period without permission from supervisor.

Lactation Break

Nursing mothers will be provided with reasonable unpaid break time to express breast milk for up to one year after the birth of a child in accordance with applicable law. If an employee needs time beyond the usual lunch and break times, the employee may use Vacation leave. Employees and supervisors are expected to agree, in advance, upon a break schedule and how the time will be counted or made up. A private room will be provided for nursing mothers to use. Employees who have a private office may use it if they prefer.

Supervisor Responsibility

Supervisors are responsible for scheduling the time for employee rest and lactation breaks and should take into consideration the workload and nature of the job performed. Whenever necessary, the supervisor may change the frequency and length of rest breaks.

Practices Not Permitted

The following practices are not permitted uses of rest breaks:

- combining two daily breaks into one thirty (30) minute rest break;
- "banking" break period time from day to day;
- saving break period time to extend lunch periods or shorten the scheduled workday; or
- requesting overtime pay for work performed during break period time.

CHAPTER 9 BENEFITS

Section 9.1

Holidays

The City of Parker observes the following days as paid holidays:

New Year's Day	Thanksgiving Day
Good Friday	Friday after Thanksgiving
Memorial Day	Christmas Eve
Independence Day	Christmas Day
Labor Day	Day after Christmas

Full-time employees shall be paid for official paid City holidays providing the employee is not on an unpaid leave of absence immediately preceding or following the holiday.

Police Department full-time employees required to work on a holiday will be paid 8 hours for the holiday at their regular rate of pay, in addition to the hours worked. If a holiday and an employee's regularly scheduled day off occur on the same day, the employee will be paid 8 hours for the holiday at the regular rate of pay.

If a holiday occurs on a Saturday, the preceding Friday shall be observed as the holiday. If the holiday falls on a Sunday, the following Monday shall be observed as the holiday.

A holiday does not count towards compensable hours of work. Stated another way, holiday hours do not count as "hours worked" for purposes of reaching the overtime threshold.

Section 9.2

Vacation

Vacation leave refers to the allocation of time employees can take off work and still be paid regular wages. Regular full-time employees accrue vacation leave each pay period as follows:

<u>Consecutive Months of Service</u>	<u>Accrual Rate Based on 26 Pay Periods Per Year</u>
0 - 60	4.61 hours per pay period – 120 hours per year
61 - 120	6.15 hours per pay period – 160 hours per year
Over 120 months	7.69 hours per pay period – 200 hours per year

Vacation is accrued per pay period with a maximum accrual cap equal to the yearly accrual rate plus 40 hours. Employees do not accrue additional vacation leave until the vacation balance is reduced below his/her maximum accrual cap.

Vacation leave shall be used in one (1) hour increments, up to a maximum of two (2) weeks consecutively unless prior approval from the City Administrator has been granted.

If you are eligible for vacation leave, you must submit a request in advance of your requested time off to obtain approval from your supervisor.

Vacation does not count towards compensable hours of work. Stated another way, vacation hours do not count as “hours worked” for purposes of reaching the overtime threshold.

Upon separation, an employee who voluntarily resigns after working more than one year shall be paid seventy-five percent (75%) of the value of their accrued Vacation leave, up to a maximum of the employee’s current annual accrual rate plus 40 hours. No payout will occur if you have worked less than one year.

Section 9.3 **Sick Leave**

Employees who are employed as of January 1 of each year shall receive 40 hours in their sick leave bank. Sick leave shall be used in one (1) hour increments. You may use vacation leave for any sick or personal time needs that exceed available sick leave.

Employees who have sick leave hours remaining at the end of the year will have those remaining hours converted to Emergency leave. Sick leave is not paid out upon separation.

Section 9.4 **Emergency Leave**

As additional income security, rather than losing sick leave hours, you may “bank” additional hours into an “Emergency Leave account.” You may use your Emergency Leave for your own medically related absence of 5 consecutive days or greater. An employee may not use Emergency Leave until sick leave is exhausted. Once Sick Leave is exhausted and you have been absent for medical reasons for more than four days, deductions will come from your Emergency Account until exhausted. When Emergency Leave is exhausted, an employee may use Vacation to cover any additional absences. If no leave is available, absences will be unpaid.

Any balance in an Emergency Leave account as of the effective date of this policy will remain available to be used as set forth in this policy; as of the effective date of this policy, Vacation leave will not roll over to Emergency Leave. Emergency Leave is not paid out upon separation.

Section 9.5 **Leave Donation**

From time to time an employee may have extraordinary circumstances requiring leave that exceeds their accumulated Vacation and Sick leave. Employees may donate Vacation leave to such an employee by notifying Human Resources in writing of the amount of Vacation they wish to donate to such an employee. An employee may receive donated leave only for their own serious health condition or to care for an immediate family member who has a serious health condition, and only after all leaves have been exhausted.

Section 9.6 **Bereavement Leave**

Bereavement leave with pay for a period not to exceed three days (24 hours) per occurrence will be given to any regular, full-time employee in case of death in the immediate family.

“Immediate family members” are defined as an employee’s spouse, domestic partner, parents, stepparents, siblings, children, stepchildren, grandparents, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or grandchild.

If there is a death in the family, the employee should request leave in advance or as soon as possible to his/her immediate supervisor. The supervisor should obtain permission for its use through the supervisor’s chain of command.

An employee may be required to provide proof of death/funeral/family relationship in support of bereavement leave. Bereavement leave is paid at the employee’s base rate at the time of absence. It does not include overtime or any special forms of compensation. Paid time off for bereavement leave is not counted as hours worked for purposes of determining overtime.

Employees who wish to attend funerals for other than immediate family must use Vacation leave.

Section 9.7 **Jury Duty Leave**

The City provides paid leave to regular full-time employees required to serve on jury duty requested to testify as a witness by the City in a City-related civil, criminal, legislative, or administrative proceeding. Court appearances for testimony, investigation, and court preparation as a result of official duties as a City employee (e.g., police, fire, inspections, animal control, etc.) are compensated as actual hours worked and are not classified as paid leave. Employees will receive regular pay during jury service for up to two weeks; absences for longer periods of time will be handled on a case-by-case basis.

The employee must provide documentation of the requirement for jury duty, subpoena compliance, etc., with the leave request, along with supporting documentation to their supervisor as soon as possible so that arrangements can be made to accommodate the absence. Employees must maintain daily contact with their supervisor for the duration of the absence.

An employee who is on jury duty typically must report for work for the remainder of the day upon completion of court or jury service, or request approval for use of Vacation leave. Any payment for jury duty received by the employee may be retained by the employee.

Jury duty leave is paid at the employee’s base rate at the time of leave and does not include overtime or any other special forms of compensation.

Section 9.8 **Military Leave**

Employees shall be eligible for paid military leave in accordance with state and federal laws for military duty for a maximum of fifteen (15) days per fiscal year. If your reserve unit is called to active duty, your leave will be for the length of that active duty but will be unpaid beyond the three-week annual leave. While on leave, you may use your available Vacation. You will be asked to submit a copy of the order, directive, notice, or other document that requires you to report for duty when requesting leave.

While you are on military leave, your benefits will continue for up to 24 months. You will continue to be responsible for your portion of the premium for leaves of 30 days or less, and for longer leaves, you will be responsible for the entire premium.

Pay and benefits return to normal when you return to work within 10 days of release from active duty, or as agreed to with your supervisor. The City complies with all state and federal laws relating to employees in reserve or active military service and does not discriminate against employees who served in the military.

Section 9.9 **Workers' Compensation**

Eligibility for Workers' Compensation

If you are injured as a direct result of the duties performed in the course of your employment with the City, you may be eligible to receive Workers' Compensation benefits under the Workers' Compensation Insurance plan. Such a plan is required under state law and covers the cost of hospitalization, physician fees, drugs, treatment, and other related expenses. See Section 9.6.

Workers' compensation is designed to cover the costs associated with injuries resulting from identifiable and specific accidents or injuries occurring during the course and scope of one's employment. It is not designed to cover ordinary diseases of life. All employees are covered by workers' compensation insurance.

An employee injured on the job may be eligible for workers' compensation benefits, which may cover the cost of hospitalization, doctors, treatment, prescription drugs and other related expenses, to include possible partial salary continuation.

Injuries not directly related to or caused by a specific accident or incident that occurred in the performance of the employee's job duties for the City, injuries occurring while an employee or volunteer is working or volunteering for an employer or organization other than the City, and/or injuries occurring during self-employment, are not covered under the City's workers' compensation plan.

Accident and Injury Reporting Procedures

1. **Medical Attention.** When an employee is injured on the job, the City's first priority is to ensure that the employee gets timely medical attention. The employee must immediately report the circumstances of the accident and/or injury to the supervisor who will direct the employee to seek medical treatment, if necessary, from the Approved Doctor List (ADL) referred to by Human Resources
2. **Reporting and Documentation.** The employee's supervisor is responsible for notifying Human Resources immediately upon being made aware of an employee's involvement in an accident or injury. This timely notification is critical.

The employee's supervisor will initiate a thorough investigation into the cause and circumstances of the accident causing the injury, including interviewing all witnesses and preparing a detailed written report explaining the facts of the accident that occurred. The supervisor must submit the City's Accident Report, First Report of Injury or Illness and any

other related information to the City Administration no later than the next business day after the injury was reported or no later than 9 a.m. on Monday for injuries occurring over the weekend. If the employee's supervisor has reason to believe that an injury has been reported that is not directly related to or caused by a specific accident or incident occurring in the performance of the employee's assigned job duties, the supervisor must advise the City Administration of these circumstances.

The decision of whether or not an injury will be covered by workers' compensation will be made by the Worker's Compensation Carrier and not by the City.

If the employee's treating physician recommends convalescence at home, the employee is required to contact the supervisor each day during the time away from work. For every doctor's office visit, the employee is required to obtain from his doctor a completed Work Status Report, which includes the employee's diagnosis, when the employee is expected to be able to return to work, the employee's restrictions and the date of the employee's next appointment.

It is the employee's responsibility to ensure that a copy of the Work Status Report is forwarded to Human Resources and to the supervisor. Failure to report to Human Resources as required may result in disciplinary action, up to and including termination of employment.

Returning to Work

The employee is to return to work immediately after treatment unless the employee's physician will permit neither regular duty nor modified duty. The employee must have a written release from the doctor to return to work and the release must specify any restrictions. The City does not guarantee the availability of a modified duty opportunity. However, the employee must accept any modified duty assignment that is offered, including an assignment in another department.

All modified duty assignments must be approved by the City Administrator to ensure compliance with the City's policies, the physician's restrictions/release and with the Americans with Disabilities Act (ADA,) the Americans with Disabilities Act as Amended (ADAAA).

Maximum Time Limits

Subject to other restrictions, limitations and earlier terminations as applicable in particular circumstances, the City will hold open an employee's position following an injury that occurred while performing official job duties or conducting City business, for a reasonable time period if holding the position does not result in undue hardship on the City, generally not to exceed six months.

The City Administrator will engage in discussions of any reasonable accommodations that may assist the employee in performing the essential functions of the job. At the end of the reasonable period of time, should the employee still be unable for any reason to perform the essential duties of the job, with or without accommodation, the employee's position may be filled and the employee may be considered for a vacant position for which the employee is qualified and released from the physician to perform.

If no vacant position is available for which the employee is qualified, if not selected to fill the vacant position or if the employee declines to accept another position, employment with the

City will be terminated.

Section 9.10

Unpaid Leave of Absence

If you are a regular, full-time employee, you may request an unpaid leave of absence by submitting a written request to your Department Head.

You may be given an unpaid leave of absence for illness or inability to work or any other legitimate purpose approved by the Department Head. Unpaid leaves of absence may be approved only after Vacation and Sick leave has been exhausted.

The Department Head may approve an unpaid leave of absence of up to two (2) weeks in duration. The City Administrator and the Department Head must approve an unpaid leave of absence beyond two weeks. An unpaid leave of absence may not exceed 30 days, unless an additional application is requested by the employee and approved by the City Administrator.

During an approved unpaid leave of absence, the City will continue to pay its usual contributions toward your benefits; however, you will still be responsible for paying any benefit premiums that would normally be deducted from your paycheck. Please make arrangements with Administration for paying these premiums prior to your leave.

Section 9.11

Group Medical Plan

The City makes comprehensive group medical coverage available to every regular full-time employee and pays the premium toward such single coverage for as long as an employee is eligible and enrolled. Newly hired employees should enroll themselves and their eligible dependents (if desired) for medical coverage within 30 days of hire. Once enrolled, an employee and his/her dependents are covered effective the first of the month after the employee's date of employment.

Any premium for dependent coverage will be deducted from your paycheck; employees in a non-pay status will have to pay premiums to the City in order to maintain coverage.

Specific and complete details of the City's medical plan are available in plan booklets supplied to you by Administration.

Section 9.12

Group Life Insurance

Group life insurance coverage in the amount of \$50,000, including accidental death and dismemberment coverage, is provided to all regular, full-time employees. The City pays the full premiums for the employee for the provided amount. Employees may elect and pay for additional optional coverage. For further information, refer to the Group Life Insurance Policy.

Section 9.13

Long Term Disability

Long-term disability coverage is provided to all regular, full-time employees. The City pays the full premium for full-time employees. For further information, refer to the Long-Term Disability information available from Human Resources.

Section 9.14

Dental Insurance

Dental insurance is available to regular full-time employees and their dependents, if desired. The City pays the premium for single coverage. Premiums for dependent coverage will be deducted from your paycheck.

Specific and complete details of the City's dental plan are available in plan booklets supplied to you by Administration.

Section 9.15

Texas Municipal Retirement System

The City of Parker is a member of the Texas Municipal Retirement System (TMRS). Participation in the system is mandatory for all regular, full-time employees. There is no maximum age for participation in TMRS. Beginning January 1, 2024, employees contribute 7% of their gross income, which is not taxable until withdrawn. The City contributes on your behalf at a rate of 2:1 (14%).

The purpose of the retirement system is to provide adequate and dependable retirement benefits for employees retiring from Texas Municipalities. Each member City chooses from various TMRS options to tailor its retirement plan to meet local needs and circumstances. Policy Manuals detailing this plan are available at www.TMRS.com.

Section 9.16

Social Security

The City of Parker does not participate in Social Security (unless you are a part-time or seasonal employee). If you retire under both Social Security and a local government retirement plan such as TMRS, with a City that does not participate in Social Security, your Social Security benefit may be lowered or offset. For more information, contact your local Social Security office.

Section 9.17

Medicare

Employees hired after April 1, 1986 are required to make a contribution toward Medicare equal to 1.45% of gross pay. The City matches the employee's contribution with an amount equal to the employee's contribution.

