



AGENDA
CITY COUNCIL REGULAR MEETING
JANUARY 20, 2026 @ 6:00 PM

Notice is hereby given that the City Council for the City of Parker will meet on Tuesday, January 20, 2026 at 6:00 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 (6:00 PM)

1. TEXAS COALITION FOR AFFORDABLE POWER

ADJOURN

CALL TO ORDER – ROLL CALL AND DETERMINATION OF A QUORUM (7:00 PM)

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. MUNICIPAL COURT RESCHEDULED TO WEDNESDAY, FEBRUARY 11, 2026, 9 AM
DUE TO MARCH 3, 2026 PRIMARY ELECTION EARLY VOTING
 - PARKS AND RECREATION COMMISSION (P&R) – WEDNESDAY, FEBRUARY 11, 2026, 5 PM
 - PLANNING AND ZONING (P&Z) MEETING – THURSDAY, FEBRUARY 12, 2026, 4 PM
 - CITY FILING DEADLINE- FRIDAY, FEBRUARY 13, 2026, 5:00 PM
 - MARCH 3, 2026 REGULAR CITY COUNCIL MEETING CANCELED AND RESCHEDULED TO WEDNESDAY, MARCH 4, 2026

March 3, 2026 Primary Election – Dates and Times

Sunday (Domingo)	Monday (Lunes)	Tuesday (Martes)	Wednesday (Miércoles)	Thursday (Jueves)	Friday (Viernes)	Saturday (Sábado)
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February 15 No Voting (15 de febrero) (Sin votar)	February 16 No Voting (16 de febrero) (Sin votar)	February 17 Early Voting (17 de febrero) (Votación adelantada) 8 am – 5 pm	February 18 Early Voting (18 de febrero) (Votación adelantada) 8 am – 5 pm	February 19 Early Voting (19 de febrero) (Votación adelantada) 8 am – 5 pm	February 20 Early Voting (20 de febrero) (Votación adelantada) 8 am – 5 pm	February 21 Early Voting (21 de febrero) (Votación adelantada) 7 am – 7 pm
February 22 Early Voting (22 de febrero) (Votación adelantada) 11 am – 5 pm	February 23 Early Voting (23 de febrero) (Votación adelantada) 7 am – 7 pm	February 24 Early Voting (24 de febrero) (Votación adelantada) 7 am – 7 pm	February 25 Early Voting (25 de febrero) (Votación adelantada) 7 am – 7 pm	February 26 Early Voting (26 de febrero) (Votación adelantada) 7 am – 7 pm	February 27 Early Voting (27 de febrero) (Votación adelantada) 7 am – 7 pm	February 28 No Voting (28 de febrero) (Sin votar)
March 1 No Voting (1 de marzo) (Sin votar)	March 2 No Voting (2 de marzo) (Sin votar)	March 3 ELECTION DAY (3 de marzo) (Día de elección) 7 am – 7 pm				

➤ **THURSDAY, APRIL 2, 2026 - LAST DAY TO REGISTER TO VOTE FOR THE MAY 2, 2026, GENERAL ELECTION**

PRESENTATION(S)

3. FIRE DEPARTMENT - SWEARING-IN AND BADGE PINNING CEREMONY

CONSENT AGENDA - Routine Council business. Consent Agenda is approved by a single majority vote. Items may be removed for open discussion by a request from a Councilmember or member of staff.

4. APPROVAL OF MEETING MINUTES FOR DECEMBER 16, 2025. [REGULAR MEETING]

5. APPROVAL OF MEETING MINUTES FOR JANUARY 6, 2026. [REGULAR MEETING]

INDIVIDUAL CONSIDERATION ITEMS

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

7. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2026–880 PROVIDING FOR THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN TEXAS DIVISION OF EMERGENCY MANAGEMENT AND THE CITY OF PARKER.

8. CONSIDERATION AND ANY APPROPRIATE ACTION CONCERNING RESOLUTION NO. 2026-881 UPDATING THE FY 2023-2024 - FY 28-29 CAPITAL IMPROVEMENT PLAN.

9. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2026-882 APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PARKER AND THE CITY OF LUCAS PROVIDING FOR ANNEXATION AND MAINTENANCE OF PORTIONS OF LEWIS LANE AND PROVIDING FOR THE DISANNEXATION AND MAINTENANCE OF PORTIONS OF LUCAS ROAD.

Representatives of the City of Lucas may attend this meeting.

10. RECEIVE INFORMATION, DISCUSS, CONSIDER, AND/OR TAKE ANY APPROPRIATE ACTION RELATED TO COMMERCIAL ZONING ORDINANCE(S), INCLUDING REFERRAL TO THE PLANNING AND ZONING COMMISSION FOR REVIEW AND RECOMMENDATIONS FOR UPDATE/REVISION.

11. RECEIVE INFORMATION, DISCUSS, CONSIDER, AND/OR TAKE ANY APPROPRIATE ACTION RELATED TO THE SIGN ORDINANCE, INCLUDING REFERRAL TO THE PLANNING AND ZONING COMMISSION FOR REVIEW AND RECOMMENDATIONS FOR UPDATE/REVISION.

ROUTINE ITEMS

12. UPDATE(S):

PROPOSED NOISE ORDINANCE

[Proposed Noise Ordinance](#)

FM2551

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ)

DUBLIN ROAD

PERSONNEL MANUAL

PUBLIC WORKS BUILDING

ANY ADDITIONAL UPDATES

MONTHLY/QUARTERLY REPORTS

[December 2025 - Building Permit \(No Items for Code Report\)](#)

[December 2025 – Court Report](#)

[November and December 2025 - Finance \(monthly financials\) Report](#)

[November 2025 – Police Report](#)

[November and December 2025 – Republic Services Inc., dba Allied Waste Services of Plano](#)

DONATION(S)

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

Lindsey Williams donated cookies valued at \$30 to the Police Department.

Pam and Allen Terrell donated a cake tray valued at \$20 to the Police Department.

Bobby and Michelle Varner donated toffee valued at \$50 to the Police Department.

YingYan Li donated snacks & Dr. Pepper valued at \$60 to the Police Department.

Larry Johnson donated snacks valued at \$50 to the Police Department.

Linda Ryan & Jean de Leon donated cookies valued at \$25 to the Police Department.

The Levy family donated brownies valued at \$40 to the Police Department.

The Leamy family donated cookies valued at \$20 to the Administration and Police Departments.

The Joseph family donated a box of See's assorted chocolates valued at \$167 to City Staff.

The Naini family donated donuts valued at \$15 to the Police Department.

FUTURE AGENDA ITEMS

14. FUTURE AGENDA ITEMS

EXECUTIVE SESSION START TO FINISH – 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:

Section 551.071 (1) Texas Government Code; Consultation with the City Attorney on pending or contemplated litigation, a settlement offer, or (2) 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 on any agenda item listed elsewhere within this agenda, and/or the subject matter listed below:

- + Gregory Lane litigation
- + Restore the Grasslands proposed development/MUD
- + Lewis Lane

RECONVENE REGULAR MEETING.

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

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 January 14, 2026 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 Hull
City Secretary



Council Agenda Item

Budget Account Code: Not applicable	Meeting Date: See above.
Budgeted Amount: Not applicable	Department/ Requestor: Council
Fund Balance-before expenditure: Not applicable	Prepared by: ACA/CS Scott Hull for City Attorney Clifton/City Administrator Manton
Estimated Cost: Not applicable	Date Prepared: January 15, 2026
Exhibits:	TCAP Presentation

AGENDA SUBJECT

WORKSHOP

TEXAS COALITION FOR AFFORDABLE POWER (TCAP)

SUMMARY

Margaret Somereve, Executive Director of TCAP, will provide an overview of the organization, the benefits of membership, and some highlights from their most recent advocacy programs.

This presentation is meant to serve as an educational opportunity for elected officials, staff, and the general public.

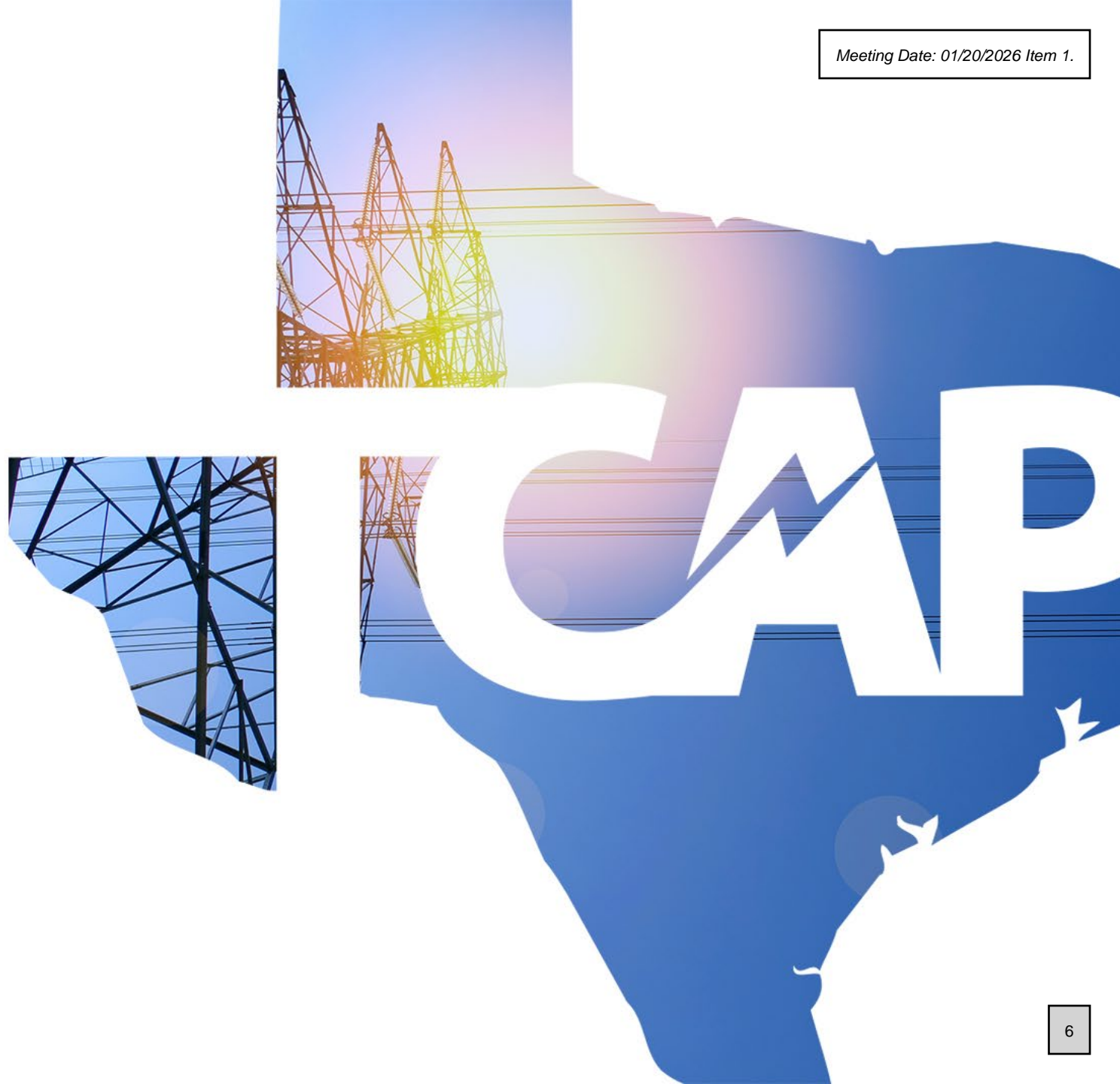
POSSIBLE ACTION

No action is being requested. This workshop is meant for educational purposes.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Hull</i>	Date:	01/12/2026
City Attorney:	<i>Catherine Clifton</i>	Date:	01/15/2026 via Municode
City Administrator:	<i>Kent Manton</i>	Date:	01/15/2026 via Municode

FOR CITIES, BY CITIES.

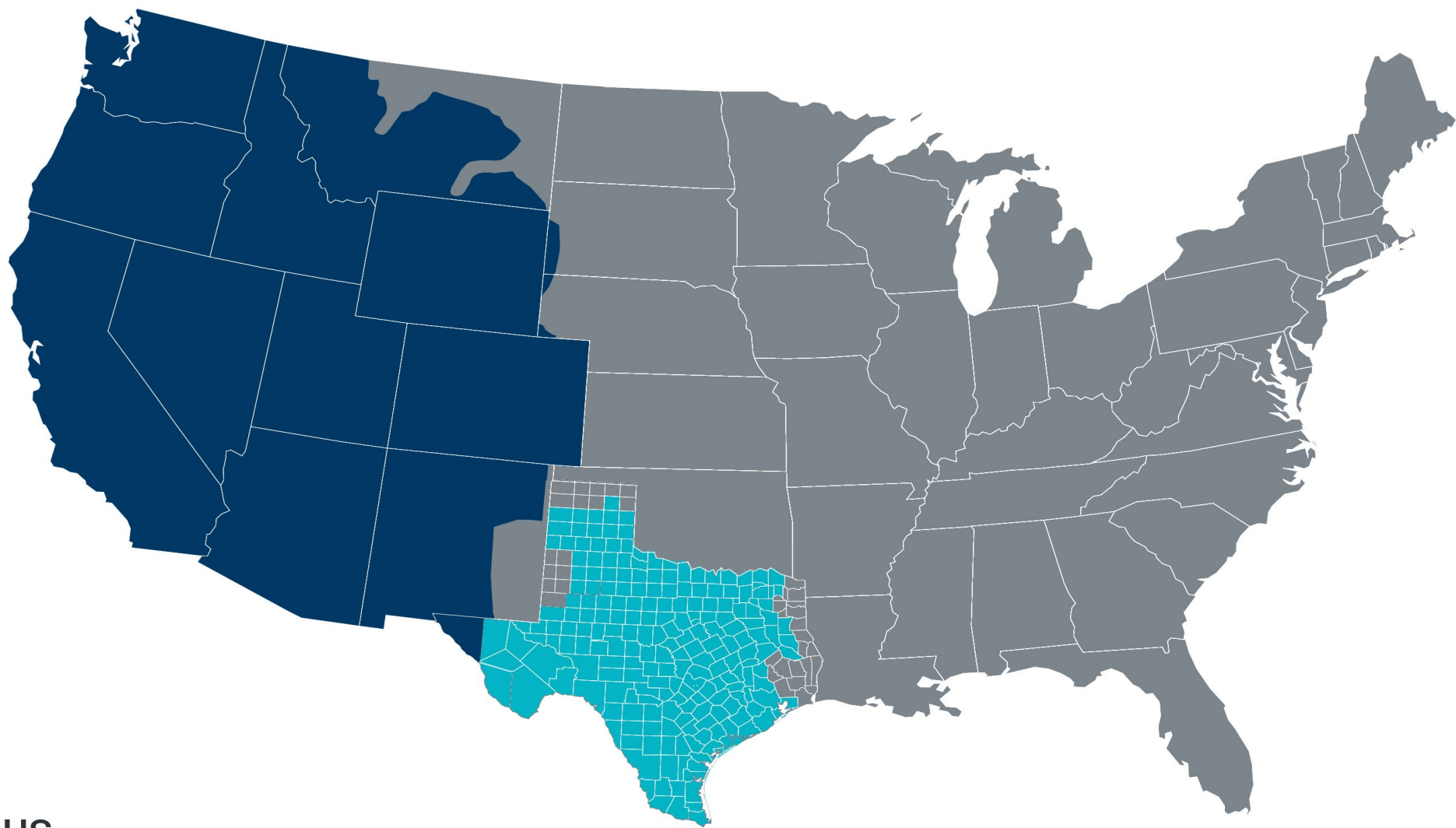
Making a Powerful Choice



What is The Energy Grid?

National Grid

Meeting Date: 01/20/2026 Item 1.



US

Interconnections



Western Interconnection

Includes El Paso and Far West Texas



ERCOT Interconnection



Eastern Interconnection

Includes portions of East Texas and Panhandle region



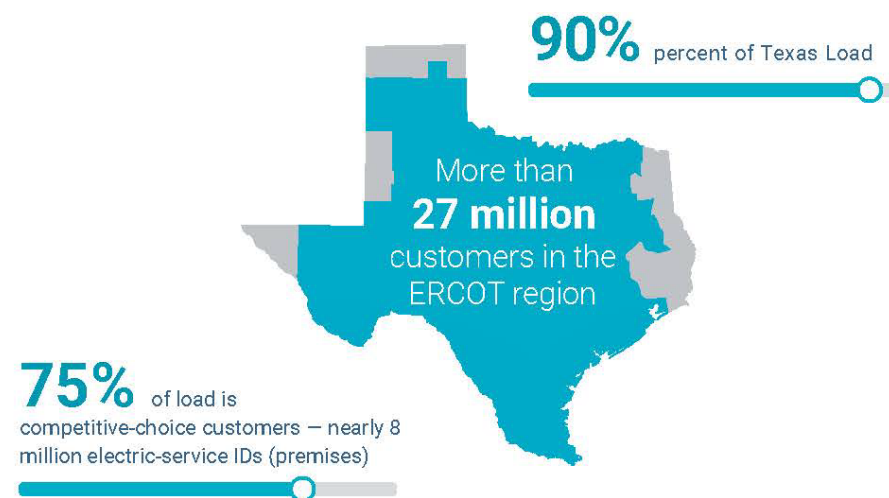
Electric Reliability Council of Texas



- Oversight by the Public Utility Commission
- Commissioners and PUC appointed by Governor
- “Air Traffic Controllers” of the energy grid
- Maintain 60 Hertz on the grid



The Electric Reliability Council of Texas (ERCOT) is a nonprofit organization that ensures reliable electric service for 90 percent of the state of Texas. The grid operator is regulated by the Public Utility Commission of Texas and the Texas Legislature.



1 MW of electricity is enough to serve about 250 residential customers during ERCOT peak hours.

85,508 MW

Record peak demand
(August 10, 2023)

85,116 MW

Weekend peak demand record
(August 20, 2023)

Fact Sheet

March 2025

1,873+

active market participants that generate, move, buy, sell or use wholesale electricity

1,250+

generating units, including PUNs

54,100+

miles of high-voltage transmission

115,596+ MW

expected capacity for Summer 2025 peak demand (May 2024 CDR)

39,518 MW

of installed wind capacity as of May 2025, the most of any state in the nation

30,305 MW

of utility-scale installed solar capacity as of May 2025

10,193 MW

of installed battery storage as of May 2025

Texas Electricity Timeline



Houston, San Antonio, El Paso, DFW and Austin have Lights



Both formed in September 1937



City Incorporates in 1969. ERCOT Forms in 1970



1880s

1890s

1935

1937

1940s

1970

1975

1999

2001

First Power Plant Built In Texas



FDR signs The Rural Electrification Act



Texas Interconnect System (TIS) is formed during WWII to share power for the war effort



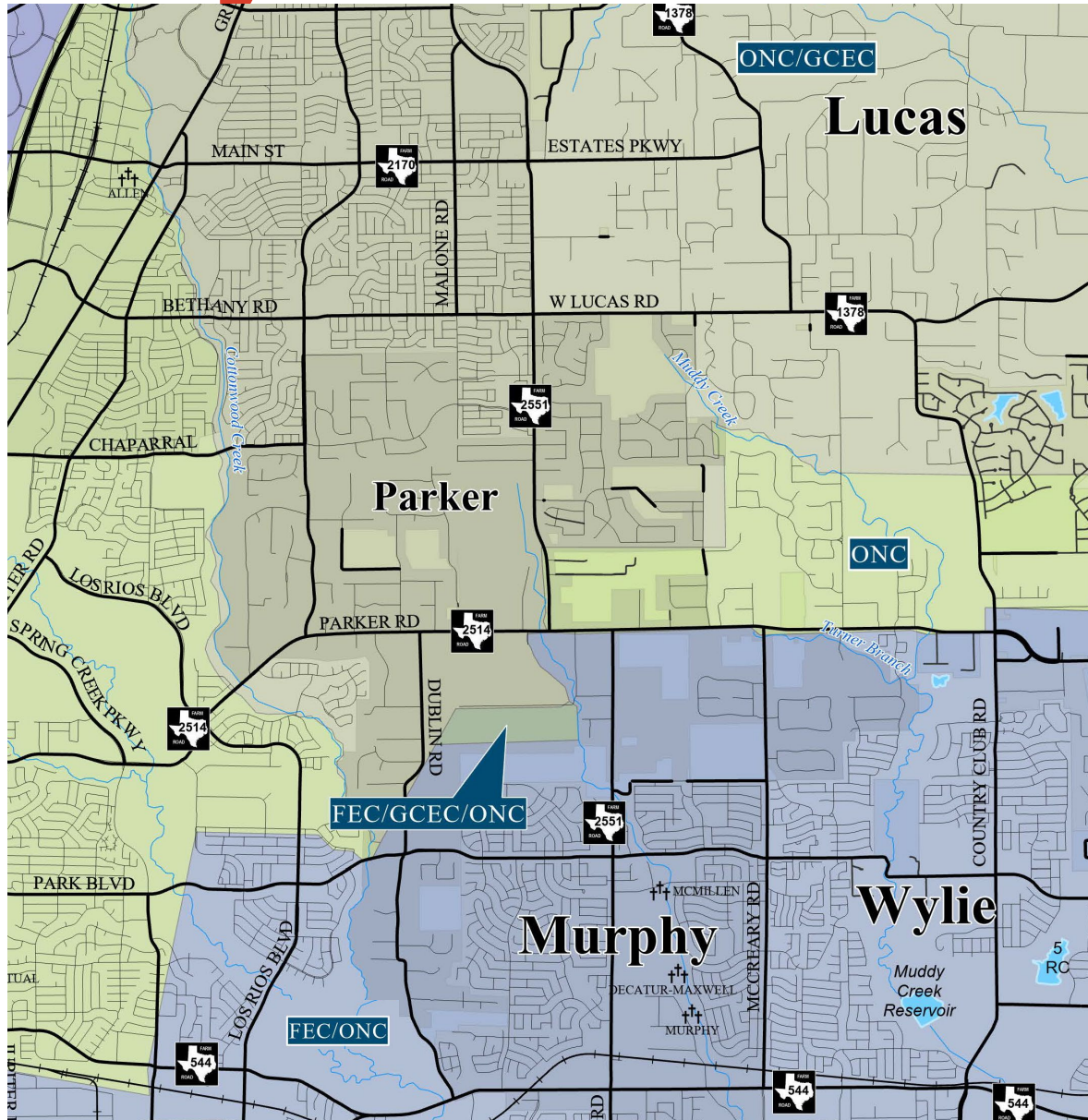
Texas Public Utility Commission Forms



1999 - Texas Legislature Deregulates Electricity Monopolies
2001 – Electricity Choice begins
Co Ops and Municipally Owned are exempt



City of Parker



Parker is served by:

- Oncor (Choice)
- Farmers Electric Cooperative (Monopoly)
- Grayson Collin County Cooperative (Monopoly)

During the rural electrification in the 1930s, who ever got to the service location first or wanted to serve it ran the wire.

Could mean next door neighbors have different providers

WHO IS TCAP?

Who is TCAP?

173 Members

- 95 Members – North Zone
- 50 Members – South Zone
- 13 Members – West Zone
- 15 Members – Houston Zone

TCAP BOARD

**Place 1-
Lewisville**
(North)

**Place 2-
McAllen**
(South)

**Place 3-
Victoria**
(South)

**Place 4-
Wichita Falls**
(West)

**Place 5-
Grand Prairie**
(North)

**Place 6-
Odessa**
(West)

**Place 7-
Hurst**
(North)

**Place 8-
Kingsville**
(South)

**Place 9-
Lancaster**
(North)

**Place 10-
Edna**
(South)

**Place 11-
Fate**
(North)

**Place 12-
Tomball**
(Houston)

**Place 13-
South Texas
Water Authority**
(South)

**Place 14-
Deer Park**
(Houston)

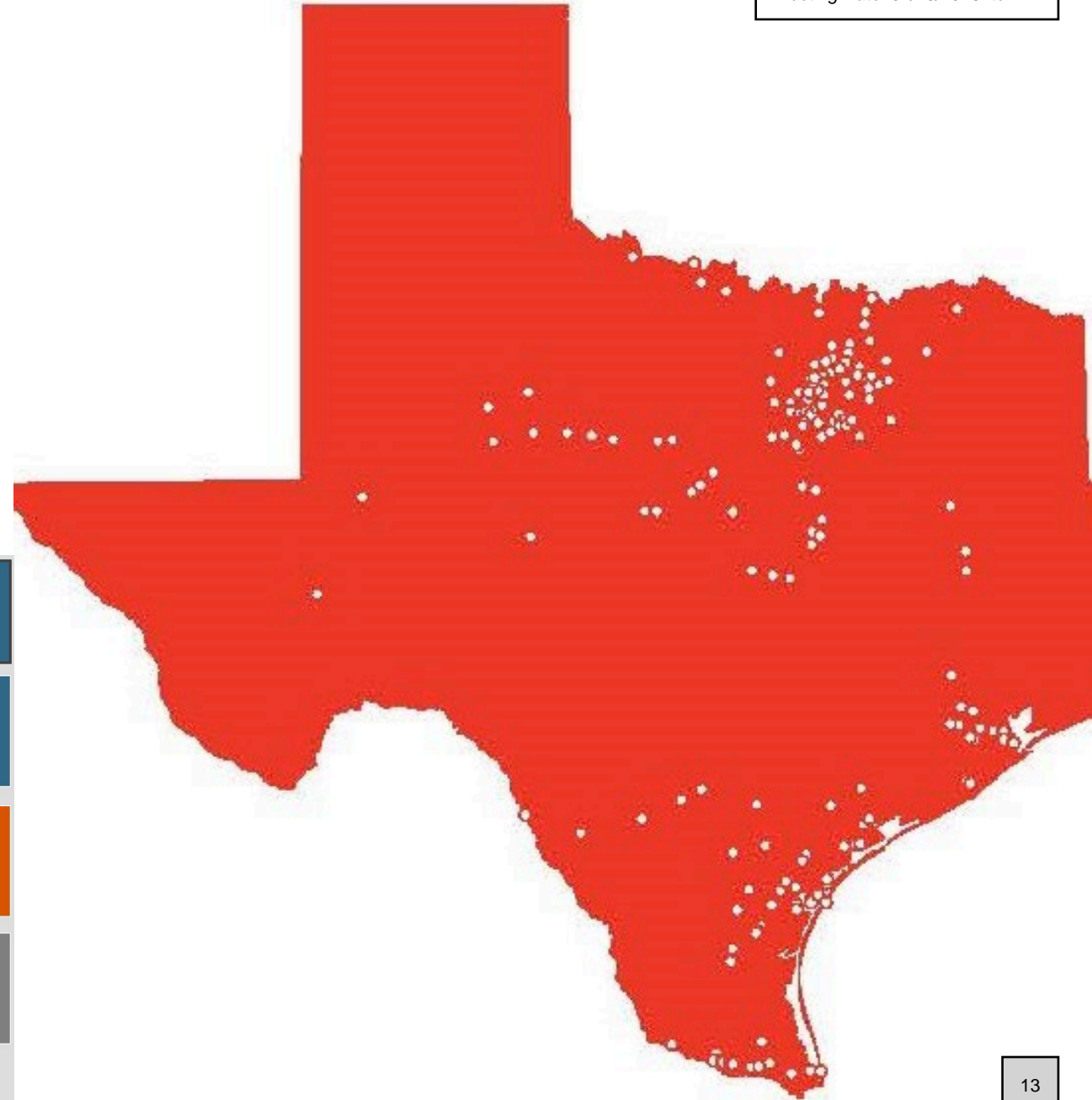
**Place 15-
Sugar Land**
(Houston)

Large Members

Medium Members

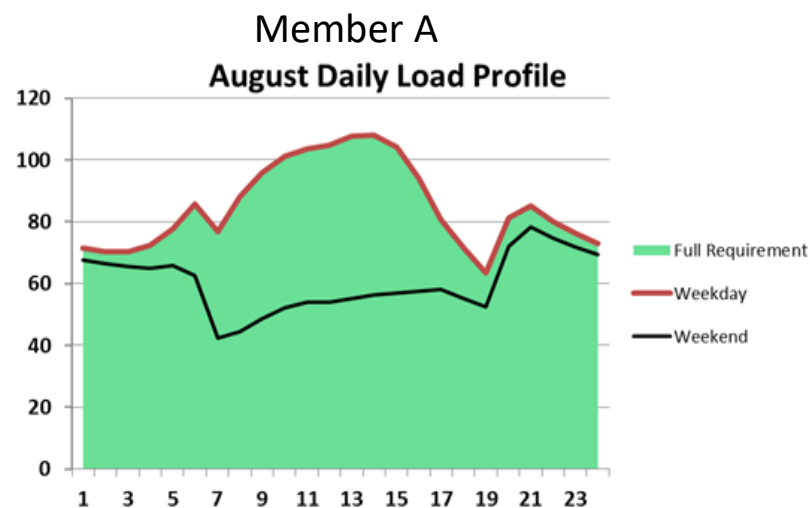
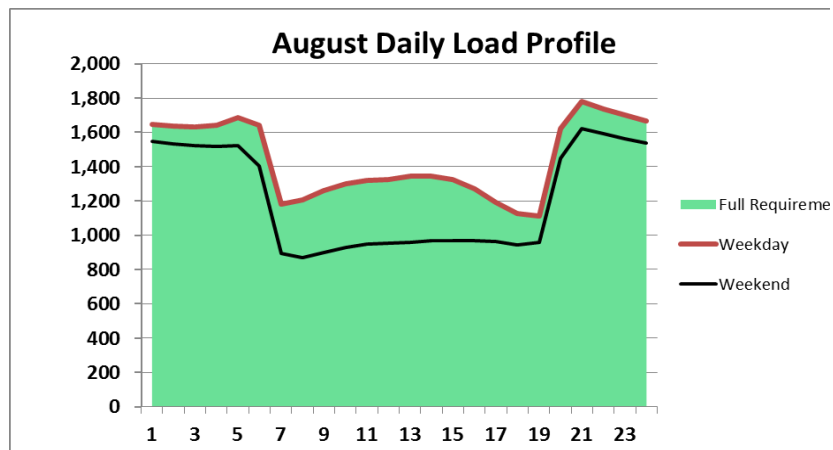
Small Members

At Large



WHY TCAP?

Why TCAP?