Section 9.18

Continuation of Group Medical Benefits

The Consolidated Omnibus Budget Reconciliation Act (COBRA), provides that all employees are eligible to continue their group insurance for a maximum of eighteen (18) months when employment is terminated due to resignation, retirement, reduction in employees, reduction of work hours, or dismissal for reasons other than gross misconduct. The law also entitles dependents of a covered employee to continue their group insurance coverage for a maximum of eighteen (18) months upon the separation of a covered employee or a reduction in such employee's hours of employment; and up to thirty-six (36) months upon the death of a covered employee, divorce or legal separation, when dependent children are no longer "eligible dependent" under the definition in the policy, or when the employee becomes Medicare eligible. The employee or dependent must request continuation of coverage and must pay the full cost of coverage.

Section 9.19

Inclement Weather and Emergency Conditions

The City will make every effort to maintain normal working hours through inclement weather. Except for extraordinary circumstances, City offices DO NOT CLOSE, although City facilities may be closed to the public. All City employees, whether exempt or nonexempt, are expected to make a sincere effort to report to work during inclement weather conditions or other emergency situations.

1. **Employee.** If an employee determines that the weather conditions constitute a danger to life and/or property, the employee must notify the immediate supervisor and/or Department Head and make arrangements to report to work if weather conditions improve. If conditions do not improve, Vacation leave or leave without pay will be utilized.
2. **Department Head.** The Department Head is responsible for seeing that City services are staffed while City offices are open for business during inclement weather or emergency conditions. Any City service that cannot be provided during inclement weather or other emergency conditions must be immediately reported to the City Administrator.
3. **City Administrator.** When weather or other conditions are such that the City Administrator or designee declares certain City offices/departments officially closed, all affected personnel, i.e., those non-essential employees who were scheduled to work during the time of closure, will be paid for their scheduled hours when the office/department is closed. On days when the weather worsens as the day progresses, the City may decide to close early. In such cases, a decision and announcement will be made by the City Administrator or designee at the appropriate time. Employees will only be paid for time worked when the office/department closes early and may utilize Vacation leave or leave without pay for the remainder of the day.
4. **Essential Personnel.** Essential personnel must report to work even when other City offices/departments are officially closed due to weather or other type of extraordinary circumstances. Essential personnel required to be on the job regardless of adverse weather or other conditions are designated by the Department Head and/or the City Administrator. Nonexempt essential personnel shall receive 1.5 times their regular rate of pay for actual hours worked during inclement weather or emergency conditions. Essential personnel who

fail to report to work may be subject to disciplinary action up to and including termination of employment.

Section 9.20 **Quarantine Leave**

In accordance with Local Government Code 180.008, this paid quarantine leave policy applies to peace officers who are employed or appointed by the City and ordered to quarantine or isolate due to a possible or known exposure to a communicable disease while on duty.

Definitions:

(1) "Health authority" means a physician appointed by the county health department to administer state and local laws relating to public health within the City's jurisdiction.

(2) "Paid quarantine leave" means: (1) all employment benefits and compensation, including leave accrual, pension benefits, and health benefit plan benefits provided by the City; and (2) if applicable, reimbursement for reasonable costs related to the quarantine, including lodging, medical, and transportation costs.

(3) "Peace officer" means police officers licensed by the Texas Commission on Law Enforcement and employed by the City.

Quarantine Leave:

A City of Parker peace officer who is ordered to quarantine or isolate by the person's supervisor or the county's health authority due to a possible or known exposure to a communicable disease while on duty is entitled to receive paid quarantine leave for the duration of the leave.

No Reduction in Compensation and Benefits

The City will not reduce a peace officer's sick leave balance, vacation leave balance, holiday leave balance, or other paid leave balance in connection with paid quarantine leave taken in accordance with this policy.

EMPLOYEE ACKNOWLEDGMENT FORM

The Personnel Policy Manual describes important information about the City of Parker, and I understand that I should consult Human Resources regarding any questions. I acknowledge that there is no specified duration of employment and employment is at-will. Accordingly, either I and/or the City of Parker may terminate employment with or without cause at any time.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions may occur, except to the City's policy of employment-at-will. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies.

Furthermore, I acknowledge that this manual is not a contract of employment. I have received the manual, and I understand that it is my responsibility to read and comply with the policies contained therein and any revisions made to it. I also understand that it is my responsibility to keep this manual updated with future official notices relative to revised information and shall return this manual to the personnel department upon termination of my employment with the City of Parker.

Employee's Signature

Date

Employee's Name (Typed or Printed)



Council Agenda Item

Budget Account Code:	Meeting Date:	See above.
Budgeted Amount:	Department/ Requestor:	Council
Fund Balance-before expenditure:	Prepared by:	ACA/CS Scott Grey for Mayor Pettie
Estimated Cost:	Date Prepared:	February 24, 2025
Exhibits:	Proposed Personnel Policy Manual	

AGENDA SUBJECT

PROPOSED PERSONNEL POLICY MANUAL

SUMMARY

Please review information provided and be prepared to discuss.

POSSIBLE ACTION

City Council may approve, deny, or direct staff to take appropriate action.

Inter – Office Use

Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	02/27/2025
Interim City Attorney:	<i>Catherine Clifton</i>	Date:	02/27/2025 via Municode
Mayor	<i>Lee Pettie</i>	Date:	02/xx/2025



Council Agenda Item

Budget Account Code:	Meeting Date:	See above.
Budgeted Amount:	Department/ Requestor:	Council
Fund Balance-before expenditure:	Prepared by:	ACA/CS Scott Grey
Estimated Cost:	Date Prepared:	February 24, 2025
Exhibits:	<u>None</u>	

AGENDA SUBJECT

NOISE COMMITTEE – MARCH 5, 2025, 2 PM

PARKS AND RECREATION COMMISSION (P&R) – WEDNESDAY, MARCH 12, 2025, 5 PM
THURSDAY, APRIL 3, 2025 - LAST DAY TO REGISTER TO VOTE FOR THE MAY 3, 2025,
GENERAL ELECTION

2025 PWC'S CANDIDATES NIGHT – THURSDAY, APRIL 17, 2025, 7 PM – VICTORY CHURCH
– 6301 E. PARKER ROAD

NATIONAL PRESCRIPTION DRUG TAKE BACK - SATURDAY, APRIL 26, 2025, 10AM-2PM
GENERAL ELECTION

REMINDER – MAY 3, 2025 – GENERAL ELECTION (EV AND ED INFO)

Sunday (Domingo)	Monday (Lunes)	Tuesday (Martes)	Wednesday (Miércoles)	Thursday (Jueves)	Friday (Viernes)	Saturday (Sábado)
April 20 No Voting (20 de abril) (Sin votar)	April 21 No Voting (21 de abril) (Sin votar)	April 22 Early Voting (22 de abril) (Votación adelantada) 8 am – 5 pm	April 23 Early Voting (23 de abril) (Votación adelantada) 8 am – 5 pm	April 24 Early Voting (24 de abril) (Votación adelantada) 8 am – 5 pm	April 25 Early Voting (25 de abril) (Votación adelantada) 8 am – 5 pm	April 26 Early Voting (26 de abril) (Votación adelantada) 8 am – 5 pm
April 27 No Voting (27 de abril) (Sin votar)	April 28 Early Voting (28 de abril) (Votación adelantada) 7am - 7pm	April 29 Early Voting (29 de abril) (Votación adelantada) 7am - 7pm	April 30 (30 de abril)	May 1 (1 de mayo)	May 2 (2 de mayo)	May 3 Election Day (3 de mayo) (Día de elección) 7am – 7pm

SUMMARY

Please review information provided.

POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	02/27/2025
Interim City Attorney:	<i>Catherine Clifton</i>	Date:	02/27/2025 via Municode
Mayor	<i>Lee Pettie</i>	Date:	02/xx/2025



Council Agenda Item

Budget Account Code:	Meeting Date: See above.
Budgeted Amount:	Department/ Requestor: Finance
Fund Balance-before expenditure:	Prepared by: ACA/CS Scott Grey for Finance/HR Manager Grant Savage
Estimated Cost:	Date Prepared: February 24, 2025
Exhibits:	<ol style="list-style-type: none"> 1. Annual Financial Report – Year Ended September 30, 2024 2. Governance Letter 3. Independent Auditors GAS Report on Internal Control 4. Management Recommendations Letter

AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON ANNUAL AUDIT REPORT.

SUMMARY

Please review the attached Annual Financial Report – Year Ended September 30, 2024. If you have any questions, comments, and/or concerns, please contact the Finance Manager, Grant Savage, at gsavage@parkertexas.us prior to the City Council meeting.

Vail & Park, P.C. will present the final audit results to Council.

POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Grant Savage</i>	Date:	02/27/2025
Interim City Attorney:	<i>Catherine Clifton</i>	Date:	02/27/2025 via Municode
Mayor	<i>Lee Pettie</i>	Date:	02/xx/2025

ANNUAL FINANCIAL REPORT

of the

City of Parker, Texas

For the Year Ended September 30, 2024

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City of Parker, Texas
ANNUAL FINANCIAL REPORT
September 30, 2024

Meeting Date: 03/04/2025 Item 3.

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Parker, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parker, 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 remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 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

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 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 generally accepted auditing standards 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 generally accepted auditing standards 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 and required supplementary information on pages 7-16 and 67-73 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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 accompanying combining other nonmajor governmental fund financial statements on pages 76-79 are presented for purposes of additional analysis and are 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 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 combining other nonmajor governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 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 solely 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 effectiveness of the City's 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 City's internal control over financial reporting and compliance.

Vail & Park, P.C.

Vail & Park, P.C.
Tom Bean, Texas
March 4, 2025

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***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

DRAFT 2/24/2025

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City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024

Meeting Date: 03/04/2025 Item 3.

As management of the City of Parker, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024.

Financial Highlights

- The City's total combined net position is \$73,566,355 at September 30, 2024. Of this, \$17,906,089 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$13,776,066, an increase of \$3,059,136.
- As of the end of the year, the unassigned fund balance of the General fund was \$8,454,611 or 206% of total General fund expenditures.
- The City had an overall increase in net position of \$6,065,198, which is primarily due to capital contributions related to developments in the total amount of \$4,049,985.
- The City budgeted for a net decrease in fund balance of \$136,961 for the General Fund. The actual activity resulted in an increase in the fund balance for the General fund of \$1,585,997. This resulted in a positive overall variance between budget to actual of \$1,722,958.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government- wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide 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 information on all of the City's assets, liabilities, and deferred inflows/outflows 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 improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

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 leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental 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, public works, and culture and recreation. The business-type activities of the City include water, sewer and sanitation operations.

September 30, 2024

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Parker Volunteer Fire Department for which the City is financially accountable. Although legally separate, the Fire Department functions for all practical purposes as a department of the City and therefore has been included as an integral part of the primary government.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City of Parker. They are usually segregated for specific activities or objectives. The City of Parker uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental 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 year. Such information may be useful in evaluating the City'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 of Parker maintains fourteen 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 balances for the general and debt service funds, which are considered major funds.

The City of Parker adopts an annual appropriated budget for its general, debt service, capital projects, and utility funds. A budgetary comparison schedule has been provided to demonstrate compliance with the general fund budget.

Proprietary Funds

The City maintains one type of proprietary fund which is considered an enterprise fund. 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 water distribution, wastewater collection/treatment, water construction operations and sanitation services. The proprietary fund financial statements provide separate information for the water distribution, wastewater collection/treatment fund, and sanitation funds. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

September 30, 2024

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI that GASB Statement No. 34 requires includes a budgetary comparison schedule for the general fund and schedule of changes in net pension and total OPEB liability and related ratios- TMRS, and schedule of contributions - TMRS. The RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Parker, assets and deferred outflows exceeded liabilities and deferred inflow by \$73,566,355 as of September 30, 2024, in the primary government.

The largest portion of the City's net position, \$50,768,665, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Current and other assets of Governmental Activities as of September 30, 2024, and September 30, 2023, were \$15,523,421 and \$12,250,401, respectively. The increase of \$3,273,020 was primarily due to greater cash on hand resulting from grant revenue, interest income, and less than anticipated spendings. Capital and right to use assets of Governmental Activities as of September 30, 2024, and September 30, 2023, were \$31,624,572 and \$31,484,641, respectively. The increase of \$139,931 was primarily attributable to new capital investments exceeding the current year's depreciation. Long-term liabilities of Governmental Activities as of September 30, 2024, and September 30, 2023, were \$1,431,919 and \$1,705,409, respectively. The decrease of \$273,490 is primarily due to principal payments.

Current and other assets of Business-Type Activities as of September 30, 2024, and September 30, 2023, were \$11,051,396 and \$9,909,868, respectively. The increase of \$1,141,528 was due to increased utility billing revenue collected in fiscal year 2024. Other liabilities of Business-Type Activities as of September 30, 2024, and September 30, 2023, were \$810,042 and \$769,946, respectively. The increase of \$40,096 was a result of timing of payments to third party vendors in the subsequent fiscal year. Long-term liabilities of Business-Type Activities as of September 30, 2024, and September 30, 2023, were \$6,340,502 and \$6,746,231, respectively. The decrease of \$405,729 is primarily due to principal payments.

City of Parker, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2024

Meeting Date: 03/04/2025 Item 3.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2024			2023		
	Government Activities	Business-type Activities	Total	Government Activities	Business-type Activities	Total
Assets						
Current and other assets	\$ 15,523,421	\$ 11,051,396	\$ 26,574,817	\$ 12,250,401	\$ 9,909,868	\$ 22,160,269
Capital and right to use assets, net	31,624,572	26,078,205	57,702,777	31,484,641	24,431,008	55,915,649
Total Assets	47,147,993	37,129,601	84,277,594	43,735,042	34,340,876	78,075,918
Deferred Outflows of Resources	277,730	103,728	381,458	425,210	161,385	586,595
Liabilities						
Other liabilities	2,193,173	810,042	3,003,215	1,910,755	769,946	2,680,701
Long-term liabilities	1,431,919	6,340,502	7,772,421	1,705,409	6,746,231	8,451,640
Total Liabilities	3,625,092	7,150,544	10,775,636	3,616,164	7,516,177	11,132,341
Deferred Inflows of Resources	232,342	84,719	317,061	21,147	7,868	29,015
Net Position						
Net investment in capital assets	30,733,242	20,035,423	50,768,665	30,441,568	18,042,173	48,483,741
Restricted	2,510,127	2,381,474	4,891,601	1,752,972	2,024,621	3,777,593
Unrestricted	10,324,920	7,581,169	17,906,089	8,328,401	6,911,422	15,239,823
Total Net Position	\$ 43,568,289	\$ 29,998,066	\$ 73,566,355	\$ 40,522,941	\$ 26,978,216	\$ 67,501,157

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

Meeting Date: 03/04/2025 Item 3.

Statement of Activities:

The following table provides a summary of the City's changes in net position:

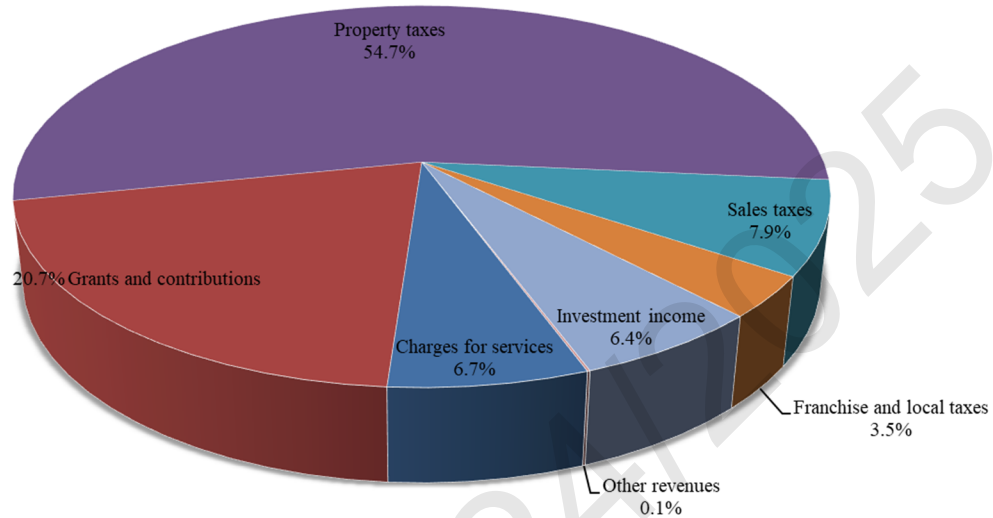
	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenue						
Program Revenue						
Charges for services	\$ 673,654	\$ 6,522,022	\$ 7,195,676	\$ 576,550	\$ 6,350,140	\$ 6,926,690
Grants and contributions	2,081,462	2,177,688	4,259,150	1,608,819	1,530,027	3,138,846
General Revenue						
Property taxes	5,511,696	-	5,511,696	4,870,872	-	4,870,872
Sales taxes	799,745	-	799,745	380,799	-	380,799
Franchise and local taxes	353,053	-	353,053	343,117	-	343,117
Investment income	647,546	289,261	936,807	360,628	234,988	595,616
Other revenues	9,450	-	9,450	5,209	-	5,209
Total Revenue	10,076,606	8,988,971	19,065,577	8,145,994	8,115,155	16,261,149
Expenses						
General government	807,971	-	807,971	735,412	-	735,412
Public safety	3,016,132	-	3,016,132	2,450,956	-	2,450,956
Public works	3,259,449	-	3,259,449	3,151,210	-	3,151,210
Culture and recreation	10,618	-	10,618	10,618	-	10,618
Interest and fiscal charges	17,088	209,477	226,565	19,866	213,839	233,705
Water, sewer, & sanitation	-	5,679,644	5,679,644	-	4,872,346	4,872,346
Total Expenses	7,111,258	5,889,121	13,000,379	6,368,062	5,086,185	11,454,247
Change in Net Position Before Transfers	2,965,348	3,099,850	6,065,198	1,777,932	3,028,970	4,806,902
Transfers	80,000	(80,000)	-	80,000	(80,000)	-
Total	80,000	(80,000)	-	80,000	(80,000)	-
Change in Net Position	3,045,348	3,019,850	6,065,198	1,857,932	2,948,970	4,806,902
Beginning Net Position	40,522,941	26,978,216	67,501,157	38,665,009	24,029,246	62,694,255
Ending Net Position	\$ 43,568,289	\$ 29,998,066	\$ 73,566,355	\$ 40,522,941	\$ 26,978,216	\$ 67,501,157

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

Meeting Date: 03/04/2025 Item 3.

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

Governmental Activities - Revenues



For the year ended September 30, 2024, revenues from governmental activities totaled \$10,076,606. Property tax, charges for services, and grants and contributions are the City's largest revenue sources. Property tax increased \$640,824 or 13% due to an increase in the taxable appraisal value of properties. Sales tax increased \$418,946, or 110%, due to an increase of 1% of sales tax rate. Grants and contributions increased \$472,643, or 29% due to nonrecurring capital contributions from a developer in the current year. Investment income increased by \$286,918, or 80% primarily due to an increase in interest bearing accounts and in interest rates.

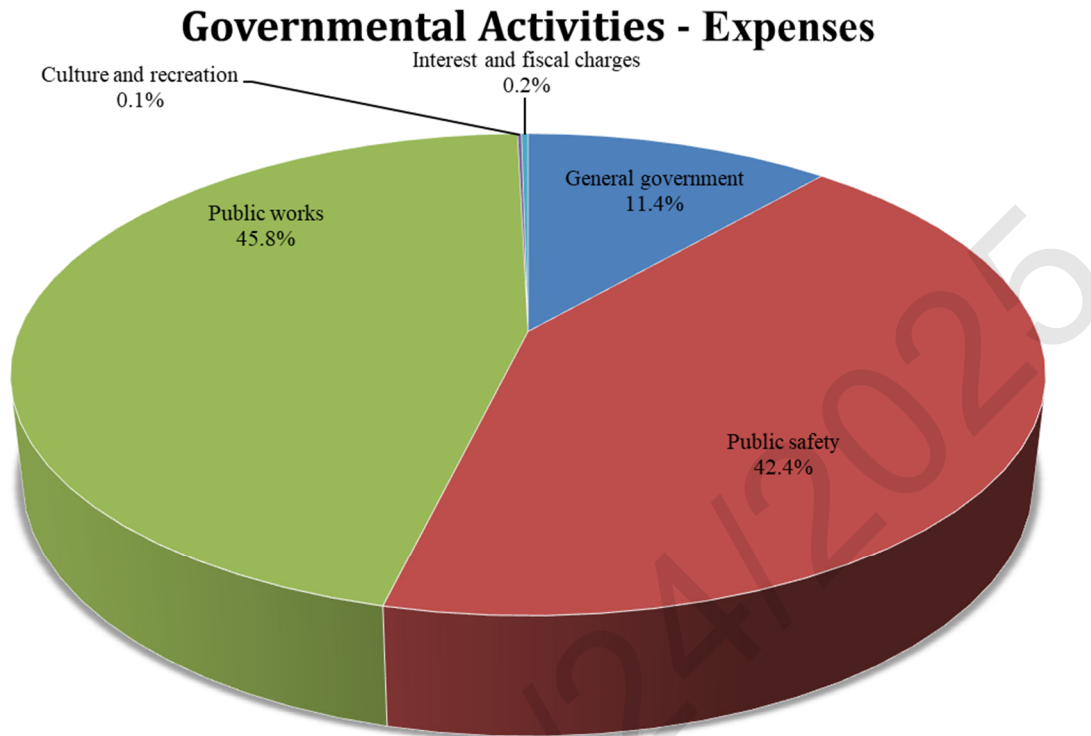
City of Parker, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2024

Meeting Date: 03/04/2025 Item 3.

This graph shows the governmental function expenses of the City:



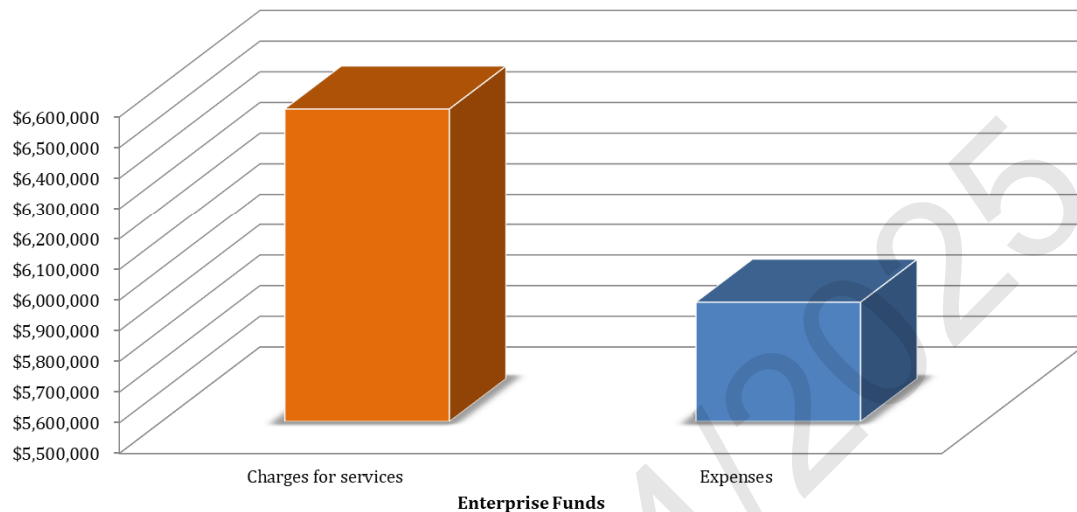
For the year ended September 30, 2024, expenses for governmental activities totaled \$7,111,258. This represents an increase of \$743,196 or 12% from the prior year. The City's largest functional expense is public works for \$3,259,449. Public works expenses increased by \$108,239 or 3.4% primarily due to minor tools and equipment purchases and professional service costs in the current year. Public safety expenses increased by \$565,176 or 23% from the prior year. The increase was primarily a result of greater personnel costs. General government expenses increased by \$72,559 or 10% primarily due to pay increases for employees allocated to this function.

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

Meeting Date: 03/04/2025 Item 3.

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2024, charges for services by business-type activities totaled \$6,522,022. This is an increase of \$171,882, or 3% from the previous year. This increase directly relates to an increase in refuse billing rates and growth in the City's customer base compared to the prior year.

Total expenses for business-type activities increased \$802,936 or 16%, due to increased personnel and water purchase.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

As of the end of the year the general fund reflected a total fund balance of \$8,478,080. Of this, \$23,469 is considered nonspendable. The unassigned fund balance totaled \$8,454,611 as of year-end. The general fund balance increased \$1,585,997 primarily as a result of greater than anticipated revenues and less than anticipated expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2024

As of September 30, 2024, the capital street construction fund reflected a fund balance of \$2,029,047, an increase of \$738,110 from the prior year. Fund balance increased due to transfers from other funds in excess of the capital outlays and 1% of the sales tax is allocated to the fund.

As of September 30, 2024, the nonmajor debt service fund reflected a fund balance of \$259,674, a slight increase of \$921 from the prior year. Fund balance remained relatively stable due to property tax revenues covering debt service payments.

As of September 30, 2024, the other nonmajor governmental funds reflected a total fund balance of \$3,009,265, an increase of \$734,108. The increase was primarily a result of transfers received from other funds for the different purposes of the special revenue funds.

There was an increase in governmental fund balance of \$3,059,136 from the prior year. The increase was primarily a result of the current year revenue increases in property, sales, franchise tax and less spendings.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive budget variance of \$1,722,958 in the general fund. This was primarily the result of positive revenue and expenditure variance totaling \$877,796 and \$845,162, respectively. All expenditures were less than final budgeted appropriations, with the exception of principal retirement, interest and fiscal charges, and capital outlay.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$31,624,572 in a variety of capital and right to use assets and infrastructure, net of accumulated depreciation and amortization. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$26,078,205 in a variety of capital assets and infrastructure, net of accumulated depreciation.

Major capital asset events during the current year include the following:

- Developer contributions received totaling \$1,872,297 for streets improvements (Kings Crossing Phase 5 and Parker Ranch Phase 5).
- Developer contributions received totaling \$2,177,688 for water system improvements (Kings Crossing Phase 5 and Parker Ranch Phase 5).
- Street improvements purchase in the amount of \$353,905.

More detailed information about the City's capital assets is presented in note IV. D. to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total bonds and certificates of obligation outstanding, in the amount of \$6,570,086. During the year, principal payments totaling \$630,000 were made, as required. More detailed information about the City's long-term liabilities is presented in note IV. E. to the financial statements.

September 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Parker and improving services provided to their public citizens. The City is budgeting for growth in the upcoming year.

The following known factors were considered in preparing the City's operating budget for FY 2024-2025:

- This budget will raise more total property taxes than last year's budget by \$477,850 or 8.66%, and of that amount, \$186,518 is tax revenue to be raised from new property added to the tax roll.
- The approved budget for all funds for FY 2024-2025 reflects total anticipated revenues of \$19,702,778 and total anticipated expenditures of \$22,128,953.
- The City's tax rate is set each fall and is enacted via ordinance. The rate for fiscal year 2024-2025 was enacted by Ordinance #874 and is set to \$0.310439 cents per \$100 of valuation.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Parker's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Manager, 5700 East Parker Road, Parker, Texas 75002.

FINANCIAL STATEMENTS

City of Parker, Texas
STATEMENT OF NET POSITION
September 30, 2024

Meeting Date: 03/04/2025 Item 3.

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 15,218,834	\$ 5,767,554	\$ 20,986,388
Receivables, (net)	245,939	1,256,989	1,502,928
Prepaid expenses	58,648	139,245	197,893
Restricted assets:			
Cash and cash equivalents	-	3,887,608	3,887,608
Total Current Assets	15,523,421	11,051,396	26,574,817
Capital and right to use assets:			
Non depreciable capital assets	920,660	6,717,353	7,638,013
Net depreciable capital assets	30,412,440	19,360,852	49,773,292
Net right to use assets	291,472	-	291,472
Total Capital and Right to Use Assets	31,624,572	26,078,205	57,702,777
Total Assets	47,147,993	37,129,601	84,277,594
Deferred Outflows of Resources			
Deferred outflows - pension	271,932	99,155	371,087
Deferred outflows - OPEB	1,211	441	1,652
Deferred charges on refunding	4,587	4,132	8,719
Total Deferred Outflows of Resources	\$ 277,730	\$ 103,728	\$ 381,458

The Notes to the Financial Statements are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 503,148	\$ 163,956	\$ 667,104
Accrued liabilities and other payables	43,365	-	43,365
Unearned revenue	1,088,268	-	1,088,268
Customer deposits	57,000	35,408	92,408
Accrued interest payable	2,018	29,419	31,437
Payable to Collin County	-	238,856	238,856
Due within one year:			
Leases payable	69,230	-	69,230
Bonds and notes payable	291,861	323,140	615,001
Accrued compensated absences	138,283	19,263	157,546
Total Current Liabilities	2,193,173	810,042	3,003,215
Noncurrent liabilities:			
Due in more than one year:			
Leases payable	214,360	-	214,360
Bonds and notes payable	320,466	6,013,395	6,333,861
Net pension liability	846,879	308,797	1,155,676
Total OPEB liability	50,214	18,310	68,524
Total Noncurrent Liabilities	1,431,919	6,340,502	7,772,421
Total Liabilities	3,625,092	7,150,544	10,775,636
Deferred Inflows of Resources			
Deferred inflows - pension	210,191	76,642	286,833
Deferred inflows - OPEB	22,151	8,077	30,228
Total Deferred Inflows of Resources	232,342	84,719	317,061
Net Position			
Net investment in capital assets	30,733,242	20,035,423	50,768,665
Restricted for:			
Parks and recreation	19,207	-	19,207
Debt service	259,674	-	259,674
Capital projects	2,024,030	2,381,474	4,405,504
Public safety	207,216	-	207,216
Unrestricted	10,324,920	7,581,169	17,906,089
Total Net Position	\$ 43,568,289	\$ 29,998,066	\$ 73,566,355

City of Parker, Texas
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Meeting Date: 03/04/2025 Item 3.