Member B

- Non-profit political subdivision organization
- Pool over 1 billion kWh of energy to negotiate low rates
- Wholesale Market Contract
- Attractive Load Profile = lower rates
- Combined – TCAP load flattens out
- The flatter the load – the better the pricing

Average August Day Load—ERCOT vs. TCAP (Hourly Demand % of Average)



Uniquely Different

Local Government Code

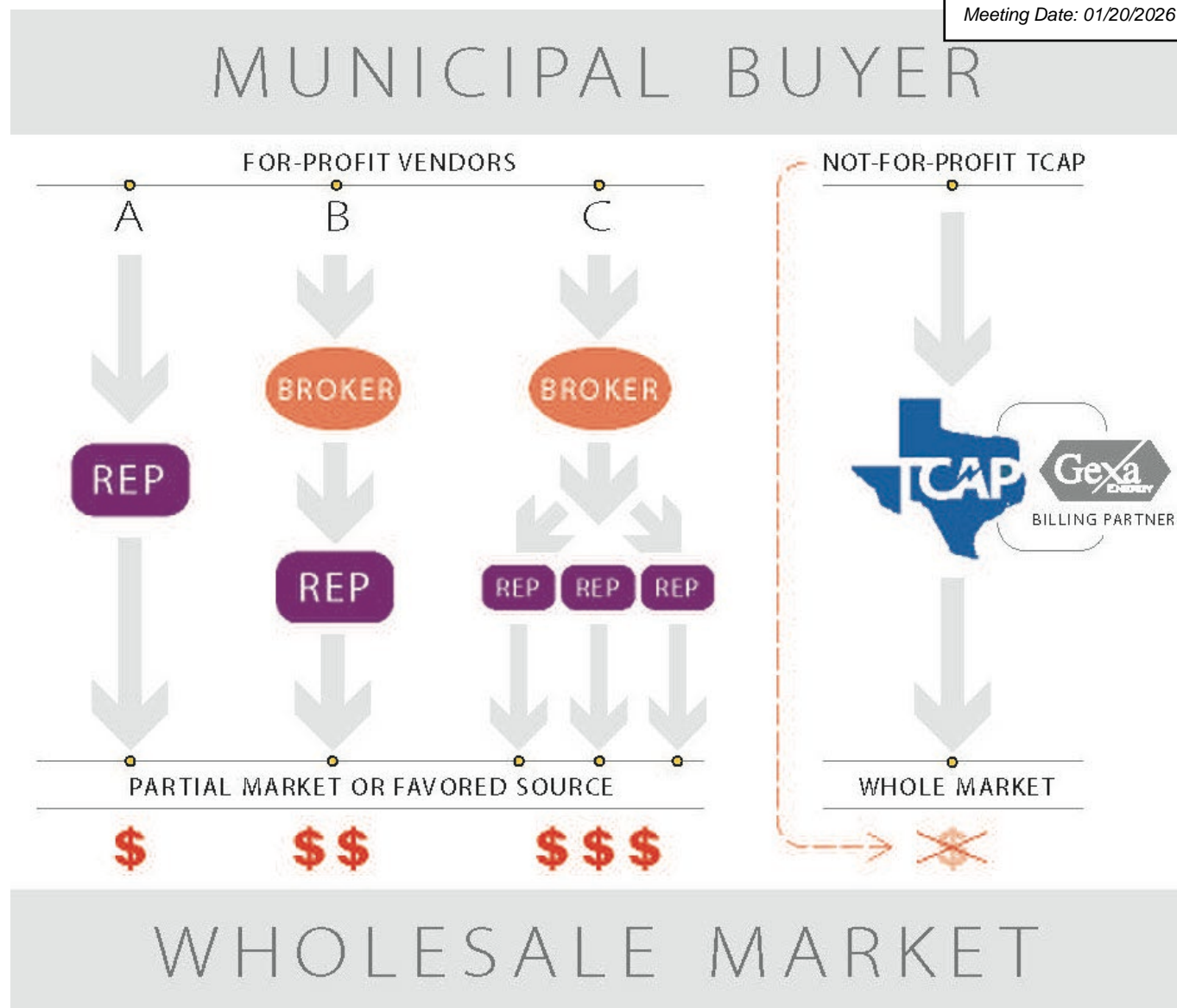
- Section 304 - Energy Aggregation for Local Governments

Bifurcated Contract

- Buys in wholesale market
- REP only a billing partner
- Can change REP and not lose price

Membership Services

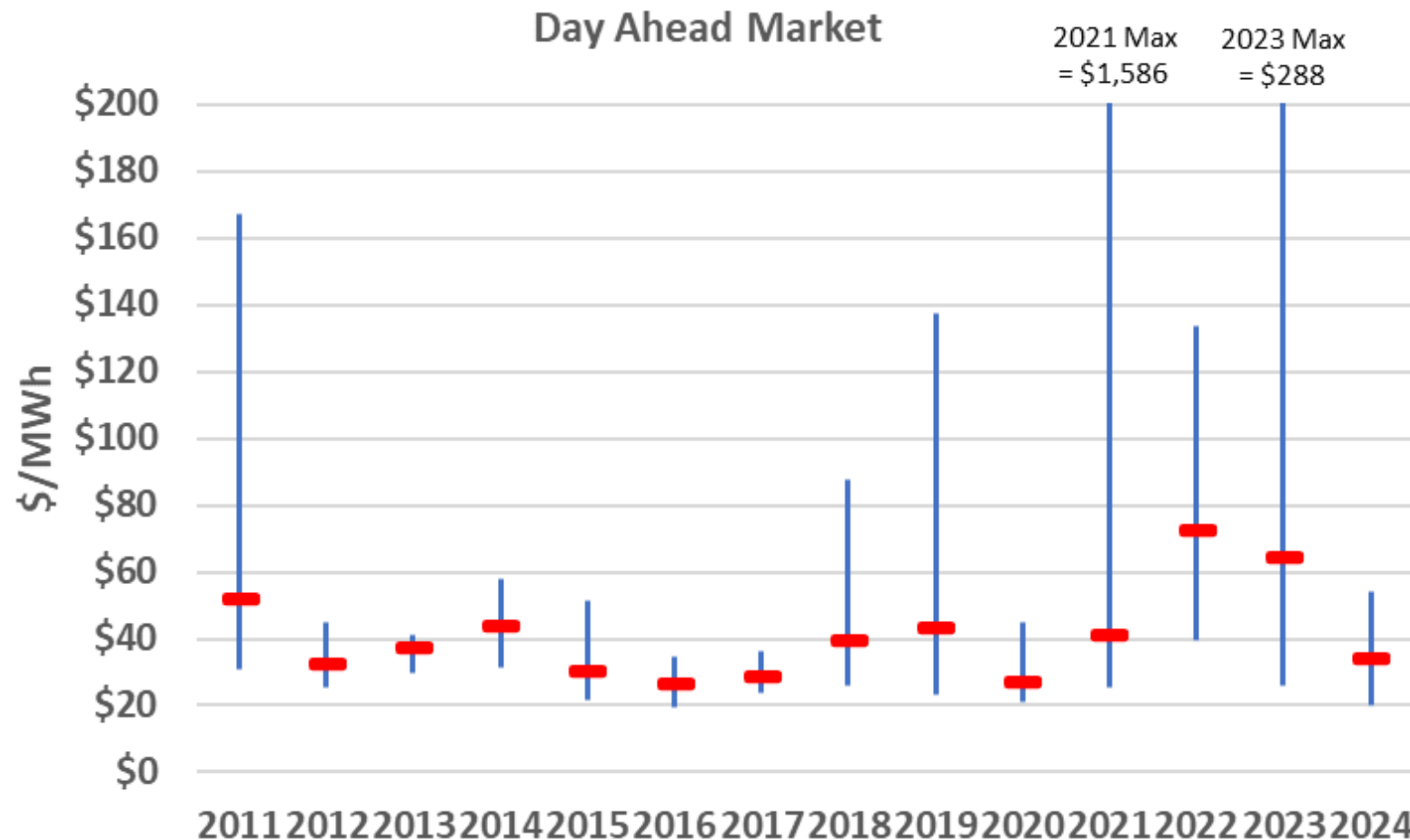
- Annual Budget estimates
- Assistance with state reporting
- Access to Energy consultants
- Review of renewable contracts
- Energy conservation programs
- TCAP billing portal
- Monthly Webinars
- Peer elected Board of Directors
- TCAP has a voice at the Legislature, PUC and ERCOT
 - HB 2962 introduced to exempt gross receipts taxes
 - Working with PUC on commercial service standards



Strategic Purchasing

- The average is much **more stable. (red)**
- Price range **varies greatly by year. (blue)**
- But average pricing is **much less volatile.**
- **RFPs monthly** for a portion of the total contract
- May go up but **can take advantage of falling prices**

Monthly High/Low/Average Price



2021 Max Price was \$1,586/MWh due to Winter Storm Uri
2021 Average Price Excludes Winter Storm Uri Impacts



Contracts—

- ✓ **Electricity is Exempt from bidding – Chapter 252.022 (15)**
 - This is because the rate is also about the contract
 - Have to understand the fine print in the contract and how it can affect the rate
- ✓ **Contract Language could include costs not included in price**
 - A low RFP price could actually be higher because of how the contract is written
 - Different brokers and REP call the same things different names leading to misleading pricing
- ✓ **Off the shelf contracts don't help cities**
 - Cities are not commercial businesses and standard contracts don't take city functions into consideration.
- ✓ **Don't be fooled by a Fixed Price**



What TCAP is seeing – More, More, More

SITE DETAILED CHARGES

	QUANTITY	RATE	AMOUNT
Contract Charges			
Broker Aggregation Fee	28,692.94 kWh	\$0.0004500	\$12.91
Energy-Fixed Price	28,692.90 kWh	\$0.0362300	\$1,039.55
Subtotal Contract Charges			\$1,052.46
Market Charges			
Additional Ancillary Services Costs	28,692.94 kWh	\$0.0013516	\$38.78
ERCOT Firm Fuel Supply Costs	28,692.94 kWh	\$0.0003935	\$11.29
ERCOT Securitization Default Charges	28,692.94 kWh	\$0.0000061	\$0.18
ERCOT Securitization Uplift Charges	28,692.94 kWh	\$0.0006651	\$19.08
Subtotal Market Charges			\$69.33
Tax Charges			
City Sales Tax	1,611.57 EXEMPT		\$0.00
Reimbursement of MGRT	1,611.57 Base	\$0.0199700	\$32.18
Reimbursement of PUCA	1,611.57 Base	\$0.0016670	\$2.69
State Sales Tax	1,611.57 EXEMPT		\$0.00
Subtotal Tax Charges			\$34.87
UDC Charges			
Subtotal UDC Charges			\$507.38
Total New Charges			\$1,664.04

ESI ID Detail:

Service Address:

Product:

Fixed Price

ESI ID:

Meter ID	Days	Read Type	Previous Read Date	Previous Meter Read	Current Read Date	Current Meter Read	Multiplier	Usage (kWh)	Actual kW/kVA	Billed kW/kVA
	29	Actual	08/01/2024	18916	08/29/2024	19276	600.00	216000	570.0 00000	605.0 00000
TOTAL								216000	570.0 00000	605.0 00000

Electric Service Commercial

Service Period: 08/01/2024 to 08/29/2024

Energy Fixed Price - Current Period

Base Usage	213840 kWh @	\$ 0.0383	\$8,190.07
Hub to Load Zone Pass-Through			\$229.21
Other Charges			\$5.44
Market Securitization (Debt) Financing			\$94.59
Other ERCOT Incremental AS Charges			\$70.07
PUC Assessment			\$14.37

Total Commercial Charges **\$8,603.75**

Account Summary

Billing Date: Jul 5, 2024

Previous Amount Due	\$2,719.90
Payment 06/10/2024	-2,719.90
Balance Forward	0.00
Current Charges	2,654.90
Amount Due	\$2,654.90

Current Electric Charges Detail

30 Day Billing Period From 05/12/2024 To 06/11/2024

Fixed Price

Actual Consumption * Price	2,500 kWh @ \$0.034090/kWh	85.23
Nodal Congestion Charge		1.27
Market Securitization (Debt) Financing- Default - May		0.05

Prior Period Pass-Thru Charges

ERCOT Cont Reserve Serv (ECRS)	From 04/11/2024 To 05/12/2024	11.63
Market Securitization- Uplift		2.92
Ancillary Services Obligation Adj		9.65
TX-ERCOT Admin Fees - CIL		0.38

Total Prior Period Pass-Thru Charges

TDSP Pass-Through Charges	From 05/13/2024 To 06/11/2024	24.58
TDSP Customer Charge		11.13
Delivery Point Charge		21.30
Rate Case Expenses Surcharge		2.49
Distribution Cost Recovery Factor		92.36
Energy Efficiency Cost Recovery Factor(EECRF)		1.02
Distribution Charge (DUOS)	204 kW @ \$7.144928/kW	1,457.57
Nuclear Decommissioning Fee	204 kW @ \$0.045000/kW	9.18
Transmission Cost Recov Factor	204 kW @ \$4.369967/kW	891.47

- There are only 2 groups of charges – Ancillary and Congestion
- The more the name changes the more they can exempt them from a bid sheet to make the price look lower.
 - More exemptions
 - More line items
 - More ways to add money to the bill
 - More profits

QUESTIONS?

Margaret Somereve
msomereve@tcaptx.com
972-725-4114



Council Agenda Item

Budget Account Code: Not applicable	Meeting Date: See above.
Budgeted Amount: Not applicable	Department/ Requestor: Council
Fund Balance-before expenditure: Not applicable	Prepared by: ACA/CS Scott Hull for Fire Chief Miller
Estimated Cost: Not applicable	Date Prepared: December 30, 2025
Exhibits:	None

AGENDA SUBJECT

FIRE DEPARTMENT - SWEARING-IN AND BADGE PINNING CEREMONY

SUMMARY

The Parker Fire Department plans to have a badge pinning and swearing-in ceremony for our new full-time firefighter members, as follows:

- Ian Ziegel
- Thomas Johnson
- Brody Maulden

POSSIBLE ACTION

SWEARING-IN AND BADGE PINNING CEREMONY

Inter – Office Use

Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Justin Miller</i>	Date:	12/30/2026
City Attorney:	<i>Catherine Clifton</i>	Date:	01/15/2026 via Municode
City Administrator:	<i>Kent Manton</i>	Date:	01/15/2026 via Municode



Council Agenda Item

Budget Account Code:	Not applicable	Meeting Date:	See above.
Budgeted Amount:	Not applicable	Department/ Requestor:	City Secretary
Fund Balance-before expenditure:	Not applicable	Prepared by:	ACA/CS Scott Hull
Estimated Cost:	Not applicable	Date Prepared:	December 30, 2025
Exhibits:	Proposed Minutes		

AGENDA SUBJECT

APPROVAL OF MEETING MINUTES FOR DECEMBER 16, 2025. [REGULAR MEETING]

SUMMARY

Please review the attached minutes. If you have any questions, comments, and/or corrections, please contact the City Secretary at PHull@parkertexas.us prior to the City Council meeting.

POSSIBLE ACTION

Approve, conditionally approve, reject, or direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Hull</i>	Date:	01/07/2026
City Attorney:	<i>Catherine Clifton</i>	Date:	01/XX/2026 via Municode
City Administrator:	<i>Kent Manton</i>	Date:	01/15/2026 via Municode



Council Agenda Item

Budget Account Code:	Not applicable	Meeting Date:	See above.
Budgeted Amount:	Not applicable	Department/ Requestor:	City Secretary
Fund Balance-before expenditure:	Not applicable	Prepared by:	ACA/CS Scott Hull
Estimated Cost:	Not applicable	Date Prepared:	January 7, 2026
Exhibits:	<u>Proposed Minutes</u>		

AGENDA SUBJECT

APPROVAL OF MEETING MINUTES FOR JANUARY 6, 2026. [REGULAR MEETING]

SUMMARY

Please review the attached minutes. If you have any questions, comments, and/or corrections, please contact the City Secretary at PHull@parkertexas.us prior to the City Council meeting.

POSSIBLE ACTION

Approve, conditionally approve, reject, or direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Hull</i>	Date:	01/07/2026
City Attorney:	<i>Catherine Clifton</i>	Date:	01/15/2026 via Municode
City Administrator:	<i>Kent Manton</i>	Date:	01/15/2026 via Municode



MINUTES
CITY COUNCIL MEETING
JANUARY 6, 2026

CALL TO ORDER – Roll Call and Determination of a Quorum

The Parker City Council met in a workshop on the above date at Parker City Hall, 5700 E. Parker Road, Parker, Texas, 75002.

Mayor Lee Pettie called the meeting to order at 6:00 p.m. Mayor Pro Tem Buddy Pilgrim and Councilmembers Roxanne Bogdan, Colleen Halbert, and Darrel Sharpe were present. Councilmember Billy Barron was absent.

Staff Present: City Administrator Kent Manton, Asst. City Administrator/City Secretary Patti Scott Hull, Deputy City Secretary Dawnelle Collings, City Attorney Catherine Clifton, and Police Sergeant Ralph Burdick

WORKSHOP (6:00 PM)

1. PROPOSED NOISE ORDINANCE

City Council, City Attorney Clifton, and City Staff discussed language changes to the Proposed Noise Ordinance. It was noted there would be no vote on the item tonight, any additional changes will be included in the January 20, 2026 meeting packet to provide ample opportunity for public review, and a final vote on the ordinance will not be taken prior to the February 3, 2026 City Council meeting.

Mayor Pettie adjourned the workshop at 6:23 p.m.

ADJOURN

CALL TO ORDER – Roll Call and Determination of a Quorum

The Parker City Council met in a regular meeting on the above date at Parker City Hall, 5700 E. Parker Road, Parker, Texas, 75002.

Mayor Lee Pettie called the meeting to order at 7:00 p.m. Mayor Pro Tem Buddy Pilgrim and Councilmembers Roxanne Bogdan, Colleen Halbert, and Darrel Sharpe were present. *Councilmember Billy Barron was absent.

Staff Present: City Administrator Kent Manton, Asst. City Administrator/City Secretary Patti Scott Hull, Deputy City Secretary Dawnelle Collings, Finance/Human Resources Director Grant Savage, City Attorney Catherine Clifton, Public Works Director Gary Machado, Assistant Fire Chief Jeff Kendrick, Police Sergeant Ralph Burdick, and Municipal Court Prosecuting Attorney Shawn Roten

PLEDGE OF ALLEGIANCE

AMERICAN PLEDGE: Melissa Tierce led the pledge.

TEXAS PLEDGE: City Administrator Kent Manton led the pledge.

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

Scott Livesay, 7305 Moss Ridge Road. (See Exhibit 1 - Scott Livesay's comments, dated January 6, 2026.)

Marcos Arias, 3605 Hogge Drive. (See Exhibit 2 - Marcos Arias' comments/email, dated December 30, 2025 and January 6, 2026.)

Ken Nicholson 7306 E. Parker.

Andy Redmond, 7275 Moss Ridge Road. (See Exhibit 3 - Andy Redmond's comments, dated January 5, 2026.)

Ray Hemmig, 3405 Bluffs Lane. (See Exhibit 4 - Ray Hemming's comments, dated January 5, 2026.)

ITEMS OF COMMUNITY INTEREST

Mayor Pettle reviewed the upcoming Community Interest items below:

2. PLANNING AND ZONING (P&Z) MEETING – THURSDAY, JANUARY 8, 2026, 4 PM
- PARKS AND RECREATION COMMISSION (P&R) – WEDNESDAY, JANUARY 14, 2026, 5 PM

CONSENT AGENDA Routine Council business. Consent Agenda is approved by a single majority vote. Items may be removed for open discussion by a request from a Councilmember or member of staff.

3. APPROVAL OF MEETING MINUTES FOR SEPTEMBER 9, 2025. [SPECIAL MEETING]
4. APPROVAL OF MEETING MINUTES FOR SEPTEMBER 16, 2025. [REGULAR MEETING]
5. APPROVAL OF MEETING MINUTES FOR DECEMBER 10, 2025. [SPECIAL MEETING]

MOTION: Councilmember Bogdan moved to approve the consent agenda, items 3 through 5, noting an amendment to the September 16, 2025 meeting minutes to include the workshop 5:30 p.m. time. Councilmember Halbert seconded with Bogdan, Halbert, Pilgrim, and Sharpe voting for the motion. Motion carried 4-0.

INDIVIDUAL CONSIDERATION ITEMS

6. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2026-878, APPOINTING A PROSECUTING ATTORNEY AND ALTERNATE PROSECUTING ATTORNEY FOR THE PARKER MUNICIPAL COURT.

MOTION: Councilmember Halbert moved to approve Resolution No. 2026-878, appointing a prosecuting attorney and alternate prosecuting attorney for the Parker Municipal Court, namely Shawn Roten and Larence Lansford III "Trey" respectively. Councilmember Sharpe seconded with Councilmembers Bogdan, Halbert, Pilgrim, and Sharpe for the motion. Motion carried 4-0.

Mayor Pettle, on behalf of herself, City Council, and City Staff, welcomed Mr. Roten.

7. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2026-879 RENAMING THE SUBDIVISION FOR WHICH A PRELIMINARY PLAT WAS APPROVED BY COUNCIL ON OCTOBER 21, 2025.

MOTION: Mayor Pro Tem Pilgrim moved to approve Resolution No. 2026-879 renaming the McCreary Estates subdivision for which a preliminary plat was approved by council on October 21, 2025, changing the name to McCreary Meadows. Councilmember Sharpe seconded with Councilmembers Bogdan, Halbert, Pilgrim, and Sharpe for the motion. Motion carried 4-0.

ROUTINE ITEMS

8. UPDATE(S):

FM2551

Public Works Director Machado said Texas Department of Transportation (TxDOT) is on track and making progress. Mr. Machado also said paving on Curtis Lane north should begin within the next month, weather permitting.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ)

Mayor Pro Tem Pilgrim said there was nothing new, but mentioned the City proposed a February 2027 scheduling order and the Huffines have proposed one for July 2026. The State Office of Administrative Hearings (SOAH) Court will advise when the date is decided.

LEWIS LANE

Councilmember Sharpe said there has been significant progress on the draft interlocal agreement (ILA) with the City of Lucas. Mr. Sharpe noted there was a meeting earlier today, he thought it was positive, and he was looking forward to finalization of the ILA in the near future.

DUBLIN ROAD

Public Works Director Machado said north Dublin Road has not yet been completed. Mr. Machado noted several residents' driveways still need to be connected to the road and the road will get a final smoothing when the final asphalt coat is completed.

CAPITAL IMPROVEMENT PLAN (CIP)

City Administrator Manton said he and Finance/HR Director Savage reviewed and made progress on making updates to the CIP. Mr. Manton plans to present the plan to Mayor Pettie for review and then present it to City Council soon.

PERSONNEL MANUAL

City Attorney Clifton said she planned to update the draft and get it out to City Council before the next City Council meeting, January 20, 2026.

POLICE DEPARTMENT BUILDING ISSUES

City Administrator Manton said two (2) of the four (4) Police Department Heating, Ventilation, and Air Conditioning (HVAC) units need to be replaced. They are not working properly and are allowing moisture to accumulate. Funds for the replacement of those units will come from facilities maintenance and will put us over budget. The City is reviewing options for mold remediation. Mr. Manton noted

the mold is not believed to be dangerous, but they have asked employees to limit their time in the building and to wear masks while in the building. Additional updates to follow.

POLICE DEPARTMENT PERSONNEL ISSUES

City Administrator Manton, Finance/HR Director Savage, Police Sergeant Burdick, and Mayor Pettie advised City Council a pay step plan for police officers was adopted. They noted the Police Department lost two (2) officers and were concerned about possibly losing additional personnel and they have been unable to recruit. Since implementation of the pay step plan, the City has received five (5) applications. Funding will come from the unfilled positions which were funded in this year's budget. Further noting, this would not change our current budget but will change line items within the police budget.

City Council members voiced concern about communication, the process and transparency.

ANY ADDITIONAL UPDATES

None

DONATION(S)

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

McCreary Creek Estates Homeowners Association (HOA) donated four (4) meals for staff valued at \$50 to the Police Department.

Maryam Boroujerdi and Mohammad Massoudi donated four (4) dozen assorted cookies valued at \$20 to City Staff.

Pam and Allen Terrell donated pumpkin and chocolate pudding cups and gingerbread cake valued at \$50 to City Staff.

Linda Ryan and Jean de Leon donated assorted cookies valued at \$20 to City Staff, Fire Department, and Police Department.

Mayor Pettie, on behalf of herself, City Council, and City Staff, thanked the donors for their kind and generous donation.

FUTURE AGENDA ITEMS

10. FUTURE AGENDA ITEMS

Mayor Pettie asked if there were any items to be added to the future agenda.

Mayor Pro Tem Pilgrim and Councilmembers Bogdan, Halbert, and Sharpe requested a workshop to review City Council communications.

Councilmember Sharpe requested a workshop on Council Member conduct.




Hearing no additional requests, Mayor Pettie encouraged everyone to email her any requests. She noted the next regularly scheduled meeting would be Tuesday, January 20, 2026.

EXECUTIVE SESSION START TO FINISH - Pursuant to the provisions of Chapter 551, Texas Government Code, Vernon's Texas Codes Annotated the City Council may hold a closed meeting.

***Note: Councilmember Barron was present remotely (via telephone) for Executive Session only.**

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

Section 551.071 (1) Texas Government Code; Consultation with the City Attorney on pending or contemplated litigation, a settlement offer, or (2) 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 on any agenda item listed elsewhere within this agenda, and/or the subject matter listed below:

-  Gregory Lane litigation
-  Restore the Grasslands proposed development/MUD
-  Lewis Lane

Mayor Lee Pettie recessed the regular meeting to Executive Session at 7:58 p.m.

RECONVENE REGULAR MEETING.

Mayor Lee Pettie reconvened the meeting at 9:00 p.m.

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

No action was taken.

ADJOURN

Mayor Lee Pettie adjourned the meeting at 9:01 p.m.

APPROVED:

Mayor Lee Pettie

ATTESTED:

Approved on the 20th day
of January, 2026.

Patti Scott Hull, City Secretary

January 6, 2026

City of Parker – City Council

Subject: Water run-off from new McCreary Development onto Moss Ridge

In March of 2025, I inquired about the water run-off from the 50 acre development at McCreary and Parker Roads. Specifically, I was concerned about the drainage for the property and avoiding having that run-off directed at Moss Ridge, which as you are aware already has significant storm run-off/drainage issues. At that time the response was the developer would have to provide the city engineers with their plan, which would require review and approval by the city.

I walked the area this past week to look at the grading and how the storm run-off is being handled. It appears that 25% to 33% of the property (the southern acres) are directing their run-off down the Moss Ridge Road drainage ...i.e. the front of my property. I did not see any indication of tying into the McCreary storm drainage system. It appears all storm drainage south of the concrete road that has been poured, is going to flow down Moss Ridge drainage. That really isn't acceptable.

I want to thank Gary Machado, who took time out of his day to see me and show me the engineering plat signed off by the City. And it clearly shows that the water run-off from the southern acres is being directed toward Moss Ridge, as well as reflecting the water run-off that is directed north toward Parker or east toward Wiley. This engineering plat depicted a reduction in water flow down Moss Ridge from 27.4 CFS to 13.2 CFS (approx. 50%). It also reflects a similar reduction in flow to Moss Ridge from the southeast corner from 6.4CFS to 3.9 CFS (approx. 40%).

While those reductions would be appreciated, it still bears questions. For example, I have no way to ascertain whether those CFS estimates are actual accurate/discernable amounts. But I find it questionable, as the projections for the north and east run-off also show CFS reductions within the same percentages. This begs the question of how 50 acres of farmland that will be 75% covered by concrete and housing, will reflect a significant reduction if water run-off. Not sure that is believable.

I will close with the statement that we have recognized for years that Moss Ridge has a flooding problem, and is in need of reduction of the water run-off. I would ask that the City revisit the engineering plat and reassess how to best direct that water flow.



From: [Marcos A8739](#)
To: [PublicComments](#)
Subject: Noise Ordinance 12/30/2025
Date: Tuesday, December 30, 2025 11:26:41 AM

Good afternoon,

After looking at the about page of the Parker and hearing Joe Cordinas insult all Parker residents telling people to get out of Parker because loud noise, him and other people don't understand about Concert Music events can be considered close-by city conveniences, so why are we allowing them where it contradicts what our city is about and damages "the beauty and atmosphere found only in the country," as it's said in quotations for the city website. The people who are into live music should understand the close-by city conveniences stay outside of Parker. That venue must go and it's more appropriate to have them in Home Rule Charter cities like Plano's Red Tail Pavilion, the concert stage at the State Fair of Texas, or larger Home Rule charter cities where they have concert stages. The city needs to remind those residents who don't know that we have a city webpage that explains our city is Uniquely Country and we need to Make Parker Country Again without welcoming those close-by city conveniences and we don't need a Special Activities district either. Get rid of it and let those houses on South Fork's lot get built so we can welcome Chicken Farmers, people who want to grow a garden, someone who wants to help out the city economy with an online service. We need to boost the City budget revenue and for people to cushion their own property taxes.

Make Parker Country Again,

Marcos

From: [Marcos A8739](#)
To: [PublicComments](#)
Subject: City Council Meeting 01/062026
Date: Tuesday, January 6, 2026 11:59:58 AM

To address City and Community Concerns,

Item 3 Meeting of 9/9/25

Now referring to the NO.896 ADOPTING THE 2025-2026 BUDGET. I ask and recommend city council to discuss then next stage of cushioning the property taxes for our local city and encourage residents to conduct online businesses or non online business by appointment only as acceptable with no need for a Special activities district to help residents to worry less about their property taxes and encourage them to earn a money from home with the sales tax helping and fundraising our city budget.

Item 4 Meeting of 9/16/25

With learning about the statements from Cyndy Myer and Terry Lynch about some of their statements concerning their needs vs wants comments, I would like to address that Terry Lynch statements would trigger Collin County stepping on where the City of Parker can't interfere with personal matters of a residents property taxes. Cindy Myers also lied to City Council about the comprehensive plan and one of them if I recall from the workshop was about the new facility. Our city's budget has also been discovered later that it is depleting and we need to discuss fundraising in a way that doesn't destroy the country's atmosphere and environment since I moved here without all the concert music noise since 1993 and was only a young boy when I moved to Parker. Both tell the community and Collin County that they are tax delinquent without telling us they are tax delinquent.

On the Waste Water plant development issue I ask that city council continue opposing the development and continuous transparency to not just the community but also all of City Council there have been incidences where not all the council members were invited to discuss about the ETJ lot and new owners were mentioned but did not welcome all of city council.

There are other issues not involving the items of that meeting and there will be people who move into our city not aware of our city ordinances and may show signs of deliquences without telling us they show signs of being delinquent.