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 807,971	\$ 548,885	\$ 209,165	\$ -
Public safety	3,016,132	124,769	-	-
Public works	3,259,449	-	-	1,872,297
Culture and recreation	10,618	-	-	-
Interest and fiscal charges	17,088	-	-	-
Total Governmental Activities	7,111,258	673,654	209,165	1,872,297
Business-Type Activities:				
Water, sewer, & sanitation	5,889,121	6,522,022	-	2,177,688
Total Business-Type Activities	5,889,121	6,522,022	-	2,177,688
Total Primary Government	\$ 13,000,379	\$ 7,195,676	\$ 209,165	\$ 4,049,985

General Revenues:

Property taxes

Sales and use taxes

Franchise and local taxes

Investment income

Other revenues

Transfers in (out)

**Total General Revenues, Transfers,
Change in Net Position**

Net Position - Beginning

Net Position - Ending

**Net (Expense) Revenue and
Changes in Net Position**

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (49,921)	\$ -	\$ (49,921)
(2,891,363)	-	(2,891,363)
(1,387,152)	-	(1,387,152)
(10,618)	-	(10,618)
(17,088)	-	(17,088)
(4,356,142)	-	(4,356,142)
-	\$ 2,810,589	2,810,589
-	2,810,589	2,810,589
\$ (4,356,142)	\$ 2,810,589	\$ (1,545,553)
5,511,696	-	5,511,696
799,745	-	799,745
353,053	-	353,053
647,546	289,261	936,807
9,450	-	9,450
80,000	(80,000)	-
7,401,490	209,261	7,610,751
3,045,348	3,019,850	6,065,198
40,522,941	26,978,216	67,501,157
\$ 43,568,289	\$ 29,998,066	\$ 73,566,355

The Notes to the Financial Statements are an integral part of this statement.

City of Parker, Texas
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

Meeting Date: 03/04/2025 Item 3.

	General Fund	Capital Street Construction Fund	Nonmajor Debt Service Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 9,526,490	\$ 2,452,223	\$ 259,674	\$ 2,980,447	\$ 15,218,834
Receivables, net:					
Property taxes	25,666	-	2,481	-	28,147
Sales taxes	65,318	65,318	-	-	130,636
Franchise & local taxes	59,152	-	-	-	59,152
Court	27,427	-	-	-	27,427
Other	577	-	-	-	577
Prepaid items	23,469	-	-	35,179	58,648
Total Assets	9,728,099	2,517,541	262,155	3,015,626	15,523,421
Liabilities					
Accounts payable	125,383	371,404	-	6,361	503,148
Accrued liabilities and other payables	43,365	-	-	-	43,365
Customer deposits	57,000	-	-	-	57,000
Unearned revenue	971,178	117,090	-	-	1,088,268
Total Liabilities	1,196,926	488,494	-	6,361	1,691,781
Deferred Inflows of Resources					
Unavailable revenue - property taxes	25,666	-	2,481	-	28,147
Unavailable revenue - fines	27,427	-	-	-	27,427
Total Deferred Inflows of Resources	53,093	-	2,481	-	55,574
Fund Balances					
Nonspendable	23,469	-	-	35,179	58,648
Restricted for:					
Parks and recreation	-	-	-	19,207	19,207
Debt service	-	-	259,674	-	259,674
Capital projects	-	2,029,047	-	-	2,029,047
Public safety	-	-	-	207,216	207,216
Committed for:					
Capital improvements	-	-	-	2,747,663	2,747,663
Unassigned	8,454,611	-	-	-	8,454,611
Total Fund Balances	8,478,080	2,029,047	259,674	3,009,265	13,776,066
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,728,099	\$ 2,517,541	\$ 262,155	\$ 3,015,626	\$ 15,523,421

City of Parker, Texas

Meeting Date: 03/04/2025 Item 3.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION September 30, 2024

Fund Balances - Total Governmental Funds \$ 13,776,066

Amounts reported for governmental activities in the Statement of Net Position

Capital and right to use assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds. 31,624,572

Other long-term assets are not available to pay for current-period expenditures and, therefore, are considered unavailable in the governmental funds

Property taxes receivables	28,147
Fines receivable	27,427

Deferred outflows (inflows) of resources represent a consumption (source) of net position that applies to a future period(s) and are not recognized as an outflow (inflow) of resources (expense/expenditure) until then.

Pension amounts	61,741
OPEB amounts	(20,940)
Deferred charges on bond refunding	4,587

Some liabilities, including interest, bonds payable, leases payable, and net pension and total OPEB liabilities, are not reported as liabilities in the governmental funds.

Accrued interest	(2,018)
Accrued compensated absences	(138,283)
Non-current debt/leases payable due in one year	(361,091)
Non-current debt/leases payable due in more than one year	(534,826)
Net pension and total OPEB liability	(897,093)

Net Position of Governmental Activities - Statement of Net Position \$ 43,568,289

City of Parker, Texas

Meeting Date: 03/04/2025 Item 3.

STATEMENT OF REVENUES, EXPENDITURES, CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended September 30, 2024

	General Fund	Capital Street Construction Fund	Nonmajor Debt Service Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Property	\$ 5,171,724	\$ -	\$ 336,193	\$ -	\$ 5,507,917
Sales and mixed beverage taxes	402,090	397,655	-	-	799,745
Franchise and local taxes	353,053	-	-	-	353,053
Licenses and permits	548,885	-	-	-	548,885
Contributions and donations	-	-	-	13,233	13,233
Grants	195,932	-	-	-	195,932
Fines and forfeitures	147,099	-	-	17,895	164,994
Investment income	646,441	-	-	1,105	647,546
Other revenue	9,450	-	-	-	9,450
Total Revenues	7,474,674	397,655	336,193	32,233	8,240,755
Expenditures					
Current operating:					
General government	673,117	-	-	24,518	697,635
Police department	1,231,134	-	-	97,243	1,328,377
Municipal court	104,162	-	-	-	104,162
Fire department	922,183	-	-	-	922,183
Building and code enforcement	219,524	-	-	-	219,524
Public works	303,166	8,358	-	-	311,524
City property	480,991	-	-	-	480,991
Debt service:					-
Principal retirement	24,213	-	315,130	47,611	386,954
Interest and fiscal charges	558	-	20,142	2,355	23,055
Capital outlay	147,129	621,187	-	259,076	1,027,392
Total Expenditures	4,106,177	629,545	335,272	430,803	5,501,797
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,368,497	(231,890)	921	(398,570)	2,738,958
Other Financing Sources (Uses)					
Transfers in	50,000	970,000	-	892,500	1,912,500
Transfers out	(1,832,500)	-	-	-	(1,832,500)
Proceeds from leased assets	-	-	-	240,178	240,178
Total Other Financing Sources (Uses)	(1,782,500)	970,000	-	1,132,678	320,178
Net Change in Fund Balances	1,585,997	738,110	921	734,108	3,059,136
Fund Balances - Beginning	6,892,083	1,290,937	258,753	2,275,157	10,716,930
Fund Balances - Ending	\$ 8,478,080	\$ 2,029,047	\$ 259,674	\$ 3,009,265	\$ 13,776,066

See Notes to Financial Statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 3,059,136

Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	1,027,392
Depreciation and amortization expense	(2,695,942)
Capital contributions	1,872,297

Revenues in the SOA that do not provide current financial resources are not reported as revenues in the governmental funds. (36,446)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal 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 they are first issued; whereas, the amounts are deferred and amortized in the Statement of Activities. The following amounts are the net effect of these differences in the treatment of long-term debt and related items:

Net changes in bonds and leases	83,960
Net changes in debt premium/discount	8,016
Net changes in deferred charges on refunding	(1,430)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(33,024)
Accrued interest	(1,619)
Pension and OPEB expense	(236,992)

Net Position of Governmental Activities - Statement of Activities \$ 3,045,348

City of Parker, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

Meeting Date: 03/04/2025 Item 3.

	Water & Sewer Fund	Nonmajor Sanitation Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,767,554	\$ -	\$ 5,767,554
Receivables, net	1,202,335	54,654	1,256,989
Prepaid expenses	139,245	-	139,245
Restricted assets:			
Cash and cash equivalents	3,887,608	-	3,887,608
Total Current Assets	<u>10,996,742</u>	<u>54,654</u>	<u>11,051,396</u>
Noncurrent assets:			
Capital Assets			
Land	323,666	-	323,666
Construction in progress	6,393,687	-	6,393,687
Water system	27,342,431	-	27,342,431
Sewer system	216,655	-	216,655
Vehicles and equipment	162,131	-	162,131
Accumulated depreciation	(8,360,365)	-	(8,360,365)
Total Noncurrent Assets	<u>26,078,205</u>	<u>-</u>	<u>26,078,205</u>
Total Assets	<u>37,074,947</u>	<u>54,654</u>	<u>37,129,601</u>
Deferred Outflows of Resources			
Deferred charges on bond refunding	4,132	-	4,132
Deferred outflows - pension	99,155	-	99,155
Deferred outflows - OPEB	441	-	441
Total Deferred Outflows of Resources	<u>\$ 103,728</u>	<u>\$ -</u>	<u>\$ 103,728</u>

The Notes to the Financial Statements are an integral part of this statement.

	Water & Sewer Fund	Nonmajor Sanitation Fund	Total
Liabilities			
Current liabilities:			
Accounts payable and other current liabilities	\$ 122,075	\$ 41,881	\$ 163,956
Accrued interest payable	29,419	-	29,419
Utility customer deposits	35,408	-	35,408
Payable to Collin County	238,856	-	238,856
General obligation bonds payable - current	323,140	-	323,140
Compensated absences payable	19,263	-	19,263
Total Current Liabilities	768,161	41,881	810,042
Noncurrent Liabilities			
General obligation bonds payable	6,013,395	-	6,013,395
Net pension liability	308,797	-	308,797
Total OPEB liability	18,310	-	18,310
Total Noncurrent Liabilities	6,340,502	-	6,340,502
Total Liabilities	7,108,663	41,881	7,150,544
Deferred Inflows of Resources			
Deferred inflows - pension	76,642	-	76,642
Deferred inflows - OPEB	8,077	-	8,077
Total Deferred Inflows of Resources	84,719	-	84,719
Net Position			
Net investment in capital assets	20,035,423	-	20,035,423
Restriction for capital projects	2,381,474	-	2,381,474
Unrestricted	7,568,396	12,773	7,581,169
Total Net Position	\$ 29,985,293	\$ 12,773	\$ 29,998,066

City of Parker, Texas

Meeting Date: 03/04/2025 Item 3.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS For The Year Ended September 30, 2024

	Water & Sewer Fund	Nonmajor Sanitation Fund	Total
Operating Revenues			
Charges for sales and services:			
Water sales	\$ 5,315,111	\$ -	\$ 5,315,111
Sewer charges	535,852	-	535,852
Garbage collection	-	537,884	537,884
Meter installations	118,500	-	118,500
Other revenue	14,675	-	14,675
Total Operating Revenues	5,984,138	537,884	6,522,022
Operating Expenses			
Personnel services	790,181	-	790,181
Purchased water	2,510,870	-	2,510,870
Cost of sanitation	-	598,891	598,891
Wastewater treatment	473,296	-	473,296
Other purchased services	454,040	-	454,040
Supplies and maintenance	128,455	-	128,455
Depreciation	723,911	-	723,911
Total Operating Expenses	5,080,753	598,891	5,679,644
Operating Income (Loss)	903,385	(61,007)	842,378
Non-Operating Revenues (Expenses)			
Interest revenue	289,261	-	289,261
Interest and fiscal charges	(209,477)	-	(209,477)
Total Non-Operating Revenues (Expenses)	79,784	-	79,784
Income (Loss) Before Transfers	983,169	(61,007)	922,162
Capital contributions	2,177,688	-	2,177,688
Transfers out	(55,000)	(25,000)	(80,000)
Changes in Net Position	3,105,857	(86,007)	3,019,850
Net Position - Beginning	26,879,436	98,780	26,978,216
Net Position - Ending	\$ 29,985,293	\$ 12,773	\$ 29,998,066

The Notes to the Financial Statements are an integral part of this statement.

City of Parker, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

Meeting Date: 03/04/2025 Item 3.

	Water & Sewer Fund	Nonmajor Sanitation Fund	Totals
Cash Flows from Operating Activities			
Cash received from customers	\$ 6,102,044	\$ 533,451	\$ 6,635,495
Cash payments to other suppliers and employees	(4,361,116)	(598,283)	(4,959,399)
Net Cash Provided (Used) by Operating Activities	<u>1,740,928</u>	<u>(64,832)</u>	<u>1,676,096</u>
Cash Flows from Non-capital Financing Activities			
Transfers out to other funds	(55,000)	(25,000)	(80,000)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(55,000)</u>	<u>(25,000)</u>	<u>(80,000)</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of capital assets	(193,420)	-	(193,420)
Principal paid on debt	(314,870)	-	(314,870)
Interest paid on debt	(240,553)	-	(240,553)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(748,843)</u>	<u>-</u>	<u>(748,843)</u>
Cash Flows from Investing Activities			
Interest and dividends on investments	289,261	-	289,261
Net Cash Provided (Used) by Investing Activities	<u>289,261</u>	<u>-</u>	<u>289,261</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,226,346	(89,832)	1,136,514
Cash and Cash Equivalents at Beginning of Year	8,428,816	89,832	8,518,648
Cash and Cash Equivalents at End of Year	<u>\$ 9,655,162</u>	<u>\$ -</u>	<u>\$ 9,655,162</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 903,385	\$ (61,007)	\$ 842,378
Provided (used) by operating activities:			
Depreciation	723,911	-	723,911
Change in Assets and Liabilities:			
Decrease (increase) in receivables	131,466	(4,433)	127,033
Decrease (increase) in pension and OPEB related deferred outflows	56,369	-	56,369
Decrease (increase) in prepaid expenses	(132,047)	-	(132,047)
Increase (decrease) in accounts payable	48,710	608	49,318
Increase (decrease) in utility customer deposits	(13,560)	-	(13,560)
Increase (decrease) in compensated absences	(2,751)	-	(2,751)
Increase (decrease) in total OPEB obligation	154	-	154
Increase (decrease) in net pension obligation	(51,560)	-	(51,560)
Increase (decrease) in pension and OPEB related deferred inflows	76,851	-	76,851
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,740,928</u>	<u>\$ (64,832)</u>	<u>\$ 1,676,096</u>
Noncash Capital and Related Financing Activities:			
Contributions of capital assets	\$ 2,177,688	\$ -	\$ 2,177,688
Premium amortization	31,183	-	31,183

The Notes to the Financial Statements are an integral part of this statement.