Item 6 Meeting for this date 01/06/25

While reading about the City Prosecutor I would like to meet with who will be the new City Prosecutor and to address issues about the noise ordinance and our municipal traffic laws pertaining to the 2/17/24 incident near South Fork and Ranchview estates causing a public noise nuisance which we should not have had. I wish to discuss also the public protesting where it should be done appropriately and not blocking our streets in our City of Parker. Protestors Palestinian American, Jewish Americans, regular Americans, and the like should know how to protest legally.

Marke Parker Uniquely Country Again,

Marcos

From: redmonde@tx.rr.com
To: [PublicComments](#); [Kent Manton](#); [Gary Machado](#)
Cc: [Patti Grey](#)
Subject: New Development causes drainage problems (SE Corner McCreary Road and Parker Road)
Date: Monday, January 5, 2026 11:24:20 AM
Attachments: [2026 01 05 Drainage problems caused by new development.pdf](#)

Hello Mayor Pettie, Council, Mr. Manton and Mr. Machado:

I'm Andy Redmond-- I reside in Moss Ridge Estates (since 2013).

Problem:

You all are likely aware of long -time drainage problems in our neighborhood.

- My concern is to alert you of poor engineering/site construction that worsens our problems (new neighborhood just North of Moss Ridge Estates).

- Please reference *the Google map attached.*

Three apparent issues are present:

- The developer was allowed to raise most southerly/abutting lot elevations (not neighborly to existing development and causes drainage problems).

-The developer has made a ditch on the south end of their site that is too small and has openings to route their drainage into our neighborhood.

-The developer's most southerly new street (east/west) has new ditches that route drainage south directly into Moss Ridge Estates (*See Google map with my illustrations*)

Resolution:

The City should require the developer to route all drainage to the street and/or towards Parker road--e.g. anywhere except into our neighborhood-- Moss Ridge Estates.

Thanks and I look forward to hearing soon that had been corrected.

Best,
Andy Redmond



From: [Ray Hemmig](#)
To: [PublicComments](#)
Cc: lpettle@aol.com; [Kent Manton](#)
Subject: Dublin Road Repaving
Date: Monday, January 5, 2026 1:22:16 PM
Importance: High

City Council,

Please include this email in the public comments section of the Council meeting.

Thank you for adding the repaving of Dublin Rd to the City's priority list of capital projects.
We look forward to enjoying the completion of the newly paved Dublin Rd.

However, please add road edge white lines to the new pavement edges, and a yellow center strip to the finished Dublin Rd repaving project for the future safety of our citizens.

Almost all the new vehicles available today are equipped with some form of semi-automated driving, cameras, and lane assistance software. Many of the dangerous driving conditions and many future accidents on the curvy Dublin Road can be prevented if the guiding lanes are clearly marked on the new pavement.

The road is heavily used, narrow, and poorly lit. Simple edge and center lines will aid every driver, particularly at night, when much of the non-resident traffic is unfamiliar with the Dublin Road's unique, quirky characteristics and often has difficulty navigating the correct side of the road.

Clearly, many of the transient (though traffic) drivers, including the Cross Creek Ranch visitors, do not obey the 30 MPH speed limit, and this only makes the potential for crossing over the middle of the road much more likely, particularly at the "S" curves on both north and south sides of Dublin Rd. The City's own records reflect the significant number of serious accidents that occur at these curves.

Once again, we appreciate the new paving project.

Ray & Ruth Hemmig
3405 Bluffs Ln
Parker, TX 75002



Council Agenda Item

Budget Account Code:	Not applicable	Meeting Date:	See above.
Budgeted Amount:	Not applicable	Department/ Requestor:	Finance
Fund Balance-before expenditure:	Not applicable	Prepared by:	ACA/CS Scott Hull for Finance/HR Manager Grant Savage
Estimated Cost:	Not applicable	Date Prepared:	December 8, 2025
Exhibits:	<ol style="list-style-type: none"> 1. Annual Financial Report – Year Ended September 30, 2025 2. Governance Letter 3. Management Recommendations Letter 4. Audit Presentation 		

AGENDA SUBJECT

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

SUMMARY

Please review the attached Annual Financial Report – Year Ended September 30, 2025. 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

Accept the annual independent auditor's report and comprehensive financial statements or direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Grant Savage</i>	Date:	01/12/2026
City Attorney:	<i>Catherine Clifton</i>	Date:	01/15/2026 via Municode
City Administrator:	<i>Kent Manton</i>	Date:	01/15/2026

City of Parker, Texas
ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2025

City of Parker, Texas

ANNUAL FINANCIAL REPORT

September 30, 2025

Meeting Date: 01/20/2026 Item 6.

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City of Parker, Texas
ANNUAL FINANCIAL REPORT
September 30, 2025

COMPLIANCE AND INTERNAL CONTROL SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on
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Performed in Accordance with *Government Auditing Standards* 81

FINANCIAL SECTION

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, 2025, 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, 2025, 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.

Emphasis of Matter – Correction of an Error

As discussed in Note V Section F, during the year ended September 30, 2025, the City identified and corrected an error in unearned revenue and restated fund balance for the capital street construction fund. Our opinion is not modified with respect to this matter.

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 5–15, budgetary comparison information on page 65, and the pension and OPEB tables on pages 66–71 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 and individual nonmajor fund financial statements on pages 74-77 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 and individual nonmajor 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 January 20, 2026, 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.

Tom Bean, Texas
January 20, 2026

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

Meeting Date: 01/20/2026 Item 6.

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, 2025.

Financial Highlights

- The City's total combined net position is \$76,388,606 at September 30, 2025. Of this, \$20,922,211 (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 \$17,294,459, an increase of \$3,401,302.
- As of the end of the year, the unassigned fund balance of the General fund was \$9,570,751 or 194% of total General fund expenditures.
- The City had an overall increase in net position of \$2,705,160, which is primarily due to increases in property tax revenue in the amount of \$549,632.
- The City budgeted for a net decrease in fund balance of \$1,252,705 for the General Fund. The actual activity resulted in an increase in the fund balance for the General fund of \$1,099,921. This resulted in a positive overall variance between budget to actual of \$2,352,626.

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.

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

Meeting Date: 01/20/2026 Item 6.

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.

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*.

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

Meeting Date: 01/20/2026 Item 6.

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.

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 \$76,388,606 as of September 30, 2025, in the primary government.

The largest portion of the City's net position, \$51,289,026, 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.

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

Meeting Date: 01/20/2026 Item 6.

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, 2025, and September 30, 2024, were \$17,640,746 and \$15,523,421, respectively. The increase of \$2,117,325 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, 2025, and September 30, 2024, were \$29,483,374 and \$31,624,572, respectively. The decrease of \$2,141,198 was primarily attributable to a slowdown in capital asset acquisitions, coupled with increased depreciation from the assets acquired in the prior year. Long-term liabilities (including the current portion thereof) of Governmental Activities as of September 30, 2025, and September 30, 2024, were \$ 1,666,513 and \$1,431,919, respectively. The increase of \$234,594 is primarily due to increases in the net pension liability.

Current and other assets of Business-Type Activities as of September 30, 2025, and September 30, 2024, were \$11,396,622 and \$11,051,396, respectively. The increase of \$345,226 was due to increased utility billing revenue collected in fiscal year 2025. Other liabilities of Business-Type Activities as of September 30, 2025, and September 30, 2024, were \$ 1,821,135 and \$810,042, respectively. The increase of \$1,011,093 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, 2025, and September 30, 2024, were \$ 6,025,027 and \$6,340,502, respectively. The decrease of \$315,475 is primarily due to repayments of bonds and notes payable.

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

Meeting Date: 01/20/2026 Item 6.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2025			2024 (as restated)		
	Government Activities	Business-type Activities	Total	Government Activities	Business-type Activities	Total
Assets						
Current and other assets	\$ 17,640,746	\$ 11,396,622	\$ 29,037,368	\$ 15,523,421	\$ 11,051,396	\$ 26,574,817
Capital and right to use assets, net	29,483,374	28,028,654	57,512,028	31,624,572	26,078,205	57,702,777
Total Assets	47,124,120	39,425,276	86,549,396	47,147,993	37,129,601	84,277,594
Deferred Outflows of Resources	233,699	68,187	301,886	277,730	103,728	381,458
Liabilities						
Other liabilities	624,270	1,821,135	2,445,405	2,076,082	810,042	2,886,124
Long-term liabilities	1,666,513	6,025,027	7,691,540	1,431,919	6,340,502	7,772,421
Total Liabilities	2,290,783	7,846,162	10,136,945	3,508,001	7,150,544	10,658,545
Deferred Inflows of Resources	253,797	71,934	325,731	232,342	84,719	317,061
Net Position						
Net investment in capital assets	28,979,304	22,309,722	51,289,026	30,733,242	20,035,423	50,768,665
Restricted and committed	4,049,360	128,009	4,177,369	2,510,127	2,381,474	4,891,601
Unrestricted	11,784,575	9,137,636	20,922,211	10,442,011	7,581,169	18,023,180
Total Net Position	\$ 44,813,239	\$ 31,575,367	\$ 76,388,606	\$ 43,685,380	\$ 29,998,066	\$ 73,683,446

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

Meeting Date: 01/20/2026 Item 6.

Statement of Activities:

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

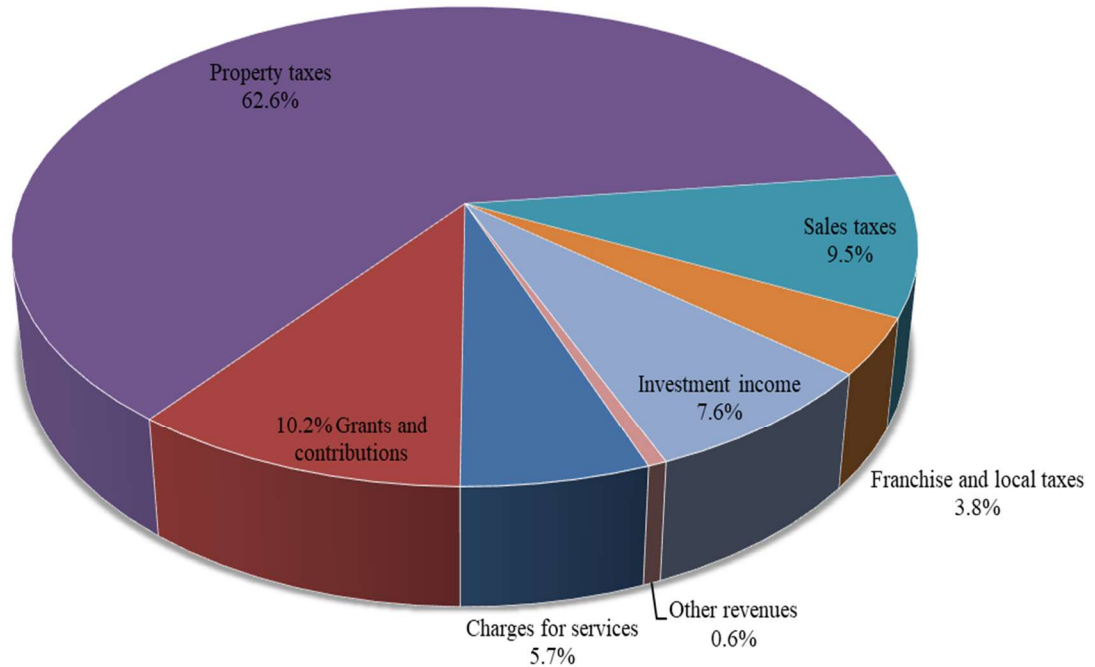
	2025			2024 (as restated)		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenue						
Program Revenue						
Charges for services	\$ 551,345	\$ 6,821,131	\$ 7,372,476	\$ 673,654	\$ 6,522,022	\$ 7,195,676
Grants and contributions	987,968	-	987,968	2,081,462	2,177,688	4,259,150
General Revenue						
Property taxes	6,061,328	-	6,061,328	5,511,696	-	5,511,696
Sales taxes	917,487	-	917,487	799,745	-	799,745
Franchise and local taxes	363,849	-	363,849	353,053	-	353,053
Investment income	738,838	252,261	991,099	647,546	289,261	936,807
Other revenues	55,278	-	55,278	9,450	-	9,450
Insurance reimbursements	205,966	-	205,966	-	-	-
Total Revenue	9,882,059	7,073,392	16,955,451	10,076,606	8,988,971	19,065,577
Expenses						
General government	964,865	-	964,865	690,880	-	690,880
Public safety	3,089,500	-	3,089,500	3,016,132	-	3,016,132
Public works	3,497,076	-	3,497,076	3,259,449	-	3,259,449
Culture and recreation	10,618	-	10,618	10,618	-	10,618
Interest and fiscal charges	6,723	198,501	205,224	17,088	209,477	226,565
Water, sewer, & sanitation	-	6,483,008	6,483,008	-	5,679,644	5,679,644
Total Expenses	7,568,782	6,681,509	14,250,291	6,994,167	5,889,121	12,883,288
Change in Net Position Before Transfers	2,313,277	391,883	2,705,160	3,082,439	3,099,850	6,182,289
Transfers	(1,185,418)	1,185,418	-	80,000	(80,000)	-
Total	(1,185,418)	1,185,418	-	80,000	(80,000)	-
Change in Net Position	1,127,859	1,577,301	2,705,160	3,162,439	3,019,850	6,182,289
Beginning Net Position, as originally stated	43,568,289	29,998,066	73,566,355	40,522,941	26,978,216	67,501,157
Prior period adjustments	117,091	-	117,091	-	-	-
Beginning Net Position, as restated	43,685,380	29,998,066	73,683,446	40,522,941	26,978,216	67,501,157
Ending Net Position	\$ 44,813,239	\$ 31,575,367	\$ 76,388,606	\$ 43,685,380	\$ 29,998,066	\$ 73,683,446

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

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

Meeting Date: 01/20/2026 Item 6.

Governmental Activities - Revenues



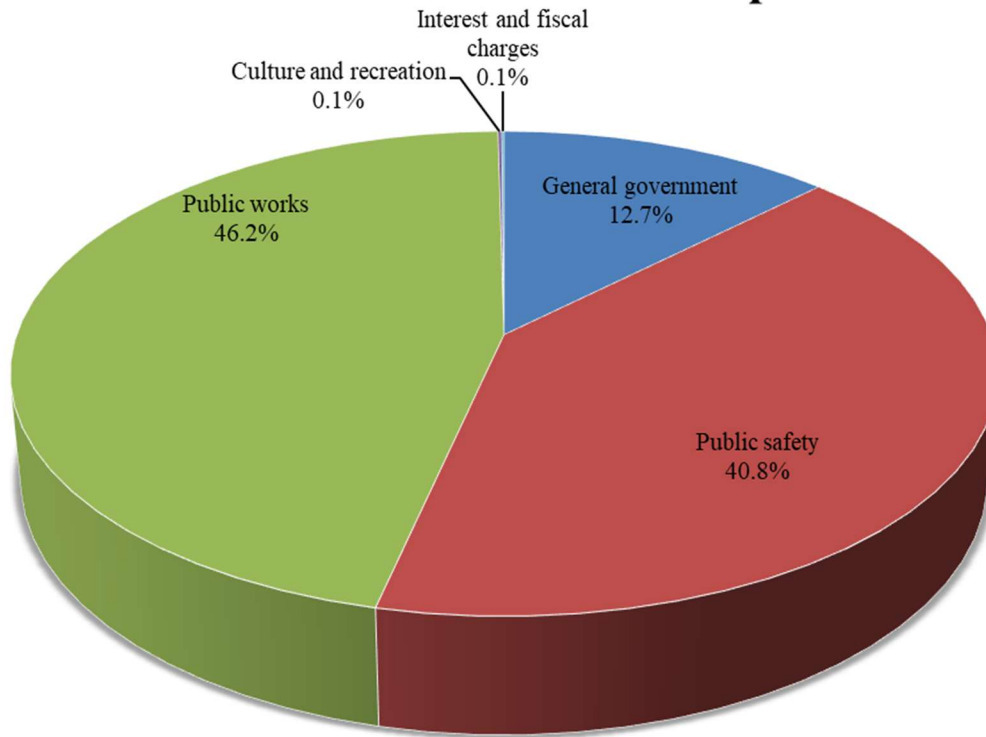
For the year ended September 30, 2025, revenues from governmental activities totaled \$9,882,059. Property tax, charges for services, and grants and contributions are the City's largest revenue sources. Property tax increased \$549,632 or 10% due to an increase in the taxable appraisal value of properties. Sales tax increased \$117,742, or 15%, due to an increase of taxable sales. Grants and contributions decreased \$1,093,494, or 53% due to nonrecurring capital contributions from a developer in the prior year. The City received insurance reimbursements for hail damage to City assets in the amount of \$205,966.

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

Meeting Date: 01/20/2026 Item 6.

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses



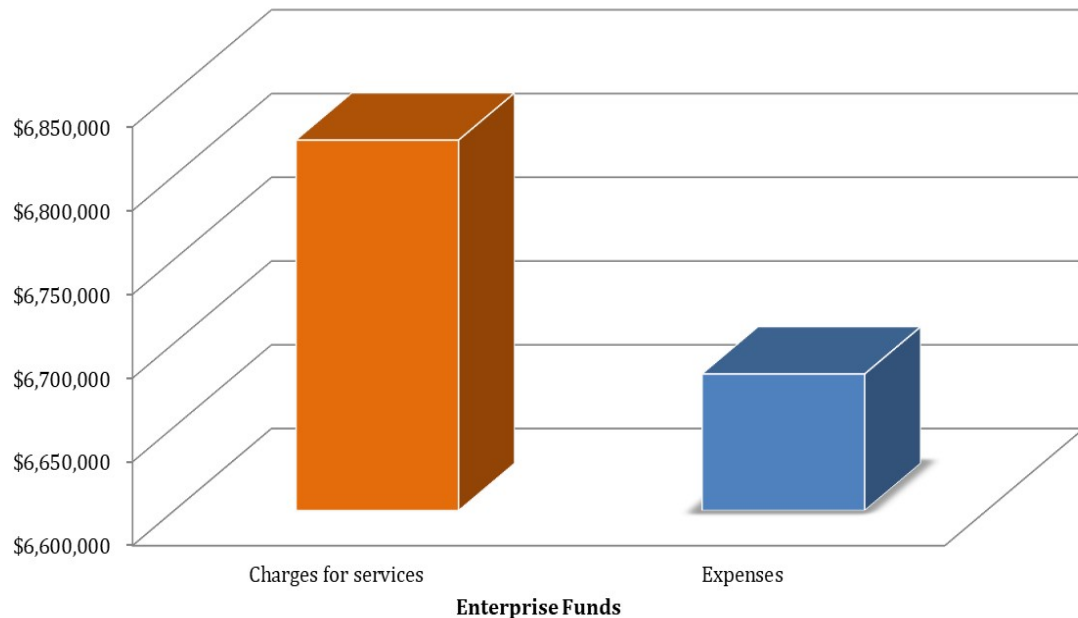
For the year ended September 30, 2025, expenses for governmental activities totaled \$7,568,782. This represents an increase of \$574,615 or 8% from the prior year. The City's largest functional expense is public works for \$3,497,076. Public works expenses increased by \$237,627 or 7.3% primarily due to minor tools and equipment purchases and professional service costs in the current year. Public safety expenses increased by \$73,368 or 2% from the prior year. The increase was primarily a result of greater personnel costs. General government expenses increased by \$273,985 or 40% primarily due to pay increases for employees allocated to this function.

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

Meeting Date: 01/20/2026 Item 6.

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, 2025, charges for services by business-type activities totaled \$6,821,131. This is an increase of \$299,109, or 5% 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 \$792,388 or 13%, 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 \$9,578,001. Of this, \$7,250 is considered nonspendable. The unassigned fund balance totaled \$9,570,751 as of year-end. The general fund balance increased \$1,099,921 primarily as a result of greater than anticipated revenues and less than anticipated expenditures.

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

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As of September 30, 2025, the capital street construction fund reflected a fund balance of \$3,682,873, an increase of \$1,536,735 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. Also during the year ended September 30, 2025, the City entered a prior period adjustment of \$117,091 to relieve unearned revenue which the City will not recognize due to a change in the grantor and agreement terms related to the project.

As of September 30, 2025, the nonmajor debt service fund reflected a fund balance of \$107,045, a decrease of \$152,629 from the prior year. Fund balance declined due to an increase in debt service payments.

As of September 30, 2025, the other nonmajor governmental funds reflected a total fund balance of \$3,926,540, an increase of \$917,275. 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 \$3,401,302 from the prior year. The increase was primarily a result of the current year revenue increases in property and sales tax and additional grants.

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 \$2,352,626 in the general fund. This was primarily the result of positive revenue and expenditure variance totaling \$1,249,969 and \$1,054,583, 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 \$28,976,522 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 \$22,309,722 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Acquisition of a backhoe in the amount of \$140,633.
- Water line replacements in the amount of \$2,317,557.

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

City of Parker, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

Meeting Date: 01/20/2026 Item 6.

LONG-TERM DEBT

At the end of the current year, the City had total bonds and certificates of obligation outstanding, in the amount of \$5,955,086. During the year, principal payments totaling \$615,000 were made, as required. More detailed information about the City's long-term liabilities is presented in note IV. E. to the financial statements.

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 2025-2026:

- This budget will raise more total property taxes than last year's budget by \$449,886 or 7.42%, and of that amount, \$231,884 is tax revenue to be raised from new property added to the tax roll.
- The approved budget for all funds for FY 2025-2026 reflects total anticipated revenues of \$19,754,266 and total anticipated expenditures of \$24,225,360.
- The City's tax rate is set each fall and is enacted via ordinance. The rate for fiscal year 2025-2026 was enacted by Ordinance #874 and is set to \$0.307344 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.

BASIC FINANCIAL STATEMENTS

City of Parker, Texas

STATEMENT OF NET POSITION

September 30, 2025

Meeting Date: 01/20/2026 Item 6.

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 17,344,430	\$ 3,587,104	\$ 20,931,534
Receivables, (net)	273,931	1,206,093	1,480,024
Prepaid expenses	22,385	7,250	29,635
Restricted assets:			
Cash and cash equivalents	-	6,596,175	6,596,175
Total Current Assets	17,640,746	11,396,622	29,037,368
Capital and right to use assets:			
Non depreciable capital assets	920,660	2,937,917	3,858,577
Net depreciable capital assets	28,361,226	25,090,737	53,451,963
Net right to use assets	201,488	-	201,488
Total Capital and Right to Use Assets	29,483,374	28,028,654	57,512,028
Total Assets	47,124,120	39,425,276	86,549,396
Deferred Outflows of Resources			
Deferred outflows - pension	229,659	65,093	294,752
Deferred charges on refunding	3,158	2,844	6,002
Deferred outflows - OPEB	882	250	1,132
Total Deferred Outflows of Resources	233,699	68,187	301,886

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	175,601	1,153,547	1,329,148
Accrued liabilities and other payables	60,047	-	60,047
Customer deposits	52,000	41,722	93,722
Accrued interest payable	1,105	27,957	29,062
Payable to Collin County	-	238,856	238,856
Due within one year:			
Leases payable	72,011	-	72,011
Bonds and notes payable	95,663	334,337	430,000
Accrued compensated absences	167,843	24,716	192,559
Total Current Liabilities	624,270	1,821,135	2,445,405
Noncurrent liabilities:			
Due in more than one year:			
Leases payable	119,093	-	119,093
Bonds and notes payable	216,787	5,647,875	5,864,662
Net pension liability	1,275,903	361,639	1,637,542
Total OPEB liability	54,730	15,513	70,243
Total Noncurrent Liabilities	1,666,513	6,025,027	7,691,540
Total Liabilities	2,290,783	7,846,162	10,136,945
Deferred Inflows of Resources			
Deferred inflows - pension	231,200	65,530	296,730
Deferred inflows - OPEB	22,597	6,404	29,001
Total Deferred Inflows of Resources	253,797	71,934	325,731
Net Position			
Net investment in capital assets	28,979,304	22,309,722	51,289,026
Restricted for:			
Parks and recreation	59,222	-	59,222
Debt service	107,045	-	107,045
Capital projects	3,677,856	128,009	3,805,865
Public safety	205,237	-	205,237
Unrestricted	11,784,575	9,137,636	20,922,211
Total Net Position	\$ 44,813,239	\$ 31,575,367	\$ 76,388,606

City of Parker, Texas
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Meeting Date: 01/20/2026 Item 6.

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 964,865	\$ 402,195	\$ 987,968	\$ -
Public safety	3,089,500	149,150	-	-
Public works	3,497,076	-	-	-
Culture and recreation	10,618	-	-	-
Interest and fiscal charges	6,723	-	-	-
Total Governmental Activities	7,568,782	551,345	987,968	-
Business-Type Activities:				
Water, sewer, & sanitation	6,681,509	6,821,131	-	-
Total Business-Type Activities	6,681,509	6,821,131	-	-
Total Primary Government	\$ 14,250,291	\$ 7,372,476	\$ 987,968	\$ -

General Revenues:

Property taxes

Sales and use taxes

Franchise and local taxes

Investment income

Other revenues

Insurance reimbursements

Transfers in (out)

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

Net Position - Beginning as originally stated

Prior period adjustments

Net Position - Beginning as restated

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 425,298	\$ -	\$ 425,298
(2,940,350)	-	(2,940,350)
(3,497,076)	-	(3,497,076)
(10,618)	-	(10,618)
(6,723)	-	(6,723)
(6,029,469)	-	(6,029,469)
-	\$ 139,622	139,622
-	139,622	139,622
\$ (6,029,469)	\$ 139,622	\$ (5,889,847)
6,061,328	-	6,061,328
917,487	-	917,487
363,849	-	363,849
738,838	252,261	991,099
55,278	-	55,278
205,966	-	205,966
(1,185,418)	1,185,418	-
7,157,328	1,437,679	8,595,007
1,127,859	1,577,301	2,705,160
43,568,289	29,998,066	73,566,355
117,091	-	117,091
43,685,380	29,998,066	73,683,446
\$ 44,813,239	\$ 31,575,367	\$ 76,388,606

City of Parker, Texas
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2025

Meeting Date: 01/20/2026 Item 6.

	General Fund	Capital Street Construction Fund	Nonmajor Debt Service Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 9,646,893	\$ 3,605,143	\$ 107,045	\$ 3,985,349	\$ 17,344,430
Receivables, net:					
Sales taxes	77,730	77,730	-	-	155,460
Franchise & local taxes	59,496	-	-	-	59,496
Property taxes	29,209	-	1,991	-	31,200
Court	27,440	-	-	-	27,440
Other	335	-	-	-	335
Prepaid items	7,250	-	-	15,135	22,385
Total Assets	<u>9,848,353</u>	<u>3,682,873</u>	<u>109,036</u>	<u>4,000,484</u>	<u>17,640,746</u>
Liabilities					
Accounts payable	101,657	-	-	73,944	175,601
Accrued liabilities and other payables	60,047	-	-	-	60,047
Customer deposits	52,000	-	-	-	52,000
Total Liabilities	<u>213,704</u>	<u>-</u>	<u>-</u>	<u>73,944</u>	<u>287,648</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	29,209	-	1,991	-	31,200
Unavailable revenue - fines	27,439	-	-	-	27,439
Total Deferred Inflows of Resources	<u>56,648</u>	<u>-</u>	<u>1,991</u>	<u>-</u>	<u>58,639</u>
Fund Balances					
Nonspendable	7,250	-	-	15,135	22,385
Restricted for:					
Parks and recreation	-	-	-	59,222	59,222
Debt service	-	-	107,045	-	107,045
Capital projects	-	3,682,873	-	-	3,682,873
Public safety	-	-	-	205,237	205,237
Committed for:					
Capital improvements	-	-	-	3,646,946	3,646,946
Unassigned	9,570,751	-	-	-	9,570,751
Total Fund Balances	<u>9,578,001</u>	<u>3,682,873</u>	<u>107,045</u>	<u>3,926,540</u>	<u>17,294,459</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,848,353</u>	<u>\$ 3,682,873</u>	<u>\$ 109,036</u>	<u>\$ 4,000,484</u>	<u>\$ 17,640,746</u>

City of Parker, Texas

Meeting Date: 01/20/2026 Item 6.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION September 30, 2025

Fund Balances - Total Governmental Funds \$ 17,294,459

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. 29,483,374

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 31,200

Fines receivable 27,439

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 (1,541)

OPEB amounts (21,715)

Deferred charges on bond refunding 3,158

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 (1,105)

Accrued compensated absences (167,843)

Non-current debt/leases payable due in one year (167,674)

Non-current debt/leases payable due in more than one year (335,880)

Net pension and total OPEB liability (1,330,633)

Net Position of Governmental Activities - Statement of Net Position \$ 44,813,239

City of Parker, Texas

Meeting Date: 01/20/2026 Item 6.

STATEMENT OF REVENUES, EXPENDITURES, CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended September 30, 2025

	General Fund	Capital Street Construction Fund	Nonmajor Debt Service Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Property	\$ 5,906,304	\$ -	\$ 151,971	\$ -	\$ 6,058,275
Sales and mixed beverage taxes	460,554	456,933	-	-	917,487
Franchise and local taxes	363,849	-	-	-	363,849
Grants	973,689	-	-	-	973,689
Investment income	737,074	-	-	1,764	738,838
Licenses and permits	402,195	-	-	-	402,195
Fines and forfeitures	132,466	-	-	16,672	149,138
Other revenue	55,243	-	-	35	55,278
Contributions and donations	-	-	-	14,279	14,279
Total Revenues	<u>9,031,374</u>	<u>456,933</u>	<u>151,971</u>	<u>32,750</u>	<u>9,673,028</u>
Expenditures					
Current operating:					
Police department	1,430,421	-	-	28,812	1,459,233
Fire department	996,014	-	-	-	996,014
General government	653,652	-	-	134,282	787,934
City property	546,958	-	-	-	546,958
Public works	343,914	5,691	-	-	349,605
Building and code enforcement	248,264	-	-	-	248,264
Municipal court	119,683	-	-	-	119,683
Debt service:					
Principal retirement	-	-	291,860	89,705	381,565
Interest and fiscal charges	-	-	12,740	1,483	14,223
Capital outlay	5,589	48,121	-	335,085	388,795
Total Expenditures	<u>4,344,495</u>	<u>53,812</u>	<u>304,600</u>	<u>589,367</u>	<u>5,292,274</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,686,879	403,121	(152,629)	(556,617)	4,380,754
Other Financing Sources (Uses)					
Transfers in	25,000	1,133,614	-	1,341,000	2,499,614
Transfers out	(3,685,032)	-	-	-	(3,685,032)
Insurance reimbursements	73,074	-	-	132,892	205,966
Total Other Financing Sources (Uses)	<u>(3,586,958)</u>	<u>1,133,614</u>	<u>-</u>	<u>1,473,892</u>	<u>(979,452)</u>
Net Change in Fund Balances	1,099,921	1,536,735	(152,629)	917,275	3,401,302
Fund Balances - Beginning					
As originally stated	8,478,080	2,029,047	259,674	3,009,265	13,776,066
Prior period adjustments	-	117,091	-	-	117,091
Fund Balances - Beginning as restated	<u>8,478,080</u>	<u>2,146,138</u>	<u>259,674</u>	<u>3,009,265</u>	<u>13,893,157</u>
Fund Balances - Ending	<u>\$ 9,578,001</u>	<u>\$ 3,682,873</u>	<u>\$ 107,045</u>	<u>\$ 3,926,540</u>	<u>\$ 17,294,459</u>

**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, 2025

Net Change in Fund Balances - Total Governmental Funds **\$ 3,401,302**

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	388,795
Depreciation and amortization expense	(2,593,732)
Other capital asset transactions	63,740

Revenues in the SOA that do not provide current financial resources are not
reported as revenues in the governmental funds. 3,065

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	382,478
Net changes in debt premium/discount	8,016
Net changes in deferred charges on refunding	(1,429)

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	(29,560)
Pension and OPEB expense	(497,597)

Net Position of Governmental Activities - Statement of Activities **\$ 1,127,859**

City of Parker, Texas

Meeting Date: 01/20/2026 Item 6.