DRAFT 2/24/2025

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of 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 the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, 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.

B. Reporting Entity

The City of Parker, Texas (the “City”) was incorporated on March 22, 1969, and operates under a Type A General Law form of government. The City provides: police; fire; code enforcement; public works; street repair and maintenance; parks; general administrative services; water; wastewater; and sanitation.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The Parker Volunteer Fire Department, although legally separate, is considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

Blended Component Unit

Parker Volunteer Fire Department

The Parker Volunteer Fire Department (the “VFD”) was created by City ordinance on February 22, 1983. The purpose of the VFD is to provide fire protection to the citizens of the City. The Fire Chief is the executive officer of the department and is appointed by the Mayor of the City.

C. Upcoming and Newly Implemented Accounting Pronouncements

The GASB has recently issued the following statements:

GASB Statement No. 99, “Omnibus 2022” enhances comparability in accounting and financial reporting and aims to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain provisions of Statement No. 99 are effective upon issuance, while other provisions of Statement No. 99 are effective for fiscal years beginning after June 15, 2022, or 2023. The City has determined that the provisions applicable to the City have no impact on the City’s financial statements. The City is evaluating the effect of other provisions that are not yet effective.

GASB issued Statement No. 100, “Accounting Changes and Error Corrections-Amendment of GASB Statement No. 62,” which prescribes the accounting and financial reporting for each type of accounting change and error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating the prior period, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement are effective for reporting periods beginning after June 15, 2023. The City is evaluating the impact the implementation of this Statement on its financial statements.

GASB issued Implementation Guide No. 2023-1, “Implementation Guidance Update—2023” to provide guidance that clarifies, explains, or elaborates on GASB Statements. The requirements of this Implementation Guide apply to the financial statements of all state and local governments unless narrower applicability is specifically provided for in the pronouncement addressed by a question and answer. This Implementation Guide amends Implementation Guide No. 2019-3, Leases, Question 4.16, and Implementation Guide No. 2021-1, Implementation Guidance Update—2021, Question 4.13. The requirements of this Implementation Guide are effective for fiscal years beginning after June 15, 2023, and reporting periods thereafter. The City has seen no impact from implementing this statement.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

GASB issued Statement No. 101, “Compensated Absences,” that clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2023. The City is evaluating the impact that adoption of this Statement on its financial statements.

GASB issued Statement No. 102, “Certain Risk Disclosures,” that clarifies the definitions & disclosure guidance for risks due to concentration or constraint. The Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources and a constraint as a limitation imposed by an external party or formal action of the government’s highest level of decision-making authority. The Statement requires the government to assess whether a concentration or constraint makes the primary reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of substantial impact, and whether an event associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin within the 12 months after the date the financial statements are issued. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2024. The City is evaluating the impact that adoption of this Statement will have on its financial statements.

GASB issued Statement No. 103, “Financial Reporting Model Improvements,” that attempts 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 expands requirements for the management discussion & analysis, presentation of proprietary fund statement of revenues, expenses & changes in fund net position, and information related to major component units & budgetary comparisons. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2025. The City is evaluating the impact that adoption of this Statement will have on its financial statements.

GASB issued Statement No. 104, “Disclosure of Certain Capital Assets,” to clarify the disclosure requirements related to capital assets. This Statement requires separate disclosure of capital assets arising from leases, public-private & public-public partnerships & availability payment arrangements, and subscription-based information technology arrangements, and additional disclosures for capital assets held for sale. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2025. The City is evaluating the impact that adoption of this Statement will have on its financial statements.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

D. Basis of Presentation Government-Wide and Fund Financial Statements

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 the proprietary funds.

As a 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 government's water and transit 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.

The fund financial statements provide information about the government's funds, including its blended component units. 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. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Nonmajor debt service and sanitation funds are displayed in a separate column. All remaining governmental funds are aggregated and reported as other nonmajor funds.

The government reports the following governmental funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed.

General Fund

The General Fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, police and fire departments, public works, building and code enforcement, and city property. The General Fund is considered a major fund for reporting purposes.

Capital Street Construction Fund

The Capital Street Construction Fund is used to account for the construction or maintenance of street projects being financed from bond proceeds, grants or transfers from other funds. This fund is considered a major fund for reporting purposes.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

Debt Service Fund

The Debt Service Fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes. The Debt Service Fund is considered a nonmajor fund for reporting purposes.

Capital Drainage Fund

The Capital Drainage Fund is used to account for the construction or maintenance of drainage related improvements being financed from bond proceeds, grants, or transfers from other funds. This fund is considered nonmajor for reporting purposes.

Capital Facilities Fund

The Capital Facilities Fund is used to account for land acquisition, construction, renovation and equipping of government facilities being financed from bond proceeds, grants, or transfers from other funds. This fund is considered nonmajor for reporting purposes.

Volunteer Fire Department Fund

The Volunteer Fire Department Fund (the “VFD”) is used to account for contributions and grants that are contributed to the VFD for fire protection. The VFD is considered a nonmajor fund for reporting purposes. The VFD is reported as a blended component unit because it has no separate board from the City Council, and it is financially accountable to the City.

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. These funds consist of law enforcement, court security, court technology, police donations, child safety, equipment replacement, parks program, and technology replacement.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB. The proprietary fund types used by the City include enterprise funds.

The government reports the following major and non-major enterprise funds:

Water & Sewer Fund

This fund is used to account for the provision of water & sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water production and distribution system, and water collection and treatment systems. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

Sanitation Fund (Non-Major)

This fund is used to account for the provision of garbage services to the residents of the City. Activities of the fund include administration, operations, maintenance, and contract garbage services.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from 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 and internal service 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 Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). 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 government.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexSTAR, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

Advances between funds are offset by a fund balance reserve account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

5. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or market using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) and are recognized as expenditures when utilized.

6. Capital Assets

Capital assets, which include property, plant, 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 government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure	5 to 30 years
Buildings and improvements	25 years

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. An example which arises only under a modified accrual basis of accounting, relates to the accounting for uncollected property taxes. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumptions used within the pension actuarial valuation model.

8. Net Position Flow Assumption

Sometimes the government 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.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

9. Fund Balance Flow Assumptions

Sometimes the government 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 government'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.

10. 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 non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation.

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 governing council is the highest level of decision-making authority for the government 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 government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. 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, additional action is essential to either remove or revise a commitment.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

11. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable, net pension liability, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred in accordance with GASB statement no. 65.

The net pension liability is included within long term debt. This liability is valued using an actuarial model and represents the difference between the plan fiduciary net position and the net pension liability consistent with GASB statement no. 68. The portion of this liability presented as a current liability is based on actuarially calculations for estimated future payments of benefits and refunds over the twelve months following year-end.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

13. Leases – Lessee

The City is a lessee for noncancellable leases of property and equipment. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

14. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

15. Other Postemployment Benefits (“OPEB”)

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits plan (SDBP), with retiree coverage. The TMRS SDBP covers both active and retiree benefits with no segregation of assets, and therefore doesn’t meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBP is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBP is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan.

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 on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and non-employer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position.

16. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 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 bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

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 revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. 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.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, and Water & Sewer, and Sanitation Fund. Capital Projects Fund budgets are appropriated on a project-length basis.

The appropriated budget is prepared by fund, function, and department. The legal level of control is the function level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2024, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Days)	Credit Rating
Certificates of deposit	\$ 16,231,322	359	N/A
External investment pools			
TexSTAR	5,929,183	40	AAAm
<u>Total value</u>	<u>\$ 22,160,505</u>		

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

Credit risk – The City’s investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than “A” or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2024, the City’s investment in TexSTAR was rated AAAm by Standard & Poor’s.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2024, the market values of pledged securities and FDIC did exceed bank balances, due to the nature of deposits with government sponsored investment pools that do not receive coverage or pledges. Management does not believe it is subject to credit risk.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City’s safekeeping account prior to the release of funds.

TexSTAR

The Texas Short Term Asset Reserve Fund ("TexSTAR") is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. act as co-administrators, providing investment management services, participant services, and marketing, respectively. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services, Inc., provide custodial, transfer agency, fund accounting, and depository services.

TexSTAR operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR uses amortized cost rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexSTAR are the same as the value of TexSTAR shares. There were no limitations or restrictions on withdrawals.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

B. Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The investments of the City consist of certificates of deposit and investment pool assets, which are both exempted from presentation within a fair value hierarchy table. As a result, no such table is presented.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

C. Receivables

The following comprise receivable balances of the primary government at year end:

	General	Capital Street Construction	Debt Service	Water & Sewer	Sanitation	Total
Property taxes	\$ 25,666	\$ -	\$ 2,481	\$ -	\$ -	\$ 28,147
Sales tax	65,318	65,318	-	-	-	130,636
Franchise tax	59,152	-	-	-	-	59,152
Court	54,854	-	-	-	-	54,854
Accounts	-	-	-	812,670	60,035	872,705
Grants	-	-	-	429,683	-	429,683
Other	577	-	-	-	-	577
Allowance	(27,427)	-	-	(40,018)	(5,381)	(72,826)
	<u>\$ 178,140</u>	<u>\$ 65,318</u>	<u>\$ 2,481</u>	<u>\$ 1,202,335</u>	<u>\$ 54,654</u>	<u>\$ 1,502,928</u>

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

D. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 843,484	\$ -	\$ -	\$ 843,484
Construction in progress	77,176	-	-	77,176
Total capital assets not being depreciated	920,660	-	-	920,660
Capital assets, being depreciated/amortized:				
Land improvements	212,367	-	-	212,367
Buildings and improvements	2,616,328	123,678	-	2,740,006
Vehicles and equipment	3,873,636	42,349	-	3,915,985
Infrastructure	54,745,898	2,493,484	-	57,239,382
Right-to-use leased assets	363,138	240,178	(251,493)	351,823
Total capital assets, being depreciated/amortized	61,811,367	2,899,689	(251,493)	64,459,563
Less accumulated depreciation/amortization:				
Land improvements	(124,509)	(10,618)	-	(135,127)
Buildings and improvements	(1,096,404)	(63,052)	-	(1,159,456)
Vehicles and equipment	(2,974,918)	(400,842)	-	(3,375,760)
Infrastructure	(26,803,527)	(2,157,614)	-	(28,961,141)
Right-to-use leased assets	(248,028)	(63,816)	251,493	(60,351)
Total accumulated depreciation/amortization	(31,247,386)	(2,695,942)	251,493	(33,691,835)
Net capital assets being depreciated/amortized	30,563,981	203,747	-	30,767,728
Governmental Capital Assets	\$ 31,484,641	\$ 203,747	\$ -	\$ 31,688,388

Depreciation/amortization expense was charged to governmental functions as follows:

General government	\$ 47,120
Public safety	436,327
Public works	2,201,876
Parks and recreation	10,618
Total governmental activities depreciation/amortization expense	<u>\$ 2,695,942</u>

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 323,666	\$ -	\$ -	\$ 323,666
Construction in progress	6,200,267	193,420	-	6,393,687
Total capital assets not being depreciated	6,523,933	193,420	-	6,717,353
Capital assets, being depreciated:				
Water and sewer system	25,381,398	2,177,688	-	27,559,086
Vehicles and equipment	162,131	-	-	162,131
Total capital assets being depreciated	25,543,529	2,177,688	-	27,721,217
Less accumulated depreciation				
Water and sewer system	(7,479,555)	(721,413)	-	(8,200,968)
Vehicles and equipment	(156,898)	(2,498)	-	(159,396)
Total accumulated depreciation	(7,636,453)	(723,911)	-	(8,360,365)
Net capital assets being depreciated	17,907,076	1,453,777	-	19,360,853
Total Capital Assets	\$ 24,431,009	\$ 1,647,197	\$ -	\$ 26,078,205

Depreciation expense was charged to business-type activities as follows:

Water	\$ 718,495
Sewer	5,416
Total Business-Type Activities Depreciation Expense	\$ 723,911

Contributed Capital

During fiscal year 2024, the City received capital contributions related to the Whitestone Estates development. The city received paving improvements, recognized as an addition for governmental activities, in the amount of \$1,872,297 and water and storm drainage improvements, recognized as an addition for business-type activities, in the amount of \$2,177,688.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

E. Long-term Liabilities

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. In general, the City uses the Debt Service Fund to liquidate governmental long-term liabilities.

	Beginning Balances	Additions	Reductions	Ending Balances	Amounts Due within One Year
Governmental Activities:					
Bonds payable:					
General Obligation Refunding Bonds	\$ 581,961	\$ -	\$ (155,130)	\$ 426,831	\$ 131,861
Premium	33,512	-	(8,016)	25,496	-
Certificate of Obligation	320,000	-	(160,000)	160,000	160,000
Total Bonds Payable	935,473	-	(323,146)	612,327	291,861
Right-to-use lease liability	113,617	240,178	(70,205)	283,590	69,230
Net pension liability	968,546	-	(121,667)	846,879	-
Total OPEB liability	48,800	1,414	-	50,214	-
Compensated absences	105,259	138,283	(105,259)	138,283	138,283
Total Governmental Activities	\$ 2,171,695	\$ 379,875	\$ (620,277)	\$ 1,931,293	\$ 499,374
Business-Type Activities:					
Bonds payable:					
General Obligation Refunding Bonds	\$ 543,125	\$ -	\$ (144,870)	\$ 398,255	\$ 123,140
Combination Tax and Revenue Bonds	5,755,000	-	(170,000)	5,585,000	200,000
Premium	384,463	-	(31,183)	353,280	-
Total Bonds Payable	6,682,588	-	(346,053)	6,336,535	323,140
Net pension liability	360,357	-	(51,560)	308,797	-
Total OPEB liability	18,156	154	-	18,310	-
Compensated absences	22,014	19,263	(22,014)	19,263	19,263
Total Business-Type Activities	\$ 7,083,115	\$ 19,417	\$ (419,627)	\$ 6,682,905	\$ 342,403

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Long-term debt at year end was comprised of the following debt issues:

Description	Interest Rates	Original Balance	Current Balance
Governmental Activities			
2015 Certificate of Obligation (100%)	2.09%	\$ 1,485,000	\$ 160,000
2019 General Obligation Refunding Bonds (52%)	3.00%	1,285,000	426,831
Total Governmental Activities		2,770,000	586,831
Business-Type Activities			
2018 Combination Tax & Revenue Bonds (100%)	3.00 - 4.00%	6,075,000	5,585,000
2019 General Obligation Refunding Bonds (48%)	3.00%	1,200,000	398,255
Total Business-type Activities		7,275,000	5,983,255
Total Long-Term Debt			
2015 Certificate of Obligation (100%)	2.09%	1,485,000	160,000
2018 Combination Tax & Revenue Bonds (100%)	3.00 - 4.00%	6,075,000	5,585,000
2019 General Obligation Refunding Bonds (100%)	3.00%	2,485,000	825,086
Total		\$ 10,045,000	\$ 6,570,086

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

Year ending September 30,	Governmental Activities			
	2019 General Obligation Bonds		2015 Certificates of Obligation	
	Principal	Interest	Principal	Interest
2025	\$ 131,861	\$ 10,820	\$ 160,000	\$ 1,672
2026	95,664	7,407	-	-
2027	98,249	4,499	-	-
2028	101,057	1,513	-	-
Total	\$ 426,831	\$ 24,239	\$ 160,000	\$ 1,672

The City issued the 2015 Certificate of Obligation bond on August 20, 2015, in the original principal amount of \$1,485,000. Payments are due in annual installments, with a maturity date of February 15, 2025. These certificates bear an interest rate of 2.09%, payable on February 15 and August 15.

The City issued the 2019 General Obligation Refunding Bonds on December 17, 2019, in the original principal amount of \$2,485,000. Payments are due in annual installments, with a maturity date of February 15, 2028. These bonds bear an interest rate of 3.0%, payable on February 15 and August 15. The governmental portion is approximately 52%, or \$1,285,000.

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

Year ending September 30,	Business-Type Activities			
	2019 General Obligation Bonds		2018 Certificates of Obligation	
	Principal	Interest	Principal	Interest
2025	\$ 123,140	\$ 10,105	\$ 200,000	\$ 219,400
2026	89,337	6,918	245,000	210,500
2027	91,751	4,201	255,000	200,500
2028	94,027	1,412	265,000	190,100
2029	-	-	385,000	177,100
2030 & After	-	-	4,235,000	807,500
Total	\$ 398,255	\$ 22,636	\$ 5,585,000	\$ 1,805,100

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

The City issued the 2018 Combination Tax and Revenue bonds on August 21, 2018, in the original principal amount of \$6,075,000. Interest payments are due in biannual installments and principal payments are due in annual installments, with a maturity date of February 15, 2038. These certificates bear an interest rate of 3.00-4.00%, payable on February 15 and August 15.

The City issued the 2019 General Obligation Refunding Bonds on December 17, 2019, in the original principal amount of \$2,485,000. Interest payments are due in biannual installments and principal payments are due in annual installments, with a maturity date of February 15, 2028. These bonds bear an interest rate of 3.0%, payable on February 15 and August 15. The business type activities portion is approximately 48%, or \$1,200,000.

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds are from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

Lease Liability and Right-to-Use Lease Assets

The City has entered into two lease agreements as the lessee. The leases allow the right-to-use a building and a vehicle over the term of the lease. The City is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the leases.

The lease rate, term, and ending lease liability are as follows:

Description	Interest Rates	Liability at Commencement	Lease Term in Years	Ending Balance
Governmental Activities				
Leased Chevy Tahoe	1.55%	\$ 54,499	7.0	\$ 31,401
Leased Chevy Explorer	1.55%	57,146	5.0	37,630
Leased Ford F-150 #1	1.55%	77,503	5.0	67,526
Leased Ford F-150 #2	1.55%	79,972	5.0	70,971
Leased Expedition	1.55%	82,703	5.0	76,062
Total Governmental Activities				\$ 283,590

The future principal and interest lease payments as of fiscal year end are as follows:

Year ending September 30,	Principal	Interest	Total
2025	69,230	3,906	73,136
2026	73,092	2,826	75,918
2027	71,203	1,730	72,933
2028	52,935	771	53,706
2029	17,130	98	17,228
Total	\$ 283,590	\$ 9,331	\$ 292,921

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

In 2017 Collin County agreed to issue a grant amounting to \$367,247 and lend up to \$975,506 to the City to relocate water utilities along FM 2514. The grant and payable amount are owed back to the County 30 days after the City receives the grant money from Texas Department of Transportation (TX DOT) if TX DOT approves reimbursement of this project. As of September 30, 2024, the City received \$238,856 from the County related to this agreement. This amount is carried as a liability to the County and will be paid to the County when the TX DOT grant money is received. During September 30, 2018, TX DOT indicated their approval for this project on a 100% reimbursement basis. With this approval the City owes back the funds received from Collin County for \$238,856. As of September 30, 2024 the City had a receivable for this grant of \$429,683 from TX DOT.

F. Deferred Charge on Refunding

A deferred charge resulting from the issuance of the 2019 General Obligation Refunding bonds has been recorded as a deferred outflow of resources and is being amortized to interest expense over the term of the refunded debt. Current year balances for governmental and business-type activities totaled \$4,587 and \$4,132, respectively. Current year amortization expense for governmental and business-type activities totaled \$1,430 and \$1,288, respectively.

G. Customer Deposits

The City had customer deposits of \$57,000 in the General Fund as of year-end. The City requires a \$1,000 refundable deposit for all new home building permits. This amount will be refunded upon completion of the project and by meeting certain criteria set by the City. The City also had water meter deposits of \$35,408 payable in the Water and Sewer Fund at year end.

H. Interfund Transactions

The summary of interfund transfers for the year ended September 30, 2024 was as follows:

Transfer Out	Transfer In	Amount
Water & Sewer Fund	General Fund	\$ 25,000
Sanitation Fund	General Fund	25,000
Water & Sewer Fund	Technology Replacement Fund	5,000
Water & Sewer Fund	Equipment Replacement Fund	25,000
Total		\$ 80,000

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

V. OTHER INFORMATION

A. 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; and natural disasters for which the City participates along with 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues.

Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does anticipate that it will have an arbitrage liability and performs annual calculations to estimate this potential liability. The City will also engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations if indicated.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

D. Pension and OPEB Plans

Texas Municipal Retirement Systems

1. Plan Description

The City of Parker participates as one of 934 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available Comprehensive Annual Financial Report that can be obtained at www.tmrs.com.

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

2. Benefits Provided

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

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

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2023</u>	<u>Plan Year 2022</u>
Employee deposit rate	7%	6%
Matching ratio (city to employer)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

Employees Covered by Benefit Terms:

At the December 31, 2023 and 2022 valuation and measurement date, the following employees were covered by the benefit terms:

	2023	2022
Inactive employees or beneficiaries currently receiving benefits	18	17
Inactive employees entitled to but not yet receiving benefits	16	16
Active employees	24	24
Total	<u>58</u>	<u>57</u>

3. Contributions

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

Employees for the City of Parker were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Parker were 13.66% and 17.20% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were \$317,213, and were equal to the required contributions.

4. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) 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%
Overall payroll growth	3.6% to 11.85%, including inflation
Investment Rate of Return	6.75%, net pension plan investment expense, including inflation

Salary increases were based on a service-related table. The retirement age is based on the experience-based table of rates that are specific to the City's plan of benefits. It was last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018. Mortality rates for post-retirement are based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

The pre-retirement members is based on the PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

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. They 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.

Effective December 31, 2015, the long-term expected rate of return on TMRS pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation and the production of income in order to satisfy the short-term and long-term funding needs of TMRS. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50%.

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (arithmetic)
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	10.0%	11.6%
Total	<u>100.0%</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 employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

Sensitivity of the Net Pension Liability (Asset) 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 (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate		
1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
\$1,937,818	\$1,155,676	\$505,830

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/22	\$ 5,361,046	\$ 4,032,143	\$ 1,328,903
Changes for the year:			
Service Cost	314,090	-	314,090
Interest	386,717	-	386,717
Difference between expected and actual experience	(450,141)	-	(450,141)
Change in benefit terms including substantively automatic status	374,920	-	374,920
Changes of assumptions	13,423	-	13,423
Contributions - employer	-	240,419	(240,419)
Contributions - employee	-	107,811	(107,811)
Net investment income	-	466,995	(466,995)
Benefit payments, including refunds or emp. contributions	(327,739)	(327,739)	-
Administrative expense	-	(2,969)	2,968
Other changes	-	(21)	21
Net changes	311,270	484,496	(173,227)
Balance at 12/31/23	<u>\$ 5,672,316</u>	<u>\$ 4,516,639</u>	<u>\$ 1,155,676</u>

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

5. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the City recognized pension expense of \$633,808.

At September 30, 2024, the City reported deferred outflows and inflows of resources related to TMRS pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	\$ -	\$ (286,833)
Changes in actuarial assumptions	10,676	-
Difference between projected and investment earnings	103,728	-
Contributions subsequent to the measurement date	256,683	-
Total	\$ 371,087	\$ (286,833)

The City reported \$256,683 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that 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:

Year ended December 31:	Deferred Outflow (Inflow) of Resources
2024	\$ (33,572)
2025	(47,429)
2026	(519)
2027	(90,909)
2028	-
Thereafter	-
Total	\$ (172,429)

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

Other Postemployment Benefits (OPEB)

1. Plan Description

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBP). 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 SDBP by adopting an ordinance before November 1 of any year to be effective the following January 1.

2. 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); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City offers supplemental death to:	Plan Year 2023	Plan Year 2022
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

The City contributes to the SDBP 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 SDBP 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.

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	12
Inactive employees entitled to but not yet receiving benefits	4
Active employees	24
Total	<u>40</u>

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

3. Contributions

The City's contributions to the TMRS SDBP for the years ended 2024, 2023, and 2022 were \$2,054, \$2,943, and \$1,603, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates (RETIREE-only portion of the rate)

Plan/Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2022	0.08%	0.08%	100.00%
2023	0.09%	0.09%	100.00%
2024	0.11%	0.11%	100.00%

4. Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2023, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.6% to 11.85%, including inflation
Investment Rate of Return	3.77%, net pension plan investment expense, including inflation.
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement 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	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.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis with scale UMP to account for future mortality improvements. For disabled annuitants, the 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 a 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.77%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.77%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

1% Decrease 2.77%	Current Discount Rate 3.77%	1% Increase 4.77%
\$82,501	\$68,524	\$57,501

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 12/31/22	\$ 66,956
Changes for the year:	
Service Cost	3,234
Interest	2,744
Difference between expected and actual experience	(6,191)
Changes in assumptions	3,398
Benefit payments	(1,617)
Net changes	1,568
Balance at 12/31/23	<u>\$ 68,524</u>

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

5. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$4,398. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Changes in actuarial assumptions	\$ -	\$ (17,840)
Differences between expected and actual economic experience	-	(12,388)
Contributions subsequent to the measurement date	1,652	-
Total	\$ 1,652	\$ (30,228)

The City reported \$1,652 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in expense as follows:

Year ended December 31:	Deferred Outflow (Inflow) of Resources
2024	\$ (3,711)
2025	(14,717)
2026	(3,724)
2027	(4,418)
2028	(3,451)
Thereafter	(207)
Total	\$ (30,228)

E. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code, Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until retirement, termination, death, or unforeseeable emergencies.

Federal law requires all assets and income of Section 457 plans to be held in trust, custodial accounts, or annuity contracts for the exclusive benefit of the participants and their beneficiaries. The City's deferred compensation plan is administered by a private corporation under contract with the City. Total participant contributions were approximately \$15,340 for the year ended September 30, 2024. The City does not contribute to the plan.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

F. Subsequent Events

There were no material subsequent events through March 4, 2025, the date the financial statements were available to be issued.

DRAFT 2/24/2025

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT 2/24/2025

City of Parker, Texas

Meeting Date: 03/04/2025 Item 3.

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 5,149,778	\$ 5,149,778	\$ 5,171,724	\$ 21,946
Sales and mixed beverage taxes	383,000	383,000	402,090	19,090
Franchise and local taxes	302,000	302,000	353,053	51,053
Licenses and permits	221,000	221,000	548,885	327,885
Grants	1,100	1,100	195,932	194,832
Fines and forfeitures	215,000	215,000	147,099	(67,901)
Investment income	319,000	319,000	646,441	327,441
Other revenue	6,000	6,000	9,450	3,450
Total Revenues	6,596,878	6,596,878	7,474,674	877,796
Expenditures				
Current operating:				
General government	826,570	858,724	673,117	185,607
Police department	1,577,405	1,577,405	1,231,134	346,271
Municipal court	216,018	216,018	104,162	111,856
Fire department	1,015,151	1,015,151	922,183	92,968
Building and code enforcement	232,625	232,625	219,524	13,101
Public works	391,196	391,196	303,166	88,030
City property	554,220	528,842	480,991	47,851
Debt service:				
Principal retirement	-	-	24,213	(24,213)
Interest and fiscal charges	-	-	558	(558)
Capital outlay	-	131,378	147,129	(15,751)
Total Expenditures	4,813,185	4,951,339	4,106,177	845,162
Excess of Revenues Over (Under) Expenditures	1,783,693	1,645,539	3,368,497	1,722,958
Other Financing Sources (Uses)				
Transfers in	50,000	50,000	50,000	-
Transfers out	(1,832,500)	(1,832,500)	(1,832,500)	-
Total Other Financing Sources (Uses)	(1,782,500)	(1,782,500)	(1,782,500)	-
Net Change in Fund Balances	1,193	(136,961)	1,585,997	\$ 1,722,958
Fund Balances, Beginning	6,892,083	6,892,083	6,892,083	
Fund Balances, Ending	\$ 6,893,276	\$ 6,755,122	\$ 8,478,080	

City of Parker, Texas

Schedule of Changes in Net Pension Liability and Related Ratios¹

Texas Municipal Retirement System

Last Ten Measured Years

Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Total Pension Liability				
Service Cost	\$ 314,090	\$ 283,945	\$ 257,639	\$ 240,809
Interest	386,717	332,151	311,777	284,370
Change in benefit terms	374,920	-	-	-
Difference between expected and actual experience	(450,141)	100,756	(37,249)	97,916
Changes of assumptions	13,423	-	-	-
Benefit payments, including refunds of participant contributions	(327,739)	(269,169)	(217,794)	(233,179)
Net change in total pension liability	311,270	447,683	314,373	389,916
Total pension liability, beginning	5,361,046	4,913,363	4,598,990	4,209,074
Total pension liability, ending (a)	<u>\$ 5,672,316</u>	<u>\$ 5,361,046</u>	<u>\$ 4,913,363</u>	<u>\$ 4,598,990</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 240,419	\$ 266,565	\$ 236,706	\$ 216,779
Contributions - members	107,811	117,171	107,349	100,827
Net investment income	466,995	(308,444)	472,758	249,892
Benefit payments, including refunds of participant contributions	(327,739)	(269,169)	(217,794)	(233,179)
Administrative expenses	(2,969)	(2,669)	(2,189)	(1,619)
Other	(21)	3,187	15	(62)
Net change in plan fiduciary net position	484,496	(193,359)	596,845	332,638
Plan fiduciary net position, beginning	4,032,143	4,225,502	3,628,657	3,296,019
Plan fiduciary net position, ending (b)	<u>\$ 4,516,639</u>	<u>\$ 4,032,143</u>	<u>\$ 4,225,502</u>	<u>\$ 3,628,657</u>
Net pension liability/(asset) ending = (a) - (b)	<u>\$ 1,155,676</u>	<u>\$ 1,328,903</u>	<u>\$ 687,861</u>	<u>\$ 970,333</u>
Plan fiduciary net position as a % of total pension liability	79.63%	75.21%	86.00%	78.90%
Covered payroll	\$ 1,796,855	\$ 1,952,854	\$ 1,789,157	\$ 1,680,453
Net pension liability as a % of covered payroll	64.32%	68.05%	38.45%	57.74%

Notes to Schedule:

¹ This schedule is presented to illustrate the requirement to show information for 10 years.