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2025

	Water & Sewer Fund	Nonmajor Sanitation Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,563,315	\$ 23,789	\$ 3,587,104
Receivables, net	1,147,728	58,365	1,206,093
Prepaid expenses	7,250	-	7,250
Restricted assets:			
Cash and cash equivalents	6,596,175	-	6,596,175
Total Current Assets	11,314,468	82,154	11,396,622
Noncurrent assets:			
Capital Assets			
Land	323,666	-	323,666
Construction in progress	2,614,251	-	2,614,251
Water system	33,807,426	-	33,807,426
Sewer system	216,655	-	216,655
Vehicles and equipment	162,131	-	162,131
Accumulated depreciation	(9,095,475)	-	(9,095,475)
Total Noncurrent Assets	28,028,654	-	28,028,654
Total Assets	39,343,122	82,154	39,425,276
Deferred Outflows of Resources			
Deferred outflows - pension	65,093	-	65,093
Deferred charges on bond refunding	2,844	-	2,844
Deferred outflows - OPEB	250	-	250
Total Deferred Outflows of Resources	68,187	-	68,187

	Water & Sewer Fund	Nonmajor Sanitation Fund	Total
Liabilities			
Current liabilities:			
Accounts payable and other current liabilities	1,104,758	48,789	1,153,547
Accrued interest payable	27,957	-	27,957
Utility customer deposits	41,722	-	41,722
Payable to Collin County	238,856	-	238,856
Compensated absences payable	24,716	-	24,716
General obligation bonds payable - current	334,337	-	334,337
Total Current Liabilities	1,772,346	48,789	1,821,135
Noncurrent Liabilities			
General obligation bonds payable	5,647,875	-	5,647,875
Net pension liability	361,639	-	361,639
Total OPEB liability	15,513	-	15,513
Total Noncurrent Liabilities	6,025,027	-	6,025,027
Total Liabilities	7,797,373	48,789	7,846,162
Deferred Inflows of Resources			
Deferred inflows - pension	65,530	-	65,530
Deferred inflows - OPEB	6,404	-	6,404
Total Deferred Inflows of Resources	71,934	-	71,934
Net Position			
Net investment in capital assets	22,309,722	-	22,309,722
Restriction for capital projects	128,009	-	128,009
Unrestricted	9,104,271	33,365	9,137,636
Total Net Position	\$ 31,542,002	\$ 33,365	\$ 31,575,367

City of Parker, Texas

Meeting Date: 01/20/2026 Item 6.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS For the Year Ended September 30, 2025

	Water & Sewer Fund	Nonmajor Sanitation Fund	Total
Operating Revenues			
Charges for sales and services:			
Water sales	\$ 5,494,718	\$ -	\$ 5,494,718
Garbage collection	-	591,799	591,799
Sewer charges	589,929	-	589,929
Meter installations	114,750	-	114,750
Other revenue	29,935	-	29,935
Total Operating Revenues	6,229,332	591,799	6,821,131
Operating Expenses			
Purchased water	3,114,137	-	3,114,137
Depreciation	735,111	-	735,111
Personnel services	687,292	-	687,292
Cost of sanitation	-	571,207	571,207
Wastewater treatment	518,991	-	518,991
Other purchased services	502,733	-	502,733
Supplies and maintenance	353,537	-	353,537
Total Operating Expenses	5,911,801	571,207	6,483,008
Operating Income (Loss)	317,531	20,592	338,123
Non-Operating Revenues (Expenses)			
Interest revenue	252,261	-	252,261
Interest and fiscal charges	(198,501)	-	(198,501)
Total Non-Operating Revenues (Expenses)	53,760	-	53,760
Income (Loss) Before Transfers	371,291	20,592	391,883
Transfers in	5,146,085	-	5,146,085
Transfers out	(3,960,667)	-	(3,960,667)
Changes in Net Position	1,556,709	20,592	1,577,301
Net Position - Beginning	29,985,293	12,773	29,998,066
Net Position - Ending	\$ 31,542,002	\$ 33,365	\$ 31,575,367

City of Parker, Texas

Meeting Date: 01/20/2026 Item 6.

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended September 30, 2025

	Water & Sewer Fund	Nonmajor Sanitation Fund	Totals
Cash Flows from Operating Activities			
Cash received from customers	\$ 6,290,253	\$ 588,088	\$ 6,878,341
Cash payments to other suppliers and employees	(3,962,822)	(564,299)	(4,527,121)
Net Cash Provided (Used) by Operating Activities	<u>2,327,431</u>	<u>23,789</u>	<u>2,351,220</u>
Cash Flows from Non-capital Financing Activities			
Transfers in from other funds	5,146,085	-	5,146,085
Transfers out to other funds	(3,960,667)	-	(3,960,667)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>1,185,418</u>	<u>-</u>	<u>1,185,418</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of capital assets	(2,685,559)	-	(2,685,559)
Principal paid on debt	(323,140)	-	(323,140)
Interest paid on debt	(252,083)	-	(252,083)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,260,782)</u>	<u>-</u>	<u>(3,260,782)</u>
Cash Flows from Investing Activities			
Interest and dividends on investments	252,261	-	252,261
Net Cash Provided (Used) by Investing Activities	<u>252,261</u>	<u>-</u>	<u>252,261</u>
Net Increase (Decrease) in Cash and Cash Equivalents	504,328	23,789	528,117
Cash and Cash Equivalents at Beginning of Year	9,655,162	-	9,655,162
Cash and Cash Equivalents at End of Year	<u>\$ 10,159,490</u>	<u>\$ 23,789</u>	<u>\$ 10,183,279</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 317,531	\$ 20,592	\$ 338,123
Provided (used) by operating activities:			
Depreciation	735,111	-	735,111
Change in Assets and Liabilities:			
Decrease (increase) in receivables	54,607	(3,711)	50,896
Decrease (increase) in pension and OPEB related deferred outflows	34,253	-	34,253
Decrease (increase) in prepaid expenses	131,995	-	131,995
Increase (decrease) in accounts payable	982,683	6,908	989,591
Increase (decrease) in utility customer deposits	6,314	-	6,314
Increase (decrease) in compensated absences	5,453	-	5,453
Increase (decrease) in total OPEB obligation	(2,797)	-	(2,797)
Increase (decrease) in net pension obligation	52,842	-	52,842
Increase (decrease) in pension and OPEB related deferred inflows	9,439	-	9,439
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,327,431</u>	<u>\$ 23,789</u>	<u>\$ 2,351,220</u>
Noncash Capital and Related Financing Activities:			
Premium amortization	\$ 31,183	\$ -	\$ 31,183

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

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, 2025

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 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 implemented this Statement in the year ended September 30, 2025.

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.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

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.

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.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

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.

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, 2025

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, 2025

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).

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

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.

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).

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

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.”

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.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

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.

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.

City of Parker, Texas
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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.

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.

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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.

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.

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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.

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.

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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.

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
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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, 2025, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Days)	Credit Rating
Certificates of deposit	\$ 16,691,984	359	N/A
External investment pools			
TexSTAR	6,196,144	40	AAAm
<u>Total value</u>	<u>\$ 22,888,128</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.

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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, 2025, 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, 2025, 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
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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	\$ 29,209	\$ -	\$ 1,991	\$ -	\$ -	\$ 31,200
Sales tax	77,730	77,730	-	-	-	155,460
Franchise tax	59,496	-	-	-	-	59,496
Court	54,879	-	-	-	-	54,879
Accounts	-	-	-	758,492	63,384	821,876
Grants	-	-	-	429,683	-	429,683
Other	335	-	-	-	-	335
Allowance	(27,439)	-	-	(40,447)	(5,019)	(72,905)
	<u>\$ 194,210</u>	<u>\$ 77,730</u>	<u>\$ 1,991</u>	<u>\$ 1,147,728</u>	<u>\$ 58,365</u>	<u>\$ 1,480,024</u>

City of Parker, Texas

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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	2,740,006	-	-	2,740,006
Vehicles and equipment	3,915,984	334,674	-	4,250,658
Infrastructure	57,239,383	54,121	-	57,293,504
Right-to-use leased assets	351,823	-	(54,499)	297,324
Total capital assets, being depreciated/amortized	64,459,563	388,795	(54,499)	64,793,859
Less accumulated depreciation/amortization:				
Land improvements	(135,128)	(10,618)	-	(145,746)
Buildings and improvements	(1,159,456)	(64,275)	-	(1,223,731)
Vehicles and equipment	(3,375,760)	(230,291)	-	(3,606,051)
Infrastructure	(28,961,217)	(2,198,564)	-	(31,159,781)
Right-to-use leased assets	(60,351)	(89,984)	54,499	(95,836)
Total accumulated depreciation/amortization	(33,691,912)	(2,593,732)	54,499	(36,231,145)
Net capital assets being depreciated/amortized	30,767,651	(2,204,937)	-	28,562,714
Governmental Capital Assets	\$ 31,688,311	\$ (2,204,937)	\$ -	\$ 29,483,374

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

General government	\$ 50,103
Public safety	272,892
Public works	2,260,119
Parks and recreation	10,618
Total governmental activities depreciation/amortization expense	<u>\$ 2,593,732</u>

City of Parker, Texas
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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	6,393,687	2,423,901	(6,203,337)	2,614,251
Total capital assets not being depreciated	<u>6,717,353</u>	<u>2,423,901</u>	<u>(6,203,337)</u>	<u>2,937,917</u>
Capital assets, being depreciated:				
Water and sewer system	27,559,086	261,658	6,203,337	34,024,081
Vehicles and equipment	162,131	-	-	162,131
Total capital assets being depreciated	<u>27,721,217</u>	<u>261,658</u>	<u>6,203,337</u>	<u>34,186,212</u>
Less accumulated depreciation				
Water and sewer system	(8,200,968)	(733,744)	-	(8,934,712)
Vehicles and equipment	(159,396)	(1,367)	-	(160,763)
Total accumulated depreciation	<u>(8,360,364)</u>	<u>(735,111)</u>	<u>-</u>	<u>(9,095,475)</u>
Net capital assets being depreciated	<u>19,360,853</u>	<u>(473,453)</u>	<u>6,203,337</u>	<u>25,090,737</u>
Total Capital Assets	<u>\$ 26,078,206</u>	<u>\$ 1,950,448</u>	<u>\$ -</u>	<u>\$ 28,028,654</u>

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

Water	\$ 729,695
Sewer	<u>5,416</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 735,111</u>

City of Parker, Texas
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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	\$ 426,607	\$ -	\$ (131,860)	\$ 294,747	\$ 95,663
Premium	25,720	-	(8,017)	17,703	-
Certificate of Obligation	160,000	-	(160,000)	-	-
Total Bonds Payable	612,327	-	(299,877)	312,450	95,663
Right-to-use lease liability	280,809	-	(89,705)	191,104	72,011
Net pension liability	846,879	429,024	-	1,275,903	-
Total OPEB liability	50,214	4,516	-	54,730	-
Compensated absences	138,283	29,560	-	167,843	167,843
Total Governmental Activities	\$ 1,928,512	\$ 463,100	\$ (389,582)	\$ 2,002,030	\$ 335,517
Business-Type Activities:					
Bonds payable:					
General Obligation Refunding Bonds	\$ 398,393	\$ -	\$ (123,140)	\$ 275,253	\$ 89,337
Combination Tax and Revenue Bonds	5,585,000	-	(200,000)	5,385,000	245,000
Premium	353,280	-	(31,321)	321,959	-
Total Bonds Payable	6,336,673	-	(354,461)	5,982,212	334,337
Net pension liability	308,797	52,842	-	361,639	-
Total OPEB liability	18,310	-	(2,797)	15,513	-
Compensated absences	19,263	5,453	-	24,716	24,716
Total Business-Type Activities	\$ 6,683,043	\$ 58,295	\$ (357,258)	\$ 6,384,080	\$ 359,053

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.

City of Parker, Texas

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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	\$ -
2019 General Obligation Refunding Bonds (52%)	3.00%	1,285,000	294,747
Total Governmental Activities		2,770,000	294,747
Business-Type Activities			
2018 Combination Tax & Revenue Bonds (100%)	3.00 - 4.00%	6,075,000	5,385,000
2019 General Obligation Refunding Bonds (48%)	3.00%	1,200,000	275,253
Total Business-type Activities		7,275,000	5,660,253
Total Long-Term Debt			
2015 Certificate of Obligation (100%)	2.09%	1,485,000	-
2018 Combination Tax & Revenue Bonds (100%)	3.00 - 4.00%	6,075,000	5,385,000
2019 General Obligation Refunding Bonds (100%)	3.00%	2,485,000	570,000
Total		\$ 10,045,000	\$ 5,955,000

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

Governmental Activities		
2019 General Obligation Bonds		
Year ending	Principal	Interest
September 30,		
2026	\$ 95,663	\$ 7,407
2027	98,249	4,499
2028	100,835	1,513
Total	\$ 294,747	\$ 13,419

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. These certificates were paid off in the year ended September 30, 2025.

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.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
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The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

Year ending September 30,	Business-Type Activities			
	<u>2019 General Obligation Bonds</u>		<u>2018 Certificates of Obligation</u>	
	Principal	Interest	Principal	Interest
2026	\$ 89,337	\$ 6,918	\$ 245,000	\$ 210,500
2027	91,751	4,201	255,000	200,500
2028	94,165	1,412	265,000	190,100
2029	-	-	385,000	177,100
2030	-	-	400,000	161,400
2031 and after	-	-	3,835,000	646,100
Total	\$ 275,253	\$ 12,531	\$ 5,385,000	\$ 1,585,700

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.

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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	\$ -
Leased Chevy Explorer	1.55%	57,146	5.0	26,219
Leased Ford F-150 #1	1.55%	77,503	5.0	52,367
Leased Ford F-150 #2	1.55%	79,972	5.0	55,349
Leased Expedition	1.55%	82,703	5.0	57,169
Total Governmental Activities				\$ 191,104

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

Year ending September 30,	Principal	Interest	Total
2026	\$ 72,011	\$ 3,906	\$ 75,917
2027	59,907	2,826	62,733
2028	51,974	1,730	53,704
2029	7,212	869	8,081
Total	\$ 191,104	\$ 9,331	\$ 200,435

Other Liability

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, 2025, 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, 2025 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 \$4,132 and \$2,844, respectively. Current year amortization expense for governmental and business-type activities totaled \$1,430 and \$1,288, respectively.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

G. Customer Deposits

The City had customer deposits of \$52,000 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 \$41,722 payable in the Water and Sewer Fund at year end.

H. Interfund Transactions

The summary of interfund transfers for the year ended September 30, 2025 was as follows:

Transfer Out	Transfer In	Amount
Water & Sewer Fund	General Fund	\$ 25,000
General Fund	Technology Replacement Fund	150,000
General Fund	Parks Fund	40,000
General Fund	Street Construction Fund	1,133,614
General Fund	Utility Construction Fund	1,240,418
General Fund	Drainage Improvement Fund	100,000
General Fund	Facility Improvement Fund	300,000
General Fund	Equipment Replacement Fund	721,000
Water & Sewer Fund	Technology Replacement Fund	5,000
Water & Sewer Fund	Equipment Replacement Fund	25,000
Water & Sewer Fund	Revenue Bond I&S Fund	554,172
Water & Sewer Fund	Utility Construction Fund	328,355
Utility Impact Fee Fund	Utility Construction Fund	2,700,000
Revenue Bond I&S Fund	Water & Sewer Fund	323,140
Total		\$ 7,645,699

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.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

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.

D. Pension and OPEB Plans

Texas Municipal Retirement Systems

1. Plan Description

The City of Parker participates as one of 938 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.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

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 2024</u>	<u>Plan Year 2023</u>
Employee deposit rate	7%	7%
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

Employees Covered by Benefit Terms:

At the December 31, 2024 and 2023 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>2024</u>	<u>2023</u>
Inactive employees or beneficiaries currently receiving benefits	18	18
Inactive employees entitled to but not yet receiving benefits	19	16
Active employees	23	24
Total	<u>60</u>	<u>58</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.

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

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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 17.20% and 20.38% in calendar years 2024 and 2025 respectively. The City’s contributions to TMRS for the year ended September 30, 2025, were \$360,943, and were equal to the required contributions.

4. **Net Pension Liability**

The City’s Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2024 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.

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, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013.

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.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

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 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.10%
Core Fixed Income	6.0%	5.00%
Non-Core Fixed Income	6.0%	6.80%
Hedge Funds	5.0%	6.40%
Private Equity	13.0%	8.50%
Private Debt	13.0%	8.20%
Real Estate	12.0%	6.70%
Infrastructure	6.0%	6.00%
Other Private Markets	4.0%	7.30%
Total	100%	

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.

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%
\$2,646,179	\$1,637,542	\$808,139

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/23	\$ 5,672,316	\$ 4,516,639	\$ 1,155,677
Changes for the year:			
Service Cost	378,907	-	378,907
Interest	431,725	-	431,725
Difference between expected and actual experience	625,327	-	625,327
Change in benefit terms including substantively automatic status	-	-	-
Changes of assumptions	(25,209)	-	(25,209)
Contributions - employer	-	327,097	(327,097)
Contributions - employee	-	135,324	(135,324)
Net investment income	-	469,545	(469,545)
Benefit payments, including refunds or emp. contributions	(182,352)	(182,352)	-
Administrative expense	-	(3,010)	3,009
Other changes	-	(72)	72
Net changes	1,228,398	746,532	481,865
Balance at 12/31/24	\$ 6,900,714	\$ 5,263,171	\$ 1,637,542

Pension Plan Fiduciary Net Position:

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

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

For the year ended September 30, 2025, the City recognized pension expense of \$929,041.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

At September 30, 2025, 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	\$ -	\$ (240,001)
Changes in actuarial assumptions	7,509	-
Difference between projected and investment earnings	-	(56,729)
Contributions subsequent to the measurement date	287,243	-
Total	\$ 294,752	\$ (296,730)

The City reported \$287,243 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, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	Deferred Outflow (Inflow) of Resources
2026	\$ (86,946)
2027	(40,034)
2028	(129,309)
2029	(32,932)
2030	-
Thereafter	-
Total	\$ (289,221)

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.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

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 2024	Plan Year 2023
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, 2024 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	5
Active employees	23
Total	40

3. Contributions

The City's contributions to the TMRS SDBP for the years ended 2025, 2024, and 2023 were \$1,606, \$2,054, and \$2,943, 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
2024	0.11%	0.11%	100.00%
2025	0.08%	0.08%	100.00%

City of Parker, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

4. Total OPEB Liability

The City’s Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2024, 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, 2024 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	4.08%, 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.

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.

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2025

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.08%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.

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 4.08%, 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 (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

1% Decrease 3.08%	Current Discount Rate 4.08%	1% Increase 5.08%
\$84,203	\$70,243	\$59,251

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 12/31/23	\$ 68,524
Changes for the year:	
Service Cost	4,253
Interest	2,623
Difference between expected and actual experience	917
Changes in assumptions	(3,947)
Benefit payments	(2,127)
Net changes	1,719
Balance at 12/31/24	<u><u>\$ 70,243</u></u>

City of Parker, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

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

For the year ended September 30, 2025, the City recognized OPEB expense of \$2,619. At September 30, 2025, 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	\$ -	\$ (14,749)
Differences between expected and actual economic experience	-	(14,252)
Contributions subsequent to the measurement date	1,132	-
Total	\$ 1,132	\$ (29,001)

The City reported \$1,132 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, 2026.

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
2025	\$ (15,263)
2026	(4,270)
2027	(4,964)
2028	(3,997)
2029	(507)
Thereafter	-
Total	\$ (29,001)

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.

City of Parker, Texas
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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 \$10,400 for the year ended September 30, 2025. The City does not contribute to the plan.

F. Prior Period Adjustment

During the year ended September 30, 2025, the City determined that the unearned revenue recognized in prior years would never be earned. The unearned revenue derived from a grant which had since been taken over by another grantor, and under terms different than those under which the unearned revenue was recognized. The effects of this adjustment are summarized in the below table.

	Governmental Activities	Capital Street Construction Fund
Beginning net position, as previously reported at September 30, 2024	\$ 43,568,289	\$ 2,029,047
Adjustment due to unearned revenue	117,091	117,091
Beginning net position, as restated at September 30, 2024	<u>\$ 43,685,380</u>	<u>\$ 2,146,138</u>

G. Subsequent Events

The City has evaluated all events and transactions that occurred after September 30, 2025 through the date these financial statements were available to be issued. Management has determined that there are no subsequent events to disclose.

REQUIRED SUPPLEMENTARY INFORMATION

City of Parker, Texas

Meeting Date: 01/20/2026 Item 6.

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes:				
Property	\$ 5,849,505	\$ 5,849,505	\$ 5,906,304	\$ 56,799
Sales and mixed beverage taxes	364,300	364,300	460,554	96,254
Franchise and local taxes	338,000	338,000	363,849	25,849
Grants	1,100	1,100	973,689	972,589
Investment income	650,000	650,000	737,074	87,074
Licenses and permits	347,500	347,500	402,195	54,695
Fines and forfeitures	225,000	225,000	132,466	(92,534)
Other revenue	6,000	6,000	55,243	49,243
Total Revenues	<u>7,781,405</u>	<u>7,781,405</u>	<u>9,031,374</u>	<u>1,249,969</u>
Expenditures				
Current operating:				
Police department	1,700,559	1,700,559	1,430,421	270,138
Fire department	1,035,190	1,035,190	996,014	39,176
General government	916,946	941,946	653,652	288,294
City property	510,220	585,220	546,958	38,262
Public works	645,309	645,309	343,914	301,395
Building and code enforcement	251,136	251,136	248,264	2,872
Municipal court	239,718	239,718	119,683	120,035
Capital outlay	-	-	5,589	(5,589)
Total Expenditures	<u>5,299,078</u>	<u>5,399,078</u>	<u>4,344,495</u>	<u>1,054,583</u>
Excess of Revenues Over (Under) Expenditures	<u>2,482,327</u>	<u>2,382,327</u>	<u>4,686,879</u>	<u>2,304,552</u>
Other Financing Sources (Uses)				
Transfers in	50,000	50,000	25,000	(25,000)
Transfers out	(2,444,614)	(3,685,032)	(3,685,032)	-
Insurance reimbursements	-	-	73,074	73,074
Total Other Financing Sources (Uses)	<u>(2,394,614)</u>	<u>(3,635,032)</u>	<u>(3,586,958)</u>	<u>48,074</u>
Net Change in Fund Balances	<u>87,713</u>	<u>(1,252,705)</u>	<u>1,099,921</u>	<u>\$ 2,352,626</u>
Fund Balances, Beginning	<u>8,478,080</u>	<u>8,478,080</u>	<u>8,478,080</u>	
Fund Balances, Ending	<u>\$ 8,565,793</u>	<u>\$ 7,225,375</u>	<u>\$ 9,578,001</u>	

City of Parker, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM Last Ten Measured Years

Measurement Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Total Pension Liability				
Service Cost	\$ 378,907	\$ 314,090	\$ 283,945	\$ 257,639
Interest	431,725	386,717	332,151	311,777
Change in benefit terms	625,328	374,920	-	-
Difference between expected and actual experience	(25,209)	(450,141)	100,756	(37,249)
Changes of assumptions	-	13,423	-	-
Benefit payments, including refunds of participant contributions	(182,352)	(327,739)	(269,169)	(217,794)
Net change in total pension liability	1,228,399	311,270	447,683	314,373
Total pension liability, beginning	5,672,316	5,361,046	4,913,363	4,598,990
Total pension liability, ending (a)	<u>\$ 6,900,715</u>	<u>\$ 5,672,316</u>	<u>\$ 5,361,046</u>	<u>\$ 4,913,363</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 327,097	\$ 240,419	\$ 266,565	\$ 236,706
Contributions - members	135,324	107,811	117,171	107,349
Net investment income	469,545	466,995	(308,444)	472,758
Benefit payments, including refunds of participant contributions	(182,352)	(327,739)	(269,169)	(217,794)
Administrative expenses	(3,010)	(2,969)	(2,669)	(2,189)
Other	(71)	(21)	3,187	15
Net change in plan fiduciary net position	746,533	484,496	(193,359)	596,845
Plan fiduciary net position, beginning	4,516,639	4,032,143	4,225,502	3,628,657
Plan fiduciary net position, ending (b)	<u>\$ 5,263,172</u>	<u>\$ 4,516,639</u>	<u>\$ 4,032,143</u>	<u>\$ 4,225,502</u>
Net pension liability/(asset) ending = (a) - (b)	<u>\$ 1,637,542</u>	<u>\$ 1,155,676</u>	<u>\$ 1,328,903</u>	<u>\$ 687,861</u>
Plan fiduciary net position as a % of total pension liability	76.27%	79.63%	75.21%	86.00%
Covered payroll	\$ 1,933,197	\$ 1,796,855	\$ 1,952,854	\$ 1,789,157
Net pension liability as a % of covered payroll	84.71%	64.32%	68.05%	38.45%

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability.

12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
\$ 240,809	\$ 232,383	\$ 197,110	\$ 177,420	\$ 169,837	\$ 142,149
284,370	263,390	245,536	226,154	207,380	196,185
-	28,011	-	-	-	-
97,916	66,461	(478)	19,112	52,583	(2,192)
-	11,930	-	-	-	81,015
(233,179)	(301,958)	(144,651)	(146,144)	(164,770)	(157,911)
389,916	300,217	297,517	276,542	265,030	259,246
4,209,074	3,908,857	3,611,340	3,334,798	3,069,768	2,810,522
<u>\$ 4,598,990</u>	<u>\$ 4,209,074</u>	<u>\$ 3,908,857</u>	<u>\$ 3,611,340</u>	<u>\$ 3,334,798</u>	<u>\$ 3,069,768</u>
\$ 216,779	\$ 199,957	\$ 180,329	\$ 161,326	\$ 140,906	\$ 132,625
100,827	98,259	87,800	79,147	75,483	68,124
249,892	441,645	(84,398)	332,048	148,469	3,182
(233,179)	(301,958)	(144,651)	(146,144)	(164,770)	(157,911)
(1,619)	(2,499)	(1,634)	(1,723)	(1,679)	(1,938)
(62)	(74)	(87)	(87)	(90)	(96)
332,638	435,330	37,359	424,567	198,319	43,986
3,296,019	2,860,689	2,823,330	2,398,763	2,200,444	2,156,458
<u>\$ 3,628,657</u>	<u>\$ 3,296,019</u>	<u>\$ 2,860,689</u>	<u>\$ 2,823,330</u>	<u>\$ 2,398,763</u>	<u>\$ 2,200,444</u>
<u>\$ 970,333</u>	<u>\$ 913,055</u>	<u>\$ 1,048,168</u>	<u>\$ 788,010</u>	<u>\$ 936,035</u>	<u>\$ 869,324</u>
78.90%	78.31%	73.18%	78.18%	71.93%	71.68%
\$ 1,680,453	\$ 1,637,653	\$ 1,463,325	\$ 1,319,109	\$ 1,258,049	\$ 1,136,281
57.74%	55.75%	71.63%	59.74%	74.40%	76.51%

City of Parker, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO RETIREMENT PLAN TEXAS MUNICIPAL RETIREMENT SYSTEM Last Ten Fiscal Years

	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Actuarially determined employer contributions	\$ 362,549	\$ 319,266	\$ 249,437	\$ 272,889
Contributions in relation to the actuarially determined contribution	362,549	319,266	249,437	272,889
Contribution deficiency (excess)	-	-	-	-
Annual covered payroll	\$ 1,846,237	\$ 1,948,005	\$ 1,820,873	\$ 2,003,463
Employer contributions as a percentage of covered payroll	19.64%	16.39%	13.70%	13.62%

Notes to Schedule:

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st each year 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	20 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	<p>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).</p> <p>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).</p>

Other Information:

Notes Adopted 50% non-retroactive repeating COLA.

The information in this schedule has been determined as of the City's most recent fiscal year-end.

<u>9/30/2021</u>	<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>
\$ 228,226	\$ 210,992	\$ 200,142	\$ 170,493	\$ 154,623	\$ 134,731
<u>228,226</u>	<u>210,992</u>	<u>200,142</u>	<u>170,493</u>	<u>154,623</u>	<u>134,731</u>
-	-	-	-	-	-
\$ 1,736,745	\$ 1,659,525	\$ 1,634,800	\$ 1,385,733	\$ 1,293,066	\$ 1,191,182
13.14%	12.71%	12.24%	12.30%	11.96%	11.31%

City of Parker, Texas

Meeting Date: 01/20/2026 Item 6.

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS *TEXAS MUNICIPAL RETIREMENT SYSTEM* Last Ten Measured Years

	12/31/2024	12/31/2023	12/31/2022
Total OPEB liability			
Service Cost	\$ 4,253	\$ 3,234	\$ 7,226
Interest	2,623	2,744	1,721
Changes in benefit terms	-	-	-
Differences between expected and actual experience	917	(6,191)	3,211
Changes in assumptions or other inputs	(3,947)	3,398	(34,344)
Benefit payments, including refunds of participant contributions	(2,127)	(1,617)	(1,562)
Net Change in Total OPEB Liability	<u>1,719</u>	<u>1,568</u>	<u>(23,748)</u>
Total OPEB Liability - Beginning	<u>68,524</u>	<u>66,956</u>	<u>90,704</u>
Total OPEB Liability - Ending (a)	<u>\$ 70,243</u>	<u>\$ 68,524</u>	<u>\$ 66,956</u>
 Covered-Employee Payroll	 \$ 1,933,197	 \$ 1,796,855	 \$ 1,952,854
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 3.63%	 3.81%	 3.43%

Notes to Schedule:

The information in this schedule has been determined as of the measurement date (December 31) of the City's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 75, only periods for which such information is available are presented.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.1010 to pay related benefits for the OPEB plan.