12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
\$ 232,383	\$ 197,110	\$ 177,420	\$ 169,837	\$ 142,149	\$ 113,443
263,390	245,536	226,154	207,380	196,185	189,492
28,011	-	-	-	-	-
66,461	(478)	19,112	52,583	(2,192)	(43,077)
11,930	-	-	-	81,015	-
(301,958)	(144,651)	(146,144)	(164,770)	(157,911)	(199,299)
300,217	297,517	276,542	265,030	259,246	60,559
3,908,857	3,611,340	3,334,798	3,069,768	2,810,522	2,749,963
\$ 4,209,074	\$ 3,908,857	\$ 3,611,340	\$ 3,334,798	\$ 3,069,768	\$ 2,810,522
\$ 199,957	\$ 180,329	\$ 161,326	\$ 140,906	\$ 132,625	\$ 108,296
98,259	87,800	79,147	75,483	68,124	63,331
441,645	(84,398)	332,048	148,469	3,182	118,262
(301,958)	(144,651)	(146,144)	(164,770)	(157,911)	(199,299)
(2,499)	(1,634)	(1,723)	(1,679)	(1,938)	(1,235)
(74)	(87)	(87)	(90)	(96)	(102)
435,330	37,359	424,567	198,319	43,986	89,253
2,860,689	2,823,330	2,398,763	2,200,444	2,156,458	2,067,205
\$ 3,296,019	\$ 2,860,689	\$ 2,823,330	\$ 2,398,763	\$ 2,200,444	\$ 2,156,458
\$ 913,055	\$ 1,048,168	\$ 788,010	\$ 936,035	\$ 869,324	\$ 654,064
78.31%	73.18%	78.18%	71.93%	71.68%	76.73%
\$ 1,637,653	\$ 1,463,325	\$ 1,319,109	\$ 1,258,049	\$ 1,136,281	\$ 1,055,519
55.75%	71.63%	59.74%	74.40%	76.51%	61.97%

City of Parker Texas

Schedule of Employer Contributions to Pension Plan ¹ Texas Municipal Retirement System Last Ten Fiscal Years

	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Actuarially determined employer contributions	\$ 319,266	\$ 249,437	\$ 272,889	\$ 228,226
Contributions in relation to the actuarially determined contribution	319,266	249,437	272,889	228,226
Contribution deficiency (excess)	-	-	-	-
Annual covered payroll	\$ 1,948,005	\$ 1,820,873	\$ 2,003,463	\$ 1,736,745
Employer contributions as a percentage of covered payroll	16.39%	13.70%	13.62%	13.14%

NOTES TO SCHEDULE OF CONTRIBUCTIONS TO PENSION PLAN

¹ This schedule is presented to illustrate the requirement to show information for ten years.

Valuation Date:

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	21 Years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 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 Increased Employee contribution rate from 6% to 7%.

<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
\$ 210,992	\$ 200,142	\$ 170,493	\$ 154,623	\$ 134,731	\$ 126,757
<u>210,992</u>	<u>200,142</u>	<u>170,493</u>	<u>154,623</u>	<u>134,731</u>	<u>126,757</u>
-	-	-	-	-	-
\$ 1,659,525	\$ 1,634,800	\$ 1,385,733	\$ 1,293,066	\$ 1,191,182	\$ 1,116,212
12.71%	12.24%	12.30%	11.96%	11.31%	11.36%

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City of Parker, Texas

*Schedule of Changes in Total OPEB Liability and Related Ratios*¹ *Texas Municipal Retirement System* Last Ten Measured Years

	12/31/2023	12/31/2022	12/31/2021
Total OPEB liability			
Service Cost	\$ 3,234	\$ 7,226	\$ 4,831
Interest	2,744	1,721	1,649
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(6,191)	3,211	2,010
Changes in assumptions or other inputs	3,398	(34,344)	2,876
Benefit payments, including refunds of participant contributions	(1,617)	(1,562)	(1,431)
Net Change in Total OPEB Liability	<u>1,568</u>	<u>(23,748)</u>	<u>9,935</u>
Total OPEB Liability - Beginning	<u>66,956</u>	<u>90,704</u>	<u>80,769</u>
Total OPEB Liability - Ending (a)	<u>\$ 68,524</u>	<u>\$ 66,956</u>	<u>\$ 90,704</u>
 Covered Payroll	 \$ 1,796,855	 \$ 1,952,854	 \$ 1,789,157
 Total OPEB Liability as a Percentage of Covered Payroll	 3.81%	 3.43%	 5.07%

Notes to Schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

City of Parker, Texas

Schedule of Changes in Total OPEB Liability and Related Ratios ¹ *Texas Municipal Retirement System* Last Ten Measured Years

<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
\$ 3,697	\$ 4,094	\$ 4,390	\$ 3,430
1,939	5,520	1,537	1,432
-	-	-	-
(4,248)	(98,867)	100,311	-
10,894	11,490	(3,411)	3,479
(335)	(328)	(293)	(264)
<u>11,947</u>	<u>(78,091)</u>	<u>102,534</u>	<u>8,077</u>
<u>68,823</u>	<u>146,914</u>	<u>44,380</u>	<u>36,303</u>
<u>\$ 80,770</u>	<u>\$ 68,823</u>	<u>\$ 146,914</u>	<u>\$ 44,380</u>
\$ 1,680,453	\$ 1,637,653	\$ 1,463,325	\$ 1,319,109
4.81%	4.20%	10.04%	3.36%

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OTHER SUPPLEMENTARY INFORMATION

City of Parker, Texas
COMBINING BALANCE SHEET
OTHER NONMAJOR GOVERNMENTAL FUNDS
September 30, 2024

	Capital Drainage Fund	Capital Facilities Fund	Volunteer Fire Dept. Fund	Law Enforcement Fund	Equipment Replacement Fund
Assets					
Cash and cash equivalents	\$ 413,239	\$ 1,276,635	105,730	\$ 11,278	\$ 973,015
Prepays	-	-	-	-	33,672
Total Assets	<u>413,239</u>	<u>1,276,635</u>	<u>105,730</u>	<u>11,278</u>	<u>1,006,687</u>
Liabilities					
Accounts payable	-	-	-	6,361	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,361</u>	<u>-</u>
Fund Balances					
Nonspendable	-	-	-	-	33,672
Restricted for:					
Public safety	-	-	105,730	4,917	-
Parks and recreation	-	-	-	-	-
Committed:					
Capital projects	413,239	1,276,635	-	-	973,015
Total Fund Balances	<u>413,239</u>	<u>1,276,635</u>	<u>105,730</u>	<u>4,917</u>	<u>1,006,687</u>
Total Liabilities and Fund Balances	<u>\$ 413,239</u>	<u>\$ 1,276,635</u>	<u>\$ 105,730</u>	<u>\$ 11,278</u>	<u>\$ 1,006,687</u>

Court Security Fund	Court Technology Fund	Child Safety Fund	Police Donations Fund	Parks Fund	Technology Replacement Fund	Total Other Nonmajor Governmental Funds
\$ 59,775	\$ 9,648	\$ 16,879	\$ 10,267	\$ 19,207	84,774	\$ 2,980,447
-	-	-	-	1,507	-	35,179
<u>59,775</u>	<u>9,648</u>	<u>16,879</u>	<u>10,267</u>	<u>20,714</u>	<u>84,774</u>	<u>3,015,626</u>
-	-	-	-	-	-	6,361
-	-	-	-	-	-	6,361
-	-	-	-	1,507	-	35,179
59,775	9,648	16,879	10,267	-	-	207,216
-	-	-	-	19,207	-	19,207
-	-	-	-	-	84,774	2,747,663
<u>59,775</u>	<u>9,648</u>	<u>16,879</u>	<u>10,267</u>	<u>20,714</u>	<u>84,774</u>	<u>3,009,265</u>
<u>\$ 59,775</u>	<u>\$ 9,648</u>	<u>\$ 16,879</u>	<u>\$ 10,267</u>	<u>\$ 20,714</u>	<u>\$ 84,774</u>	<u>\$ 3,015,626</u>

City of Parker, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2024

	Capital Drainage Fund	Capital Facilities Fund	Volunteer Fire Dept. Fund	Law Enforcement Fund	Equipment Replacement Fund
Revenues					
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	1,105	-	-
Donations	-	-	3,079	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>4,184</u>	<u>-</u>	<u>-</u>
Expenditures					
Current:					
General government	-	-	219	-	7,453
Public safety	-	-	-	-	-
Capital outlay	-	-	-	-	259,076
Debt service:					
Principal	-	-	-	-	47,611
Interest	-	-	-	-	2,355
Total Expenditures	<u>-</u>	<u>-</u>	<u>219</u>	<u>-</u>	<u>316,495</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	3,965	-	(316,495)
Other Financing Sources (Uses)					
Transfers in	100,000	300,000	-	-	375,000
Proceeds from leased assets	-	-	-	-	240,178
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>615,178</u>
Net Change in Fund Balances	100,000	300,000	3,965	-	298,683
Beginning Fund Balances	313,239	976,635	101,765	4,917	708,004
Ending Fund Balances	<u>\$ 413,239</u>	<u>\$ 1,276,635</u>	<u>\$ 105,730</u>	<u>\$ 4,917</u>	<u>\$ 1,006,687</u>

Court Security Fund	Court Technology Fund	Child Safety Fund	Police Donations Fund	Parks Fund	Technology Replacement Fund	Total Other Nonmajor Governmental Funds
\$ 6,123	\$ 5,010	\$ 6,762	\$ -	\$ -	\$ -	\$ 17,895
-	-	-	-	-	-	1,105
-	-	-	2,230	7,924	-	13,233
<u>6,123</u>	<u>5,010</u>	<u>6,762</u>	<u>2,230</u>	<u>7,924</u>	<u>-</u>	<u>32,233</u>
-	-	-	445	16,401	-	24,518
-	3,020	-	-	-	94,223	97,243
-	-	-	-	-	-	259,076
-	-	-	-	-	-	47,611
-	-	-	-	-	-	2,355
<u>-</u>	<u>3,020</u>	<u>-</u>	<u>445</u>	<u>16,401</u>	<u>94,223</u>	<u>430,803</u>
6,123	1,990	6,762	1,785	(8,477)	(94,223)	(398,570)
-	-	-	-	12,500	105,000	892,500
-	-	-	-	-	-	240,178
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>105,000</u>	<u>1,132,678</u>
6,123	1,990	6,762	1,785	4,023	10,777	734,108
53,652	7,658	10,117	8,482	16,691	73,997	2,275,157
<u>\$ 59,775</u>	<u>\$ 9,648</u>	<u>\$ 16,879</u>	<u>\$ 10,267</u>	<u>\$ 20,714</u>	<u>\$ 84,774</u>	<u>\$ 3,009,265</u>

DRAFT 2/24/2025

***COMPLIANCE AND INTERNAL CONTROL
SECTION***

DRAFT 2/24/2025

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 Parker, Texas

We have audited, in accordance with the 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 aggregate remaining fund information of City of Parker, 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 4, 2025.

Report on 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 or significant deficiencies may exist that were not identified.

Report on 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vail & Park, P.C.

Vail & Park, P.C.
Tom Bean, Texas
March 4, 2025

March 4, 2025

To the Honorable Mayor & City Council

City of Parker, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Parker, Texas (the “City”) for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under the *Government Auditing Standards* (and, if applicable, the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 25, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during FY24. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s 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 significantly from those expected. The most sensitive estimates affecting the City’s financial statements were:

Management’s estimate of the allowance for doubtful accounts receivable for utility billing and sanitation services is based on historical collections. Management’s estimate of depreciation of capital assets is based on the useful life. We evaluated the key factors and assumptions used to develop the above noted estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of long-term debt in Note IV E to the financial statements. This disclosure provides details of debt terms, future payments, interest rates, and other information for each debt.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Attachment I summarizes misstatements detected as a result of audit procedures that were corrected by management. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. Attachment II summarizes uncorrected misstatements of the financial statements. Management has determined that the effects of the unadjusted are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For the purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 4, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, Schedule of Changes in Net Pension Liability and Related Ratios – TMRS - Last 10 Measured Years, Schedule of Contributions to Pension Plan - TMRS - Last Ten Fiscal Years, and Schedule of Changes in Total OPEB Liability and Related Ratios – TMRS - Last 10 Measured Years 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 statements for the nonmajor funds, 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 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.

Restriction on Use

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

Sincerely,

Vail + Park, P.C.

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 Parker, Texas

We have audited, in accordance with the 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 aggregate remaining fund information of City of Parker, 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 4, 2025.

Report on 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 or significant deficiencies may exist that were not identified.

Report on 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vail & Park, P.C.