12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
\$ 4,831	\$ 3,697	\$ 4,094	\$ 4,390	\$ 3,430
1,649	1,939	5,520	1,537	1,432
-	-	-	-	-
2,010	(4,248)	(98,867)	100,311	-
2,876	10,894	11,490	(3,411)	3,479
(1,431)	(335)	(328)	(293)	(264)
9,935	11,947	(78,091)	102,534	8,077
80,769	68,823	146,914	44,380	36,303
<u>\$ 90,704</u>	<u>\$ 80,770</u>	<u>\$ 68,823</u>	<u>\$ 146,914</u>	<u>\$ 44,380</u>
\$ 1,789,157	\$ 1,680,453	\$ 1,637,653	\$ 1,463,325	\$ 1,319,109
5.07%	4.81%	4.20%	10.04%	3.36%

OTHER SUPPLEMENTARY INFORMATION

City of Parker, Texas

Meeting Date: 01/20/2026 Item 6.

COMBINING BALANCE SHEET OTHER NONMAJOR GOVERNMENTAL FUNDS September 30, 2025

	Capital Drainage Fund	Capital Facilities Fund	Volunteer Fire Dept. Fund	Law Enforcement Fund	Equipment Replacement Fund
Assets					
Cash and cash equivalents	\$ 507,239	\$ 1,576,635	94,208	\$ 14,348	\$ 1,407,964
Prepays	-	-	-	-	15,135
Total Assets	<u>507,239</u>	<u>1,576,635</u>	<u>94,208</u>	<u>14,348</u>	<u>1,423,099</u>
Liabilities					
Accounts payable	-	-	700	9,432	63,812
	<u>-</u>	<u>-</u>	<u>700</u>	<u>9,432</u>	<u>63,812</u>
Fund Balances					
Nonspendable	-	-	-	-	15,135
Restricted for:					
Public safety	-	-	93,508	4,916	-
Parks and recreation	-	-	-	-	-
Committed:					
Capital projects	507,239	1,576,635	-	-	1,344,152
Total Fund Balances	<u>507,239</u>	<u>1,576,635</u>	<u>93,508</u>	<u>4,916</u>	<u>1,359,287</u>
Total Liabilities and Fund Balances	<u>\$ 507,239</u>	<u>\$ 1,576,635</u>	<u>\$ 94,208</u>	<u>\$ 14,348</u>	<u>\$ 1,423,099</u>

Court Security Fund	Court Technology Fund	Child Safety Fund	Police Donations Fund	Parks Fund	Technology Replacement Fund	Total Other Nonmajor Governmental Funds
\$ 64,597	\$ 10,426	\$ 21,625	\$ 10,165	\$ 59,222	218,920	\$ 3,985,349
-	-	-	-	-	-	15,135
64,597	10,426	21,625	10,165	59,222	218,920	4,000,484
-	-	-	-	-	-	73,944
-	-	-	-	-	-	73,944
-	-	-	-	-	-	15,135
64,597	10,426	21,625	10,165	-	-	205,237
-	-	-	-	59,222	-	59,222
-	-	-	-	-	218,920	3,646,946
64,597	10,426	21,625	10,165	59,222	218,920	3,926,540
<u>\$ 64,597</u>	<u>\$ 10,426</u>	<u>\$ 21,625</u>	<u>\$ 10,165</u>	<u>\$ 59,222</u>	<u>\$ 218,920</u>	<u>\$ 4,000,484</u>

City of Parker, Texas

Meeting Date: 01/20/2026 Item 6.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER NONMAJOR GOVERNMENTAL FUNDS For the Year Ended September 30, 2025

	Capital Drainage Fund	Capital Facilities Fund	Volunteer Fire Dept. Fund	Law Enforcement Fund	Equipment Replacement Fund
Revenues					
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	1,988	-	-
Investment income	-	-	1,764	-	-
Other income	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>3,752</u>	<u>-</u>	<u>-</u>
Expenditures					
Current:					
General government	-	-	1,208	1	119,153
Public safety	-	-	1,632	-	-
Capital outlay	6,000	-	13,134	-	315,951
Debt service:					
Principal	-	-	-	-	89,705
Interest	-	-	-	-	1,483
Total Expenditures	<u>6,000</u>	<u>-</u>	<u>15,974</u>	<u>1</u>	<u>526,292</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,000)	-	(12,222)	(1)	(526,292)
Other Financing Sources (Uses)					
Transfers in	100,000	300,000	-	-	746,000
Insurance reimbursements	-	-	-	-	132,892
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>878,892</u>
Net Change in Fund Balances	94,000	300,000	(12,222)	(1)	352,600
Beginning Fund Balances	413,239	1,276,635	105,730	4,917	1,006,687
Ending Fund Balances	<u>\$ 507,239</u>	<u>\$ 1,576,635</u>	<u>\$ 93,508</u>	<u>\$ 4,916</u>	<u>\$ 1,359,287</u>

Court Security Fund	Court Technology Fund	Child Safety Fund	Police Donations Fund	Parks Fund	Technology Replacement Fund	Total Other Nonmajor Governmental Funds
\$ 4,822	\$ 3,938	\$ 7,912	\$ -	\$ -	\$ -	\$ 16,672
-	-	-	2,398	9,893	-	14,279
-	-	-	-	-	-	1,764
-	-	-	-	35	-	35
<u>4,822</u>	<u>3,938</u>	<u>7,912</u>	<u>2,398</u>	<u>9,928</u>	<u>-</u>	<u>32,750</u>
-	-	-	2,500	11,420	-	134,282
-	3,160	3,166	-	-	20,854	28,812
-	-	-	-	-	-	335,085
-	-	-	-	-	-	89,705
-	-	-	-	-	-	1,483
<u>-</u>	<u>3,160</u>	<u>3,166</u>	<u>2,500</u>	<u>11,420</u>	<u>20,854</u>	<u>589,367</u>
4,822	778	4,746	(102)	(1,492)	(20,854)	(556,617)
-	-	-	-	40,000	155,000	1,341,000
-	-	-	-	-	-	132,892
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>155,000</u>	<u>1,473,892</u>
4,822	778	4,746	(102)	38,508	134,146	917,275
59,775	9,648	16,879	10,267	20,714	84,774	3,009,265
<u>\$ 64,597</u>	<u>\$ 10,426</u>	<u>\$ 21,625</u>	<u>\$ 10,165</u>	<u>\$ 59,222</u>	<u>\$ 218,920</u>	<u>\$ 3,926,540</u>

COMPLIANCE AND INTERNAL CONTROL SECTION

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 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, 2025, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated January 20, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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.

A handwritten signature in black ink that reads "Vail + Park, P.C." The signature is written in a cursive, slightly slanted style.

Tom Bean, Texas
January 20, 2026

January 20, 2026

To the Honorable Mayor and City Council of the

City of Parker, Texas

5700 E Parker Rd

Parker, TX 75002

We have audited 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”) for the year ended September 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, 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 18, 2025. 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. As described in Note I to the financial statements, the City changed accounting policies related to accrued compensated absences by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, *Compensated Absences*, in the year ended September 30, 2025. There is no cumulative effect of the accounting change as of the beginning of the year. We noted no transactions entered into by 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 estimate(s) affecting the City’s financial statements were:

Management’s estimate of the allowance for doubtful accounts 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 methods, assumptions, and data used to develop the estimates in determining that they are 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 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.

Disagreements with Management

For 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 January 20, 2026.

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 to our retention.

See Attachment II for our management recommendation letter.

Other Matters

We applied certain limited procedures to management's discussion & analysis, the general fund budgetary comparison information, and the pension & OPEB tables, 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 combining and individual fund statements for nonmajor governmental 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 Mayor and City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Vail + Park, P.C.

Client: CITY OF PARKER
Engagement: 2025
Current Period: 09/30/2025

Attachment I

Account	Description	Debit	Credit	Net Income Effect
AJE #01				
<i>An immaterial adjustment to properly classify capital outlay & non-capital outlay expenditures.</i>				
22-900-8903	MOTOR VEHICLES	0.00	487.00	
22-900-8703	INTEREST	487.00	0.00	
Total		<u>487.00</u>	<u>487.00</u>	<u>0.00</u>
GRAND TOTAL		<u>487.00</u>	<u>487.00</u>	<u>0.00</u>

January 20, 2026

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, 2025, 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 January 20, 2026, 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 2025 Recommendations:

- 1) **Debt Service Fund Net Position** – The Debt Service Fund's ending net position stands at \$107,045, with a net loss of \$152,629 during the fiscal year. We recommend that the City closely monitor this fund to prevent the net position from turning negative.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. This communication is intended solely for the information and use of management, the City Council, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

Vail & Park, P.C.

Vail & Park, P.C.
Tom Bean, Texas



City of Parker, Texas FY2025 Audit Results

September 30, 2025

Presented by Susan K. LaFollett, CPA
Principal

Agenda

- ▶ Objective and Scope of Audit
- ▶ Overview
- ▶ Audit Results
- ▶ Financial Highlights
- ▶ Management Recommendations
- ▶ Q&A

Objective of Audit

- ▶ Texas Local Government Code 103.001 & 103.003:
 - ▶ A municipality shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit.
 - ▶ The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the municipal secretary or clerk within 180 days after the last day of the municipality's fiscal year.
- ▶ Texas Senate Bill (SB) 1851:
 - ▶ Under this new law, cities must be current on all audits before they can adopt a tax rate that exceeds the no-new-revenue tax rate.

Scope of Audit

- ▶ We conducted the audit in accordance with Generally Accepted Auditing Standards (US GAAS) and Government Auditing Standards, issued by the Comptroller General of the United States (the “Yellow Book”).
- ▶ We documented and evaluated our understanding of the design and implementation of accounting internal controls.
- ▶ We performed a risk assessment to determine the nature, extent and timing of our substantive audit procedures.
- ▶ We are required to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- ▶ We performed tests of the City’s compliance with certain provisions of laws, regulations, contracts and grant agreements, including items such as compliance with:
 - ▶ Public Funds Investment Act (PFIA)

Overview

- ▶ ***Significant Changes to Our Planned Audit Strategy:***
 - ▶ There were no changes to our planned audit approach from those communicated to the City.
 - ▶ There were no changes to our significant risks identified.
 - ▶ Significant risks include:
 - ▶ Improper revenue recognition
 - ▶ Management override of controls
- ▶ ***Results of Work Performed:***
 - ▶ There are no independence matters to report.
 - ▶ There are no identified significant deficiencies or material weaknesses.
- ▶ ***Our Audit Report:***
 - ▶ We will be issuing an unmodified audit report on the financial statements.
 - ▶ We will be issuing a report on internal control over financial reporting and on compliance with no findings.
- ▶ ***Other Matters:***
 - ▶ As of the date of these communications, there are no items outstanding requiring the governing body's attention.

Audit Results

- ▶ Independent Auditor's Report:
 - ▶ Unmodified Audit Opinion ("Clean Opinion")
 - ▶ This is the opinion that citizens, debt holders, granting agencies, etc. like to see.
- ▶ 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*:
 - ▶ No material weaknesses, significant deficiencies, or instances of noncompliance with laws, regulations, or grant agreements detected.

Financial Highlights

▶ Financial Statements

- ▶ Independent Auditor's Report (page 1-3)
- ▶ Management's Discussion and Analysis (page 5-15)
- ▶ Government-Wide Financial Statements (pages 18-21)
- ▶ Governmental Fund Financial Statements (pages 22-25)
- ▶ Proprietary Fund Financial Statements (pages 26-29)
- ▶ Notes to Financial Statements (page 30-63)
- ▶ Required Supplementary Information (Pages 65-71)
- ▶ Combining Non-Major Fund Financial Statements (pages 74-77)
- ▶ Compliance and Internal Control Section (page 81-82)

Financial Highlights

- ▶ Government-wide Financials Comparison (pages 18-21)
- ▶ As of September 30, 2025, the City reported a Total Net Position of \$76,388,606, which is an increase of \$2,705,160 from FY24.
 - ▶ The primary reason for the increase is due to increases in tax revenue (including property taxes and sales taxes).
 - ▶ Net Investment in Capital Assets of \$ 51,289,026.
 - ▶ Unrestricted Net Position of \$20,922,211.

Financial Highlights

▶ Government-wide Financials Comparison (pages 18-21)

▶ Governmental Activities

- ▶ Total revenues decreased by \$194,547 or 2% (property taxes, sales taxes, and grants and contributions are the largest revenue sources). Property tax revenue increased by \$549,632, or 10% from FY24 whereas grants and contributions decreased by \$1,093,494 or 53% from FY24 due to the expenditure of CSLFRF funds in FY24.
- ▶ Total expenses increased by \$574,615 or 8%, with the largest expense increases attributable to general government and public works.

▶ Business-Type Activities

- ▶ Total revenues decreased by \$1,915,579 or 21% due to nonrecurring grants and contributions and total expenses increased by \$792,388, or 13%. This increase in expense is primarily due to increased personnel and water purchase.

Financial Highlights

- ▶ General Fund Liquidity Calculation: the City's General Fund has a strong financial position with approximately **26 months** reserves at September 30, 2025.
 - ▶ (Unassigned general fund balance / Total general fund expenditures x 12 months)
 - ▶ (\$9,570,751 / \$ 4,344,495 x 12)
 - ▶ The Government Finance Officers Association (GFOA) recommends 3-6 months worth of annual expenditures as reserves for the General Fund.

Financial Highlights

- ▶ Water and Sewer Fund unrestricted net position (page 26-27):
 - ▶ The unrestricted net position of the Water and Sewer fund increased by \$1,535,875 (20%) from FY24.
 - ▶ FY 24: \$7,568,396
 - ▶ FY25: \$9,104,271
 - ▶ Represents 18 months reserves at FY25, which may be used to meet the Fund's ongoing obligations.
 - ▶ The GFOA is silent as to what should be considered an adequate reserve amount for this proprietary-type fund.
 - ▶ Total net position increased by \$1,577,301 from FY24 to FY25.

Management Recommendations

- ▶ The City's audit went well this year; we did note a recommendation to further improve financial operations:
 - ▶ ***Recommendation 1 - Debt Service Fund Net Position :***
 - ▶ The Debt Service Fund's ending net position stands at \$107,045, with a net loss of \$152,629 during the fiscal year. We recommend that the City closely monitor this fund to prevent the net position from turning negative.

Thank You

- ▶ We would like to thank:
 - ▶ Grant Savage, *Finance Director*
 - ▶ Patti Scott Hull, *Assistant City Administrator / City Secretary*
- They were very responsive to our audit requests, and it was a pleasure to work with them on this audit.*

Thank you for the opportunity to be of
service to you!

Any questions?

Contact information:

Susan K. LaFollett, CPA
Susan.lafollett@vailcpas.com
903-546-6975



Council Agenda Item

Budget Account Code: Not applicable	Meeting Date: See above.
Budgeted Amount: Not applicable	Department/ Requestor: Council
Fund Balance-before expenditure: Not applicable	Prepared by: ACA/CS Scott Hull for City Attorney Clifton/City Administrator Manton
Estimated Cost: Not applicable	Date Prepared: January 12, 2026
Exhibits:	<ol style="list-style-type: none"> 1. TEMAT Overview Letter 2. TEMAT MOU Process 3. Memorandum of Understanding (MOU)

AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION NO. 2026–880 PROVIDING FOR THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN TEXAS DIVISION OF EMERGENCY MANAGEMENT AND THE CITY OF PARKER.

SUMMARY

The Texas Department of Emergency Management has streamlined and modernized its framework for interjurisdictional support during disasters and critical incidents through a jurisdiction-wide Memorandum of Understanding (MOU).

Before you tonight is a joint MOU for the purpose of providing personnel from the City of Parker to participate in disaster response throughout the state. The MOU includes all TDEM emergency response teams with the exception of the Texas Emergency Medical Task Force (EMTF), which would not be directly applicable to the City of Parker. This MOU also serves as the authorization for the request for reimbursement for personnel deployments.

There are no costs associated with this MOU, and this does not affect our ability to receive support in the event of a disaster. Providing personnel is at the jurisdiction's discretion, and nominees must pass screening and training requirements.

POSSIBLE ACTION

Approve, reject, or direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Hull</i>	Date:	01/12/2026
City Attorney:	<i>Catherine Clifton</i>	Date:	01/15/2026 via Municode
City Administrator:	<i>Kent Manton</i>	Date:	01/15/2026 via Municode

RESOLUTION NO. 2026-880
(MOU with Texas Department of Emergency Management)

A RESOLUTION OF THE CITY OF PARKER, TEXAS, PROVIDING FOR THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN TEXAS DIVISION OF EMERGENCY MANAGEMENT AND THE CITY OF PARKER.; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Texas Division of Emergency Management coordinates activities of the Texas Emergency Management Assistant Teams (“TEMAT”); and

WHEREAS, the City of Parker desires to have the ability to participate with TEMAT teams when appropriate; and

WHEREAS, the Memorandum of Understanding attached hereto as Exhibit A sets forth terms and conditions for participation in TEMAT teams, including reimbursement for participation; and

WHEREAS, the City Council of the City of Parker, Texas finds that the Memorandum of Understanding attached hereto as “Exhibit A” is in the best interests of the City of Parker.

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

SECTION 1. The findings and recitations contained in the preamble of this resolution are incorporated herein by reference as true and as if fully set forth in the body of this resolution.

SECTION 2. The City Council hereby authorizes the Mayor, or designee, to sign a Memorandum of Understanding with the Texas Department of Emergency Management as attached hereto.

SECTION 3. All provisions of the resolutions of the City of Parker, Texas, in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 4. Should any word, sentence, paragraph, subdivision, clause, phrase, or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

SECTION 5. This Resolution shall become effective immediately from and after its passage.

RESOLUTION No. 2026-880
(MOU with TDEM)

DULY RESOLVED AND ADOPTED by the City Council of the City of Parker, Texas, on this the 20th day of January, 2026.

CITY OF PARKER:

Lee Pettie, Mayor

ATTEST:

Patti Scott Hull, City Secretary

APPROVED AS TO LEGAL FORM:

Catherine Clifton, City Attorney

EXHIBIT "A"

Proposed

Memorandum of Understanding Between Texas Division of Emergency Management and Texas Emergency Management Assistance Teams Participating Jurisdiction/Employer

This memorandum of understanding (“TEMAT MOU”) becomes effective as of the date of final signature, by and between the Texas Division of Emergency Management (“TDEM”), a member of The Texas A&M University System (“A&M System”) and an agency of the State of Texas, and the Texas Emergency Management Assistance Teams (“TEMAT”) participating jurisdiction/employer _____ (“Jurisdiction”).

I. PURPOSE

In accordance with Texas Government Code Chapter 418, Subchapter E-1 Texas Statewide Mutual Aid System, and the State of Texas Emergency Management Plan, this TEMAT MOU delineates responsibilities and procedures for TEMAT activities. TDEM’s authority is provided through the State of Texas to activate state resources for the purposes of TEMAT Programs.

TEMAT Programs include and are administered by the state agencies listed below:

TEMAT Program	State Agency Program Administrator	Program Summary
Incident Support Task Force (ISTF)	Texas Division of Emergency Management (TDEM)	Provides support through multiple areas of expertise throughout response and recovery initiatives
Public Works Response Team (PWRT)	Texas A&M Engineering Extension Service (TEEX)	Provides support for critical infrastructure systems
Texas A&M Task Force 1 (TX-TF1)	Texas A&M Engineering Extension Service (TEEX)	Provides search and rescue support through Texas A&M Task Force 1, Texas Task Force 2, and Texas A&M Task Force 3
State of Texas Incident Management Team (IMT)	Texas Division of Emergency Management (TDEM)	Provides position specific personnel to assist in emergency operations
Texas Intrastate Fire Mutual Aid System (TIFMAS)	Texas A&M Forest Service (TFS)	Provides wildland and fire department support

II. SCOPE

The provisions of this memorandum of understanding apply to TEMAT activities performed at the request of TDEM at the option of the participating Jurisdiction. These activities may be in conjunction with, or in preparation of, a local, state or federal declaration of disaster. The scope of this TEMAT MOU also includes training activities sponsored by the state, TDEM, the Jurisdiction, and the Program Administrators to maintain TEMAT operational readiness.

III. PERIOD OF PERFORMANCE

This TEMAT MOU commences on the date of the last signature and continues for a period of five (5) years unless terminated earlier in accordance with the terms of this TEMAT MOU.

IV. DEFINITIONS

- A. Affiliated Member: A TEMAT Member that is associated with a Jurisdiction or participating agency for purposes of this agreement.
- B. Backfill: The assignment of personnel by a participating Jurisdiction to meet their minimum level of staffing to replace a deployed TEMAT Member.
- C. Incident Support Task Force: The division of TDEM is responsible for maintaining all TEMAT program information to include but not limited to this TEMAT MOU and the ISTF Program Guide.
- D. Jurisdiction: A TEMAT Member's employer, which, by the execution of this TEMAT MOU, has provided official approval of their employee's membership involvement with TEMAT.
- E. Member: An employee of a Jurisdiction who has been formally accepted into a TEMAT Program and is in compliance with all program requirements (for both TEMAT overall and specific requirements for the program(s) for which they are a Member). For clarification, the lower-case use of "member" within this agreement, refers to a A&M System member.
- F. PIV-I: Personal Identification Verification Interoperability card should be issued to all first responders.
- G. Program: One of the TEMAT Programs listed in the above table and administered by a Texas state agency to provide assistance during an emergency event or disaster.
- H. Program Administrator: Designated State agency representative participating in the program or administering the program on behalf of the state.

- I. Red Card: A National Wildfire Coordinating Group (NWCG) "Red Card" is a credential issued to wildland firefighters that verifies their qualifications and training for specific wildland fire positions.
- J. State Mutual Aid Reimbursement Guide: A living document explaining how TDEM will reimburse local responding entities, state agencies, and other entities for accepting and responding to state-assigned mutual aid missions.
- K. TEMAT: Any response team administered by a state Jurisdiction of Texas to provide response assistance to local Jurisdictions or the state of Texas.
- L. TEMAT Training and Exercises – Jurisdiction Sponsored: Training and/or exercises performed at the direction, control, expense, and funding of a participating Jurisdiction in order to develop and maintain capabilities of the Member and TEMAT.
- M. TEMAT Training and Exercises – State or Administrator Sponsored: Training and/or exercises performed at the direction, control, expense, and funding of the state or Program Administrator.
- N. Unaffiliated Member: An approved Member of the Incident Support Task Force that is not currently employed by a government entity.

V. RESPONSIBILITIES

- A. TDEM shall be responsible for the following:
 - 1. Provide and maintain administrative and personnel management guidelines and procedures related to TEMAT and this TEMAT MOU.
 - 2. Maintain, in coordination with Program Administrators, programmatic guidance to provide standard operating procedures that are current and readily available to Program Administrators, Jurisdictions, and Members.
 - 3. Provide training to Members. Training shall be consistent with the objectives of the TEMAT Program overall to include but not limited to State Operations Center functions, financial reimbursement, and other training.
 - 4. Work with Program Administrators to ensure all administrative, fiscal, and personnel management guidelines are consistent across all TEMAT Programs.
 - 5. Provide coordination between Program Administrators, other relevant governmental and private entities, Jurisdiction, and Member.
 - 6. Maintain overall TEMAT contact list for all Jurisdictions and Members.

B. The TDEM shall ensure that the Program Administrator(s) will do the following:

1. Recruit and manage Members for their specific program according to guidelines outlined in the program-specific guidance manual.
2. Produce related portion of the program-specific guidance manual to provide standard operating procedures that are current and readily available to Members.
3. Provide and maintain qualifications, training, and operational guidelines and procedures related to the TEMAT Program they administer.
4. Provide upon approval of membership and then collect upon separation from the program equipment, uniforms, and identification issued on behalf of TEMAT.
5. Provide training for Members. Training must be consistent with the objectives of developing, increasing, and maintaining individual skills necessary to maintain operational readiness related to emergency management response.
6. Develop, implement, and exercise an internal notification and call-out system for Members.
7. Provide coordination between the state, other governmental and private entities, participating agency/employer, and Member, notify Jurisdictions or program Members of the need for activation.
8. Maintain and submit, annually, a primary contact list for their respective program, for all Jurisdictions and Members, to the state.
9. Maintain personnel files on all Members of administered programs for the purpose of documenting training records, qualifications, emergency notification, and other documentation as required by the state and Program Administrators.
10. Ensure the issuance of PIV-I to each Member through coordination with TDEM. If removed from team, then the PIV-I should be retrieved and revoked immediately. Program Administrator(s) should retrieve the PIV-I and notify TDEM for immediate revocation.
11. Program Administrator, TEEX, will reimburse Jurisdiction for Urban Search and Rescue (US&R), Public Works Response and sponsored training activities related to this TEMAT MOU under the authority of the State of Texas Emergency Management Plan, the Robert T. Stafford Disaster Relief and Emergency Act, Public law 93-288, as amended 42 U.S.C. 5121, et seq., and Title 44 CFR Part 208 – National Urban Search and Rescue Response System.

12. All reimbursement requests pursuant to this section shall specific guidelines included in the TEEX Deployment Reimbursement Manual and the State Mutual Aid Reimbursement Guide.

C. The Jurisdiction shall:

1. Determine which TEMAT Programs the Jurisdiction will support by providing Members and being able to respond as requested by TDEM and Program Administrators.
2. Upon signature, the Jurisdiction will submit a roster within fourteen (14) calendar days of final signature to TDEM and Program Administrators. Maintain a roster of all its personnel participating in TEMAT activities and submit an update annually. The roster shall include all current Red Card qualifications for each Member when applicable.
3. Provide a primary point of contact to TDEM and Program Administrators for the purpose of notification of TEMAT activities and for administrative activities.
4. Provide administrative support to employee Members of TEMAT, e.g., time off when fiscally reasonable to do so for TEMAT activities such as training, meetings, and actual deployments.
5. Ensure all reimbursement claims meet the requirements of the State Mutual Aid Reimbursement Guide.
6. Upon notification by TDEM, the Jurisdiction will determine which Members within Jurisdiction are qualified and available for deployment. Jurisdiction determines which qualified Members deploy.

D. The Jurisdiction shall ensure the Member(s):

1. Perform duties, as required by their membership in a TEMAT program, when requested and deployed by TEMAT.
2. Maintain knowledge, skills, and abilities necessary to operate safely and effectively in the assigned position and conduct themselves in accordance with the program-specific guidance manual.
3. Advise the Program Administrator of any change in the notification process, i.e., address, change of employment, or phone number changes.
4. Update their membership profile through their Program Administrator or their online portal with any updated qualifications, rate of pay change, or position change as they occur and verify accuracy annually.

5. Maintain, for deployment, all equipment issued by the TEMAT. Advise Program Administrator of any lost, stolen, or damaged items assigned to Member.
6. Keep the Jurisdiction advised of TEMAT activities that may require time off from work.
7. Be prepared to operate in a disaster environment, which may include living and working in austere conditions.
8. During any period in which TEMAT is activated by TDEM or during any TEMAT sponsored or sanctioned training, Member shall be acting as a representative of the State of Texas.
9. Ensure that staff approved for membership by Jurisdiction meet the program requirements and experience level with his/her position on each TEMAT program in accordance with the program-specific guidance manual.

VI. QUALIFICATIONS, TRAINING, AND EXERCISES

A. TEMAT Training and Exercises – Jurisdiction Sponsored:

Periodically, Members will be requested and/or invited to attend local TEMAT-sponsored training or exercises. Local Jurisdiction-sponsored training or exercises shall be performed at the direction, control, expense, and funding of the local Jurisdiction in order to develop the technical skills of Members.

TEMAT Training and Exercises – State or Program Administrator Sponsored:

Periodically, Members will be invited to attend state TEMAT training and/or exercises, and when these training and/or exercises are required, Jurisdiction shall ensure Member attends such. These trainings and exercises shall be performed at the direction, control, expense, and funding of the state which may include being administered through a Program Administrator in order to develop and maintain the incident support capabilities of the TEMAT. For state or Program Administrator sponsored training or exercises, the Jurisdiction shall coordinate with TDEM and/or Program Administrators, prior to the event, to receive written authorization prior to such an event.

B. Minimum Qualification and Training Requirements

Jurisdiction should allow Members appropriate time to maintain the qualifications required for each position Member fills in the TEMAT Program.

Jurisdiction should ensure Members can attend available TEMAT training and exercise opportunities provided for the assigned TEMAT position to ensure the maintenance of position qualifications. Jurisdiction understands that failure for

VII. ADMINISTRATIVE, FINANCIAL, AND PERSONNEL MANAGEMENT

A. Reimbursement of Administrators/Jurisdiction

1. All guidelines and procedures for requesting reimbursement shall be pursuant to the State Mutual Aid Reimbursement Guide.
2. All financial commitments herein are made subject to the availability of funds from the State of Texas.

VIII. Liability and Workers' Compensation for State Activation/And Training

- A. During any period in which a program under TEMAT is activated by the State of Texas, or during any TEMAT sanctioned training, Members who are not employees of A&M System or another agency of the State of Texas will be considered to be in the course and scope of the Member's (employee's) regular employment with the Jurisdiction (employer) and the Member shall be entitled to full benefits, including workers' compensation and liability coverage, as an employee of their employer.
- B. For a Member who becomes injured during any period in which a program under TEMAT is activated by the State of Texas, or during any TEMAT sanctioned training, the Jurisdiction shall immediately notify the Program Administrator and TDEM of the injury in writing, and TDEM shall reimburse the Jurisdiction the costs and expenses paid by the Jurisdiction to Member, including but not limited to, all related medical expenses, compensation, wages, pension contributions, and any benefits provided by the Jurisdiction. Pursuant to Texas Government Code Section 418.118(b), the Jurisdiction may seek reimbursement for all eligible costs and expenses as provided in this section by providing TDEM or the Program Administrator, whichever is applicable, adequate supporting documentation for the costs/expenses claimed, to include proof of pay provided by the Jurisdiction to the Member. Said reimbursement shall continue, in accordance with Texas Labor Code Section 408, until such time that the injured Member is medically cleared for return to work or in the event of permanent disability or death, until all obligations for payment to the Member or Member's beneficiaries are satisfied.

IX. CONDITIONS, AMENDMENTS, AND TERMINATION

- A. This TEMAT MOU may be modified or amended only by the written agreement of all the parties.
- B. This TEMAT MOU may be terminated by any signing party, upon thirty (30) days written notice to the other party.

- C. The state complies with the provisions of the Department of Labor Executive Order 11246 of September 24, 1965, as amended and with the rules, regulations, and relevant orders of the Secretary of Labor. To that end, the state shall not discriminate against any Member on the grounds of race, color, religion, sex, or national origin. In addition, the use of state or federal facilities, services, and supplies will be in compliance with regulations prohibiting duplication of benefits and guaranteeing nondiscrimination. Distribution of supplies, processing of applications, provisions of technical assistance, and other relief assistance activities shall be accomplished in an equitable and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, age, or economic status.
- D. This TEMAT MOU is governed by the laws of the State of Texas (but not its conflict of laws statutes and principles). Pursuant to Section 85.18 (b), Texas Education Code, venue for a state court suit filed against any member of A&M System, or any officer or employee of A&M System is in the county in which the primary office of the chief executive officer of the system or member, as applicable, is located.
- E. The parties expressly acknowledge that the Program Administrators are agencies of the State of Texas and nothing in this TEMAT MOU will be construed as a waiver or relinquishment by any state agency administrator of its right to claim such exemptions, privileges, and immunities as may be provided by law.
- F. By executing this TEMAT MOU, all parties and each person signing on behalf of each party certifies, and in the case of a sole proprietorship, partnership or corporation, each party thereto certifies as to its own organization, that to the best of their knowledge and belief, no member of A&M System or A&M System Board of Regents, nor any employee, or person, whose salary is payable in whole or in part by A&M System, has direct or indirect financial interest in the award of this TEMAT MOU, or in the services to which this TEMAT MOU relates, or in any of the profits, real or potential, thereof.
- G. Each party is responsible to ensure that employees participating in work for any member of A&M System have not been designated by a member of A&M System as Not Eligible for Rehire (NEFR) as defined in System policy 32.02, Section 4. Non-conformance to this requirement may be grounds for termination of this agreement. In event a system member becomes aware that a contracting party has any employees that are designated as NEFR under this TEMAT MOU, the nonconforming employee is immediately required to be removed from all performance duties upon demand by a system member.

X. JURISDICTION DECLARATION OF PARTICIPATION IN TEMAT

Jurisdiction agrees to abide by the terms and conditions of this TEMAT MOU and the program-specific guidance manual. Jurisdiction agrees to allow employees to serve as TEMAT Members for the approved TEMAT Programs checked below:

TEMAT Program	Check for Participation	Jurisdiction Point of Contact Initials
Incident Support Task Force (ISTF)	<input type="checkbox"/>	
Public Works Response Team (PWRT)	<input type="checkbox"/>	
Texas A&M Task Force 1	<input type="checkbox"/>	
State of Texas Incident Management Team (IMT)	<input type="checkbox"/>	
Texas Intrastate Fire Mutual Aid System (TIFMAS)	<input type="checkbox"/>	

XI. POINTS OF CONTACT

	TDEM	TEMAT Coordinator
Name:	Chief Nim Kidd	Kharley Smith
Title:	Chair – Texas Emergency Management Council	ISTF Division Chief
Address Line 1:	313 E Anderson Ln	313 E Anderson Ln
Address Line 2:	Building 3	Building 3
City, State, Zip:	Austin, TX 78752	Austin, TX 78752
Phone Number:	512-424-2436	512-424-2436
Email:	Nim.kidd@tdem.texas.gov	kharley.smith@tdem.texas.gov

Jurisdiction

Name: _____
Title: _____
Address Line 1: _____
Address Line 2: _____
City, State, Zip: _____
Phone Number: _____
Email: _____

XII. GENERAL PROVISIONS

- A. This TEMAT MOU, with the rights and privileges it creates, is assignable only with the written consent of the parties.
- B. Pursuant to Texas Government Code Section 321.013, acceptance of funds under this TEMAT MOU constitutes acceptance of the authority of the State of Texas, the Texas State Auditor's Office, or any successor agency (collectively, "Auditor"), to conduct an audit or investigation in connection with those funds under Texas Education Code Section 51.9335(c). Jurisdiction shall cooperate with the Auditor in the conduct of the audit or investigation, including without limitation, providing all records requested.

- C. Pursuant to Texas Government Code Sections 2107.008 and 2252.903, Jurisdiction's liability for damages arising from the State of Texas or any agency of the State of Texas regardless of when they arise until such debts or delinquencies are paid in full.
- D. To the extent applicable, Jurisdiction shall use the dispute resolution process provided in Chapter 2260, Texas Government Code, and the related rules adopted by the Texas Attorney General to attempt to resolve any claim for breach of contract made by Jurisdiction that cannot be resolved in the ordinary course of business. Jurisdiction shall submit written notice of a claim of breach of contract under this Chapter to TDEM's designated official, who will examine the claim and any counterclaim and negotiate in an effort to resolve the claim.

XIII. ENTIRE AGREEMENT

This TEMAT MOU terminates and supersedes any prior TEMAT MOU amongst TDEM, TEMAT Program Administrators, a TEMAT Employee Member, and Participating Jurisdiction. This TEMAT MOU, in addition to the related program-specific guidance manuals and State Mutual Aid Reimbursement Guidelines, reflects the entire agreement between the parties.

TDEM and Jurisdiction hereby acknowledge that they have read and understand this entire TEMAT MOU. All oral or written agreements between the parties hereto relating to the subject matter of this TEMAT MOU that was made prior to the execution of this TEMAT MOU have been reduced to writing and are contained herein. TDEM and Jurisdiction agree to abide by all terms and conditions specified herein and certify that the information provided to the state is true and correct in all respects to the best of their knowledge and belief.

This TEMAT MOU is entered into by and between the following parties:

TEXAS DIVISION OF EMERGENCY MANAGEMENT

Signature: _____
 Name: W. Nim Kidd
 Title: Chief, Texas Division of Emergency Management
 Date: _____

JURISDICTION

Signature: _____
 Name: _____
 Title: _____
 Date: _____



TDEM
THE TEXAS A&M UNIVERSITY SYSTEM

Kharley Smith
TDEM – Division Chief
TEMAT - Incident Support Task Force
512.574.9657 kharley.smith@tdem.texas.gov

Subject: Implementation of the Statewide Emergency Management Assistance Teams (TEMAT) Program Agreement

Dear County Judges and Mayors,

I am writing to inform you of an essential development in Texas's statewide emergency response capability. The **State of Texas Emergency Management Assistance Teams (TEMAT)** program has formally launched a streamlined and modernized framework for interjurisdictional support during disasters and critical incidents through a jurisdictional wide Memorandum of Understanding (MOU).

This MOU provides for a single-source agreement between the State of Texas and participating jurisdictions for all special response teams under the TEMAT program. The agreement enables local agencies to nominate and authorize personnel to be rostered and deployed as part of coordinated emergency response teams. These individuals may be called upon to assist in statewide or regional operations during times of crisis.

Key Benefits of the New Agreement:

- **Single Contract, Statewide Coverage:** One standardized agreement replaces the need for separate contracts with each team, agency, or discipline. This new model applies to Texas-based response teams, simplifying participation for local governments.
- **Maintains Local Control:** Jurisdictions retain full authority to nominate personnel and approve deployments, while benefitting from centralized coordination and streamlined support.
- **Complete Administrative Protection:** The agreement includes comprehensive provisions for workers' compensation, liability coverage, asset usage, and expense reimbursement in accordance with applicable local, state and federal reimbursement policies.
- **Flexible Deployment Options:** The program supports deployment of individual personnel, specialty resources, or complete units, based on mission needs and operational readiness.

Transition from Current Agreements:

This new agreement supersedes existing individual contracts currently in place. However, to ensure continuity and flexibility, all existing agreements will remain in effect until each local jurisdiction has had the opportunity to review and opt into the new TEMAT framework. There will be no disruption to ongoing mutual aid capabilities during the transition.

Participation in the TEMAT program ensures that your community remains both a contributor to and a beneficiary of a more efficient and well-coordinated statewide emergency management system. It also creates new opportunities for your personnel to receive training, deploy during real-world operations, and return with valuable experience and insights.

Enclosed is the TEMAT program overview and the process to access the new agreement for your review. Our office is available to assist with any administrative or operational questions as you consider enrollment.

Thank you for your continued leadership in protecting your communities and strengthening Texas's emergency response network.

Respectfully,

Kharley Smith



TEMAT Overview

TDEM, in collaboration with TEEX and TAMFS, established the Texas Emergency Management Assistance Teams (TEMAT), specialized response teams composed of local jurisdictional and state resources. These discipline-specific teams are rostered and trained together before deployment, enabling high-level engagement and incident response. Their structure allows them to serve as a force multiplier in disaster operations.

TEMAT is comprised of the following teams:

- **Incident Support Task Force (ISTF)** – A Texas Division of Emergency Management (TDEM) asset that provides expertise across multiple areas of response and recovery. The ISTF is made up of local emergency management professionals.
- **State of Texas Incident Management Team (IMT)** – A Texas Division of Emergency Management (TDEM) asset that supplies position-specific personnel to support emergency operations under the Incident Command System. Membership includes both local and state emergency management professionals.
- **Public Works Response Team (PWRT)** – A Texas A&M Engineering Extension Service (TEEX) asset that delivers critical infrastructure support, staffed by local public works specialists.
- **Texas A&M Task Force (TX-TF)** – A Texas A&M Engineering Extension Service (TEEX) asset that provides search and rescue capabilities, comprised of local first responders.
- **Texas Interstate Fire Mutual Aid System (TIFMAS)** – A Texas A&M Forest Service (TAMFS) asset that delivers wildland firefighting, fire department support and All Hazard response, comprised of local and state firefighting personnel and equipment.



TEMAT Memorandum of Understanding (MOU) Process

1. Local Jurisdictional Request for MOU

Any taxing entity, which includes City, County, Tribal, ESD, and ISD's, may request to complete a TEMAT Memorandum of Understanding with the state. To begin, please contact your **TEMAT POC, ISTF Regional Coordinator, TDEM Regional Staff/Leadership**.

2. Local Jurisdictional ID (JID)

Once initiated, the local jurisdiction POC will receive a **TEMAT MOU Jurisdictional ID (JID)** (specific to your jurisdiction) along with a link to the [TEMAT MOU Submission Form](#).

3. MOU Execution

Using the Submission Form:

- Select your jurisdiction (City, County ESD, ISD, Tribal).
- Enter your **JID (also called “pin”)**. This pin is provided by TDEM ISTF upon request.
- Provide your full name.
- Choose your preferred signature method: **DocuSign** or **Hardcopy**.

4. DocuSign Option

- Review the populated TEMAT MOU.
- Check and initial each TEMAT Program your jurisdiction will participate in.
- Enter your contact information.
- Select **“Save/Continue”** to proceed to DocuSign and execute the MOU.

5. Hardcopy Option

- Enter your email address to download the MOU.
- Complete and sign the form.
- Upload the signed document back into the [TEMAT MOU Submission Form](#).



S

Council Agenda Item

Budget Account Code:	Not applicable	Meeting Date:	1/20/2026
Budgeted Amount:	Not applicable	Department/ Requestor:	City Council
Fund Balance-before expenditure:	Not applicable	Prepared by:	City Administrator Kent Manton
Estimated Cost:	Not applicable	Date Prepared:	January 12, 2026
Exhibits:	<ol style="list-style-type: none"> 1. <u>Proposed Resolution - Adopting Capital Improvement Plan</u> 2. <u>CIP Revision 1/20/2026</u> 		

AGENDA SUBJECT

CONSIDERATION AND ANY APPROPRIATE ACTION CONCERNING RESOLUTION NO. 2026-881 UPDATING THE FY 2023-2024 - FY 2028-2029 CAPITAL IMPROVEMENT PLAN.

SUMMARY

The City's first Capital Improvement Plan (CIP) was adopted April 23, 2024.

This version includes the first significant update to the planning document.

We are requesting Council's review, input, and feedback prior to the adoption of these revisions. Our goal is to have input incorporated and edits finalized within the next two months, so this document can guide and inform our next budget planning cycle, which is set to commence in May 2026.

POSSIBLE ACTION

Approve and adopt, conditionally approve and adopt, reject, or direct staff to take appropriate action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Grey</i>	Date:	12/30/2025
City Attorney:	<i>Catherine Clifton</i>	Date:	01/XX/2026 via Municode
City Administrator:	<i>Kent Manton</i>	Date:	01/15/2026 via Municode

RESOLUTION NO. 2026-881

(FY 2025-26 - FY 2030-31 Capital Improvement Plan)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, ADOPTING THE CAPITAL IMPROVEMENT PLAN ATTACHED HERETO AS EXHIBIT “A”; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Parker desires a capital improvement plan that provides a six-year forecast of the City of Parker's capital project needs and estimated costs for current and future projects; and

WHEREAS, the City of Parker adopted a FY 23-24 — FY 28-29 Capital Improvement Plan (“CIP”) providing a six-year forecast of the City of Parker's capital project needs and estimated costs for current and future projects, on April 23, 2024; and

WHEREAS, the Capital Improvement Plan is intended to be a living document to be reviewed and updated at least annually during the budget process; and

WHEREAS, the City Council of the City of Parker, Texas has reviewed and approves the updated Capital Improvement Plan for FY 2025-26 – FY 2030-31 attached hereto as Exhibit “A”.

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

SECTION 1. The updated FY 2025-26 - FY 2030-31 Capital Improvement Plan attached hereto as Exhibit "A," is hereby adopted.

SECTION 2. All provisions of the resolutions of the City of Parker, Texas, in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 3. Should any word, sentence, paragraph, subdivision, clause, phrase, or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

SECTION 4. This Resolution shall become effective immediately from and after its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Parker, Texas, on this the 20th day of January, 2026.

CITY OF PARKER:

Lee Pettie, Mayor

ATTEST:

Patti Scott Hull, City Secretary

APPROVED AS TO LEGAL FORM:

Catherine Clifton, City Attorney

EXHIBIT "A"

FY 2025-26 - FY 2030-31

Proposed

RESOLUTION No. 2026-881
(FY 2025-26 Capital Improvement Plan)



City of Parker Texas Capital Improvement Plan FY25-26 – FY30-31

1/20/2026 Revision

Initial Adoption 04/23/24

City Administrator: Kent Manton
Finance Director: Grant Savage

1/14/26

Mayor: Lee Pettie
Revised by: Parker City Council

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Introduction

The Parker Capital Improvement Plan (CIP) provides a six-year view into the city's proposed and approved capital expenditures. The CIP is envisioned to be a living document that is updated annually to reflect capital needs and expenditure additions/deletions and/or changes in costs and serve as a point of reference during the city's annual budgeting process. Ultimately, the plan encourages careful project planning and design to avoid costly mistakes and to help Parker reach desired community objectives within its fiscal capacity.

A well-planned, maintained, and executed capital plan is a wise investment that will enable the city to:

- maximize use of municipal assets
- lower maintenance and replacement costs
- enhance efficiencies in vehicles and equipment
- decrease future expenditures through proactive maintenance and replacement of equipment, facilities, and infrastructure
- assist in identifying the alternative means to finance capital needs and weigh the impact on the city's tax rates against its proposed capital needs
- maintain the attractiveness of Parker as a place to live

The CIP is updated annually to address:

- progress made toward the planned projects, including funding options
- updating the six-year projections
- keeping current with changing information and priorities relating to the city's needs

Adequate funding of capital needs presents many small cities with significant challenges, and Parker is no exception. With appropriate planning and careful use of resources, the City of Parker can address many of its most pressing needs, affordably, and sustainably.

This plan was developed in close collaboration with the Mayor, City Administrator, Finance Director, City Attorney, Department Directors, City Engineer, and City Council. The effort could only come to fruition with these stakeholders' deep engagement.

Capital Planning Process Goals and Objectives

The Capital Planning Process seeks the following objectives:

- to maintain Parker’s physical assets by providing funding in the annual operating budget to protect its capital investments and minimize future maintenance and replacement costs
- to pursue a preventive maintenance program as a cost-effective approach to protecting its capital investments and maximizing the useful life of its capital assets, including the procurement of outside services where city staff capacity or expertise appears insufficient to perform such preventative maintenance
- to identify and preserve the infrastructure and equipment needed to achieve exemplary levels of public services and quality of life possible by annually updating the six-year Capital Improvement Plan to ensure adequate investment in the City’s capital assets

Definition of a Capital Asset

Capital assets for purposes of the CIP are defined in Resolution 2022-706. Capital assets are real or personal property that have a value equal to or greater than the capitalization threshold defined and have an estimated life of longer than one year. Capital assets include land, land improvements, buildings and building improvements, machinery and equipment, computer equipment, vehicles and heavy equipment, infrastructure, and construction in progress.

Per Resolution 2022-706, capitalization thresholds and estimated useful lives of capital asset categories are as follows:

Asset Description	Capitalization Threshold	Estimated Useful Lives
Land	\$1	
Land Improvements	\$12,500	20 Yrs
Buildings & Building Improvements	\$25,000	30 Yrs - 40 Yrs
Vehicles and equipment		
• Computer Equipment	\$25,000	3 Yrs – 10 Yrs
• Vehicles & Heavy Equipment	\$1	5 Yrs – 20 Yrs
• Machinery & Equipment	\$2,500	5 Yrs – 10 Yrs
Infrastructure	\$25,000	20 Yrs

Donated capital assets are recorded at their estimated fair market value at the time of acquisition plus ancillary charges. Assets acquired with grant funds will be capitalized based on the grant agreement.

Water and Sewer assets are capitalized and have useful lives based upon the underlying asset type (primarily building & building improvements, infrastructure, and machinery & equipment)

The Capital Improvement Plan will address capital projects with a cost of \$25,000 or greater. Other projects affecting these assets will be included in total.

Capital Improvements Planning Process

The annual capital planning process is a process by which the city identifies the need to acquire new capital assets, repair or replace existing assets, and the proposed financing of each. It is an annual process conducted with the Mayor, City Administrator, Finance Director, City Attorney, Department Directors, City Engineer, and City Council. The process includes the following steps:

- conduct an annual review of the capital asset requirements of the city, as well as proposals addressing the needs of the city's infrastructure and/or the acquisition and maintenance of capital assets
- review proposals for possible approval by City Council
- make recommendations and consider project scope and funding regarding the above
- review in conjunction with the annual budgeting process
- staff prepares and presents an annual summary
- update the Capital Improvement Plan based on the annual review

Approved projects are those that have been approved by City Council through its adoption of a resolution. Approved projects include the Council-adopted resolution number. Proposed costs reflect an estimation of the total costs to be incurred for each Capital Project. Once a project is approved and if bids received by the City exceed the proposed estimate by more than 10%, the project may not commence prior to reconsideration and approval by City Council and/or its citizens, if so required.

The CIP may be used for identifying potential funding needs, sources, and re-allocations. It is a tool to help monitor our progress in achieving our stated goals and reports on completion success. It is a template to communicate an overall scope of the city's future project needs.

The CIP is a living plan; as such, proposals as well as approved capital expenditures are subject to change based on new service delivery needs, special financing opportunities, emergency needs, compliance with unfunded mandates, and changing economic conditions. Every effort is made to make the six-year plan as accurate, thorough, and predictable as possible.

References to "Fund XX" in the Project Schedules refer to particular accounting funds maintained by the City. They are largely funded by the City's existing revenue sources, inclusive of ad valorem taxes, sales taxes, and water and wastewater fees. Other funding references are generally from external sources stemming typically from Federal, State, or County funds made available to municipalities.

Current Fiscal Year Approved & Proposed Capital Projects (FY25-26)

The following schedule reflects both Approved & Proposed Projects targeted for expenditures during the current fiscal year as identified in the Annual CIP Process. This inventory of the upcoming year's approved & proposed capital projects is a tool to be used in budget planning, staff resourcing, and a way to monitor the implementation of the Capital Plan. See "Capital Improvements Planning Process" for a description of Approved and Proposed.

Category	Project	Status	Proposed Costs	Funding Source
Buildings and Improvements				
Water Department Building	Design and construct the Water Department Building located at the Dillehay Pump Station	In Design	4,500,000	Fund 62
City Facilities	Evaluate, design, and construct/or renovate existing facilities to provide for needs of the city	In Planning	TBD	Fund 65
	Buildings & Improvements Total		4,500,000	
Infrastructure				
Streets				
Annual Street Maintenance	Based on City staff and Engineering Street Maintenance Assessment	In Planning	100,000	Fund 01/61
Dublin Road (All)	Remix complete section. Asphalt w/Glas Pave	In Progress	2,874,112	Fund 61
Lewis Lane (All)	Complete jurisdiction analysis and obtain written agreement on the responsibilities of entities.	In Planning	2,472,503	Fund 61
	Streets Total		5,446,615	
Drainage				
Annual Drainage Maintenance	Based on City staff and Engineering Drainage Maintenance Assessment	In Planning	-	Fund 63
	Drainage Total		-	
Water/Wastewater System				
Elevated Storage Tank	Design and build 2nd Water Tower at Chaparral	In Design	8,000,000	Fund 62
	Water/Wastewater Total		8,000,000	
	Total All		17,946,615	
	Governmental (General) Funds		5,446,615	
	Proprietary (Water/Wastewater) Funds		12,500,000	

Completed Projects

Projects that have been accounted for in the past and have since been completed have been moved to this section to show progress and for historical reference. While some projects listed below may still be undergoing work from other agencies, the City of Parker's portion of the project has since been completed, and therefore, there are no additional city costs to account for.

Project: Dillehay / FM2551 (from FM2514 to FM2170)

Status: Approved - COMPLETE

Department: Public Works Water Department

Project Scope: Reconstruction and widening of FM2551 from 2 lanes to a 6-lane thoroughfare. TXDOT has oversight of the construction. The city is responsible for the movement of water lines and utilities and providing input to project managers for the safety of residents.

Background: Continued local housing growth and development has resulted in a significant increase in the traffic volume on this road during recent years. Dillehay (2551) has been planned for expansion at both the County and State levels for quite some time. The scheduled widening of the road is taking place now. Parker has an obligation to fund the water infrastructure portion of the project.

Funding: Collin County has committed to provide \$1,200,000 in funding for this project and the city has entered into Interlocal Agreements to aid in performing the work needed. Our city engineer, Birkhoff & Assoc. has been contracted to perform the engineering services related to the movement of utilities.

Timeline: This project is on track for full completion for Summer 2026

Project: NTMWD Delivery Point #2

Status: Approved - COMPLETE

Department: Water Utility Department

Project Scope: Attach the Central Pump Station to the NTMWD delivery point. The bulk of this work has already been completed. This is to make the final connection.

Background: The city completed construction of the Central Pump Station in FY22-23. For the station to be fully operational, it must be attached to the NTMWD delivery point.

Funding: The is a Water System project. These funds are part of the Utility Construction Fund (Fund 62).

Timeline: Project completed in FY 2024-2025

Project: Water Impact Fee Study

Status: Approved - COMPLETE (with pending request by City Council to review in 6 months)

Department: Water Utility Department

Project Scope: The city contracted with our city engineer to assist City staff in providing a 2023-2033 Impact Fee Analysis to provide the Capital Improvement Plan of the water distribution system and a Water Impact Fee Study outlining Capital Improvements of the system and a calculation of the Water Impact Fee.

Background: The City of Parker owns and operates their water distribution system comprised of pump stations, ground storage reservoirs, elevated storage tanks, and pipeline infrastructure. This system is being improved and expanded to meet the needs of the water demands imposed by the current residents and future residents of Parker. Chapter 395 of the Texas Local Government Code requires that political subdivisions create a Capital Improvement Plan and its costs if it wishes to impose “impact fees” on new development.

The [Water Impact Fee Report 2023-2033](#) was completed and on December 19, 2023, the council approved Ordinance 862.

Funding: The is a Water System project. The costs of this project may be paid through the Utility Impact Fee Fund (Fund 60)

Timeline: Project completed December 2023.

Capital Project Schedule (FY26-27 through FY30-31)

The FY25-26 through FY30-31 Capital Project Schedule is a working document that aims to identify all known proposed capital expenditures that may arise over the next six years. Early identification allows more time to weigh their expected benefits against their costs and to consider financing alternatives. Projects are listed in these categories: Facilities, Vehicle and Equipment, Streets, Drainage, Water Infrastructure, Parks and Public Spaces. While this schedule cannot possibly identify all possible future capital needs, it can allow the city to forecast, prioritize, and schedule planned capital expenditures over a six-year horizon.

The Capital Project Schedule incorporates the Current Fiscal Year Approved & Proposed Capital Projects schedule in addition to potential capital needs over the following five-year period. Overall, it presents a six-year view of Approved & Proposed Capital Projects and the associated individual and cumulative estimated costs.

Capital Project Schedule

Facilities Improvement Fund

Funding Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	Total
Beginning Balance	1,576,635	1,973,565	2,273,565	2,573,565	2,873,565	3,173,565	1,576,635
Transfer from General Fund	396,930	300,000	300,000	300,000	300,000	300,000	1,896,930
Bond Issuance	-	-	-	-	-	-	-
Available Funds	1,973,565	2,273,565	2,573,565	2,873,565	3,173,565	3,473,565	3,473,565

Project	Proposed Costs						Total
	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	
Municipal Complex							-
Total Expenses	-	-	-	-	-	-	-
Ending Fund Balance	1,973,565	2,273,565	2,573,565	2,873,565	3,173,565	3,473,565	3,473,565

Equipment Replacement Fund

Funding Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	Total
Beginning Balance	1,344,639	306,528	317,298	534,432	379,638	636,638	1,344,639
Transfer from General Fund	400,000	400,000	400,000	400,000	400,000	400,000	2,400,000
Transfer from Water/Wastewater Fund	25,000	25,000	25,000	25,000	25,000	25,000	150,000

Capital Project Schedule

Bond Issuance	-	-	-	-	-	-	-
Available Funds	1,769,639	731,528	742,298	959,432	804,638	1,061,638	3,894,639

Project	Proposed Costs						Total
	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	
Leased Vehicles - PD	73,111	71,230	52,866	34,794	-	-	232,001
2014 Ford F-350 Flatbed - PW	80,000						80,000
2019 Ford F-150 Crew Cab - PW	55,000						55,000
2006 Scag Mower - PW	15,000						15,000
2016 Takeuchi Skid Steer - PW	100,000						100,000
2002 Smeal Fire Truck-Pumper - FD	880,000						880,000
2016 Ford F-250 - FD	75,000						75,000
2010 Ford F-750 Brush Truck - FD	185,000						185,000
2020 Chevy Tahoe - PD		80,000					80,000
2020 Chevy Tahoe - PD		80,000					80,000
2019 Ford F-250 Crew Cab - PW		60,000					60,000
2019 Ford F-250 Crew Cab - PW		60,000					60,000
2012 Scag Mower - PW		15,000					15,000

Capital Project Schedule

2003 Sewer Jet Trailer - PW		30,000					30,000
2003 Carrier 16' Enclosed Trailer - PW		6,000					6,000
2002 10' Single Axle Trailer - PW		2,000					2,000
Scissor Lift - FD		10,000					10,000
2022 Chevy Tahoe - PD			80,000				80,000
2022 Ford F-250 - PW			60,000				60,000
2021 Hustler Mower - PW			15,000				15,000
2022 Ford Explorer - PD				80,000			80,000
2000 Volvo Vac-Truck - PW				450,000			450,000
2022 Hustler Mower - PW				15,000			15,000
2023 Ford F-150 - PD					80,000		80,000
2023 Ford F-150 - PD					80,000		80,000
2010 Pero 20' Tandem Axle Trailer - PW					8,000		8,000
2024 Ford Expedition - PD						80,000	80,000
Total Expenses	1,463,111	414,230	207,866	579,794	168,000	80,000	2,913,001
Ending Fund Balance	306,528	317,298	534,432	379,638	636,638	981,638	981,638

Capital Project Schedule

Street Construction Fund

Funding Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	Total
Beginning Balance	3,682,874	(238,741)	(17,050)	668,214	(109,189)	(804,798)	3,682,874
Transfer from General Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000
Sales Tax - Street Maintenance	425,000	446,250	468,562	491,990	516,589	542,418	2,890,809
Bond Issuance	-	-	-	-	-	-	-
Available Funds	5,107,874	1,207,509	1,451,512	2,160,204	1,407,400	737,620	12,573,683

Project	Proposed Costs						Total
	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	
Lewis Lane	2,472,503						2,472,503
Dublin Road	2,874,112						2,874,112
Gray Lane		677,249					677,249
Donihoo Lane				1,216,514			1,216,514
Hackberry Lane Phase 1				1,052,879			1,052,879
Hackberry Lane Phase 2					1,069,708		1,069,708
Ranchview Lane		328,358					328,358
Woodcreek		218,952					218,952

Capital Project Schedule

Kara Lane					469,691		469,691
Pecan Orchard Lane			783,298				783,298
Wagon Wheel					672,799		672,799
Sycamore Lane						3,636,834	3,636,834
Total Expenses	5,346,615	1,224,559	783,298	2,269,393	2,212,198	3,636,834	15,472,897
Ending Fund Balance	(238,741)	(17,050)	668,214	(109,189)	(804,798)	(2,899,214)	(2,899,214)

Utility Construction Fund

Funding Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	Total
Beginning Balance	5,428,946	349,760	(7,100,240)	(6,535,240)	(5,955,240)	(5,776,156)	5,428,946
Transfer from Water/Wastewater Fund	285,000	300,000	315,000	330,000	345,000	360,000	1,935,000
Transfer from Utility Impact Fee Fund	325,000	250,000	250,000	250,000	250,000	250,000	1,575,000
Bond Issuance	-	-	-	-	-	-	-
Available Funds	6,038,946	899,760	(6,535,240)	(5,955,240)	(5,360,240)	(5,776,156)	8,938,946

Project	Proposed Costs						Total
	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	
Dublin Road Water Lines	942,156						942,156

Capital Project Schedule

Water Department Building	4,500,000						4,500,000
Elevated Storage Tank - Engineering	247,030						247,030
Elevated Storage Tank - Construction		8,000,000					8,000,000
Bois D' Arc Lane Water Line					415,916		415,916
Total Expenses	5,689,186	8,000,000	-	-	415,916	-	14,105,102
Ending Fund Balance	349,760	(7,100,240)	(6,535,240)	(5,955,240)	(5,776,156)	(5,166,156)	(5,166,156)

Drainage Improvement Fund

Funding Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	Total
Beginning Balance	507,239	607,239	707,239	807,239	907,239	1,007,239	507,239
Transfer from General Fund	100,000	100,000	100,000	100,000	100,000	100,000	600,000
Bond Issuance	-	-	-	-	-	-	-
Available Funds	607,239	707,239	807,239	907,239	1,007,239	1,107,239	1,107,239

Project	Proposed Costs						Total
	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	
							-

Capital Project Schedule

Total Expenses	-	-	-	-	-	-	-
Ending Fund Balance	607,239	707,239	807,239	907,239	1,007,239	1,107,239	1,107,239

Government (General) Funds	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	Total
Funding Sources	9,458,317	2,271,250	2,293,562	2,316,990	2,341,589	2,367,418	21,049,126
Expenses	6,809,726	1,638,789	991,164	2,849,187	2,380,198	3,716,834	18,385,898
Total	2,648,591	632,461	1,302,398	(532,197)	(38,609)	(1,349,416)	2,663,228

Proprietary (Water/Wastewater) Funds	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	Total
Funding Sources	6,038,946	550,000	565,000	580,000	595,000	610,000	8,938,946
Expenses	5,689,186	8,000,000	-	-	415,916	-	14,105,102
Total	349,760	(7,450,000)	565,000	580,000	179,084	610,000	(5,166,156)

Capital Projects Summary

Building and Improvement Projects

There are several municipal facility capital projects currently under consideration and planning. The following section provides an overview of these proposed projects.