Vail & Park, P.C.
Tom Bean, Texas
March 4, 2025

DRAFT 2/19/2025

March 4, 2025

To the Honorable Mayor and
Members of the City Council
City of Parker, Texas

Subject: Management Recommendation Letter

In planning and performing our audit of the financial statements of the City of Parker, Texas (the "City") for the year ended September 30, 2024, we considered the City's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the audited financial statements and not to provide assurance on the internal control structure.

This letter does not affect our report dated March 4, 2025 on the financial statements of the City of Parker, Texas. These recommendations should in no way be construed as derogatory. However, during our audit we became aware of matters that are opportunities to strengthen internal controls and operating efficiency.

Fiscal Year 2024 Recommendations:

- 1) **Coronavirus State and Local Fiscal Recovery Funds** – We noted the City is planning to spend the funds during FY25. We recommend that the City continue to monitor the expense of these funds to ensure that costs incurred are allowable, per the OMB Compliance Supplement. Additionally, expenditures in excess of \$750,000 in a fiscal year will require a Single Audit or Alternative Examination.
- 2) **Sanitation Fund Net Position** – The Sanitation Fund's ending net position stands at \$12,773. We recommend that the City closely monitor this fund to prevent the net position from turning negative.

Vail & Park, P.C.

Vail & Park, P.C.
Tom Bean, Texas
March 4, 2025



Council Agenda Item

Budget Account Code:	Meeting Date:	See above.
Budgeted Amount:	Department/ Requestor:	City Council
Fund Balance-before expenditure:	Prepared by:	ACA/CS Scott Grey for Mayor Pettie
Estimated Cost:	Date Prepared:	February 27, 2025
Exhibits:	<ol style="list-style-type: none"> 1. Proposed Resolution 2. Resignation(s) – Terry Lynch 3. Resolution No. 2025-824 4. Application(s) – (Emailed to Mayor/City Council only) <ul style="list-style-type: none"> • Dawn R. Hedlund 	

AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2025-836 MAKING APPOINTMENTS TO THE ZONING BOARD OF ADJUSTMENT (ZBA).

SUMMARY

City Staff received resignation from the following:

Resignation(s) - Member	Position	Term Expiration
Terry Lynch Resigned 2025 0212	Alternate One (1)	Nov. 30 2026

Current Members

Member	Position	Term Expiration
Steve Schoenekase	Place One (1), Voting; Vice Chair	Nov. 30 2025
Ted Lane	Place Two (2); Voting	Nov. 30 2026
Andrew Ellison	Place Three (3), Voting; Chair	Nov. 30 2025
Melissa Tierce	Place Four (4); Voting	Nov. 30 2026
Brian Deaver	Place Five (5); Voting	Nov. 30 2025
Vacant	Alternate One (1)	Nov. 30 2026
Vacant	Alternate Two (2)	Nov. 30 2026

ZBA Chair Ellison expressed no concerns with current members and recommended no change (November 2024). Mr. Ellison understands, as all ZBA members serving, any and all appointments are at the pleasure of the Council.

POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	02/27/2025

Interim City Attorney:	<i>Catherine Clifton</i>	Date:	02/27/2025 via Municode
Mayor	<i>Lee Pettie</i>	Date:	02/xx/2025

RESOLUTION NO. 2025-836
(2024 Zoning Board of Adjustment Appointments)

**A RESOLUTION OF THE CITY OF PARKER, COLLIN COUNTY,
TEXAS, APPOINTING MEMBERS TO SERVE ON THE ZONING BOARD
OF ADJUSTMENT**

WHEREAS, Members of the Zoning Board of Adjustment serve in staggered two-year terms, commencing December 1st and ending on November 30th as set forth in Section 156.67(B)(1) of the City of Parker Code of Ordinances;

WHEREAS, Alternate One is vacant after the resignation of Terry Lynch; and

WHEREAS, the regular and alternative members appointed herein shall begin service immediately and serve according to the Zoning Board of Adjustment Ordinance.

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

**SECTION 1. Appointment of Alternate Member with term expiring November 30,
2026**

The following are hereby appointed to serve on the Zoning Board of Adjustment as alternate members for a two-year term, expiring November 30, 2026, or until their successors are appointed and qualified.

CURRENT

Vacant	Alternate 1	_____
Vacant	Alternate 2	_____

SECTION 2. Effective Date

This resolution shall be effective upon its passage.

PASSED AND APPROVED by the City Council of the City of Parker, Collin County, Texas on this the 4th day of March, 2025.

CITY OF PARKER:

Lee Pettle, Mayor

ATTEST:

APPROVED AS TO FORM:

Patti Scott Grey, City Secretary

Catherine Clifton, Interim City Attorney

RECEIVED

FEB 12 2025

BY CITY SECRETARY
CITY OF PARKER

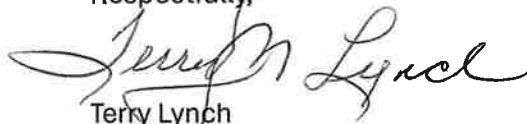
February 12, 2025

RE: Resignation from Zoning Board of Adjustment

Dear Ms. Grey

This letter serves as my formal resignation from the alternate member position of the City of Parker's Zoning Board of Adjustment, effective immediately.

Respectfully,


Terry Lynch

RESOLUTION NO. 2025-824
(2024 Zoning Board of Adjustment Appointments)

**A RESOLUTION OF THE CITY OF PARKER, COLLIN COUNTY,
TEXAS, APPOINTING MEMBERS TO SERVE ON THE ZONING BOARD
OF ADJUSTMENT**

WHEREAS, Members of the Zoning Board of Adjustment serve in staggered two-year terms, commencing December 1st and ending on November 30th as set forth in Section 156.67(B)(1) of the City of Parker Code of Ordinances;

WHEREAS, Place Two and Place Four are vacant after the resignations of Trudy Jackson and Don Dickson; and

WHEREAS, Alternate One is vacant after the resignation of Lindy M (Buddy) Pilgrim; and

WHEREAS, the regular and alternative members appointed herein shall begin service immediately and serve according to the Zoning Board of Adjustment Ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF PARKER, COLLIN COUNTY, TEXAS AS FOLLOWS:

SECTION 1. Appointment of Voting Members with terms expiring November 30, 2026:

The following are hereby appointed to serve on the Zoning Board of Adjustment as voting members for a two-year term, expiring November 30, 2026, or until their successors are appointed and qualified.

CURRENT

Vacant	Place 2	<u>Ted Lane</u>
Vacant	Place 4	<u>Melissa Tierce</u>

SECTION 2. Appointment of Alternate Member with term expiring November 30, 2026

The following are hereby appointed to serve on the Zoning Board of Adjustment as alternate members for a two-year term, expiring November 30, 2026, or until their successors are appointed and qualified.

CURRENT

Vacant	Alternate 1	<u>Terry Lynch</u>
Ted Lane	Alternate 2	<u>Vacant</u>


SECTION 3. Effective Date

This resolution shall be effective upon its passage.

PASSED AND APPROVED by the City Council of the City of Parker, Collin County, Texas on this the 21st day of January, 2025.



CITY OF PARKER:


Lee Pettie, Mayor

ATTEST:



Patti Scott Grey, City Secretary

APPROVED AS TO FORM:


Catherine Clifton, Interim City Attorney



Council Agenda Item

Budget Account Code:	Meeting Date:	See above.
Budgeted Amount:	Department/ Requestor:	Council
Fund Balance-before expenditure:	Prepared by:	City Secretary Scott Grey for Mayor Pettie
Estimated Cost:	Date Prepared:	February 24, 2025
Exhibits:	<u>None</u>	

AGENDA SUBJECT

UPDATE(S):

FM2551
 PUMP STATION WATER CONNECTION
 DUBLIN WATER LINES
 TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ)
 ENGINEERING REVIEW
 NOISE COMMITTEE
 LEWIS LANE
 CHAPARRAL INTERSECTION
 POST OFFICE/ZIP CODE
 ANY ADDITIONAL UPDATES

SUMMARY

Please review information provided.

POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	02/27/2025
Interim City Attorney:	<i>Catherine Clifton</i>	Date:	02/27/2025 via Municode
Mayor	<i>Lee Pettie</i>	Date:	02/xx/2025



Council Agenda Item

Budget Account Code:	Meeting Date:	See above.
Budgeted Amount:	Department/ Requestor:	City Council
Fund Balance-before expenditure:	Prepared by:	City Secretary Scott Grey for Mayor Pettie
Estimated Cost:	Date Prepared:	February 24, 2025
Exhibits:	<u>None</u>	

AGENDA SUBJECT

ACCEPTANCE OF DONATION(S) FOR POLICE, FIRE, AND CITY STAFF FOR THE RECORD (Each valued at between \$0 - \$1,000 [RES. NO. 2024-801])

Dana Davies donated snacks valued at \$30 to the Police Department.

The Parker Women's Club donated cookies valued at \$25 cookies to the Fire Department and City Hall Staff.

SUMMARY

Please review information provided.

POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	02/27/2025
Interim City Attorney:	<i>Catherine Clifton</i>	Date:	02/27/2025 via Municode
Mayor	<i>Lee Pettie</i>	Date:	02/xx/2025



Council Agenda Item

Budget Account Code:	Meeting Date: See above.
Budgeted Amount:	Department/ Requestor: City Council
Fund Balance-before expenditure:	Prepared by: ACA/CS Scott Grey
Estimated Cost:	Date Prepared: February 24, 2025
Exhibits:	Future Agenda Items – Work in Progress

AGENDA SUBJECT

FUTURE AGENDA ITEMS

SUMMARY

Please review information provided.

POSSIBLE ACTION

City Council may direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	02/27/2025
Interim City Attorney:	<i>Catherine Clifton</i>	Date:	0227/2025 via Municode
Mayor	<i>Lee Pettie</i>	Date:	02/xx/2025

FUTURE AGENDA ITEMS

	ITEM DESCRIPTION	CONTACT	Notes
2025			
Feb(Mar)- May (July), Aug, Nov	Fire Department Quarterly Report	Miller	4th Qtr 2025 0225 CC Agenda - Done
Feb(Mar)- May (July), Aug, Nov	Investment Quarterly Report	Savage	4th Qtr 2024 - 2025 0225 CC Agenda - Done
	Mayor Pettie 2025 0223 Update		Mayor Pettie 2025 0223 Update
March 4, 2025	Audit Presentation	Savage	
March 4, 2025	Lewis Lane ILA	Machado/Clifton	
March 4, 2025	Engineering RFQs	Machado/Savage/Noe	
March 4, 2025	Finance Committee (jim's place)	Council	
March 4, 2025	Any other necessary action regarding Jim Reed's position	Council/Clifton	
March 4, 2025	Election order	(Grey) Hull	
March 4, 2025	Anything that needs to be considered for ballot/election	Council	
March 4, 2025	Board/Commission appointments if not done	(Grey) Hull	P&Z - 2024 1217; ZBA (2025 0121; 0304); P&R (TBD)
March 4, 2025	Public Works building	Clifton/Machado	
March 4, 2025	Records Retention Policy	Clifton	
March 4, 2025	Annual records review	Clifton	

FUTURE AGENDA ITEMS

	ITEM DESCRIPTION	CONTACT	Notes
March 4, 2025	Any Plats ready	Machado	ANDERTON OFFICE WAREHOUSE – 23.63 ACRES; P&Z - 2025 0313; CC - 2025 0401
March 4, 2025	St Paul ILA/agreement	Clifton	
March 4, 2025	Any other ILAs ready	Clifton	
March 4, 2025	Any resolutions ready	Clifton	
March 4, 2025	Any NTMWD or water issues necessary(conservation plan, etc)	Clifton	
	Mayor Pettie 2025 0223 Update		Mayor Pettie 2025 0223 Update
TBD	Reception end of Agenda		
	Mayor Pettie 2025 0223 Update		Mayor Pettie 2025 0223 Update
TBD	Presentation:		
TBD	Town Hall	Council	
	Mayor Pettie 2025 0223 Update		Mayor Pettie 2025 0223 Update
	Workshops:		
TBA	Comp plan with P and Z in progress		2025 0204 Workshop
TBA	Personnel Manual in progress		2024 1217 Workshop 1 (pgs 1-7); 2025 0107 (8-15); 2025 0121 (Sec. 1.8-2.1 [Medical Issues /ADA to social media]; 2025 0225
TBA	City organization		
TBA	city protocols		
TBA	Training for Boards/Commissions		

FUTURE AGENDA ITEMS

	ITEM DESCRIPTION	CONTACT	Notes
TBA	Departmental reports		
TBA	Zoning Codes (SAD, Commercial)		
TBA	Public Works		
TBA	Police		
TBA	CIP		
	Mayor Pettle 2025 0223 Update		Mayor Pettle 2025 0223 Update
	Updates:		
March 4, 2025	2551	Machado	
March 4, 2025	TCEQ	Mayor Pettle/CM Pilgrim	
March 4, 2025	Engineering review (on agenda)	CM Noe/Machado/Sava	
March 4, 2025	Noise Committee	CM Kercho	
March 4, 2025	Lewis Lane (on agenda)	Clifton/Machado	
March 4, 2025	Chaparral Intersection	Clifton/Machado	
March 4, 2025	Post Office/zip code	Mayor	2025 0218 Letter from Parker resident
	Mayor Pettle 2025 0223 Update		Mayor Pettle 2025 0223 Update
	Future Agenda Items		
TBD	Southridge gate 2025		

FUTURE AGENDA ITEMS

	ITEM DESCRIPTION	CONTACT	Notes
TBD	Procedural Manual		
Feb. 4, 2025	Personnel Manual		2024 1217 Workshop 1 (pgs 1-7); 2025 0107 (8-15); 2025 0121 (Sec. 1.8-2.1 [Medical Issues /ADA to social media]; 2025 0225
TBD	Procedures for Presentations		
TBD	Procedures for agendas		
TBD	Procedures for Council i.e. green cards, time limits, etc.		
TBD	Employment :Required time with city for paid training		
TBD	water impact fees (July 2025)		
TBD	CIP updates (April/May 2025)		
TBD	Microphones for Council Chambers, if not done		
TBD	Public Works Building		
TBD	Records retention policy		
TBD	Annual records review		
TBD	Any plats		
TBD	Any ILAs needed		
TBD	St Paul ILA/agreement		
TBD	Attorney appointment		

CC AgendaFutureItems - 2025 0304 original trying.xlsx

Updated 2/24/2025 @ 3:10 PM

FUTURE AGENDA ITEMS

	ITEM DESCRIPTION	CONTACT	Notes
TBD	City Administrator appointment		
TBD	Sign ordinance revisions consideration		
TBD	Noise Ordinance		
TBD	Board/Commission appointments		
TBD	Engineering RFQs		
TBD	CCN Wylie when ready if needed		
TBD	Randy Kercho if needed		
TBD	Post office/zip code		