Project: New Water Department Building at the Dillehay Pump Station

Status: Proposed - In Planning/Design

Department: Public Works Water Department

Project Scope: This project scope is to design and build a new Water Department Facility located on the same property as the new Dillehay pump station. The building is envisioned to be a 12,000 sqft. metal building with a brick façade. The building will have an enclosed office space within the larger building and several large garage doors to allow for equipment maintenance.

Background: The water department personnel have been operating out of the Old Parker Fire Station and the old white metal garage building (located adjacent to the old fire station). These buildings have offices, restrooms, work benches, tools and equipment, storage, and work facilities. The buildings have reached the end of their useful life and are not fit for reuse or renovation. The Old Fire Station is a metal building with a brick façade that was built in 1982. The old white garage is of similar vintage and is showing signs of age. Relocating the water department offices, storage, and shop facilities to the location near the Dillehay pump station will enable these buildings to be vacated, allowing for their demolition, making way for alternative uses of the land.

Funding: This is a project for the administration of our Water System. Funding may be from Fund 62 (Utility Construction Fund).

Timeline: The scope of work for FY25-26 is to complete the design and funding of the building.

Project: City Facilities**Status:** Under Review**Department:** All City Government**Project Scope:** After the departmental needs have been reviewed and prioritized, funding options identified, and a plan of action defined for proceeding, the next steps can begin.**Background:**

The Parker Police Department has operated out of a portable building for several years. The building was purchased in February 2024, eliminating the monthly rent. This building is experiencing severe moisture/pest penetration and retention issues that add to ongoing maintenance costs.

Parker City Hall is challenged to meet the space needs of the Parker Administrative Staff and the Council and Municipal Court Chambers. The space lacks proper ADA accessibility, sufficient parking, and has constrained meeting, office, and storage space.

Several options have been considered over the years, and in the recent past, voters have rejected proposals on two separate occasions. For the last several years, the city has allocated funds to a Facilities Fund for the purpose of addressing these needs.

Funding: This project may be funded through the Capital Facilities Fund (Fund 65).**Timeline:** TBD***Building and Improvement Maintenance***

Parker owns a portfolio of at least eight facilities of various ages, as noted below, providing the most recent dates of assessment and/or replacement.

Facility	Address	PCA360 Audit	Roof Assessed	Roof last Replaced	HVAC Replaced	Septic Replaced	Generators Replaced
Parker City Hall	5700 E Parker Rd		2025	2025	2015-2018		
Parker Fire Department	5700 E Parker Rd		2025		2008	2023	2009
Parker Police Department	5700 E Parker Rd		2025	2025	2014		
Parker Water Department	5700 E Parker Rd		2025		2020		
East Water Storage Facility	Parker Rd		2025				2007
Central Water Storage Facility	Dillehay		2025	2021			2021
Elevated Water Storage Facility	5700 E Parker Rd		2025				
Record Storage Building	5700 E Parker Rd		2025		2025		

Infrastructure Projects (Streets and Drainage)

Infrastructure Capital Improvement planning is driven by the mission to provide a safe and reliable street and drainage system for residents and visitors. The plan considers both scheduled maintenance and repair of poor streets and other surface drainage issues.

Streets identified in the 2021 Street Condition Survey with a rating of below fair condition are included in the infrastructure projects. For each street, additional information, including average daily traffic, number of properties on the street, other areas utilizing the street, alternate route available, drainage conditions, and previous work on the street, was reviewed by the CIP team.

Many of the projects for streets, drainage, and water are interrelated and are considered as one within the Capital Improvement Plan for specific projects. Below is a recap of projects grouped by the major project.

Street maintenance refers to patching portions of asphalt or concrete. Street repair refers to one of three methods to renovate a large section or complete street. They include:

Reconstruct	12' flexbase material, 1.5" asphalt, glass pave, and 2" asphalt
Remix	remix existing roadbed w/ cement, placing 1" asphalt with glass pave and 1.5" asphalt
Overlay	2" overlay with glas pave between existing and new

Project: Dublin Road – South (Betsy to South City Limit)

Status: Approved – IN CONSTRUCTION

Department: Public Works

Project Scope: This project estimate includes the replacement of the road surface, addressing a critical S-Curve, and replacement of a water line. This is a multi-year project. The first phase of this project is to replace the water lines, which may include an engineering study and acquiring right of way on some properties. Drainage improvement needs for the S-Curve will be determined and addressed. Right-of-way study will be completed as needed.

Background: The Street Condition Survey identified the majority of this street with a very poor rating of 30.

This is a significant collector street for subdivisions and private streets in the southern portion of Dublin Road. In addition, many people take this street to travel north and south as an alternative to FM2551 (Murphy Rd). A traffic study in 2021 showed an average traffic volume of 1,456 vehicles per day.

A city water line lies along and under this street. These lines are aging and undersized and need to be replaced. Such replacement should be coordinated with the reconstruction of the road. The current roadway is approximately 20' wide. The width of this street may be increased to 22'-24' wherever possible. The street has an S-curve that experiences accidents with drivers running off the street. The design will consider options to improve the safety of the road. A drainage review will also be performed to determine that the streets will include proper drainage after construction.

Funding: This street project may be funded with money from Capital Street Construction Fund (Fund 61), drainage costs may be funded from the Capital Drainage Fund (Fund 63), and the Water Line is projected to be funded using available American Rescue Plan Act of 2021 (ARPA) funds.

Timeline: Water line replacement and realignment completed in FY 2024-2025. Road reconstruction is on track for Spring 2026 completion.

Project: Dublin Road – North (Parker Road to Betsy)

Status: Approved – IN CONSTRUCTION

Department: Public Works

Project Scope: This project includes replacing the road surface and water lines. It will mirror that of South Dublin Road.

Background: The Street Condition Survey identified this street to have a poor rating of 45-50.

This is a significant collector street for subdivisions and streets in the northern portion of Dublin Road. In addition, many people take this street for traveling north and south as an alternative to FM2551. A traffic study in 2021 showed an average traffic volume of 1,640 vehicles per day.

In 2020, maintenance was performed on the street, providing important stabilization in areas that were in poor condition. However, the street has shown early signs of wear that need to be addressed.

A city water line lies along and under this street. These lines are aging and undersized. These lines need to be replaced. Such replacement should be coordinated with the reconstruction of the road. The current roadway is approximately 20' wide. The width of this street may be increased to 22'-24' wherever possible. The street has an S-curve that experiences accidents with drivers running off the street. The design will consider options to improve the safety of the road. A drainage review will also be performed to determine that the streets will include proper drainage after construction.

Funding: This street project may be funded with money from the Capital Street Construction Fund (Fund 61), drainage costs may be funded from the Capital Drainage Fund (Fund 63), and the Water Line may be funded through the Utility Construction Fund (Fund 62).

Timeline: Water line replacement and realignment completed in FY 2024-2025. Road reconstruction is on track for Spring 2026 completion.

Project: Lewis Lane

Status: Proposed - In Planning/Design

Department: Public Works

Project Scope: The portions that are within Parker's responsibility will be targeted for reconstruction, while working with the City of Lucas to coordinate an overhaul of their sections as well. A drainage review will be performed before commencing work to ensure no significant drainage issues need to be addressed.

Background: The Street Condition Survey rated the total of Lewis Lane with a 40 PCI rating, one in poor condition. This is a collector street with increasing populations from residents in subdivisions within Parker and Lucas. In addition, this street is a North/South alternative for FM2551 (Dillehay)

This street is the responsibility of multiple entities (Parker and Lucas) and it has an impact on traffic patterns on adjacent county and state roadways. The Developer of Kings Crossing reconstructed a portion of the street (Kings Crossing Phase 3N to Phase 3S) in 2022. The remaining portions of the street are maintained by adding asphalt to patches, which deteriorate when rains occur.

A jurisdictional analysis was performed in FY23-24, and after much debate and discussion, a general agreement has been made between the City of Lucas and the City of Parker on proportional ownership of the roadway.

Funding: This project may be paid through the Capital Street Construction Fund (Fund 61).

Timeline: Construction is budgeted and scheduled to take place in FY 25-26, dependent upon successful negotiations of unresolved matters with the City of Lucas.

Project: Gray Lane

Status: Proposed - IN PLANNING

Department: Public Works

Project Scope: Road reconstruction

Background: Gray Lane was evaluated by the Street Condition Survey with a very poor rating of 25

Funding: This project may be paid through the Capital Street Construction Fund (Fund 61) and through adjacent subdivision development activity.

Timeline: Target FY26-27

Water and Sewer System Projects

Water Improvement planning is driven by the need to maintain our water systems in working condition, providing safe and sufficient water for residents as needed. Water improvements include the needs of our water lines, standalone or interconnected with storage tanks, valves, hydrants, and water towers.

The city has one water infrastructure project in the planning stage. The goal of this projects is to continue to provide a water distribution system that meets the necessary volume and peak demand requirements associated with future population growth projections. The project(s) scoped here are derived from the Water Impact Fee Report 2023-2033.

Water infrastructure improvements connected to street repair projects are identified in the Infrastructure Projects (Streets and Drainage) section.

Project: Build a Secondary Elevated Water Tower at Chaparral Road**Status:** Proposed - targeting FY26-27**Department:** Water Utility Department**Project Scope:** To construct a secondary elevated water tower and 16" water pipe infrastructure to connect to the existing water distribution system.**Background:** The Water Impact Fee Report 2023-2033 recommends constructing a secondary water tower to meet the projected water demand of residents based on future growth projections.

An elevated storage tank (EST) within the Parker water distribution system is required by TCEQ to maintain system pressure. The Parker secondary elevated storage tank is expected to be sized to meet the maximum hourly demand working in conjunction with the pump stations, while maintaining system pressures.

The city currently has one 1.0-MG elevated storage tank located on Parker Road, adjacent to City Hall, with a high water level at 800-ft MSL. The Chaparral Elevated Storage Tank and water line project would consist of constructing an elevated storage tank with approximately 385 linear feet of 16" waterline connected between the new elevated tank and the existing 16" waterlines.

Funding: This project may be funded through the Utility Impact Fee Fund (Fund 60) and Utility Construction Fund (Fund 62)**Timeline:** Commence construction during or before FY26-27.

Reference Reports for Capital Needs

Category	Plan Reference Title	Last Updated
City Vision	Comprehensive Plan	2025 (update as needed)
Buildings and Improvements	Facilities Maintenance Plan	(update annually)
Infrastructure	Street Maintenance Plan	(update annually)
Infrastructure	Street Condition Survey	2021 (update every 5 years)
Infrastructure	Drainage Maintenance Plan	(update annually)

Water and Sewer System	Water Impact Fee Report 2023-2033	2023 (update every 5 years)
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Financing the CIP

CIP Projects are funded through general fund revenues and other resources available to the City. Funding considerations go beyond individual projects. The city's funding strategies will consider several variables, including amounts available in project funds, other City needs, debt, and the impact on taxpayers. Below, we will address the city's sources of funds and current funding.

Sources of Funds

Operational Revenue: Revenues generated in the

- Government (General) Fund through ad valorem taxes, sales taxes, or fees.
- Proprietary (Water & Sewer) Fund primarily through water & wastewater revenues.

Local Sales Tax – The city charges a 2% Sales Tax. The General Fund receives a 1% sales tax. In May 2023, the voters elected to adopt a 1% sales tax dedicated to repairing and maintaining existing city streets in accordance with Chapter 327 of the Texas Tax Code. The new tax went into effect on October 1, 2023. These revenues are directly applied to the Street Maintenance Fund (Fund 61). This tax expires after four years unless a new election is held to reauthorize the tax.

Impact Fees – The city charges a **Water Impact Fee** on new Single-Family Residences based on a Water Impact Fee Study. New residential homes pay a fee based on the size of their water meter. The use of these funds is restricted to financing capital improvements required by new developments in accordance with Chapter 395 of the Texas Local Government Code.

Developer Contributions: Contributions of capital infrastructure in conjunction with new development in the city.

Intergovernmental: Funds supplied through other governmental agencies such as TxDOT, Collin County, State, and/or Federal government.

Other Grants and Donations: Funds received from other organizations and individuals.

Bonds: Bonds refer to debts of the City arising from Municipal Bonds issued by the City.

There are different kinds of borrowing, each with its advantages and disadvantages.

- **General Obligation Bonds (GO):** Debt instruments authorized by a positive vote among registered voters.
- **Certificates of Obligation (CO):** Debt instruments authorized by a positive vote of City Council.
- **Revenue Bonds:** Debt instruments, the repayment of which depends on the revenue stream generated by the city's water & wastewater system.

Current Funding

Government (General) Funds are supported from several sources, which include:

Transfers: The city has established a pay-as-you-go approach to addressing capital needs using special funds. A portion of the city's General Fund and Proprietary Fund Operational Revenues are allocated each year to these funds during the annual budgeting process. They can only be used for the purpose specified without subsequent city council approval. Funds to which transfers are made include:

<u>Funds</u>		
#	Title	Purpose
22	Equipment Replacement Fund	Equipment Replacement Fund - Purchase or lease of city vehicles
28	Technology Replacement Fund	Replacement of existing technology equipment
61	Capital Street Construction Fund	Construction or maintenance of street projects.
63	Capital Drainage Fund	Construction or maintenance of drainage-related improvements.
65	Capital Facilities Fund	Land acquisition, construction, renovation, and equipping of city facilities.

Sales Tax: This includes the 1% sales tax dedicated for street repair and maintenance. These amounts are directly reported to the Street Construction Fund (Fund 61).

Proceeds from the sale of city property within these funds are directly allocated to these funds.

Proprietary Funds (Water/Wastewater) are supported from several sources, which include:

Utility Impact Fees Fund (Fund 60): This fund is funded by the Water Impact Fees from New Single Family Residential homes.

Utility Construction Fund (Fund 62): This fund was initially funded from the \$6,075,000 proceeds of the 2018 combination tax and revenue bond plus interest earned to construct facilities needed for water services operations. Future additions to this fund may come from

revenues collected in anticipation of future capital needs, debt from the sale of revenue bonds, and grants as may become available.

Grant Funding: Grant funding can be an excellent supplement to funding major projects. However, resources vary by infrastructure type and can be highly competitive, with preference typically given to entities with either past compliance issues, indigent populations, or other priorities the granting organization may have as an established eligibility criteria.

Existing Debt Obligations

Bond	Interest Rate	Maturity	Original Balance	Outstanding Balance	Remaining Principal + Interest
Governmental Activities (General Fund)					
2019 General Obligation Refinancing Bond	3.00%	2028	1,285,000	294,747	308,166
Total			1,285,000	294,747	308,166
Business-Type Activities (Water/Wastewater)					
2018 Combination Tax & Revenue Bond	3.00%-4.00%	2038	6,075,000	5,385,000	6,970,700
2019 General Obligation Refinancing Bond	3.00%	2028	1,200,000	275,253	277,784
Total			7,275,000	5,660,253	7,248,484
Total Long-Term Debt			8,560,000	5,955,000	7,556,650

Balances as of September 30, 2025

Long Term Debt

The Capital Plan is a means for identifying projects that may be accomplished through the use of debt financing.

Long-term debt is an important financing source for capital projects that cannot be accommodated within the annual operating budget. The Capital Plan is a means for identifying projects that are candidates for debt financing.

The amount of annual debt service to be authorized is an important consideration in determining options for long-term debt. Best practices recommend that annual debt service should range from 2% of operating revenues at the low end to no more than 10% of operating revenues at the high end. Below is the current year debt ratio calculation.

Debt Ratio Calculations

Bond	FY25-26		
	Debt Service	Budgeted Revenues	Debt Ratio
Governmental Activities (General Fund)			
2019 General Obligation Refinancing Bond	\$103,071		
Total	\$103,071	\$9,012,611	1%
Business-Type Activities (Water/Wastewater)			
2018 Combination Tax & Revenue Bond	\$455,500		
2019 General Obligation Refinancing Bond	\$96,254		
Total	\$551,754	\$7,578,000	7%

Another factor when considering adding debt is the impact on the city bond rating. The city's rating as of 2018 was AA+ [S&P Global rating is AA+](#)

Capital Planning Cycle

The Capital Planning Cycle is held in coordination with the Annual Budget Cycle and is typically revised after presentation of the annual comprehensive financial statements. In anticipation of the annual budget cycle, the Mayor, City Council, and Staff will make the necessary updates to the CIP.

Summary

The Capital Improvement Plan serves as a strategic planning and decision-making tool that provides City of Parker governing body and leadership staff with a comprehensive six-year view

of the city's capital infrastructure needs. As a living document, the CIP is updated annually to reflect changing priorities, completed projects, and emerging requirements across facilities, streets, drainage, water and wastewater systems, and major equipment.

Recent accomplishments demonstrate the plan's effectiveness in guiding capital investments. The city has successfully completed its portion of the Dillehay/FM2551 roadway project in partnership with TxDOT and Collin County, connected the Central Pump Station to NTMWD Delivery Point #2, and finalized the Water Impact Fee Study. Currently, major reconstruction projects on both North and South Dublin Road are underway, including coordinated waterline replacements and road surface improvements.

Looking forward, the plan identifies critical needs, including the Lewis Lane reconstruction project in coordination with the City of Lucas, the proposed Water Department Building at the Dillehay Pump Station site, and a secondary elevated water tower at Chaparral Road to support future growth. Additionally, long-standing facility needs for Police and Administrative operations remain under review.

The CIP enables the city to strategically evaluate project priorities, explore financing alternatives, coordinate interrelated infrastructure improvements, and assess the fiscal impact of capital decisions against available resources, year over year. By facilitating proactive planning rather than reactive spending, this plan helps the City of Parker make informed choices that balance community needs with long-term financial sustainability.

Appendix A

Capital Assets per the Audited Financial Statements as of September 30, 2025.

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	2,740,006	-	-	2,740,006
Vehicles and equipment	3,915,984	334,674	-	4,250,658
Infrastructure	57,239,383	54,121	-	57,293,504
Right-to-use leased assets	351,823	-	(54,499)	297,324
Total capital assets, being depreciated/amortized	64,459,563	388,795	(54,499)	64,793,859
Less accumulated depreciation/amortization:				
Land improvements	(135,128)	(10,618)	-	(145,746)
Buildings and improvements	(1,159,456)	(64,275)	-	(1,223,731)
Vehicles and equipment	(3,375,760)	(230,291)	-	(3,606,051)
Infrastructure	(28,961,217)	(2,198,564)	-	(31,159,781)
Right-to-use leased assets	(60,351)	(89,984)	54,499	(95,836)
Total accumulated depreciation/amortization	(33,691,912)	(2,593,732)	54,499	(36,231,145)
Net capital assets being depreciated/amortized	30,767,651	(2,204,937)	-	28,562,714
Governmental Capital Assets	\$ 31,688,311	\$ (2,204,937)	\$ -	\$ 29,483,374

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	6,393,687	2,423,901	(6,203,337)	2,614,251
Total capital assets not being depreciated	6,717,353	2,423,901	(6,203,337)	2,937,917
Capital assets, being depreciated:				
Water and sewer system	27,559,086	261,658	6,203,337	34,024,081
Vehicles and equipment	162,131	-	-	162,131
Total capital assets being depreciated	27,721,217	261,658	6,203,337	34,186,212
Less accumulated depreciation				
Water and sewer system	(8,200,968)	(733,744)	-	(8,934,712)
Vehicles and equipment	(159,396)	(1,367)	-	(160,763)
Total accumulated depreciation	(8,360,364)	(735,111)	-	(9,095,475)
Net capital assets being depreciated	19,360,853	(473,453)	6,203,337	25,090,737
Total Capital Assets	\$ 26,078,206	\$ 1,950,448	\$ -	\$ 28,028,654

Revision History

Revision 1.0	Initial Release, Adopted 4/23/2024
Revision 2.0	Adopted _____



Council Agenda Item

Budget Account Code: Not applicable	Meeting Date: See above.
Budgeted Amount: Not applicable	Department/ Requestor: Council
Fund Balance-before expenditure: Not applicable	Prepared by: ACA/CS Scott Hull for City Administrator Manton
Estimated Cost: Not applicable	Date Prepared: January 12, 2026
Exhibits:	<ol style="list-style-type: none"> <u>Resolution 2026-822 Approving MOU</u> <u>MOU Regarding Lewis Lane and West Lucas Road</u>

AGENDA SUBJECT

A resolution authorizing a Memorandum of Understanding with the City of Lucas to provide for the disannexation, annexation, and maintenance of portions of Lewis Lane and Lucas Road.

SUMMARY

The City of Parker and the City of Lucas have been in the midst of earnest negotiations to resolve longstanding disputes that prevented a much needed overhaul of Lewis Lane.

Both Lewis Lane and West Lucas Road are fraught with several ambiguous and inconsistent jurisdictional divisions that have made a straightforward solution challenging, to say the least.

This simplified MOU streamlines jurisdictional boundaries by providing consistent authority for each of the respective roadways and charts a clear path for both entities to tackle major infrastructure improvement projects that are currently on standby while these issues have been left unresolved.

POSSIBLE ACTION

Approve, conditionally approve, reject, or direct staff to take additional action.

Inter – Office Use			
Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Hull</i>	Date:	01/12/2026
City Attorney:	<i>Catherine Clifton</i>	Date:	01/15/2026 via Municode
City Administrator:	<i>Kent Manton</i>	Date:	01/15/2026 via Municode

RESOLUTION NO. 2026-882

(MOU with City of Lucas for Lewis Lane and Lucas Road)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF LUCAS; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the portions of Lewis Lane are located in the City of Parker, portions are in the City of Lucas, and portions have not been annexed; and

WHEREAS, the City of Parker desires to have Lewis Lane wholly within the City of Parker in order to maintain the road; and

WHEREAS, the City of Lucas desires to have West Lucas Road be wholly in the City of Lucas in order to maintain and expand the road; and

WHEREAS, the City of Parker and the City of Lucas desire to coordinate disannexation and annexation of certain parcels in order to accomplish uniform maintenance and enforcement on Lewis Lane and Lucas Road; and

WHEREAS, the City Council of the City of Parker, Texas finds that the Memorandum of Understanding attached hereto as “Exhibit A” is in the best interests of the residents of the City of Parker.

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

SECTION 1. The findings and recitations contained in the preamble of this resolution are incorporated herein by reference as true and as if fully set forth in the body of this resolution.

SECTION 2. The City Council hereby authorizes the Mayor, or designee, to sign a Memorandum of Understanding with the City of Lucas as attached hereto.

SECTION 3. All provisions of the resolutions of the City of Parker, Texas, in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 4. Should any word, sentence, paragraph, subdivision, clause, phrase, or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

RESOLUTION No. 2026-882
(MOU with Lucas for Lewis Lane)

SECTION 5. This Resolution shall become effective immediately from and after its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Parker, Texas, on this the 20th day of January, 2026.

CITY OF PARKER:

Lee Pettle, Mayor

ATTEST:

Patti Scott Hull, City Secretary

APPROVED AS TO LEGAL FORM:

Catherine Clifton, City Attorney

EXHIBIT "A"

Proposed

STATE OF TEXAS §
§ MEMORANDUM OF UNDERSTANDING
COUNTY OF COLLIN §

This Memorandum of Understanding (“MOU”) is made by and between the City of Lucas, Texas, (“Lucas”) a Texas home rule city, and the City of Parker, Texas, (“Parker”) a Texas Type A General Law city, collectively referred to herein as “the Parties,” acting by and through their authorized representatives.

RECITALS

WHEREAS, Lucas and Parker share a common boundary by virtue of annexations along portions of West Lucas Road and Lewis Lane, collectively referred to herein as “the Roads”; and

WHEREAS, the annexations by the Parties have created a patchwork of maintenance responsibilities for the Roads making maintenance of the Roads more difficult and expensive; and

WHEREAS, in order to efficiently maintain the Roads it would be in the best interest of the citizens of Lucas and Parker for the Parties to have those portions of the Roads exclusively within each Parties jurisdictional limits; and

WHEREAS, the Parties have determined that the most effective way to accomplish exclusive responsibility for maintenance of the Roads is by each Party disannexing certain portions of the road and the other Party then annexing those disannexed portions; and

WHEREAS, the Texas Local Government Code chapter 43 allows cities to disannex and annex roadways under certain conditions which would be met by this MOU

WHEREAS, the Parties desire to enter into this MOU to set forth the Parties agreement on this matter.

NOW THEREFORE, the Parties hereto agree as follows:

ARTICLE I
LEWIS LANE

Lucas shall disannex any and all portions of Lewis Lane and its contiguous right-of-way currently in the City of Lucas territorial limits. Synchronously, Parker shall annex the portions of Lewis Lane and its contiguous right-of-way disannexed by Lucas.

Upon Parker's annexation of the portions of Lewis Lane disannexed by Lucas, Parker will be responsible for the maintenance of the entirety of Lewis Lane.

It is specifically understood that it is not the intent of the Parties through disannexation and annexation that Collin County becomes responsible for the maintenance of any portion of Lewis Lane.

In the event that Lucas annexes any portion of Lewis Lane or contiguous right of way thereof pursuant to development agreement or provision of law, Lucas will notify Parker of same and disannex such property. Parker will annex the disannexed property.

ARTICLE II WEST LUCAS ROAD

Parker shall disannex any and all portions of West Lucas Road and its contiguous right-of-way currently in the City of Parker territorial limits. Synchronously, Lucas shall annex the portions of West Lucas Road and its contiguous right-of-way disannexed by Parker.

Upon Lucas's annexation of the portions of West Lucas Road disannexed by Parker, Lucas will be responsible for the maintenance of the entirety of West Lucas Road where it serves as the boundary line between the Parties.

It is specifically understood that it is not the intent of the Parties through disannexation and annexation that any preexisting agreements between Collin County and Lucas be affected or that Lucas's responsibilities under such agreements for the maintenance of West Lucas Road be changed.

In the event that Parker annexes any portion of West Lucas Road or contiguous right of way thereof pursuant to development agreement or provision of law, Parker will notify Lucas of same and disannex such property. Lucas will annex the disannexed property.

ARTICLE III MATTERS RELATED TO FUTURE DEVELOPMENT OF THE PARTIES ALONG THE ROADS

- A. Drainage. The Parties shall have the right to conduct a review of all future plans by the other Party that may affect drainage. Specifically, the Parties agree to submit to each other for review and comment any zoning requests, preliminary plat applications, final plat applications, planned developments, developer agreements, or any engineering plans, schematics, drawings, or other documents at the thirty percent (30%) completion phase, sixty percent (60%) completion phase and ninety percent (90%) completion phase on any property adjacent to Roads. Engineering plans for subdivision by developer will be submitted for review simultaneously to both cities.

Either Party may object to the plans of the other Party. If the Parties cannot resolve the dispute informally, the objecting Party must provide written objections based on technical standards supported by an engineering analysis within 30 days of receipt of the plans. The other Party must, within 15 days, respond in writing and either revise the plans or explain why revision is not warranted.

- B. Connectivity. Neither Party will refuse curb cuts or other connectivity measures to the Roads provided such connections are consistent with TxDOT standards. The Parties shall require any developer connection to the Roads to complete any and all repairs necessitated by the developer's connection or construction.

ARTICLE IV MISCELLANEOUS

- A. Modification. This Agreement may be revised or modified only by mutual agreement and written amendment signed by both Parties.
- B. Assignment. Neither Party hereto may assign this Agreement without the prior written approval of the non-assigning party. Any Assignment attempted without such prior consent shall be null and void. Such consent shall not relieve the assignor of liability in the event of default by its assignee.
- C. Liability. Each Party agrees that its employees, agents, representatives, officers, directors, and volunteers are not employees, agents, representative or volunteers of the other Party, and further assumes full and exclusive responsibility and liability for the negligent acts and omissions or other tortious conduct in the course of performance of this Agreement by its employees, agents, representatives, officers, directors, and volunteers. Nothing in this paragraph shall be construed to create or grant any rights, contractual or otherwise, in or to any third persons or entities.
- D. Sovereign Immunity. This Agreement is expressly made subject to the Parties' sovereign immunity, Title 5 of the Texas Civil Practices and Remedies Code and all applicable state and federal law. The Parties expressly agree that no provision of this Agreement is in any way intended to constitute a waiver of any immunities from suit or from liability that either Party has by operation of law. Nothing in this Agreement is intended to benefit any third-party beneficiary.
- E. Force Majeure. Neither Party hereto shall be held responsible for any loss or damage or for any delays or failure to perform due to causes beyond its reasonable control including acts of God, strikes, epidemics, war, riots, flood, fire, sabotage, or any other circumstances of like character. Either Party shall make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under this Agreement.

- F. Termination. This Agreement may be terminated by mutual written consent of the Parties.
- G. Governing Laws and Jurisdiction. This Agreement shall be governed by and construed pursuant to the laws of the State of Texas. In the event that a dispute arises in relation to this Agreement, all Parties, agree to submit to the jurisdiction in courts of Collin County, Texas.
- H. Signatory Warranty. The person or persons signing and executing this Agreement on behalf of the Parties, or representing themselves as signing and executing this Agreement on behalf of the Parties, do hereby warrant and guarantee that he, she or they have been duly authorized by the Parties to execute this Agreement on behalf of the Parties and to validly and legally bind the Parties to all terms, conditions and provisions herein set forth.
- I. Counterparts. This MOU may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties hereto.
- J. Contra Proferentem. The doctrine of contra proferentem shall not apply to this Agreement. If an ambiguity exists in this Agreement, the Agreement shall not be construed against the Party who drafted the Agreement, and such Party shall not be responsible for the language used.

CITY OF LUCAS

CITY OF PARKER

By: _____
John Whitsell, City Manager

By: _____
Lee Pettie, Mayor

Date: _____

Date: _____



Council Agenda Item

Budget Account Code: Not applicable	Meeting Date: See above.
Budgeted Amount: Not applicable	Department/ Requestor: Council
Fund Balance-before expenditure: Not applicable	Prepared by: ACA/CS Scott Hull for City Attorney Clifton / City Administrator Manton
Estimated Cost: Not applicable	Date Prepared: January 14, 2026
Exhibits:	<ol style="list-style-type: none"> 2026 0108 Proposed P&Z Minutes Any additional Exhibit(s) go here.

AGENDA SUBJECT

RECEIVE INFORMATION, DISCUSS, CONSIDER, AND/OR TAKE ANY APPROPRIATE ACTION RELATED TO COMMERCIAL ZONING ORDINANCE(S), INCLUDING REFERRAL TO THE PLANNING AND ZONING COMMISSION FOR REVIEW AND RECOMMENDATIONS FOR UPDATE/REVISION.

SUMMARY

City Council to discuss recent recommendations made by the Planning and Zoning Commission relating to Commercial Zoning Ordinances. These recommendations can be found in the attached meeting minutes from the 1/8/2026 Planning and Zoning Commission meeting.

POSSIBLE ACTION

Council may refer to a committee or commission for further action or direct staff to take action.

Inter – Office Use

Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Hull</i>	Date:	01/14/2026
City Attorney:	<i>Catherine Clifton</i>	Date:	01/16/2026 via Municode
City Administrator:	<i>Kent Manton</i>	Date:	01/15/2026 via Municode

MINUTES PLANNING AND ZONING COMMISSION MEETING

January 8, 2026

CALL TO ORDER – Roll Call and Determination of a Quorum

The Planning & Zoning Commission met on the above date. Chair Wright called to order at 3:01PM and recognized City Attorney Catherine Clifton to conduct a workshop on P&Z procedures. Chair Wright adjourned the workshop at 3:22PM.

Chair Wright called the meeting to order at 4:00 PM.

Commissioners Present:				
X	Chair Russell Wright			Alternate Susan Medrano
	Vice Chair Joe Lozano			Alternate Jasmat Sutaria
X	Commissioner & Secretary Wei Wei Jeang		X	Alternate Rajiv Gaind
X	Commissioner Lucy Estabrook			
X	Commissioner Lynnette Ammar			
Staff/Others Present:				
X	Kent Manton, City Administrator		X	Justin Miller, Fire Chief
X	Gary Machado, Public Works Dir.		X	Liliana Jimenez, Public Works Admin.
X	Patti Scott Hull, City Secretary		X	Catherine Clifton, City Attorney

APPOINTMENT OF ALTERNATE(S)

NA

PLEDGE OF ALLEGIANCE

The pledges were recited.

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

Mr. Marcos Arias (3605 Hogge Drive) spoke on changing zoning laws for commercial use in Parker.

INDIVIDUAL CONSIDERATION ITEMS

1. CONSIDERATION AND/OR ANY APPROPRIATE ACTION REGARDING APPROVAL OF THE AMENDED MEETING MINUTES FOR SEPTEMBER 4, 2025.

MOTION: Commissioner Jeang moved to approve the minutes. Commissioner Ammar seconded the motion. The motion carried 4-0 [Wright, Jeang, Estabrook, Ammar].

2. CONSIDERATION AND/OR ANY APPROPRIATE ACTION REGARDING APPROVAL OF THE MEETING MINUTES FOR NOVEMBER 13, 2025.

Commissioner Ammar noted that the name of the road referenced in Item 3 of the November 13 Minutes should be Lewis Road and that Item 4 should mention that the Commissioners consulted the City Attorney.

MOTION: Commissioner Ammar moved to approve the minutes on condition that the Minutes be amended to correct the road name and add the use of an Executive Session. Commissioner Estabrook seconded the motion. The motion carried 4-0 [Wright, Jeang, Estabrook, Ammar].

3. CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON THE ESTATES AT SOUTHFORK RANCH PRELIMINARY PLAT.

Dir. Machado indicated that Item 1 in the Birkhoff Engineer Letter dated January 6, 2026 has been completed, however Items 2 and 3 are not complete but in progress. The Developer indicated that they are working diligently on the remaining items. Mr. Brad Levy (6003 Gregory Ln.) raised concerns about the storm drainage easement that will be on his property as he has not seen the design plan and is concerned that it will not be adequate to handle the amount of storm runoff. Mr. Birkhoff indicated that the engineering plan for the storm drainage easement is in place but the Developer and Mr. Levy have not yet had the chance to meet for a detailed discussion about the plan. Mr. Jose Victor Muller (6100 Gregory Ln.) also voiced his concerns about the size of the drainage pipe. The Developer's engineer, Mr. Matt Clark of Barraza Consulting Group, indicated that they had performed hydrology studies and modeling, and the design of the storm drainage is sized to handle the storm water runoff. Mr. Marcos Arias (3605 Hogge Drive) suggested someone should harvest the storm runoff and use it for a productive purpose. The Commissioners were assured that Item 3 in the Engineer Letter, "off-site storm drainage filed for record," cannot be completed absent the property owner's agreement. Further, they were assured by the Developer and Mr. Levy that they will meet to review and discuss the plans. Therefore, the Commissioners were assured that they can recommend approval of the Preliminary Plat with the condition that all Items listed in the Birkhoff Engineering Letter be completed.

MOTION: Commissioner Jeang moved to recommend to the City Council approval of the Preliminary Plat with the condition that items 2 and 3 stated in the Birkhoff Engineering Letter be completed. Commissioner Ammar seconded the motion. The motion carried 4-0 [Wright, Jeang, Estabrook, Ammar].

4. DISCUSS AND CONSIDER CITY COUNCIL'S REFERRAL OF THE SPECIAL ACTIVITIES DISTRICT ORDINANCE TO THE PLANNING AND ZONING (P&Z) COMMISSION FOR REVIEW AND RECOMMENDATIONS FOR UPDATE/REVISION.

1[2025 0401 CC Review Referral,2025 0724 P&Z 1st Review, 2025 0807 P&Z 2nd Review, 2025 0904 P&Z 3rd Review, and 2025 0925 P&Z 4th Review]

Regarding Southfork Ranch's reduced acreage causing it to be non-conforming with the Special Activities District (SAD) ordinance, previously the Commissioners explored the Special Use Permit process to approve/disapprove exceptions to the zoning laws rather than amending the SAD ordinance. A discussion led by Dir. Machado indicated that the Planned Development District (PDD) process is a better way to handle special situations that do not fit within the current zoning framework rather than trying to predict what special activities should be allowed. The PDD process allows neighboring property owners to participate in the discussion. The intent is to allow a phase-out of the SAD ordinance.

MOTION: Commissioner Ammar made the motion to recommend to the City Council begin the process of discussions with Southfork Ranch regarding the PDD process so that it is in compliance. Commissioner Estabrook seconded the motion. The motion carried 4-0 [Wright, Jeang, Estabrook, Ammar].

5. DISCUSS AND CONSIDER CITY COUNCIL'S REFERRAL OF CHAPTER 153 REGARDING SIGNS TO THE PLANNING AND ZONING COMMISSION FOR REVIEW AND RECOMMENDATION. [2025 0401 CC Review Referral, 2025 0724 P&Z 1st Review, 2025 0807 P&Z 2nd Review, 2025 0904 P&Z 3rd Review, and 2025 0925 P&Z 4th Review]
Planning and Zoning Commissioners requested an Executive Session to discuss.
Executive Session - Pursuant to the provisions of Chapter 551, Texas Government Code, Vernon's Texas Codes Annotated the Planning and Commission may hold a closed meeting.
Planning and Zoning Chair Wright recessed the regular meeting to Executive Session at 4:53 p.m.
Reconvene Regular Meeting.
Planning and Zoning Chair Wright reconvened the meeting at 5:07 p.m.
Any appropriate deliberation and/or action on any of the Executive Session subjects listed above. The Commissioners discussed limitations on the number and size of signs. The Commissioners also discussed whether the ordinance should be amended regarding electronic signage or should it be handled via the ordinance variance process.
MOTION 1: Commissioner Estabrook made the motion to recommend to the City Council to limit four signs per issue/candidate with maximum of total signage square footage of 16 sq.ft at the polling place. Commissioner Jeang seconded the motion. The motion carried 3-1 [Wright, Jeang, Estabrook].
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6. DISCUSS AND CONSIDER CITY COUNCIL'S REFERRAL OF ORDINANCE NO. 201, RELATING TO FIREWORKS AND THE PREVENTION OF FIRES, TO THE PLANNING AND ZONING COMMISSION FOR REVIEW AND RECOMMENDATION. [2025 0617 CC Review Referral]

Chief Miller led a discussion on the City's current laws regarding fireworks. As currently stated, possession of fireworks within the city limit is illegal. However, there is a lack of a manpower and resources to confiscate and safekeep fireworks. There are also some

inconsistencies in the ordinances concerning burning and fire pits. Chief Miller recommends that the ordinance be rewritten to address these issues.

MOTION: Commissioner Jeang made the motion to recommend to the City Council to allow the City Attorney to rewrite the City's fireworks and fire burning (fire pit) ordinances. Commissioner Ammar seconded the motion. The motion carried 4-0 [Wright, Jeang, Estabrook, Ammar].

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Mr. Manton indicated that the City Council would like the Commission to consider the introduction of zoning laws for commercial/retail use within the City. The Commissioners thought that the Planned Development District (PDD) process is a better way to handle future requests for commercial/retail land use that do not fit within the current zoning framework instead of trying to forecast what types of commercial/retail uses will be at issue and write laws around them. The PDD process allows neighboring property owners to participate in the discussion.

MOTION: Commissioner Jeang made the motion to recommend to the City Council to use the PDD process for future commercial/retail land use requests. Commissioner Estabrook seconded the motion. The motion carried 4-0 [Wright, Jeang, Estabrook, Ammar].

8. DISCUSS AND CONSIDER THE APPOINTMENT OF A PLANNING AND ZONING COMMISSION LIAISON.

Mr. Manton indicated that there is a desire to strengthen communications between the City Council and the Commission, and the role of a Commission Liaison would be to attend Council meetings and be informed of issues before the City Council. Chair Wright indicated that as the Commission meets less frequently than the Council, perhaps the Council should have a liaison that attends the Commission meetings. Ms. Hull indicated that one way to improve the communication between the two bodies is to make the meeting minutes more easily available to the other by distributing them to the members. Chair Wright also indicated that he will make a more earnest effort to have regular meetings with Mr. Manton and Dir. Machado. The Commission recommends that the City Council appoint a liaison to attend P&Z meetings.

Chair Wright adjourned the meeting at 6:00 PM.

Minutes Approved on _____ day of _____, 2025.

Chair Russell Wright

Attest and Prepared by:

Commissioner & Secretary Wei Wei Jeang

Proposed



Council Agenda Item

Budget Account Code: Not applicable	Meeting Date: See above.
Budgeted Amount: Not applicable	Department/ Requestor: Council
Fund Balance-before expenditure: Not applicable	Prepared by: ACA/CS Scott Hull for City Attorney Clifton / City Administrator Manton
Estimated Cost: Not applicable	Date Prepared: January 14, 2026
Exhibits:	1. 2026 0108 Proposed P&Z Minutes

AGENDA SUBJECT

RECEIVE INFORMATION, DISCUSS, CONSIDER, AND/OR TAKE ANY APPROPRIATE ACTION RELATED TO THE SIGN ORDINANCE, INCLUDING REFERRAL TO THE PLANNING AND ZONING COMMISSION FOR REVIEW AND RECOMMENDATIONS FOR UPDATE/REVISION.

SUMMARY

City Council to discuss recent recommendations made by the Planning and Zoning Commission relating to Signage Ordinances. These recommendations can be found in the attached meeting minutes of the 1/8/2026 Planning and Zoning Commission meeting.

POSSIBLE ACTION

Council may refer to a committee or commission for further action or direct staff to take action

Inter – Office Use

Approved by:	Enter Text Here		
Department Head/ Requestor:	<i>Patti Scott Hull</i>	Date:	01/14/2026
City Attorney:	<i>Catherine Clifton</i>	Date:	01/16/2026 via Municode
City Administrator:	<i>Kent Manton</i>	Date:	01/16/2026 via Municode

MINUTES PLANNING AND ZONING COMMISSION MEETING

January 8, 2026

CALL TO ORDER – Roll Call and Determination of a Quorum

The Planning & Zoning Commission met on the above date. Chair Wright called to order at 3:01PM and recognized City Attorney Catherine Clifton to conduct a workshop on P&Z procedures. Chair Wright adjourned the workshop at 3:22PM.

Chair Wright called the meeting to order at 4:00 PM.

Commissioners Present:				
X	Chair Russell Wright			Alternate Susan Medrano
	Vice Chair Joe Lozano			Alternate Jasmat Sutaria
X	Commissioner & Secretary Wei Wei Jeang		X	Alternate Rajiv Gaind
X	Commissioner Lucy Estabrook			
X	Commissioner Lynnette Ammar			
Staff/Others Present:				
X	Kent Manton, City Administrator		X	Justin Miller, Fire Chief
X	Gary Machado, Public Works Dir.		X	Liliana Jimenez, Public Works Admin.
X	Patti Scott Hull, City Secretary		X	Catherine Clifton, City Attorney

APPOINTMENT OF ALTERNATE(S)

NA

PLEDGE OF ALLEGIANCE

The pledges were recited.

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

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Minutes Approved on _____ day of _____, 2025.

Chair Russell Wright

Attest and Prepared by:

Commissioner & Secretary Wei Wei Jeang

Proposed

ORDINANCE 894
(Noise Ordinance)

AN ORDINANCE OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, AMENDING TITLE XIII OF THE PARKER CITY CODE BY ADDING CHAPTER 131, NOISE OFFENSES; AMENDING TITLE IX, CHAPTER 94 OF THE PARKER CITY CODE; PROVIDING FOR PENALTY CLAUSE; PROVIDING FOR REPEALING AND SEVERABILITY; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Parker is a type A municipality organized under the Constitution and laws of the State of Texas; and

WHEREAS, the City Council of the City of Parker, Collin County, Texas, (“City Council”) has the authority under Texas Local Government Code Chapter 217 to define and prohibit any nuisance within the limits of the municipality; and

WHEREAS, the City Council has determined that it is in the best interest of the residents and visitors to the city to adopt regulations pertaining to noise.

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

SECTION 1. The recitals of this ordinance are hereby found to be true and correct and are incorporated into the body of this ordinance as if set forth fully herein.

SECTION 2. After deliberation, the City Council has concluded that the adoption of this Ordinance is in the best interests of the City, and of the public health, safety, and welfare of its citizens.

SECTION 3. The City of Parker, Texas Code of Ordinances is hereby amended to add Section 131, Noise Offenses, to Title XIII, General Offenses, as more fully set forth below:

New text is indicated by redline/underline and text being deleted is struck out:

TITLE XIII: General Offenses

Chapter 131: Noise Offenses

Section 131.01 Declaration of Ordinance.

- (a) It is hereby declared to be the policy of the City to minimize the exposure to citizens to the

physiological and psychological harm of excessive noise and to protect, promote, and preserve the public health, comfort, convenience, safety, and welfare. It is the express intent of the City Council to control the level of noise in a manner which protects the sleep and repose of citizens; promotes the use, value, and enjoyment of property; and preserves the quality of the environment.

Section 131.02 Definitions and standards.

- (a) All technical terminology used in this article, but not defined in this Ordinance, shall be interpreted in conformance with applicable standards prescribed by the American National Standards Institute or its successor publications or bodies.
- (b) The following definitions shall apply in the interpretation and enforcement of this Ordinance:

A-weighted sound pressure level: The sound pressure level in decibels as measured on a sound level meter using the A-weighting network. The level so read shall be designated dB(A) or dBA.

Authorized emergency vehicle: Fire and Police Department vehicles, public and private ambulances for which permits have been issued by the state board of health, emergency vehicles of municipal departments or public service corporations as are designated or authorized by the governing body of an incorporated City.

Background Sound Level: The sound level of the all-encompassing sound associated with a given environment, being usually a composite of sounds from many sources.

Commercial: shall mean any premises where offices, clinics, kennels, shopping and service establishments or similar retail establishments exist and where the use of less than twenty-five percent of the gross floor area meets the definition of residential premises.

Construction: shall mean any site preparation, assembly, erection, substantial repair, alteration, or similar action.

Daytime Hours: between the hours of 7am to 10pm. Sunday through Thursday and 7 a.m. to 11 p.m. on Friday and Saturday.

Decibel: Logarithmic unit of measure used in describing the amplitude of sound, denoted as dBA.

Device: Any mechanism which is intended to produce, or which actually produces, noise when operated or handled.

Director: Shall mean the manager of the departments or divisions designated by the City Administrator to enforce and administer this Ordinance.

Emergency work: Work made necessary to restore property to a safe condition following a public calamity, work to restore public utilities, or work required to protect persons or property from an imminent danger.

Motor Vehicle: Any vehicle propelled by mechanical power, such as, but not limited to, any passenger car, truck, truck-trailer, semitrailer, camper, motorcycle, minibike, go-cart, dune buggy, or racing vehicle.

Muffler: Any apparatus consisting of baffles, chambers, or acoustical absorbing material whose primary purpose is to transmit liquids or gases while causing a significant reduction in sound emission.

Non-daytime Hours: between the hours of 10 p.m. to 7 a.m. Sunday through Thursday and 11

p.m. to 7 a.m. Friday and Saturday.

Person: Any individual, firm, association, partnership, corporation or any other entity, public or private.

Property boundary: An imaginary line at the ground surface and its vertical extension which separates the real property owned or occupied by one person from that owned or occupied by another person.

Public and private projects: Any activity other than the construction or alteration of a single-family dwelling that requires a building permit from the Building Inspection Department.

Public right-of-way: Any street, avenue, boulevard, highway, alley, or similar place, which is owned or controlled by a public governmental entity.

Public service work: Work conducted by a governmental entity in the interest of the community.

Sound: shall mean an oscillation in pressure, stress, particle displacement and particle velocity which induce auditory sensation.

Section 131.03 Method of noise measurement.

- (a) Sound level meter. Whenever portions of this article prohibit sound levels over a certain decibel limit, measurement of said sound levels shall be made with standardized sound meters, using the A-weighting network meeting the standards prescribed by the American National Standards Institute. The instruments shall be maintained in calibration and good working order. Calibration corrections shall be in accordance with manufacturer's recommendations. Measurements recorded shall be taken so as to provide a proper representation of the noise being measured. The microphone shall be positioned so as not to create any unnatural enhancement or diminution of the measured noise. Windscreens shall be used whenever appropriate.
- (b) Background sound level measurement. When the sound under investigation can be discontinued, the background sound shall be measured at the same location where the total sound was measured. When the sound under investigation cannot be reasonably discontinued, the background sound may be measured at an alternative location. The alternative location should be as close as feasible to the location of the total sound measurement, but so located that the source under investigation has no effect on the background sound level measurement. The size and distribution of buildings in the vicinity, the local topography, and the traffic at the alternate location should be reasonably similar to the conditions at the location of the total sound level measure.

Section 131.04 Presumptions

- (a) The following acts are presumed to be Noise Nuisances when such acts are done or accomplished or carried on in such a manner, or with such volume, intensity, or with continued duration, so as to unreasonably: annoy, distress, or disturb the quiet, comfort, or repose of any reasonable person with ordinary sensibilities within any distance specified in this Section 131.04 and/or Section 131.05; endanger or injure the safety or health of humans; interfere with the physical well-being of humans; or endanger or injure personal or real property:
 - (1) Animals: Owning, keeping, possessing, or harboring any domestic animal or animals (including fowl) which, by continued or frequent noisemaking, unreasonably disturb

or interfere with the use, comfort, and repose of neighboring persons.

- (2) Motor Vehicle exhaust system: Discharging, or permitting to be discharged, into the open air, the exhaust of a Motor Vehicle except through a muffler, or similar device, which will effectively and efficiently prevent loud and unreasonable noises.
- (3) Motor Vehicle signal device: The continued or frequent sounding of any horn or other signal device on any Motor Vehicle, except as a danger or warning signal.
- (4) Radios, musical instruments, and similar devices: The playing or permitting or causing the playing of any radio, television, phonograph, stereo system, drum, musical instrument, sound amplifier or similar device, whether stationary or located within a Motor Vehicle, which produces, reproduces, or amplifies sound in a manner that unreasonably disturbs or interferes with the peace, comfort, and repose of persons on bounding property, in any dwelling or other type of residence separate from the location of the source of the sound, or, if within a Motor Vehicle, beyond thirty (30) feet of the Motor Vehicle which is the source of the sound.

(b) The following acts are presumed to be Noise Nuisances when such acts are performed, accomplished, carried out at a time outside of Daytime Hours.

- (1) Building construction: The erection, including excavation, demolition, alteration, or repair, of any building, structure, or appurtenance thereto within any residential district or within 500 feet of any residential structure, except in the case of urgent necessity in the interest of public safety, or otherwise approved by the building official. This restriction shall also apply to the clearing of land prior to future development.
- (2) Street construction: The erection, including excavation, demolition, alteration, or repair, of any street, alley, or appurtenance thereto within any residential district or within 500 feet of any residential structure, except in the case of urgent necessity in the interest of public safety, for which approval shall be obtained from the Director.
- (3) Refuse Compacting Vehicles: Operating or permitting to be operated any refuse compacting, processing, or collection vehicle within any residential district or within 500 feet of any residential structure.
- (4) Loading and unloading operations: The generation of noise from the loading or unloading of trucks or similar large type vehicles (one ton and over); including the opening, closing, or other handling of boxes, crates, containers, building material, or similar operations connected with loading or unloading of such vehicles within any residential district or within 500 feet of any residential structure, except in the case of urgent necessity in the interest of public safety, for which approval shall be obtained from the Director.
- (5) Truck idling: The operation of any engine of any standing motor vehicle with a weight in excess of ten thousand (10,000) pounds manufacturer's Gross Vehicle Weight (GVW) within any residential district or within 500 feet of any residential structure.
- (6) Vehicle repairs or testing: The repairing, rebuilding, modifying, or testing of any

Motor Vehicle (including off-road vehicles) or watercraft in such a manner as to cause a Noise Nuisance within any residential district or within 500 feet of any residential structure.

131.05 Offenses.

- (a) Prohibited Noise: A person commits an offense by causing or allowing a Noise Nuisance as defined in 131.04 in violation of this ordinance, unless otherwise provided, if the person makes, causes to be made, or allows any noise:
- (1) That causes injury, discomfort or distresses, or disturbs the quiet, comfort, or repose of any reasonable person with ordinary sensibilities located at least thirty (30) feet away from the property line of the property emitting the noise; or
 - (2) Is plainly audible by any peace officer or other enforcement agent located at least thirty (30) feet away from the property line of the property emitting the noise; or
 - (3) Which exceeds the maximum permissible sound levels identified in the *Maximum Permissible Sound Levels* section, at the distance identified in that section.

131.06 Exemptions.

- (a) It shall be an affirmative defense to prosecution under this Chapter that the sound forming the basis of the complaint was the result of one of the following:
- (1) The emission of sound for the purpose of alerting persons to an emergency.
 - (2) The sound was produced by an authorized emergency vehicle.
 - (3) The sound was produced by emergency work necessary to restore public utilities, or to restore property to a safe condition, or to protect persons or property from imminent danger following fire, accident, or natural disaster.
 - (4) The sound generated by spectators and participants of any outdoor event, race, festival, or concert that was sponsored, or co-sponsored by the city.
 - (5) The sound generated in the discharge of a fireworks display permitted by the city.
 - (6) The sound generated by any governmental body in the performance of a governmental function.
 - (7) The sound generated by the normal maintenance of property provided the activities take place during Daytime Hours.
 - (8) The sound was produced by the operation of properly maintained residential-type air conditioning, ventilating, heating devices, or pool equipment.
 - (9) The sound was produced by a residential generator used in a testing period during

Daytime Hours or during a power outage and/or an emergency event. Sound produced by generators used in place of a permanent electrical connection is not exempt from the provisions of this ordinance.

131.07 Maximum permissible sound levels.

The following noise standards, unless otherwise specifically indicated, shall apply to all property and when such noise level exceed the designated Decibel Sound Levels during the time specified, such noise level shall be presumed unreasonable:

Noise Standards

<u>Noise Standard</u>	<u>Time of Day</u>	<u>Decibel Levels</u>
<u>Within City Limits</u>	<u>Daytime Hours: 7:00 a.m. to 10:00 p.m. Sunday through Thursday and 7:00 a.m. to 11:00 p.m. Friday and Saturday</u>	<u>75 dB(A)</u>
	<u>Non-Daytime Hours: 10:00 p.m. to 7:00 a.m. Sunday through Thursday and 11:00 p.m. to 7:00 a.m. Friday and Saturday</u>	<u>58 dB(A)</u>

Measurements may be taken at a point on adjacent private property or on an adjacent public right-of-way at least thirty (30) feet away from the property line of the property emitting the noise.

131.08 Penalty for violations.

Any person, firm, or corporation who is found to have violated any provision of this ordinance is guilty of a misdemeanor and, upon conviction, is punishable by a fine not to exceed the sum of Two Thousand and No/100 Dollars (\$2,000.00), for violations of public health, for each offense. Each day that the violation occurs shall be considered a separate offense.

SECTION 4. The City of Parker, Texas Code of Ordinances Chapter 94.04 (K) is hereby amended to read as follows:

TITLE IX. GENERAL REGULATIONS

CHAPTER 94: HEALTH AND SANITATION; NUISANCES

~~(K) The act of allowing or permitting on any premises owned or controlled by such person the emission of music, sound or other noise in a continuous, or for extended periods of time, in such a manner as to disturb persons living in the vicinity of the premises. It shall be presumed to be a violation~~

of this subchapter if the continuous or extended periods of time produce sound or other noise at the property line of such property in excess of:

- (1) ~~Seventy-five decibels, between the hours of 6:00 a.m. to 11:00 p.m.~~
- (2) ~~Sixty-five decibels, between the hours of 11:00 p.m. and midnight.~~
- (3) ~~Fifty-five decibels, between the hours of midnight and 1:00 a.m.~~
- (4) ~~Forty-five decibels, between the hours of 1:00 a.m. and 6:00 a.m.~~

Intentionally omitted.

(L) ~~The act of creating, maintaining, or allowing on premises owned by, or subject to a person's control:~~

—(1) ~~The continuous, or for extended periods of time in such a manner as to disturb persons living in the vicinity of the premises, operation of motors, or the running or driving of motorized units, including, but not limited to, all terrain vehicles of either 3 or 4 wheels, motorcycles, go-carts, golf carts, cars, trucks, or any other form of motorized or self-propelled vehicle. It shall be presumed to be a violation of this subchapter if those continuous or extended periods of operation, either with an individual motorized unit, or in the aggregate with other motorized units at the same time, produce a noise or sound at the property line of the property as follows: 75 decibels between the hours of 6:00 a.m. and 11:00 p.m., or 65 decibels between the hours of 11:00 p.m. and 6:00 a.m.;~~

—(2) ~~The act of operating a motorized unit(s) so as to produce dust, dirt, or other airborne particles, which individually or in the aggregate with other motorized units at the same time substantially interfere with the comfortable enjoyment of adjacent properties;~~

—(3) ~~The act of operating a motorized unit(s) described above, either individually or in the aggregate with other motorized units at the same time, so as to pollute the air at the property line with noxious or offensive odors, gases, smoke, or vapors, or which produce material discomfort and annoyance to those residing in the vicinity, or which injure their health or property; or~~

—(4) ~~Any combination of noise, dust, and pollution emanating from a property as the result of operation of 1 or more motorized units shall also constitute a nuisance if these factors are present on a continuous basis, or for extended periods of time, causing material discomfort and annoyance to those residing in the vicinity, or which injures their health or property.~~

Intentionally omitted.

SECTION 5. The provisions of Chapter 131 and the amendments of Chapter 94 set forth herein shall be published as appropriate in the Parker City Code as soon as practicable.

SECTION 6. All provisions of the ordinances of the City of Parker in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions of the ordinances of the City of Parker not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 7. Should any word, sentence, paragraph, subdivision, clause, phrase, or section

of this ordinance, as amended hereby, be adjudged, or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance, which shall remain in full force and effect.

SECTION 8. This ordinance shall take effect following its passage immediately from and after its the publication requirement of Texas Local Government Code Section 52.011 is satisfied.

INTRODUCED, PASSED, AND APPROVED BY THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, ON THIS THE 3RD DAY OF FEBRUARY, 2026.

CITY OF PARKER, TEXAS:

Lee Pettie, MAYOR

ATTEST:

Patti Scott Grey, City Secretary

APPROVED AS TO LEGAL FORM:

Catherine Clifton, Interim City Attorney

Date andOther Information	Item Description	Contact	Notes	
2026 when traffic warrants Jul-26 in Progress	Southridge gate request Water impact fees Public Works building	Richard Pratt/Gary Machado Machado/Kerkoff Machado	met in 2023 on this and put off this construction completes design approved by Council 7/1/25. Cost estimates to Council	Please check on this.
1/20-/26	Fee Schedule Any plats	Machado/Savage/Clifton Machado		
TBD	Roberts Rules of Order	Pettle	To find and show video on parliamentary proceures and RRO	
TBD	Post Office/Zip Code	Halbert	took over from Lynch	
Nov-25	Board/Commission appointments	Patti Grey	as necessary	
Jan-26	Lucas ILA	Clifton	on going	
5/14/1906	CIP updates	Manton/staff	Include funding sources. Awaiting City Administrator.	
TBD	Resolution on employment required time with city	Clifton		
TBD	Council Procedures	Pettle		
TDB	Agenda procedures	Clifton/Grey/Pettle	law changed on posting	
TBD	Procedures of Presentations	Pettle/Clifton/Grey		
In Progress	Personnel Manual	Clifton	edits in progress. Target date for completion 10-1-25	
TBD	Procedural manual	Pettle/Clifton/Grey/C.A		
Quarterly	Investment Report	Savage		
Quarterly	Departmental Reports	Dept. Heads		
7/26/2026	Comp Plan	Pettle		
TBD	Council Training	Clifton		
TBD	Retreat	Bogdan		
TBD	Trail Plan	Barron	with P and R.	
26-Jan	Park rules revision for waiving etc	Pettle/Clifton		
	Communication within Council re processes	Council		
	Swagit	Barron		
	Rules of Conduct for Council Members	Sharpe		